

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1908, UM 2206

In the Matters of

LUMEN TECHNOLOGIES,

Proposed Commission Action Pursuant to
ORS 756.515 to Suspend and Investigate
Price Plan (UM 1908), and

QWEST CORPORATION,

Investigation Regarding the Provision of
Service in Jacksonville, Oregon, and
Surrounding Areas (UM 2206).

Hearing Relating to Orders Nos. 22-340
and 22-422.

ORDER

DISPOSITION: STIPULATION ADOPTED SUBJECT TO MODIFICATION

I. SUMMARY

In this order, we adopt, with modifications, the stipulation and price plan attached to this order as Appendix A¹, proposed by the Staff of the Public Utility Commission of Oregon and Lumen Technologies² (CenturyLink). As discussed in further detail in this order, we direct Staff and CenturyLink to file a revised price plan and Attachment E to the stipulation consistent with the directives of this order.

II. BACKGROUND AND PROCEDURAL HISTORY

On September 28, 2018, the Public Utility Commission of Oregon entered an order adopting a stipulation and approving a price plan for CenturyLink in docket UM 1908.³

¹ On December 22, 2023, the stipulating parties filed an erratum correcting a scrivener's error on the eleventh page of Attachment A to the stipulation. The stipulation in Appendix A includes the page corrected by the December 22, 2023 erratum.

² Formerly known as Qwest Corporation, United Telephone Company of the Northwest, CenturyTel of Oregon, and CenturyTel of Eastern Oregon.

³ Order No. 18-359 at 9 (Sept. 28, 2018).

This price plan was approved for an initial term of four years that would automatically renew for successive four-year terms, unless suspended or modified. Additionally, under the price plan, CenturyLink was required to file a performance report by the end of year three of each price plan term, which the Commission would review.

On September 28, 2021, CenturyLink filed the performance report for the initial price plan term in docket UM 1908.

On December 9, 2021, Staff of the Public Utility Commission filed a report in docket UM 2206 recommending that the Commission open an investigation into the safety and reliability of the telephone service provided by CenturyLink in the Jacksonville, Oregon area. On December 20, 2021, the Commission adopted Staff's recommendation at the public meeting held that day and entered as Order No. 21-470. The Commission subsequently received a number of comments from customers in the Jacksonville area and held a special public meeting on August 30, 2022, regarding the service quality issues and potential options for addressing them.

At the public meeting held September 20, 2022, the Commission considered a Staff recommendation in docket UM 1908 to extend the initial four-year term of CenturyLink's price plan to investigate whether the price plan is in the public interest and if there should be any changes to the price plan. Staff also recommended that the Commission direct CenturyLink to establish a dedicated customer service line for customers in the Jacksonville area to address service quality issues.

The Commission adopted Staff's recommendation with modifications and required CenturyLink to:

1. deploy a toll-free, 24/7 dedicated customer support line to support customers in Jacksonville, Applegate, and surrounding areas in southern Oregon for the duration of the investigation;
2. allow customers in this service area to report service issues for multiple addresses and create multiple repair tickets with one phone call;
3. address all tickets and make repairs to the satisfaction of customers within 48 hours of the creation of the ticket;

4. track and retain information on all tickets generated through this customer support line, including the name, address, and contact information for the customer for whom the ticket has been generated, a description of the service issue, logs of customer contact regarding the service issue, actions taken to resolve the service issue, information on the results, and the date and time for all the information collected; and
5. file a report every two weeks that includes the tracked information on repair tickets and a confidential version that includes customer information.⁴

Additionally, the Commission stated that it intended to level penalties for violations of Order No. 22-340 in an amount not to exceed \$50,000 for each instance. The Commission adopted Staff's recommendation to extend the initial term of the price plan to four years and nine months.

On September 27, 2022, CenturyLink requested a hearing pursuant to ORS 756.515(5) in docket UM 1908, asserting that the record in the docket contains insufficient information to support the findings in Order No. 22-340 and that there were significant issues as to whether the order was lawful.⁵

On September 29, 2022, Chief Administrative Law Judge (ALJ) Nolan Moser issued a ruling and memorandum consolidating dockets UM 2206 and UM 1908 and designating the consolidated docket a contested case.

