

ORDER NO. 20-404

ENTERED Nov 05 2020

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 2122

In the Matter of

PUBLIC UTILITY COMMISSION OF
OREGON,

Investigation Into the Effects of the
COVID-19 Pandemic on Telecommunications
Customers.

ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

At its public meeting on November 3, 2020, 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:



Nolan Moser
Chief Administrative Law Judge



A party may request rehearing or reconsideration of this order under ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-001-0720. A copy of the request must also be served on each party to the proceedings as provided in OAR 860-001-0180(2). 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.

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: November 3, 2020**

REGULAR _____ **CONSENT** X **EFFECTIVE DATE** _____ **N/A**

DATE: October 23, 2020

TO: Public Utility Commission

FROM: Michael Dougherty

THROUGH: Michael Grant and Bryan Conway **SIGNED**

SUBJECT: OREGON PUBLIC UTILITY COMMISSION STAFF:
(Docket No. UM 2122)
Investigation into the Effects of the COVID-19 Pandemic on
Telecommunications Utility Customers.

STAFF RECOMMENDATION:

The Public Utility Commission of Oregon (Commission or PUC) should approve the Stipulated Agreement on the Effects of COVID-19 Pandemic on Telecommunications Utility Customers.

DISCUSSION:

Issue

Whether the Commission should approve the Stipulated Agreement on the Effects of COVID-19 Pandemic on Telecommunications Utility Customers.

Applicable Law

ORS 756.040 describes the general powers and duties of the Commission in supervising and regulating public utilities and telecommunications utilities, which include representing the customers of any public utility or telecommunications utility and the public generally in all controversies respecting rates, valuations, service, and all matters of which the commission has jurisdiction. The Commission's regulatory authority is further specified in ORS Chapters 756, 757 and 759, as relevant here. The Commission has adopted administrative rules relevant to the matters discussed herein in OAR Chapter 860, Divisions 21, 34 and 36.

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On March 8, 2020, Governor Brown declared a statewide state of emergency due to the public health threat posed by the novel infectious coronavirus, COVID-19.¹ Several extensions of that order have been issued, and the state of emergency is currently extended to November 3, 2020.² In a related executive order, the Governor explains that COVID-19 is a global pandemic that is causing a significant economic downturn in Oregon, imposing sustained economic hardship on many Oregonians in the form of lost wages and an inability to pay basic household expenses.³ Oregonians were directed to stay home to the greatest extent possible and a number of government offices and retail businesses were closed.⁴ Phased re-opening has begun but is not complete, and the restrictions may be re-imposed based on changing conditions.⁵

Analysis

Background

On June 9, 2020, the Commission conducted a Special Public Meeting on the topic of “*Impact to Utility Customers during the COVID-19 Pandemic and Future Economic Recovery.*” During this public meeting, the Commission heard from investor-owned energy, water, and telecommunications utilities, as well as customer groups, and other stakeholders on the impacts of the COVID-19 pandemic, including actions taken by utilities and additional actions needed to protect customers during this pandemic.

Prior to the meeting, the Federal Communications Commission (“FCC”) announced the Keep Americans Connected Initiative on March 13, 2020 and extended it to June 30, 2020. The Initiative was announced in order to ensure that Americans did not lose their broadband or telephone connectivity as a result of these exceptional circumstances. Many telecommunications utilities, on their own initiative, extended the pledge well beyond the June 30, 2020, end of the pledge.

On September 24, 2020, the Commission authorized Staff, and the affected utilities and stakeholders, to execute three stipulations incorporating the three term sheets (Energy, Water, and Telecommunications) that were developed during the Commission’s investigation into the Effects of the COVID-19 Pandemic on Utility Customers.

During the timeframe between September 24, 2020 and October 23, 2020, Parties refined the Telecommunications Term Sheet and developed a Stipulated Agreement on

¹ EO 20-03 (March 8, 2020).

² EO 20-24 (May 1, 2020); EO 20-30 (June 30, 2020); EO 20-38 (September 1, 2020).

³ See EO 20-11 (March 22, 2020).

⁴ EO 20-12 (March 23, 2020).

⁵ See EO 20-27 (June 5, 2020).

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October 23, 2020
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terms and conditions to assist customers and utilities during the current COVID-19 pandemic and the aftermath of the pandemic.

