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February 22, 2017

Advice No. C08-2017

The Honorable Susan Ackerman, Stephen Bloom and John Savage, Commissioners
Oregon Public Utility Commission
P. O. Box 1088
Salem, Oregon 97308-1088

Attention: Vikie Bailey-Goggins, Administrator,
Tariffs and Data Analysis

Dear Commissioners Ackerman, Bloom and Savage:

Pursuant to ORS 759.250, Qwest Corporation d/b/a CenturyLink QC (CenturyLink) is filing notification of a thirty-six (36) month Contract for Metro Optical Ethernet Service (MOE). The Contract became effective, December 29, 2016. A financial/cost analysis is provided as part of the filing.

CenturyLink believes these services are competitive and that the Special Contract Pricing is in accordance with the provisions of ORS 759.250. Supporting documentation is attached.

Due to the competitive nature of this Special Contract, the information provided in Attachment B contains commercially valuable information and/or trade secrets and is submitted to Staff in confidence pursuant to ORS 192.501 and ORS 192.502. We understand that you will notify us prior to release of any such information in sufficient time to seek a protective order from the Commission or to otherwise preserve its confidentiality.

Enclosed is one complete copy of the contract which contains confidential information for Staff review. As provided by the provisions of ORS 759.250(6), CenturyLink requests this information not be publicly disclosed. Confidential information has been removed from the additional copies included in this filing for public disclosure.

Questions concerning this filing may be directed to me by phone or by e-mail.

Sincerely,

A handwritten signature in blue ink that reads "Mark Brinton".

Mark Brinton
Manager Regulatory Operations
Office: (303) 992-5832
e-mail: Mark.Brinton@CenturyLink.com

Metro Optical Ethernet Service (MOE)
CONTRACT NO. N224464
CONTRACT SUMMARY

Service Description:

Metro Optical Ethernet (MOE) Service is a flexible, easy-to-use transport service that uses established Ethernet transport technology. MOE allows customers to connect multiple enterprise locations within a service area using native Ethernet protocol. MOE supports transmission speeds as low as 1 Mbps and up to 1 Gbps in increments of 10 Mbps from 10 to 100 Mbps and 100 Mbps from 100 to 1,000 Mbps.

Description of Offer:

Provides a service discount for MOE for 36 months.

Metro Optical Ethernet Service (MOE)
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Type Of Agreement: New Request: Renewal: Addition:

Term Of Agreement: 36 months

Effective Date: December 29, 2016

Number of Facilities: 2 100 Mbps (36 months)

Unit Price:

Service: **MOE**

Number of Arrangements: 2 100 Mbps

Monthly Unit Price: \$1,100.00

Metro Optical Ethernet Service (MOE)
CONTRACT NO. N224464
CONTRACT SUMMARY

I. CONTRACT ANALYSIS

- a. Please provide the rationale and justification for creating a special class of service. The rationale must include a discussion as to why no previously approved class of service (contract or tariff) is acceptable to the Customer for whom the utility proposes a special class of service. Determination of a special class of service must be based on the following: The quantity of service used, the time when used, the purpose for which used, the existence of price competition or a service alternative, the services being provided, the conditions of service, or any other reasonable consideration.

Answer:

CenturyLink was engaged in a highly competitive market and was forced to offer discounted pricing.

- b. The number of similarly situated Customers who should receive the same terms and conditions. Also, include the number of billing units for those Customers.

Answer:

All similarly situated customers should receive the same terms and conditions.

- c. If there are other similarly situated Customers who should not receive the same terms and conditions, explain the differences between those Customers and the special contract Customer.

Answer:

Not applicable; all similarly situated customers should receive the same offer.

- d. Summarize termination clause in the contract that protects CenturyLink if the customer stops the service early and CenturyLink does not recover initial costs.

Answer:

Paragraph 3.2 of the Agreement states: "Customer will remain liable for charges accrued but unpaid as of the termination date. If, prior to the conclusion of the Term, Service and/or this Service Exhibit is terminated either by CenturyLink for Cause or by Customer for any reason other than Cause, then Customer will also be liable for any termination charges ("Termination Charge"). Prior to the conclusion of the Term, if service and/or this Service Exhibit is terminated or bandwidth is decreased below the original contracted level ("decreased bandwidth"), either by CenturyLink for Cause or by customer for any reason other than Cause, then Customer will also be liable for and pay CenturyLink the following Termination Charge: (a) all accrued and unpaid charges for the terminated Service or decreased bandwidth provided through the effective date of such termination or decrease;

plus (b) a termination charge of 100% of the balance of the MRCs for the unexpired portion of the Minimum Service Period for the terminated Service and/or a charge of 100% of the difference between the original bandwidth MRC and the decreased bandwidth MRC; plus (c) 40% of the balance of the MRCs due for the unexpired portion of the Term in excess of the Minimum Service Period for the terminated Service and/or 40% of the difference between the original bandwidth MRC and the decreased bandwidth MRC; plus (d) any and all third party costs and expenses incurred by CenturyLink in so terminating such Service or decreasing bandwidth and all applicable non-recurring charges that may have been waived.