On October 28, 2022, the Commission entered Order No. 22-422 modifying Order No. 22-340 and directing the Administrative Hearings Division to schedule a hearing on the modified order. In this order, the Commission found that the modified order was necessary for the public health and safety and remained in effect pending a decision following the hearing. The Commission cited to information provided by Staff and customers regarding the frequency and duration of outages and the lack of internet and cellular service options in the area.⁶

The Commission modified the requirement in Order No. 22-340 to state that CenturyLink must address all tickets and make repairs in a manner that results in a consistent dial tone and ability to make and receive calls within 48 hours of the creation of the ticket, or provide a functionally equivalent substitute at no additional cost. If such repairs are not feasible within 48 hours, CenturyLink must provide documentation to the customer and

⁴ Order No. 22-340 at 1-2 (Sept. 23, 2022).

⁵ Lumen Request for a Hearing at 1-3 (Sept. 27, 2022).

⁶ Order No. 22-422 at 3-8 (Oct. 28, 2022).

the Commission's Consumer Services Division.⁷ In addition to a hearing on the modified order, the Commission directed the Administrative Hearings Division to hold a prehearing conference to investigate CenturyLink's price plan.

On March 21, 2023, following a hearing, the Commission entered Order No. 23-109 affirming Order No. 22-340 as modified by Order No. 22-422. In Order No. 23-109, the Commission concluded that the modified order should remain in effect to protect public safety of customers relying on Lumen to access emergency services and critical information and stated that it would next consider the ongoing obligations of the order through the ongoing price plan investigation.⁸

On December 16, 2022, the Commission held a prehearing conference to discuss the schedule for consideration of the price plan investigation portion of the consolidated docket and to establish the parties. The Staff of the Public Utility Commission of Oregon, the Oregon Citizens' Utility Board (CUB), and customer and Intervenor Priscilla Weaver participated as parties to these proceedings.

On February 21, 2023, prior to the submission of testimony in the price plan investigation portion of these proceedings, Staff filed a motion to temporarily suspend the testimony schedule in the proceedings until March 31, 2023, to facilitate further settlement discussions between the parties. On February 21, 2023, ALJ Sarah Spruce granted the motion to temporarily suspend the testimony schedule and directed the parties to file by March 27, 2023, either a proposed schedule for testimony or an update on the status of the settlement negotiations.

On March 27, 2023, CenturyLink filed a motion on behalf of the parties to further amend Order No. 22-340 to extend the effective date of the price plan through September 28, 2023, to provide the parties with additional time to negotiate. On March 28, 2023, ALJ Spruce issued a ruling suspending the schedule in these proceedings and directing the parties to provide an update on settlement negotiations by April 28, 2023. On March 28, 2023, Chief ALJ Moser amended Order No. 23-340 to extend the original term of the price plan from no longer than four years and nine months to no longer than five years.⁹ On May 1, 2023, Staff filed a settlement update stating that the parties continued to negotiate. On July 11, 2023, ALJ Spruce issued a memorandum directing the parties to file an update by July 28, 2023.

On July 28, 2023, Staff filed a motion to extend the deadline to file a status update to September 1, 2023, which was granted by ALJ Spruce on August 1, 2023. As part of the August 1, 2023 ruling, ALJ Spruce stated that if the parties had not yet reached

⁷ *Id.* at 9.

⁸ Order No. 23-109 at 20-21 (Mar. 21, 2023).

⁹ Order No. 23-119 at 2 (Mar. 28, 2023).

settlement by September 1, 2023, the Commission would hold a prehearing conference to discuss the procedural schedule for the contested case.

On September 1, 2023, Staff filed a settlement update stating that Staff and CenturyLink had reached a settlement in principle but that CUB and Priscilla Weaver were likely to object to one or more terms of the settlement. On September 19, 2023, the Commission held a prehearing conference to discuss the schedule for the contested stipulation.

On October 10, 2023, Staff and CenturyLink (together, the stipulating parties) filed the stipulation and supporting testimony. CUB and Priscilla Weaver each filed testimony opposing the stipulation, and Staff and CenturyLink each filed responsive testimony. On November 15, 2023, the Commission held an evidentiary hearing.

On November 17, 2023, ALJ Spruce issued a memorandum establishing a deadline for the parties to submit and object to motions to admit evidence. Additionally, on November 17, 2023, ALJ Spruce issued a bench request to CenturyLink.