The Stipulated Agreement has been endorsed by Qwest Corporation dba CenturyLink QC, United Telephone Company of the Northwest dba CenturyLink, CenturyTel of Oregon Inc., dba CenturyLink, and CenturyTel of Eastern Oregon Inc. dba CenturyLink, Citizens' Telecommunications Co. of Oregon, Inc. dba Ziply Fiber and Frontier Communications Northwest LLC dba Ziply Fiber, Oregon Citizens' Utility Board (CUB), and Oregon Telecommunications Association (OTA).

Stipulated Agreement

The Stipulated Agreement is attached as Attachment A. Major features of the Telecommunications Utilities Stipulated Agreement include:

- Each Telecommunications Utility will offer Time Payment Agreements (TPAs), as described in this Stipulated Agreement and OAR 860-021-0575 for large telecommunications utilities; and OAR 860-034-0276 for small telecommunications utilities up to 12 months for residential customers, but no less than three months for both residential and business customers proportionate to the amount owed; unless otherwise requested by the customer. The Parties agree to support a request for waiver of any sections in OAR 860-034-0276 for which waiver is necessary under the provisions of this Stipulated Agreement. Telecommunications Utilities may provide additional flexibility on duration of the TPA based on the circumstances of a customer's ability to pay.
- A residential customer whose financial condition changes during the term of a TPA, or a residential customer who defaults the first time on a TPA and who seeks to renegotiate payment arrangements may do so. Customers must keep current on their bills from the time a TPA is put in place or the TPA may be terminated.
- In a good faith effort to increase the participation of income-eligible telecommunications customers in the Oregon Lifeline program, each Telecommunications Utility shall prominently display information regarding Oregon Lifeline on their website, emphasizing Oregon Lifeline enhanced benefits. Telecommunications Utilities shall also conduct enhanced promotion of the Oregon Lifeline program to their customers. Enhanced promotion includes direct physical and electronic outreach to residential telecommunications customers. Direct outreach includes but is not limited to physical billing inserts and other billing-related communications, targeted e-mail communications, and coordination with the Commission's Oregon Lifeline Program Manager.

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Page 4

Telecommunications Utilities shall commit to enhanced promotion of Oregon Lifeline beginning October 1, 2020 through at least April 1, 2021, with concerted efforts made during the fourth quarter of 2020 and first quarter of 2021.

- Telecommunications Utilities will not report late payments and nonpayment for active wireline services to credit bureaus and reporting agencies through April 1, 2021.
- Each Telecommunications Utility that has annual Local and Intrastate Switched Access operating revenue of over \$1,000,000 per year on a regular basis as presented in the most recent Oregon Utility Annual Statistics will provide relevant credit and collections data sufficient to evaluate customer needs to the Commission for four quarters (one year) starting February 15, 2021.

Conclusion

Staff finds the Stipulated Agreement meets the goals of the Commission's investigation in Docket No. UM 2114 and provides necessary protections and benefits to telecommunications utility customers affected by the COVID-19 pandemic.

PROPOSED COMMISSION MOTION:

Approve the Stipulated Agreement on the Effects of COVID-19 Pandemic on Telecommunications Utilities.

UM 2122

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 2122

In the Matter of)	
)	STIPULATED AGREEMENT
INVESTIGATION INTO THE EFFECTS)	ON EFFECTS OF COVID-19
OF THE COVID-19 PANDEMIC)	PANDEMIC ON
ON UTILITY CUSTOMERS)	TELECOMMUNICATIONS
)	UTILITY CUSTOMERS
)	
)	

PARTIES

This Stipulated Agreement is entered into by and between Staff of the Public Utility Commission of Oregon (“Staff”), Qwest Corporation dba CenturyLink QC, United Telephone Company of the Northwest dba CenturyLink, CenturyTel of Oregon Inc., dba CenturyLink, and CenturyTel of Eastern Oregon Inc. dba CenturyLink (together “CenturyLink”), Citizens’ Telecommunications Co. of Oregon, Inc. dba Ziply Fiber and Frontier Communications Northwest LLC dba Ziply Fiber (together, “Ziply”), Oregon Citizens’ Utility Board (“CUB”), and Oregon Telecommunications Association (“OTA”), as set forth below to settle and resolve all issues in the above-captioned proceeding. The telecommunications utilities that are parties to this Stipulated Agreement are CenturyLink, Ziply, and the remaining OTA telecommunications utilities members, (collectively “Telecommunications Utilities”). CUB, CenturyLink, Ziply, OTA and Staff (collectively “the Parties”) request that the Commission enter an Order approving this Stipulated Agreement.

