ORDER NO. 26-400

ENTERED Oct 28 2026

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 2465

In the Matter of QWEST CORPORATION, Application for Approval of Pro Forma Internal Corporate Restructuring Transactions.	ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

At its public meeting on October 27, 2026, the Public Utility Commission of Oregon adopted Staff's recommendation in this matter. The Staff Report with the recommendation is attached as Appendix A.

BY THE COMMISSION:

Alison Lackey
Chief Administrative Law Judge

A party may appeal this order by filing a petition for review with the Circuit Court for Marion County in compliance with ORS 183.484.

ITEM NO. CA16

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: October 27, 2026

REGULAR ____ **CONSENT** __X__ **EFFECTIVE DATE** _____**N/A**_____

DATE: October 12, 2026

TO: Public Utility Commission

FROM: Nicola Peterson

THROUGH: Nolan Moser and Russ Beitzel **SIGNED**

SUBJECT: OREGON PUBLIC UTILITY COMMISSION STAFF:
(Docket No. UM 2465)
Application for approval of Pro Forma Internal Corporate Restructuring Transaction.

STAFF RECOMMENDATION:

Staff recommends that the Commission grant the application and approve the pro forma corporate restructuring transaction, subject to the following conditions.

1. Lumen shall notify the Commission in advance of any substantive changes to the transfer of control of Qwest. Any changes that alter the intent or extent of activities shall be submitted for approval in application for a supplemental order (or other appropriate form) in this docket.
2. Following the close of this transaction, Qwest shall remain a separate legal entity from Lumen and its subsidiaries.
3. Qwest shall maintain its assets and liabilities, and books and records relating thereto, separate from those of Lumen or its subsidiaries and in such a manner that enable identification of Qwest's individual assets and liabilities as separate and distinct from those of its parent.
4. Qwest shall not issue, secure, or guarantee the debt of Lumen or its subsidiaries without prior approval of the Commission.

DISCUSSION:

Issue

Whether the Commission should grant the application and approve the pro forma corporate restructuring transaction.

Applicable Rule or Law

Under ORS 759.375(1)(a), A telecommunications utility doing business in Oregon shall not, without first obtaining the Public Utility Commission's approval of such transaction:

> Sell, lease, assign or otherwise dispose of the whole of the property of such telecommunications utility necessary or useful in the performance of its duties to the public or any part thereof of a value in excess of $100,000, or sell, lease, assign or otherwise dispose of any franchise, permit or right to maintain and operate such telecommunications utility or telecommunications utility property, or perform any service as a telecommunications utility.

Under OAR 860-027-0025, every applicant shall set forth in its application to the Commission, in the manner and form indicated, the following information, which should, to the extent possible, be furnished for each person, firm, or corporation involved.

The Commission applies a "public interest, no harm" standard when considering this type of transaction.[1]

Analysis

Background
On August 12, 2026, Qwest Corporation (Qwest) filed an application asking for approval to complete a pro forma internal corporate transaction that will result in a change in ownership of Qwest within the Lumen technologies, Inc. (Lumen) corporate structure.

Qwest asserts that the internal restructuring will impact Qwest, but not the other affiliated incumbent local exchange company entities that provide services to customers in Oregon, which include CenturyTel of Oregon, CenturyTel of Eastern Oregon, and United Telephone Company.

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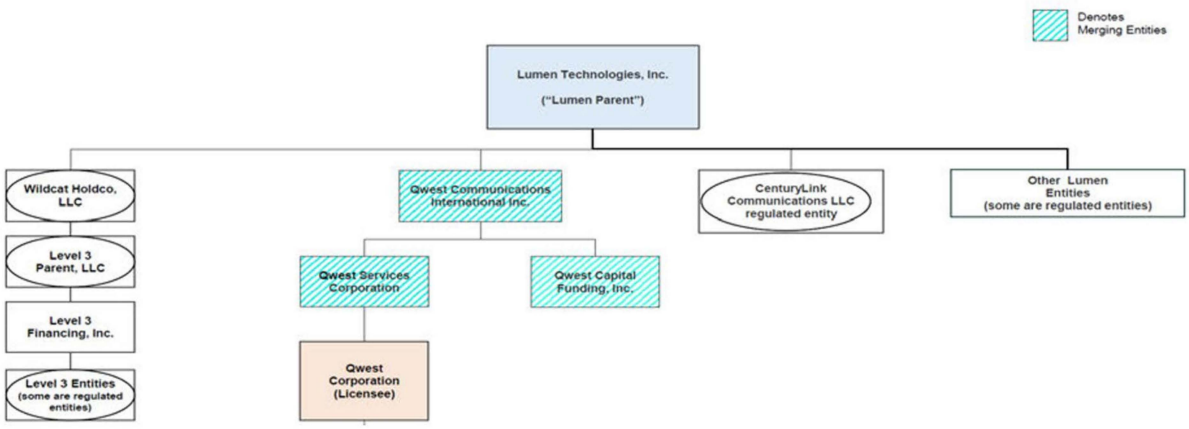
[1] *In the Matter of Northwest Fiber, LLC , Frontier Communications Corp., and Frontier Communications ILEC Holdings LLC, Joint Application Approving the Transfer of Control of Frontier*, Docket No. UM 2028, Order No. 20-026 at 5 (Jan. 27, 2020).