On November 22, 2023, the stipulating parties, CUB, and Priscilla Weaver each filed motions to admit evidence. No party filed objections to any motion to admit.

On December 1, 2023, the stipulating parties, CUB, and Priscilla Weaver each filed opening briefs. On December 5, 2023, CenturyLink filed a response to the bench request. On December 15, 2023, CUB filed a reply to CenturyLink's response. On December 22, 2023, the stipulating parties, CUB, and Priscilla Weaver each filed closing briefs.

III. STANDARD OF REVIEW

A. Stipulations

Under OAR 860-001-0350, the Commission may adopt, reject, or propose to modify a stipulation. If the Commission proposes to modify a stipulation, the Commission must explain the decision and provide the parties sufficient opportunity on the record to present evidence and argument to support the stipulation.

In reviewing a stipulation, we review to determine whether the overall result of the stipulation results in fair, reasonable, and just rates. We review settlements on a holistic basis to determine whether they serve the public interest and result in just and reasonable rates. A party may challenge a settlement by presenting evidence that the overall settlement results in something that is not compatible with a just and reasonable outcome. Where a party opposes a settlement, we will review the issues pursued by that party, and consider whether the information and argument submitted by the party (which may be technical, legal, or policy information and argument) suggests that the settlement is not in the public interest, will not produce rates that are just and reasonable, or otherwise is not

in accordance with the law. To support the adoption of a settlement, the stipulating parties must present evidence that the stipulation is in accord with the public interest, and results in just and reasonable rates.

B. Price Plan

Under ORS 759.255(2), the Commission may approve a price plan for a telecommunications facility but must first find that the plan is in the public interest. In making this determination, the Commission must consider, among other matters, whether the plan: 1) ensures prices for telecommunications services that are just and reasonable; 2) ensures high quality of existing telecommunications services and makes new services available; 3) maintains the appropriate balance between the need for regulation and competition; and 4) simplifies regulation.

IV. STIPULATION

The stipulating parties propose to resolve all the issues raised in these proceedings. As part of the stipulation, the parties propose a new price plan for CenturyLink that would tie CenturyLink's pricing flexibility to certain service quality metrics. The stipulating parties propose to suspend Order Nos. 22-340 and 22-422 (Jacksonville Orders) in connection with CenturyLink's Jacksonville Rural Digital Opportunity Fund Project (RDOF), create a new protected customer class that would extend the majority of the protections contained in the Jacksonville Orders to an additional 4,000 customers, and end the imputation of directory revenues. The proposed price plan would be effective for an initial term of four years and automatically renew for successive four-year terms. CenturyLink would file a performance report by the end of year three of each four-year term.¹⁰

Under the proposed price plan, CenturyLink could increase the rates for recurring charges for the residential Primary Line Basic Service a maximum of \$3.00 a plan year and \$12.00 over the plan term. CenturyLink's ability to raise its rates up to the maximum amount, however, would be based equally on its repair clearing time (RCT), trouble tickets (TT/100) service quality metrics, and average age of NESC violations over the past 12 months, with an option for slightly different components for the first year of the plan. For year one of the proposed plan, CenturyLink may choose to only consider the RCT and TT/100 metrics or to apply the standard components in effect for the rest of the plan. The optional year one pricing components are as set forth below¹¹:

¹⁰ Stipulation, Attachment A at 3 (Oct. 10, 2023).

¹¹ *Id.* at 4-5.

Optional Year 1 Component 1: All Oregon Customers				
	TT/100 Performance Below 70% compliant	TT/100 Performance 70%-79% compliant	TT/100 Performance 80%-89% compliant	TT/100 Performance 90%+ compliant
RCT 90%+	\$0.75	\$1.00	\$1.25	\$1.50
RCT 80%- 89%	\$0.50	\$0.75	\$1.00	\$1.25
RCT 70%- 79%	\$0.25	\$0.50	\$0.75	\$1.00
RCT < 70%	\$0.00	\$0.25	\$0.50	\$0.75

Optional Year 1 Component 2: Protected Customers				
	TT/100 Performance Below 70% compliant	TT/100 Performance 70%-79% compliant	TT/100 Performance 80%-89% compliant	TT/100 Performance 90%+ compliant
RCT 90%+	\$0.75	\$1.00	\$1.25	\$1.50
RCT 80%- 89%	\$0.50	\$0.75	\$1.00	\$1.25
RCT 70%- 79%	\$0.25	\$0.50	\$0.75	\$1.00
RCT < 70%	\$0.00	\$0.25	\$0.50	\$0.75

Under the year one optional pricing components, CenturyLink could raise its prices by the combined totals permitted in the two charts up to the maximum of \$3.00.