BACKGROUND

On March 8, 2020, Oregon Governor Kate Brown declared a statewide state of emergency due to the public health threat posed by the novel infectious coronavirus, COVID-

19.¹ Several extensions of that order have been issued, and the state of emergency is currently extended to November 3, 2020.²

On June 9, 2020, the Commission held a Special Public Meeting on the impacts of COVID-19. As a result of the Special Public Meeting, the Commission opened an investigation into the effects of COVID-19, which would later be docketed as UM 2114. The purpose of the investigation was to:

A) Develop and share relevant information concerning actions taken by utilities concerning COVID-19;

B) Ensure the PUC takes an integrated, timely approach to COVID-19 related issue, and that all relevant aspects of the challenge are considered;

C) Ensure stakeholder engagement, input, and awareness; and

D) Provide information that will inform other, related dockets and Commission process.

Staff conducted a thorough investigation that included six general workshops, two data-focused workshops, one workshop dedicated to issues concerning water utilities, and two workshops dedicated to issues concerning telecommunications utilities from the period of June 30, 2020 to September 15, 2020. Staff developed a survey that canvassed various participants and others interested in proposed solutions to assist customers and utilities during the current COVID-19 pandemic and the aftermath of the pandemic. Additionally, a Commission Workshop and Commission Public Meeting were held on this subject. These efforts lead to the creation of a Telecommunications Term Sheet. On September 24, 2020, the Commission held a Special Public Meeting, at which the Commission authorized the Parties to execute a stipulation incorporating the Telecommunications Term Sheet.³

¹ EO 20-03 (March 8, 2020).

² EO 20-24 (May 1, 2020); EO 20-30 (June 30, 2020); EO 20-28 (September 1, 2020).

³ Docket No. UM 2114, Order No. 20-324.

The intent of the Telecommunications Term Sheet and therefore this Stipulated Agreement is to:

A) Memorialize the customer protections that telecommunications utilities subject to the jurisdiction of the Public Utility Commission of Oregon (“Commission”) have voluntarily put in place during the COVID-19 pandemic;

B) Obtain an order from the Commission directed to each participating Telecommunications Utility approving this Stipulated Agreement and memorializing the public process that led to the stipulation; and

C) Establish additional customer protections to mitigate the resumption of telecommunications service disconnections and late fees.

AGREEMENT

The Parties agree as follows:

Suspension of Utility Disconnections and the Imposition of Late Fees

1. In response to the COVID-19 pandemic, and the challenges that many Americans have faced, the Federal Communications Commission (“FCC”) announced the Keep Americans Connected Initiative on March 13, 2020 and extended it to June 30, 2020. The Initiative was announced in order to ensure that Americans did not lose their broadband or telephone connectivity as a result of these exceptional circumstances.

2. Many telecommunications utilities, on their own initiative, extended the pledge well beyond the June 30, 2020, end of the pledge.

3. Many telecommunications utilities have engaged in proactive customer outreach throughout the COVID-19 pandemic. In addition to this outreach, the Telecommunications Utilities that have not already notified customers, must upon approval of this Stipulated Agreement, notify customers with past due balances of: 1) the resumption of telecommunications service disconnections and late fees, and 2) all flexible payment options that are available to avoid disconnection as specified below. The communications with customers must also outline

other programs that may provide financial assistance to the customer including Oregon Lifeline.

4. Telecommunications Utilities that extended the pledge may impose late fees and disconnect service for non-payment after October 1, 2020. During the duration of this Stipulated Agreement, Telecommunications Utilities may disconnect a customer for non-payment only after the following has occurred:

- a. Telecommunications Utility has provided notice to the customer subject to disconnection as provided in paragraph 3;
- b. Telecommunications Utility has provided notice to the customer subject to disconnection as specified in applicable regulations and the Telecommunications Utility's tariff;⁴
- c. Telecommunications Utility has made a good faith effort to contact the customer to inform the customer of flexible payment options, financial assistance programs, and any other means to avoid disconnection. These efforts will be documented; and
- d. The requisite period of time specified in the Telecommunications Utility's tariff for the customer to enter into an arrangement to avoid disconnection has passed.

The information that a Telecommunications Utility provides pursuant to this paragraph will also be available on its website.

Additional Customer Programs and Initiatives

5. Each Telecommunications Utility will offer Time Payment Agreements (TPAs) as described in this Stipulated Agreement and OAR 860-021-0575 for large telecommunications utilities; and OAR 860-034-0276 for small telecommunications utilities up to 12 months for residential customers, but no less than three months for both residential and business customers proportionate to the amount owed; unless otherwise requested by the customer.

