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John Bemis
Public Policy Director Montana
Regulatory and Legislative Affairs

July 12, 2016

Montana Public Service Commission
Will Rosquist
1701 Prospect Avenue
PO Box 202601
Helena, MT 59620-2601

RE: CenturyLink QC Digital Subscriber Line Availability Expansion and Plant Rehabilitation
Docket N2014.4.38 Order 7388j

Second Quarterly Status Report

Dear Mr. Rosquist,

In Order No 7388j in Docket N2014.4.38 Qwest Corporation d/b/a CenturyLink QC is filing the First quarterly status report.

In accordance with the Montana Public Service Commission decision dated August 25, 2015 to CenturyLink we are filing our quarterly update with thePSC regarding the status of Cascade, Wolf Creed and Wibaux deployment of DSL.

Sincerely,

A handwritten signature in black ink that reads "John Bemis". The signature is written in a cursive, flowing style.

cc: Montana Consumer Counsel

CenturyLink QC Docket N2014.4.38
Order 7388j, Digital Subscriber Line Availability Expansion and Plant Rehabilitation
Second Quarterly Status Report

July 16, 2016

Introduction

Per the Commission's decision on August 25, 2015 in its Order 7338j, Qwest Corporation d/b/a CenturyLink QC ("CenturyLink QC") is filing this second quarterly report as prescribed in the associated Joint Stipulation and Settlement Agreement. A plan addressing customers in Cascade, Wolf Creek and Wibaux was shared with members of the Montana Public Service Commission (Commission or PSC) in December 2015 and with its Staff in November 2015. This report outlines what was accomplished during the second quarter of 2016.

Cascade/Missouri River Corridor

The Joint Stipulation and Settlement Agreement stated:

"CenturyLink will deploy 10/1 broadband capability to approximately 437 locations, comprised of approximately 293 locations within its Cascade wire center in Census Blocks subject to the FCC's offer of model-based CAF II funding and approximately 144 locations in the Cascade wire center that are not subject to the FCC's offer of model-based CAF II funding. The geographic areas where CenturyLink QC will deploy broadband in the Cascade wire center are shown in Appendix A to this Stipulation and Settlement Agreement. CenturyLink will make every effort to complete the Cascade broadband deployment within 15 months of the date of approval of this settlement, but the deployment shall be completed no later than 24 months from the approval of this settlement. CenturyLink will file detailed plans and a timeline for the Cascade deployment within 3 months of the elate of the approval of this settlement and will provide quarterly progress reports to the Commission until the completion of the deployment."

During the second quarter of 2016, CenturyLink QC began to place and splice fiber optic cable. The project will first deploy the fiber backbone, and later deploy laterals from the backbone. Fiber optic cable originating from the central office building has been placed, including the placement of cable under the Interstate Highway via a boring, and facilities have been placed south of the Interstate. About half of the borings needed for the project were completed during the second quarter, with approximately a dozen borings remaining -to be addressed during the third quarter and perhaps later. Many necessary permits and easements were secured during the second quarter, but some are still pending. Permits associated with one of several railroad crossings, five river crossings and at least one private property owner are pending. While the granting of all remaining permits and easements may require months of

effort, the placing of cable and equipment along with splicing was not delayed during the second quarter. CenturyLink anticipates that continued measurable progress will be achieved during the third quarter.

Wolf Creek(Craig) and Wibaux Plant Rehabilitation

The Joint Stipulation and Settlement Agreement stated:

“Taking into account both the low density and relatively higher trouble report rate, as well as the extensive facilities-based competition available to many customers within the Wolf Creek and Wibaux wire centers, within 120 days after the date the Commission issues an order approving this Agreement, CenturyLink QC will complete an analysis to determine the most problematic, recurring areas of trouble in the network serving its current customers. Based on that analysis, CenturyLink QC will identify reasonable corrective action and implement a service improvement plan in the Wolf Creek and Wibaux wire center with the goal of reducing the trouble report rate. This plan may include but is not limited to: replacing defective equipment including repeaters, pedestals, and terminals, grounding and bonding, cable rehab and/or replacement and rehab or replacement of carrier systems.

CenturyLink QC will provide its Wolf Creek and Wibaux service improvement plan to the Commission prior to implementation and will provide quarterly reports thereafter on the progress of the plan until the corrective actions are completed. CenturyLink QC will make every reasonable effort to complete implementation of the service improvement plan within 15 months after the Commission approves this Agreement, but in no event longer than 24 months.”

In December 2015 the PSC was presented with a plan that proposed action based on the results of an analysis that determined the most problematic areas of trouble. Based on that analysis, CenturyLink QC identified specific cable counts and corrective action with the goal of reducing the trouble report rate. The plan presented in December 2015 anticipated that this work would begin during the second quarter of 2016 and that aspect of the plan is tracking well.

In the Wolf Creek exchange, over 11,000 feet of new cable has been placed over rough terrain. Splicing of that cable was extensively completed during the second quarter. We have high confidence that the remainder of the splicing and cutover will be completed during the third quarter of 2016.

In the Wibaux exchange, work began on the north cable route from the central office building. There are six customers there, who should benefit from the work in progress there. Work on the other two routes, (east, south) will follow the North route completion.

Summary

The plant modernization presented to the PSC in December 2015 motivated by PSC Order 7338j and the associated Joint Stipulation and Settlement Agreement are progressing as anticipated. Cascade/Missouri River Corridor fiber optic cable placement was partially completed during the second quarter. The backbone facility is the first priority with laterals to follow. Construction permits, easement agreements, and rights-of-way have been mostly secured and the remaining approvals did not delay progress during the quarter. Plant rehabilitation as well as new cable placement and splicing at Wolf Creek (Craig) is largely complete and is anticipated to conclude next quarter. Wibaux plant rehabilitation on the north route began during the second quarter as planned. Other routes will follow.