For the rest of the price plan or in year one at its option, CenturyLink could raise its prices based on its service quality performances with the following metrics: the intersection of its RCT and TT/100 metrics for all customers, the intersection of its RCT and TT/100 metrics for customers in the protected customer class, and the weighted average age of its outstanding National Electrical Safety Code (NESC) violation reports. CenturyLink could raise its prices up to a maximum of \$3.00 a year consistent with the combined totals permitted by the following three component charts¹²:

¹² *Id.* at 5-7.

Component 1: All Oregon Customers				
	TT/100 Performance Below 70% compliant	TT/100 Performance 70%-79% compliant	TT/100 Performance 80%-89% compliant	TT/100 Performance 90%+ compliant
RCT 90%+	\$0.50	\$0.67	\$0.83	\$1.00
RCT 80%- 89%	\$0.33	\$0.50	\$0.67	\$0.83
RCT 70%- 79%	\$0.17	\$0.33	\$0.50	\$0.67
RCT < 70%	\$0.00	\$0.17	\$0.33	\$0.50

Component 2: Protected Customers				
	TT/100 Performance Below 70% compliant	TT/100 Performance 70%-79% compliant	TT/100 Performance 80%-89% compliant	TT/100 Performance 90%+ compliant
RCT 90%+	\$0.50	\$0.67	\$0.83	\$1.00
RCT 80%- 89%	\$0.33	\$0.50	\$0.67	\$0.83
RCT 70%- 79%	\$0.17	\$0.33	\$0.50	\$0.67
RCT < 70%	\$0.00	\$0.17	\$0.33	\$0.50

Component 3: Average Age of NESC Violation Reports				
	Weighted average report violation age ≥ 180 days	Weighted average report violation age < 180 and > 120 days	Weighted average report violation age ≤ 120 and > 60 days	Weighted average report violation age ≤ 60 days
	\$0.00	\$0.50	\$0.75	\$1.00

Under the proposed price plan, CenturyLink could raise non-recurring charges for the residential Primary Line Basic Service by a maximum of \$10.00 over the plan term. There would not be a maximum price cap for either non-recurring or recurring charges for the business Primary Line Basic Service.

The stipulating parties agree that CenturyLink will move forward with and make good faith efforts to complete the Jacksonville RDOF build as close to the project originally proposed. The RDOF build includes the replacement of the 13-mile copper transport feeder connection that runs from the Jacksonville central office to two remote terminals in the Little Applegate area with fiber facilities.¹³ CenturyLink states that 72 customer locations served by remote terminals 2600 and 2900 will not receive fiber to the premises but will benefit from installation of fiber upgrades for the remote terminals.¹⁴ The stipulating parties state that all residences served by remote terminals 2600 and 2900 will experience higher service reliability due to the increased reliability of the fiber feeder facilities, even if those residences are still served by copper lines for the “last mile.”¹⁵ The parties agree that CenturyLink may decline to build fiber to the home to a small portion of living units based on the extreme cost to build. CenturyLink estimates that 15 locations in the build area would be excluded due to the extreme costs and would not receive the benefits from the RDOF build. CenturyLink states that only one of these 15 locations is currently a CenturyLink customer.¹⁶

The stipulating parties agree that the Jacksonville Orders would be suspended upon commencement of CenturyLink’s RDOF build until the build is complete or December 31, 2024, whichever is earlier.¹⁷ The stipulating parties propose to terminate the Jacksonville Orders upon completion of the RDOF build. Under the stipulation, CenturyLink would notify the Commission at the beginning of RDOF construction, provide monthly status reports during the construction period, and notify the Commission after construction is completed.