The Parties agree to support a request for waiver of any rule sections for which waiver is

⁴ Oregon Administrative Rules 860, Division 21 and Division 24.

necessary under the provisions of this Stipulated Agreement. Telecommunications Utilities may provide additional flexibility on the duration of the TPA based on the circumstances of a customer's ability to pay.

6. A residential customer whose financial condition changes during the term of a TPA, or a residential customer who defaults the first time on a TPA and who seeks to renegotiate payment arrangements may do so. Customers must keep current on their bills from the time a TPA is put in place or the TPA may be terminated.

7. In a good faith effort to increase the participation of income-eligible telecommunications customers in the Oregon Lifeline program, each Telecommunications Utility shall prominently display information regarding Oregon Lifeline on their website, emphasizing Oregon Lifeline enhanced benefits. Telecommunications Utilities shall also conduct enhanced promotion of the Oregon Lifeline program to their customers. Enhanced promotion includes direct physical and electronic outreach to residential telecommunications customers. Direct outreach includes but is not limited to physical billing inserts and other billing-related communications, targeted e-mail communications, and coordination with the Commission's Oregon Lifeline Program Manager. Telecommunications Utilities shall commit to enhanced promotion of Oregon Lifeline beginning October 1st, 2020 and through at least April 1, 2021, with concerted efforts made during the fourth quarter of 2020 and first quarter of 2021.

8. Telecommunications Utilities will not report late payments and nonpayment for active wireline services to credit bureaus and reporting agencies through April 1, 2021.

9. Each Telecommunications Utility that has annual Local and Intrastate Switched Access operating revenue of over \$1,000,000 per year on a regular basis as presented in the most

1 recent Oregon Utility Annual Statistics will provide relevant credit and collections data
2 sufficient to evaluate customer needs to the Commission for four quarters (one year) starting
3 February 15, 2021. Staff developed the preferred report format to be used by each
4 Telecommunications Utility in discussion with the signatories to this Stipulated Agreement
5 as shown in Attachment A. Discussions included weighing costs and benefits of providing
6 such data and the underlying purpose in collecting it.

7 **General Terms and Conditions**

8 10. The Parties recommend that the Commission issue an order adopting this Stipulated
9 Agreement. The Parties voluntarily and without duress waive any right to hearing on or
10 appeal of a Commission order adopting this Stipulated Agreement.

11 11. No Party shall be deemed to have approved, admitted, or consented to the facts, principles,
12 methods, or theories employed by any other Party in arriving at the terms in this Stipulated
13 Agreement. No Party shall be deemed to have agreed that any provision of this Term Sheet
14 and this resulting Stipulated Agreement is appropriate for resolving issues in any subsequent
15 proceeding, except for purposes of carrying out the provisions of the Stipulated Agreement,
16 in the subsequent dockets necessary to effectuate this Term Sheet as it is incorporated in the
17 Stipulated Agreement.

18 12. Each Party acknowledges that they are signing this Stipulated Agreement in good faith and
19 that they intend to abide by the terms of the Stipulated Agreement unless and until it is
20 rejected or adopted only in part by the Commission. If the Commission rejects all or any
21 material part of this Stipulated Agreement or adds any material condition to any final order
22 that is not consistent with the Telecommunications Term Sheet, each Party reserves its right
23 to withdraw from the Stipulated Agreement.

13. The terms of this Stipulated Agreement, other than the reporting requirements of paragraph 9, will expire April 1, 2021.

14. This Stipulated Agreement sets forth the entire agreement between the Parties and supersedes any and all prior communications, understandings, or agreements, oral or written, between the Parties pertaining to the subject matter of this Stipulated Agreement.

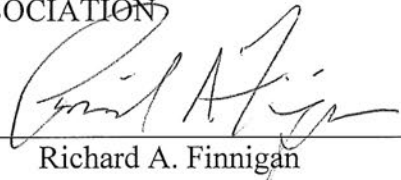
15. This Stipulated Agreement will be submitted to the Commission for approval at a public meeting. The Parties agree to support this Stipulation before the Commission, respond to the Commission's questions on the Party's position as may be appropriate and support the Commission's adoption of this Stipulated Agreement.

16. This Stipulated Agreement may be executed in counterparts and each signed counterpart shall constitute an original document. The Parties further agree that any electronically-generated Party signatures are valid and binding to the same extent as an original signature.

