



Oregon Citizens' Utility Board

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August 18, 2023

Public Utility Commission
Attn: Filing Center
P.O. Box 1088
Salem, OR 97308-1088

RE: UM 2293 In the Matter of QWEST CORPORATION, CENTURYLINK QC (LUMEN TECHNOLOGIES) Petition for Approval of Elimination of the Qwest Performance Assurance Plan and Performance Indicator Definitions.

CUB investigated UM 2293 because we are beginning to look more closely at CenturyLink's filings requesting to end programs or otherwise gain permission to reduce regulatory costs. We believe this is important for two reasons:

1. Concerns over the Company's service reliability and safety prompted the Commission to open an investigation into whether CenturyLink's Price Plan remains in the public interest (see UM 1908). Although the telecommunications sector has changed considerably over the past decade, including shifts in regulation from state to federal oversight, there are still certain customers without viable alternatives to CenturyLink's state-regulated telecommunications services in Oregon and nationwide. CenturyLink's services, and the Carrier of Last Resort (COLR) obligations ensuring them, remain vital to maintaining the only reliable communication source in many communities. CUB is wary of any regulatory changes that might leave these communities vulnerable.
2. Reductions in regulatory obligations can beget savings to CenturyLink, and absent a rate case, CUB is unsure what happens to those savings. CUB is interested in seeing any Commission-approved cost savings for the Company be considered for use to address chronic service quality issues.

In UM 2293, CenturyLink seeks approval of its petition to remove the Performance Indicator Definitions (PIDs) and Performance Assurance Plan (PAP) portions of its interconnection agreements (ICAs) with Competitive Local Exchange Carriers (CLECs). Broadly, the PIDs / PAP establish a system of regularly measuring service quality delivered from CenturyLink to CLECs for the purpose of penalizing CenturyLink and compensating CLECs for service quality inadequacies. Some metrics in the PIDs / PAP can trigger automatic payments from CenturyLink to CLECs for inadequate service quality, whereas other metrics would require analysis and legal action by a CLEC, which is entitled to service quality data through the PIDs / PAP. Historically,

and particularly in the last decade, the automatic payments from CenturyLink to CLECs have been more impactful.

Regarding our first reason for investigating UM 2293 (see above), we did not find that CenturyLink's request to remove the PIDS / PAP from ICAs with CLECs clearly places customers at greater risk of experiencing worse service quality. Further, we did not observe opposition from CLECs to this change in their ICAs. Thus, we do not oppose the proposed change.

However, it is important to note that the structure of the PIDs / PAP, which begot automatic penalties to CenturyLink for service quality inadequacies, is in principle ideal for the increasingly hands-off regulatory atmosphere developing around the remaining telecommunications services overseen by the PUC in Oregon. It is a shame that the PIDs / PAP, which have lost relevance due to FCC orders and other changes in the market, could not be adapted to retain their high-level structure and provide modernized, relevant, and largely hands-off protection for customers.

Regarding our second reason for investigating UM 2293, CUB found that the Company is slated to save a considerable amount by removing the PIDs / PAP from ICAs without replacing it with another program. We found that the Company will save \$2.4 to \$4.5 million annually across 14 states,¹ and that the savings attributable to Oregon, on an equal savings per state basis, is about \$250,000 annually. Although we do not expect the Commission to be prepared to direct the Company to use the savings discussed here for a specific purpose, we encourage the Commission to consider the possibility of doing so in the future.

Respectfully submitted,

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¹ The states are South Dakota, Idaho, Iowa, Montana, Nebraska, Wyoming, North Dakota, Colorado, Utah, New Mexico, Minnesota, Arizona, Washington, and Oregon.