As part of the stipulation and the price plan, CenturyLink would create a new protected customer class consisting of residential local service customers who only have access to CenturyLink copper-based wireline service and commercial satellite services to make voice calls at their residences.¹⁸ The stipulating parties estimate that there are approximately 4,100 customers that would be considered protected customers, including the approximately 100 customers currently covered by the Jacksonville Orders.¹⁹ The stipulating parties agree that CenturyLink will extend many of the customer protections contained in the Jacksonville Orders to the larger pool of protected customers. The price plan sets forth that CenturyLink will maintain the dedicated customer service contact

¹³ Stipulating Parties/100, Beitzel-Gose/26 (Oct. 10, 2023).

¹⁴ CenturyLink Response to Bench Request 1-1 at 2 (Dec. 5, 2023).

¹⁵ *Id.*

¹⁶ Stipulation, Attachment C at 1; Stipulating Parties/100, Beitzel-Gose/26; CenturyLink Response to Bench Request 1-1 at 2.

¹⁷ Stipulation at 4; Attachment C. The stipulation also provides for an extension past December 31, 2024, if CenturyLink has reasonably demonstrated that the delay is due to circumstances outside its control.

¹⁸ Stipulation, Attachment A at 1-2.

¹⁹ Stipulating Parties/100, Beitzel-Gose/20-21.

number for protected customers to submit trouble reports.²⁰ Additionally, CenturyLink will file a monthly report for incoming calls to the 24/7 dedicated line from protected customers that is similar to the report required by the Jacksonville Orders.²¹ In testimony, Staff states that the larger protected customer group will also retain the ability to report outages for multiple addresses, the ability for customer service representatives to create multiple trouble tickets from a single phone call, and the prioritization of these tickets for immediate resolution.²²

Under the stipulation and price plan, CenturyLink would file monthly reports on its TT/100 and RCT metrics for all Oregon customers as well as the TT/100 and RCT metrics for protected customers specifically.²³ The stipulating parties propose to report the protected customer TT/100 and RCT reports by individual phone line and calculate the metrics as a single group rather than by wire center. At the evidentiary hearing, however, Mr. Gose for CenturyLink stated that the wire center could be added as a column to that report.²⁴ Additionally, CenturyLink would file a monthly dedicated line report providing similar information to that currently required by the Jacksonville Orders every two weeks.

Regarding service quality, the stipulating parties propose that if CenturyLink fails to satisfy the applicable TT/100 and RCT metrics for protected customers for three months in a row, the Commission may take action, including but not limited to, requiring a resolution plan to be implemented as required by Commission approval within a month or any additional remedies available to the Commission outside the price plan.²⁵ The stipulating parties agree that CenturyLink will continue to be subject to the Commission's service quality rules.

Additionally, the stipulating parties agree that CenturyLink will make satellite phones available to deploy from two wire centers to be agreed upon by CenturyLink and Staff. These satellite phones would be deployed in instances where service interruptions are greater than two consecutive days in the selected wire centers. The stipulating parties also agree that CenturyLink will be responsive to inspections performed by other operators or Staff for conditions identified as fire and safety risks if those identified conditions are also NESC violations.²⁶

²⁰ Stipulation, Attachment A at 10.

²¹ *Id.*, Attachment E at 2.

²² Staff/200, Beitzel/11 (Nov. 7, 2023).

²³ Stipulation, Attachment E at 1-2.

²⁴ Tr. at 46 (Nov. 21, 2023).

²⁵ Stipulation, Attachment A at 10-11.

²⁶ *Id.* at 11.

The stipulating parties agree to support grandfathering CenturyLink's local measured service and to standardize Form O across all CenturyLink incumbent local exchange carriers. The stipulating parties also agree to support CenturyLink ending the imputation of directory revenues derived from operations of telephone directories as currently required by the memorandum of understanding adopted in docket UM 1159.²⁷ Additionally, the stipulating parties agree to extend promotional periods from 9 months to 12 months as well as increase the line extension allowance from \$2,000.00 to \$2,500.00.

Under ORS 759.255(5), the stipulating parties agree to waive a number of Oregon statutes. The stipulating parties also agree to waive a number of Commission regulations under the authority granted by the Commission to waive its own rules. The waivers are similar to those provided by the current price plan, except that the stipulating parties agree to extend the promotional price plan under OAR 860-026-0025(b) from nine months to 12 months.²⁸

The stipulating parties propose that the Commission will review the price plan every four years on the basis of the performance report required by the price plan and any other relevant factors. Under the proposed price plan, the Commission may open an investigation into the price plan at any time under ORS 756.515 to determine whether any adjustments to the price plan or termination of the price plan are required by the public interest.²⁹ The stipulating parties agree that CenturyLink may file a petition under ORS 759.299 to modify the price plan no sooner than the second anniversary of the price plan.