The purpose of the restructuring is to streamline Qwest Corporate structure by changing the intermediate corporate parent of Qwest from Qwest Services Corporation to Level 3 Financing LLC. Qwest will remain a Lumen subsidiary. The restructuring will shift certain parts of the intermediate holding company structure now in place at Lumen, in a manner that will enable Lumen to consolidate and streamline certain administrative, tax, financial and reporting functions. While Lumen will remain the ultimate corporate parent, the internal restructuring is considered a transfer under ORS 759.375 requiring Commission approval.[2]

Qwest will retain all of the property it now owns and uses to meet its obligations as a telecommunications utility in Oregon.

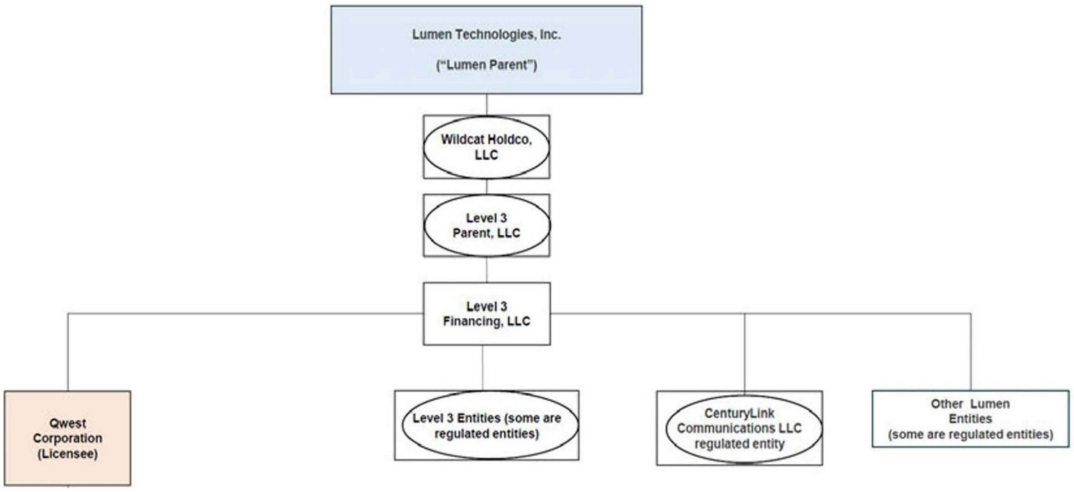
The application included an organization chart, pre and post restructuring, and all the information required by OAR 860-027-0025. See below:

Figure 1: Current Qwest Corporate Structure



[2] Commission approval has previously been required for internal reorganization of water and energy companies under ORS 757.380. See e.g. Highland reorganization in UP 417.

Figure 2: Qwest Post-Internal Restructuring Organizational Structure



Public Interest Compliance
As this is simply an organizational structure change, customers should see no change or effect on their service or rates. Staff believes this meets the Commission's public interest, no harm standard treatment for this transaction.

Transfer Pricing and Allocation of Gain
As this is an internal reorganization and transfer, there is no price tied to the transfer and no gain or loss for Lumen or any of its subsidiaries.

Conclusion

Staff finds that as there will be no discernable impact to Qwest's customers in Oregon and no change in the regulatory obligations that currently apply, the transaction meets the "no harm" standard and is in the public interest.

PROPOSED COMMISSION MOTION:

Grant the application and approve the pro forma corporate restructuring transaction subject to Staff's proposed conditions.

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