



WILLIAM E. HENDRICKS

January 29, 2016

Via eFiling Only

Oregon Public Utility Commission
Attn: Filing Center
P.O. Box 1088
Salem, OR 97308-1088
puc.filingcenter@state.or.us

RE: UM 1481

Attached for filing in the above entitled docket please find a Joint Motion to Adopt Stipulation and Explanatory Brief – Phase IIIa.

If you have any questions or concerns regarding this filing, please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read "W. Hendricks", with a stylized flourish at the end.

William E. Hendricks
Senior Corporate Counsel

Attachment

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Hood River, OR 97031
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BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

UM 1481 (Phase III)

In the Matter of
PUBLIC UTILITY COMMISSION OF
OREGON
Staff investigation of the Oregon Universal
Service Fund.

**JOINT MOTION TO ADOPT
STIPULATION AND EXPLANATORY
BRIEF – PHASE IIIa**

MOTION TO ADOPT STIPULATION AND EXPLANATORY BRIEF

1. Pursuant to OAR 860-001-0350(7), Qwest Corporation, d/b/a CenturyLink QC (“CenturyLink QC”) and Frontier Northwest Inc. (“Frontier”) (hereinafter “the Moving Parties”) hereby respectfully move the Commission to adopt the Phase IIIa Stipulation (“Joint Motion”).¹

I. PARTIES

1. The Parties to this stipulation are as follows:

CenturyLink
Frontier

2. The Parties, by signing this Motion, agree that the Commission should approve the stipulation as a full and complete resolution of the issues presented in Phase IIIa of this proceeding (“IIIa Stipulation”). The Moving Parties agree to support the IIIa Stipulation at a hearing, should one be deemed necessary, and recommend that the Commission issue an order adopting the entire IIIa Stipulation without

¹ While the Commission’s Staff and Citizens’ Utility Board of Oregon (“CUB”) are not signatories to the IIIa Stipulation, they have authorized the Moving Parties to state that they do not oppose it.

modifications. If, however, the Commission does not adopt the entirety of this and the stipulation covering the IIIb/IIIc issues, the Moving Parties reserve the right to withdraw from the IIIa Stipulation and ask the ALJ to resume Phase III of this docket.

II. BACKGROUND AND EXPLANATORY BRIEF

3. In support of this Joint Motion, and in accordance with OAR 860-001-0350(7)(a), the Moving Parties include this Explanatory Brief to support the IIIa Stipulation. The Moving Parties are a subset of the parties to the stipulation covering the issues in Phase IIIb/IIIc of this docket. The Moving Parties are therefore filing it separately.

4. On May 2, 2013, the Commission adopted a stipulation among the parties, including Staff in Phase II of this proceeding (“Phase II Stipulation”).² The Commission in the Phase II Order opened Phase III of this docket and directed CenturyLink and Frontier to establish methods for estimating how Oregon universal service funding is used. The Phase II Stipulation and Order required the parties to undertake a review of “accountability” as follows:

Accountability for the non-rural companies. This review will identify a method or methods for accurately estimating how OUSF funding is being directed to operating expenses in claimed high-cost areas.

5. On May 22, 2014, the Parties filed a Stipulation in Phase III. The Phase III Stipulation included a stipulation to address the Phase IIIa issues, which CenturyLink,

² See Order No. 13-162 (Phase II Order).

Frontier, Staff and CUB signed. CenturyLink and Frontier worked very closely with the Staff and CUB to ensure that the stipulation thoroughly addressed the issues in Phase IIIa. Furthermore, the Commission while it rejected the Phase III Stipulation as a whole, supported the terms of that Phase IIIa stipulation, stating that it was “an appropriate step toward greater accountability.”³ The IIIa Stipulation that is the subject of this motion is identical to the one filed on May 22, 2014, and supported by the Commission in Order No. 15-365.

6. The purpose of the reporting that the Parties agree to under this IIIa Stipulation is to modify current reporting of information regarding CenturyLink QC and Frontier Northwest Inc. expenses in areas that are eligible for Oregon Universal Service Fund (OUSF) support. CenturyLink QC and Frontier currently provide their investment activities and expenses by wire center in the areas eligible for support. The Stipulation modifies the reporting of expenses in order to address the accountability concerns raised by the Commission and its Staff.

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³ Order No. 15-365, at p. 7.

III. MOTION

7. The Moving Parties therefore respectfully request that the Commission adopt the attached Phase IIIa Stipulation, in conjunction with the Phase III Stipulation, with no changes.