V. POSITIONS OF THE PARTIES

A. CUB

CUB objects to the terms of the stipulation that would suspend and ultimately terminate the Jacksonville Orders.³⁰ CUB argues that the stipulation does not offer a plan to address service quality issues in the near term and therefore does not offer a remedy for the ongoing service quality issues for customers in the Jacksonville and Applegate areas. CUB maintains that the stipulation is not in the public interest and that the historical and ongoing safety concerns in the Jacksonville area have not been resolved. CUB proposes three modifications to the stipulation to ensure that the plan is in the public interest:

²⁷ Stipulation at 4; *In the Matter of Qwest Corporation, Inclusion of Yellow Pages Revenues in the Calculation of the annual Public Utility Commission of Oregon Fee by Qwest Corporation*, Docket No. UM 1159, Order No. 04-464 at 1 (Aug. 6, 2004).

²⁸ Stipulation, Attachment A at 11-12; Stipulating Parties/100, Beitzel-Gose/30-31.

²⁹ Stipulation, Attachment A at 3.

³⁰ CUB Opening Brief at 2 (Dec. 1, 2023).

1) The Jacksonville Orders will remain in effect until CenturyLink has notified the Commission that it has completed the RDOF build and taken any other steps necessary to make its service for Jacksonville customers reliable and compliant with Oregon standards; 2) Upon CenturyLink's notification in docket UM 1908 and no sooner than six months after the RDOF build is completed, the Commission will hold a public hearing to assess whether the Jacksonville Orders are still necessary; and 3) CenturyLink will file its monthly service quality reports by wire center as required under OAR 860-023-055(5) and (6) in docket UM 1908 and identify those wire centers serving Protected Customers.³¹

CUB contends that the stipulating parties have not met their burden to demonstrate that the stipulation is in accordance with the law. CUB maintains that the stipulating parties have not offered evidence that the service quality issues addressed in the Jacksonville Orders have been resolved by the stipulation and price plan to a degree that would warrant a change to those orders.³² CUB argues that until the necessary repairs are made to the infrastructure CenturyLink states is the cause of the ongoing service issues, the Jacksonville Orders must remain in place.

CUB argues that the stipulation as proposed does not provide finality and certainty of reliable telephone service to the customers protected by the Jacksonville Orders. CUB contends that undermining the Jacksonville Orders endangers CenturyLink's customers. CUB maintains that these customers do not have other reliable communication and must rely on CenturyLink's service in the event of an emergency. CUB argues that its proposal would keep the Jacksonville Orders in place only until CenturyLink has demonstrated a durable solution for CenturyLink's customers.³³

Regarding the RDOF build, CUB contends that under the stipulation CenturyLink has only stated that it intends to move forward with the RDOF build. Additionally, CUB notes that CenturyLink is required to complete the RDOF build within the next few years with or without the stipulation. CUB argues that its proposal provides CenturyLink with a structured pathway to be relieved of the Jacksonville Orders while also holding the company to producing a result.³⁴

CUB argues that the RDOF build will provide fiber access to ten of the approximately 100 customers that CenturyLink reports as covered by the Jacksonville Orders and that the expectations for the remaining 90 customers are either uncertain, partial improvement, or no improvement. CUB contends that replacing the remote terminal can be expected to fix the cause of 40 to 70 percent, or about half, of the incidents customers

³¹ CUB Opening Brief at 2.

³² *Id.* at 13.

³³ *Id.* at 16.