- e. Was there a Request for Proposal? Please describe.

Answer:

CenturyLink negotiated with this customer for the service.

- f. Are there competitive alternatives? If yes, who are the competitive providers and what services do they offer?

Answer:

Yes. Almost all Competitive Local Exchange Companies offer business service arrangements.

CENTURYLINK® TOTAL ADVANTAGE® AGREEMENT
CenturyLink QCC and Affiliated CenturyLink Companies
Option Z
Annual Assessment

This CenturyLink® Total Advantage® Agreement ("Agreement") is between CenturyLink Sales Solutions, Inc. as contracting agent on behalf of the applicable CenturyLink company providing the Services under this Agreement ("CenturyLink") and [REDACTED] ("Customer") and is effective on the date the last party signs it ("Effective Date"). The name of the CenturyLink operating company providing Services to Customer is listed in the Agreement, each acting separately and individually responsible for all of its own obligations. CenturyLink may withdraw this offer if Customer does not execute and deliver the Agreement to CenturyLink on or before December 29, 2016 ("Cutoff Date"). Using CenturyLink's electronic signature process for the Agreement is acceptable.

CUSTOMER: [REDACTED]

CENTURYLINK SALES SOLUTIONS, INC.

Authorized Signature: [REDACTED]
Name Typed or Printed: [REDACTED]
Title: [REDACTED]
Date: 12/29/16

DocuSigned by:
Paresh Naik
Authorized Signature: [REDACTED] Paresh Naik
Name Typed or Printed: Director - Offer Management
Title: 12/29/2016
Date:

Customer's address for notices:
Customer's facsimile number (if applicable):
Person designated for notices:

1. **Services.** Customer may purchase the products and services ("Services") in the service exhibits ("Service Exhibits") attached to the Agreement. The Service Exhibits attached to the Agreement as of the Effective Date and incorporated by this reference are shown below. For an interim period of time until all work is completed to update the Service Exhibits, Tariffs and other terms and conditions incorporated by attachment or reference into this Agreement, all references to Qwest Communications Company, LLC mean CenturyLink Communications, LLC.

CenturyLink Communications, LLC f/k/a Qwest Communications Company, LLC Services

- Domestic and International CenturyLink IQ Networking Service Exhibit
- Domestic Optical Wavelength
- Local Access Service Exhibit & Pricing Attachment
- Rental CPE Service Exhibit
- Managed Enterprise Service Exhibit
- Software-Defined Wan Service Exhibit
- Centurylink IQ Networking Data Center Connectivity Offer
- Centurylink IQ Networking Transition Offer Attachment

Qwest Corporation d/b/a CenturyLink QC Services (CenturyLink QC Services are available in the following states: Arizona, Colorado, Idaho, Iowa, Minnesota, Montana, Nebraska, New Mexico, North Dakota, Oregon, South Dakota, Utah, Washington, and Wyoming.)

- Intrastate Metro Ethernet
- Interstate Metro Ethernet

2. **Definitions.**

"Affiliate" means any entity controlled by, controlling, or under common control with a party.
"Annual Period" means each 12 month period following the Ramp Period.
"AUP" means the Acceptable Use Policy incorporated by this reference and posted at <http://www.centurylink.com/legal/>.
"Cancellation Charge" means cancellation or termination charges that apply when Customer cancels Service without Cause: (a) as described in a Service Exhibit (or in the Tariff for applicable CenturyLink QC Services); and (b) when charges are incurred by CenturyLink QCC from a third party provider as a result of an early termination.
"Cause" means the failure of a party to perform a material obligation under the Agreement, which failure is not remedied: (a) for payment defaults by Customer, within five days of separate written notice from CenturyLink of such default; or (b) for any other material breach, within 30 days after written notice.
"CenturyLink QCC" means the former Qwest Communications Company, LLC d/b/a CenturyLink QCC. On April 1, 2014, CenturyLink completed an internal reorganization resulting in the merger of multiple CenturyLink owned companies into Qwest Communications Company, LLC. Simultaneously with the merger, Qwest Communications Company, LLC changed its name to CenturyLink

**CENTURYLINK® TOTAL ADVANTAGE® AGREEMENT
INTRASTATE METRO ETHERNET SERVICE EXHIBIT**

1. **General; Definitions.** Capitalized terms not defined in this Service Exhibit are defined in the Agreement. CenturyLink QC will provide IntraState Metro Ethernet Service ("Service" or "Metro Ethernet") under the terms of the Agreement, Tariff, and this Service Exhibit. Service is subject to technical publication 77411 located at <http://centurylink.com/techpub/> ("Tech Pub").