CENTURYLINK



William E. Hendricks III

Senior Corporate Counsel

FRONTIER

George Thomson
Frontier Communications Corporation

Associate General Counsel

III. MOTION

7. The Moving Parties therefore respectfully request that the Commission adopt the attached Phase IIIa Stipulation, in conjunction with the Phase III Stipulation, with no changes.

CENTURYLINK

William E. Hendricks III

Senior Corporate Counsel

FRONTIER



George Baker Thomsón, Jr.
Frontier Communications Corporation

Associate General Counsel

UM 1481 Phase IIIa Stipulation

1. The Parties to this Stipulation are Qwest Corporation d/b/a CenturyLink QC and Frontier Communications Northwest, Inc..
2. The purpose of the reporting that the Parties agree to under this Stipulation is to modify current reporting of information regarding CenturyLink QC and Frontier Northwest Inc. ("Reporting Parties") expenses in areas that are eligible for Oregon Universal Service Fund (OUSF) support. Both Reporting Parties currently provide their investment activities and expenses by wire center in the areas eligible for support. The Stipulation modifies the reporting of expenses.
3. **Reporting.** The reporting under this Stipulation for the Reporting Parties will be as depicted in the attached Oregon Universal Service Fund Accountability Report. The report data will be retained for a period of three years and it will be made available for Staff to audit upon request.
4. **Filing.** The Parties agree that the Reporting Parties and Staff, at the time any of the report data is submitted to the Commission, may submit to the Commission an explanation regarding which set of data from the report reflect the appropriate method to estimate how OUSF funding is being directed to operating expenses in high cost areas. The Oregon Universal Service Fund Accountability Report, being dependent upon Form O data, will be submitted annually no later than June 1st or approximately 60 days following the submission of the Form O.
5. **Applicability.** The Parties agree that the data provided in the report cannot be used to change the non-rural OUSF support amounts agreed to in the stipulation in Phase II of this proceeding, approved by the Commission in Order 13-162, or the non-rural OUSF support amounts agreed to in the stipulation in Phase III of this proceeding.
6. **Term.** This Stipulation will have the same termination date as the stipulation settling Parts IIIb and IIIc of this proceeding.

GENERAL PROVISIONS

7. The Parties understand that this Stipulation is not binding upon the Commission unless and until it is approved by the Commission.
8. This Stipulation does not preclude a party from explaining, as a factual matter, what the Parties agreed to in this Stipulation.

9. The Parties agree that this Stipulation represents the entire agreement of the Parties and it supersedes any and all prior oral or written understandings, agreements or representation related to this Stipulation, if any, and no such prior understanding, agreement or representation shall be relied upon by any Party.
10. The Parties shall cooperate in submitting this Stipulation promptly to the Commission for acceptance, and cooperate in supporting this Stipulation throughout the Commission's consideration of the Stipulation.
11. The Parties enter into this Stipulation to avoid further expense, inconvenience, uncertainty and delay. By executing this Stipulation, no Party shall be deemed to have approved, admitted, or consented to the facts, principles, methods, or theories employed in arriving at the terms of this Stipulation. Nor shall any Party be deemed to have agreed that any provision of this Stipulation is appropriate for resolving issues in any other proceeding, except to the extent expressly set forth in this Stipulation.
12. This Stipulation may be executed in counterparts and each signed counterpart shall constitute an original document. A signed signature page that is faxed or emailed is acceptable as an original signature page signed by that Party.

This Stipulation is entered into by each Party as follows:

CenturyLink QC



By: _____

William E. Hendricks

Senior Corporate Counsel

Date: 1/29/2016

Frontier Communications

By: _____

George Thompson

Associate General Counsel

Date: _____

9. The Parties agree that this Stipulation represents the entire agreement of the Parties and it supersedes any and all prior oral or written understandings, agreements or representation related to this Stipulation, if any, and no such prior understanding, agreement or representation shall be relied upon by any Party.
10. The Parties shall cooperate in submitting this Stipulation promptly to the Commission for acceptance, and cooperate in supporting this Stipulation throughout the Commission's consideration of the Stipulation.
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CenturyLink QC

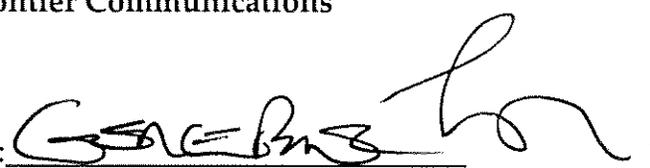
By: _____

William E. Hendricks

Senior Corporate Counsel

Date: _____

Frontier Communications

By:  _____

George Baker Thomson, Jr.

Associate General Counsel

Date: 1/29/16