17. This Stipulated Agreement may not be modified or amended except by written agreement among all Parties who have executed it.

This Stipulation is entered into by each Party on the date entered below such Party's signature.

OREGON TELECOMMUNICATIONS
ASSOCIATION

By: 
Richard A. Finnigan

Date: October 27, 2020

STAFF OF THE PUBLIC UTILITY
COMMISSION OF OREGON

By: _____
Johanna Riemenschneider

Date: _____

or adopted only in part by the Commission. If the Commission rejects all or any material part of this Stipulated Agreement or adds any material condition to any final order that is not consistent with the Telecommunications Term Sheet, each Party reserves its right to withdraw from the Stipulated Agreement.

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This Stipulation is entered into by each Party on the date entered below such Party's signature.

OREGON TELECOMMUNICATIONS
ASSOCIATION

STAFF OF THE PUBLIC UTILITY
COMMISSION OF OREGON

By: _____
Richard A. Finnigan

By: /s/ Johanna Riemenschneider
Johanna Riemenschneider

Date: _____

Date: October 27, 2020

1 QWEST CORPORATION

UNITED TELEPHONE COMPANY OF
THE NORTHWEST

2
3
4 By:



5 William E. Hendricks, III

6
7 Date: October 26, 2020

By:



William E. Hendricks, III

8
9 Date: October 26, 2020

10 CENTURYTEL OF OREGON INC.

CENTURYTEL OF EASTERN OREGON
INC.

11
12
13 By:



14 William E. Hendricks, III

15
16 Date: October 26, 2020

By:



William E. Hendricks, III

17
18 Date: October 26, 2020

19 CITIZENS' TELECOMMUNICATIONS CO.
20 OF OREGON, INC.

FRONTIER COMMUNICATIONS
NORTHWEST LLC

21
22 By:

23 George Baker Thomson, Jr.

24
25 Date:

By:

George Baker Thomson, Jr.

26
27 Date:

28 OREGON CITIZENS' UTILITY BOARD

29
30 By:

31 Michael Goetz

32
33 Date:

1 QWEST CORPORATION

UNITED TELEPHONE COMPANY OF
THE NORTHWEST

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3
4 By: _____
5 William E. Hendricks, III

By: _____
William E. Hendricks, III

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7 Date: _____

Date: _____

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10 CENTURYTEL OF OREGON INC.

CENTURYTEL OF EASTERN OREGON
INC.

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13 By: _____
14 William E. Hendricks, III

By: _____
William E. Hendricks, III

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16 Date: _____

Date: _____

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19 CITIZENS' TELECOMMUNICATIONS CO.
20 OF OREGON, INC.

FRONTIER COMMUNICATIONS
NORTHWEST LLC

21
22 By: 
23 George Baker Thomson, Jr.

By: 
George Baker Thomson, Jr.

24
25 Date: 10/27/20

Date: 10/27/20

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28 OREGON CITIZENS' UTILITY BOARD

29
30 By: _____
31 Michael Goetz

32
33 Date: _____
34

1 QWEST CORPORATION

UNITED TELEPHONE COMPANY OF
THE NORTHWEST

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4 By: _____
5 William E. Hendricks, III

By: _____
William E. Hendricks, III

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7 Date: _____

Date: _____

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10 CENTURYTEL OF OREGON INC.

CENTURYTEL OF EASTERN OREGON
INC.

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13 By: _____
14 William E. Hendricks, III

By: _____
William E. Hendricks, III

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16 Date: _____

Date: _____

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18
19 CITIZENS' TELECOMMUNICATIONS CO.
20 OF OREGON, INC.

FRONTIER COMMUNICATIONS
NORTHWEST LLC

21
22 By: _____
23 George Baker Thomson, Jr.

By: _____
George Baker Thomson, Jr.

24
25 Date: _____

Date: _____

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28 OREGON CITIZENS' UTILITY BOARD

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30 
31
32 By: _____
33 Michael Goetz

34
35 Date: 10/27/2020
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Attachment A
Reporting Requirements

Telecommunications Utilities will provide the enhanced reporting for four quarters (one year) starting February 15, 2021 (for the previous quarter, October to December). Reports will be submitted by the end of the month following the close of the three-month period:

- a. The number of wireline customers;
- b. The number of wireline customers assessed late payment fees or charges during the period;
- c. Total number of wireline disconnections for non-payment.