"Minimum Service Period" means 12 months following the date service is made available to Customer, as evidenced by CenturyLink records.

"Pricing Attachment" means the document containing Rates, Term, and other location-specific information, which is incorporated by reference and made a part of this Service Exhibit.

"Rates" means the MRCs and NRCs for the Service.

"Term" means the term length for the Service established on a Pricing Attachment and which commences on the Start of Service.

"SLA" means the service level agreement specific to the Service, located at <http://www.centurylink.com/legal/>, which is controlled by the Tariff and Tech Pub, which are subject to change. The SLA provides Customer's sole and exclusive remedy for service interruptions or service deficiencies of any kind whatsoever for Service.

"Start of Service" means the effective bill date of the service order to add Service to Customer's account, as evidenced by CenturyLink records.

2. Service.

2.1 **Description.** Customer orders Service as indicated on a Pricing Attachment. Service is a flexible transport service that uses established Ethernet transport technology. The Service provides connections between multiple Customer locations within a metropolitan area using native Ethernet protocol. The transmission speed depends on the Ethernet port ("Port") selected and the amount of bandwidth ordered over the Port ("Bandwidth Profile"). Service extends to the Demarcation Point. "Demarcation Point" means the CenturyLink-designated physical interface between the CenturyLink-owned network and Customer's telecommunications equipment. Service is available over three designs: (a) Customer Premises, supporting transmission speeds as low as 1 Mbps and up to 1 Gbps in increments of 10 Mbps from 10 to 100 Mbps, and in increments of 100 Mbps from 100 to 1,000 Mbps. (b) Central Office, supporting transmission speeds of 100 Mbps, 600 Mbps and 1,000 Mbps; and (c) Ethernet with Extended Transport (DS3 required), supporting transmission speeds as low as 5 Mbps and up to 40 Mbps. The SLA provides Customer's sole and exclusive remedy for service interruptions or service deficiencies of any kind whatsoever for Service. Customer understands that Service is an intrastate telecommunications service, as defined by Federal Communications Commission regulations and represents that during the Term, 10% or less of its usage will be interstate usage. If more than 10% of Customer's usage is interstate, then Customer will notify CenturyLink so the appropriate service agreement can be used, allowing CenturyLink to bill Customer out of the appropriate Tariff.

2.2 **Installation; Provisioning of Service.** CenturyLink will notify Customer of the date Service is available for use. In the event Customer informs CenturyLink that it is unable or unwilling to accept Service at such time, the subject Service will be held available for Customer for a period not to exceed 30 business days from such date ("Grace Period"). If after the Grace Period, Customer still has not accepted Service, CenturyLink may either: (a) commence with regular monthly billing for the subject Service; or (b) cancel the subject Service. If Customer cancels an order for Service prior to the date the Service is available for use, or is unable to accept the Service during the Grace Period and CenturyLink cancels the Service at the end of the Grace Period, the Tariff cancellation charges may apply. CenturyLink will provide the Service at the locations specified in the Pricing Attachment. At Customer's request, mutual testing may be performed in accordance to the service parameters outlined in the Tariff.

2.3 **Changes to Service.** Customer may add or change Service via a Pricing Attachment. Subsequent Pricing Attachments adding new Service port(s) will be coterminous with the original Term, provided the individual Service Minimum Service Period can be met. All Service ports ordered under this Service Exhibit will expire on the same date regardless of when they are ordered (e.g., if the original Service is in month 10 of a 60-month Term when Customer orders a new Service port for a 60-month fixed period rate plan, the new Service port will be billed at the 60-month rate for the next 50-months). In the event the Minimum Service Period cannot be met, an amendment adding a new Pricing Attachment containing a new iLink Contract Number must be signed. A subsequent Pricing Attachment to change or add a Service port during the Term will be assessed an NRC. A subsequent Pricing Attachment to change Service Bandwidth during the Term will not be assessed the NRC, however, the MRC will be changed to the new Service bandwidth profile charge. Customer may be assessed an early Termination Charge for any decrease in bandwidth during the Term. Customer request for a physical move of Service to a new location will be treated as a termination of service at the original location. NRC's will apply and Term requirements must be met in the new location. In the event the Minimum Service Period cannot be met, an amendment adding a new Pricing Attachment with a new iLink Contract Number will be required. Customer request for a physical move of Service to a location within the same building as the existing Service will be charged a fee equal to one half the applicable NRC charge. There will be no changes to the Minimum Service Period.

