

State of South Dakota
SD Public Utilities Commission
INFORMATION REQUEST

Docket No. TC12-084

Information Requested From: CenturyLink QC
Information Requested By: Brian Rounds
Date Requested: 08/08/2012
Date Response Due: 08/24/2012

Referring to Attachment A of the original filing, the Company states that “[i]n cases where facilities do not exist and the requesting customer is required to and willing to pay the required construction charges, CenturyLink certifies that it will provide service in a reasonable time frame.”

- a. When is a customer required to pay the construction charges?
- b. Please provide the number of customers that requested service and were required to pay the construction charges in 2011. Please include those that requested advanced services, such as broadband.
- c. Out of the customers provided in the last answer, please provide the number of customers that chose not to pay construction charges and were denied services.

Response:

- a. Qwest Corporation Exchange and Network Services Catalog No. 1, Section 4 describes the conditions under which a customer may be required to pay construction charges. The tariff identifies an allowance of \$675 for the 1st main line from the nearest point of capacity (extension or reinforcement). Charges in excess of allowance (actual cost minus the allowance) are based on the cost to the company to construction the necessary facilities and are in addition to regularly applicable rates and charges to establish service. Requests for lines that exceed the initial main station line will be billed at 100% to each customer requesting an additional line.
- b. 149 customer request services where construction charges would have applied. This include are service types.
- c. 96 customers chose not to pay construction charges.

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Per ARSD 20:10:32:43.02, please provide specific detail as to “[h]ow service quality, signal quality, coverage, or capacity will improve due to high-cost support”. Please also include any improvements to the Company’s broadband offerings. Please also include the estimated population that will be served as a result of the improvements.

Response:

High-cost support is only to be used for the provision, maintenance and upgrading of facilities and services for which such support is intended; namely basic telecommunications. As such, provisioning will augment the network, increasing coverage and/or capacity. Provisioning of new technologies will facilitate the roll-out of new services and capabilities. Similarly, the upgrading of existing facilities will also introduce new technologies that enable the rollout of new service and capabilities. Finally, maintenance of existing facilities allows for reliability and quality transmission levels.

CenturyLink Systems do not track population impacted by deployments. Furthermore, the distributed and shared nature of network facilities, it is difficult to estimate the population that will benefit from the provisioning, maintenance, and upgrading of services resulting from high-cost support. For example, investment in central office equipment can potentially benefit the entire wire center. Investment in augmenting a main feeder facility could impact customers along the multiple miles of a feeder route, while provisioning to a distribution area would mainly benefit a single development. However, the number of addresses where facilities terminate can be determined. The number of addresses impacted was 160,812.

Please see the response to SD PUC IR No. 1-6 for details fiber deployments impacting broadband capabilities. With respect to improvements to CenturyLink’s broadband offerings, high-cost support has not been used to provision, maintain, or upgrade broadband offerings, nor was it intended to. With the implementation of the FCC ICC/USF Transformation Order, FCC 11-161, high-cost support will transition to broadband offerings going forward, but it would not have enabled high-cost support for broadband during the 2011 timeframe.

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Per ARSD 20:10:32:43.02, please identify the wire centers that will not be seeing service improvements in the current 2-year plan and explain the basis for this determination.

Response:

Please refer to 20:10:32:54 - Progress Report on Two Year Service Improvement Plan (2012 Update) and Confidential Attachment B of CenturyLink QC's 2012 South Dakota ETC Filing.

In the documents reference above, CenturyLink QC laid out its current improvement plans and the amount of estimated investment per wire center. However, as circumstances change, current plans and resources may be shifted, increased, deferred or suspended to meet changing service quality needs and the needs of individual customers. Moreover, CenturyLink's planning cycle is approximately 6 – 9 months in advance of the actual construction, and CenturyLink has not yet started planning specific projects that may be constructed in 2013 or beyond at this time. As such, the Two Year Service Improvement Plan and the data contained in Confidential Attachment B provide the best estimation at this time of which wire centers will be benefiting from high-cost support.

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Per ARSD 20:10:32:54(2), please provide actual 2011 support receipts by USAC support category.

Response:

Please see attached Exhibit No. 1-4.

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Per ARSD 20:10:32:54(2), please provide an “explanation regarding any network improvement targets that have not been fulfilled.” If all network improvement targets were fulfilled, please provide such a statement.

Response:

There were no network improvement targets that were not fulfilled for the 2011 calendar year.

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Referring to page 4 of CONFIDENTIAL Attachment B, the Company states there was a “substantial investment in Fiber to the Node throughout the state which will support increased broadband speeds to 40M.” Please provide the amount of that investment, broken out by wire center.

Response:

Attached as Confidential Exhibit No. 1-6 is a listing of the Fiber-to-the-Node related investments by wire center. Please note that this is investment specific to Fiber-to-the-Node and is only a subset of the total broadband expenditures made in the state of South Dakota during 2011.

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Per ARSD 20:10:32:55, the Company is required to “advertise the availability of lifeline and link-up services in media of general distribution throughout its service areas” and report to the Commission on “its outreach efforts designed to increase participation” in the programs. It appears the Company is attempting to meet this requirement by advertising on the radio in Sioux Falls, Rapid City, and on the reservations (although possibly only in 2Q of 2010). It is also buying monthly ads in Indian Country Today and placing brochures in various malls. Has the Company considered taking advantage of other forms of media, such as newspapers or internet advertising? How is the Company targeting potential customers that either don’t listen to the radio or live outside Sioux Falls, Rapid City, and the reservations?

Response:

With respect to advertising in other forms of media such as newspapers or internet advertising, it has been CenturyLink’s experience that they have not been particularly effective in reaching lower income customers. Furthermore, the Company attempts to reach potential customers that either don’t listen to the radio or live outside of Sioux Falls, Rapid City or the reservations in a variety of ways. There is an annual bill insert specific to Lifeline and Linkup services. Information is also included in the “Welcome Letter” sent to customers upon signing up for service and of course, information is also included in the phone directory.