3. Term; Termination.

3.1 **Term.** This Service Exhibit will begin on the Effective Date of the Agreement (or an amendment to the Agreement if Customer adds this Service Exhibit after the Effective Date of the Agreement) and will continue until the expiration or cancellation of the last to expire (or cancel) Service. The Term for the Service will be indicated on a Pricing Attachment. Each Service ordered will have its own Minimum Service Period. At the conclusion of the Term, the Rates will revert to the month-to-month Rates in the Tariff, unless Service is renewed for a new Term on a Pricing Attachment or unless a party notifies the other party in writing of its desire not to renew Service at least 60 calendar days, and no more than 120 calendar days, prior to the end of the Term.

**CENTURYLINK® TOTAL ADVANTAGE® AGREEMENT
INTRASTATE METRO ETHERNET SERVICE EXHIBIT**

3.2 Termination. Either party may terminate Service and/or this Service Exhibit in accordance with the applicable Tariff or for Cause. "Cause" means the failure of a party to perform a material obligation under this Service Exhibit, which failure is not remedied: (a) for payment defaults by Customer, within five days of separate written notice from CenturyLink of such default (unless a different notice period is specified in the Tariff); or (b) for any other material breach, within 30 days of written notice (unless a different notice period is specified in the Tariff or this Service Exhibit). Customer will remain liable for charges accrued but unpaid as of the termination date. If, prior to the conclusion of the Term, Service and/or this Service Exhibit is terminated either by CenturyLink for Cause or by Customer for any reason other than Cause, then Customer will also be liable for any termination charges ("Termination Charge"). Prior to the conclusion of the Term, if Service and/or this Service Exhibit are terminated or bandwidth is decreased below the original contracted level ("decreased bandwidth"), either by CenturyLink for Cause or by Customer for any reason other than Cause, then Customer will also be liable for and pay CenturyLink the following Termination Charge: (a) all accrued and unpaid charges for the terminated Service or decreased bandwidth provided through the effective date of such termination or decrease; plus (b) a termination charge of 100% of the balance of the MRCs for the unexpired portion of the Minimum Service Period for the terminated Service and/or a charge of 100% of the difference between the original bandwidth MRC and the decreased bandwidth MRC; plus (c) 40% of the balance of the MRCs due for the unexpired portion of the Term in excess of the Minimum Service Period for the terminated Service and/or 40% of the difference between the original bandwidth MRC and the decreased bandwidth MRC; plus (d) any and all third party costs and expenses incurred by CenturyLink in so terminating such Service or decreasing bandwidth and all applicable non-recurring charges that may have been waived

4. Charges. Charges for Service, including Metro Ethernet optional features, are set forth in the Pricing Attachment. The actual charges for Service will be those in effect in the Tariff on the date the first Service element ordered under the original Pricing Attachment is installed, as evidenced by CenturyLink records. If Service is renewed for a new Term on a Pricing Attachment, the rates will be those in effect at the time the Service is renewed, as evidenced by CenturyLink's records. CenturyLink will inform Customer of its then-current rates for Service upon written request. Renewed Service is subject to a new Minimum Service Period.

**CENTURYLINK® TOTAL ADVANTAGE® AGREEMENT
INTRASTATE METRO ETHERNET SERVICE EXHIBIT
PRICING ATTACHMENT**

iLink Contract Number

Service expires 36 months from the Start of Service ("Term").*
 Promotional Pricing: Yes No Promotion Expiration Date:
 Promotion Description, Title, or Code:

*(COCC MRC required for Central Office design)
 (EwET Customer Interface MRC and Total Chan Term & Transport Mileage MRC required for Ethernet with Extended Transport design)
 (Show N/A, if an MRC does not apply)*

Location (Address, City, State)	Bandwidth Profile	Bandwidth MRC per each	Port Speed	Port Speed NRC per each	EwET Customer Interface MRC	DS3 Total Chan Term & Transport Mileage	
						MRC	NRC
511 SW 10th Avenue, Portland OR 97205	100 Mbps	\$1,100.00	10/100 Mbps	\$600.00	N/A	N/A	N/A
1225 West Burnside Street, Portland OR 97209	100 Mbps	\$1,100.00	10/100 Mbps	\$600.00	N/A	N/A	N/A