³⁴ *Id.* at 17.

are experiencing.³⁵ CUB contends that the stipulating parties have not presented evidence that the RDOF build will remedy the service quality issues for all customers in CenturyLink's service territory.³⁶

Regarding the protections offered by the Jacksonville Orders, CUB maintains that the stipulation and price plan do not offer the same protections for customers as the Jacksonville Orders. CUB argues that the standard process for levying penalties involves several added steps as compared to the process set out in the Jacksonville Orders. CUB contends that the standard process for imposing fines is suitable for a utility that is generally compliant but not for a utility with CenturyLink's unacceptable service record.³⁷ CUB also argues that the price plan does not include the requirement from the Jacksonville Orders for the company to complete 100 percent of repairs within 48 hours. CUB notes that the stipulating parties stated at the hearing that it intended to extend the protections of the Jacksonville Orders to the protected customer group but that some of these protections are not covered in either the stipulation or price plan and therefore the stipulation would need to be modified to explicitly reflect this intent.³⁸ CUB states that if the stipulating parties truly intended for the protected customer group to receive the same protections as provided by the Jacksonville Orders and the stipulating parties modified the price plan accordingly, it likely could agree to the stipulation and price plan.

CUB argues that CenturyLink has improved its RCT metric in the last year, seemingly in response to the Jacksonville Orders, after years without demonstrable improvements.³⁹ CUB maintains that CenturyLink has not yet reached compliance with its TT/100 metrics, noting that the same infrastructure that has failed at unreasonable frequencies over the last ten years is still in place. CUB contends that it appears CenturyLink has implemented a good contingency plan post-Jacksonville Orders but that it is has not yet established reliable infrastructure and a durable solution for Jacksonville customers. Further, CUB argues that, based on customer comments in the record, customers covered by the Jacksonville Orders continue to feel unsafe and believe the Jacksonville orders must remain in effect until there is a permanent solution in place. CUB maintains that evidence in the record shows that CenturyLink has not been addressing problems in a timely manner, including in the Jacksonville area, and that the Jacksonville Orders must remain in place until a resolution that ensures the high quality of existing telecommunication services is available.⁴⁰

³⁵ *Id.* at 18.

³⁶ CUB Closing Brief at 6-7 (Dec. 22, 2023).

³⁷ CUB Opening Brief at 20.

³⁸ *Id.* at 21.

³⁹ *Id.* at 24.

⁴⁰ *Id.* at 27.

CUB notes that there are discrepancies and inconsistencies between the information that CenturyLink provided in response to data requests and the information provided in the reports required by the Jacksonville Orders.⁴¹ CUB contends that the data shows CenturyLink's persistent failure to meet the Commission's existing service quality standards and demonstrates that there are outstanding questions around the company's ability to provide accurate reporting information.⁴²

CUB argues that its proposal to modify the stipulation provides accountability for CenturyLink's customers and shifts the responsibility over the company's plan to fix its Jacksonville infrastructure from customers to CenturyLink. CUB maintains that it does not oppose the rate increase structure of the price plan but states that it is skeptical that pricing flexibility will incentivize CenturyLink to shift course significantly and start complying with the service quality rules.⁴³ CUB argues that CenturyLink has not offered any evidence to suggest that the pricing flexibility will provide more motivation to act rather than the risk of penalties contained in the Jacksonville Orders.

B. Priscilla Weaver

Priscilla Weaver opposes the stipulation and price plan. Ms. Weaver argues that accepting the plan would nullify the Jacksonville Orders without cause and that the protections in the price plan are not close to the same as those in the Jacksonville Orders.

Ms. Weaver contends that the stipulation does not include several provisions from the Jacksonville Orders, including the 24/7 dedicated line, the ability to report multiple outages, the ability to create multiple repair tickets through the dedicated line, and prioritization for repairs. Ms. Weaver notes that the stipulation includes the requirement to maintain a dedicated customer service contact number for protected customers and argues that it is not almost identical to the protections in the Jacksonville Orders as argued by the stipulating parties.⁴⁴ Ms. Weaver contends that without the repair prioritization provision, there is no assurance that their outages will be prioritized. Ms. Weaver argues that after years of CenturyLink ignoring its obligations under Oregon law and the ten months that it took to get the prioritization requirement in the Jacksonville Orders, she and the other customers in the Jacksonville area are not prepared to take CenturyLink's word that the omitted requirements would be followed under the price plan. Ms. Weaver also argues that Staff traded away the protection of prompt repairs in exchange for CenturyLink accepting potential limitations on their rate

⁴¹ *Id.* at 34.

⁴² *Id.* at 36.

⁴³ CUB Opening Brief at 37; CUB Closing Brief at 12.

⁴⁴ Weaver Opening Brief at 2-3 (Dec. 1, 2023).

increases, and that under these circumstances Staff could not expect Jacksonville customers to rely on after-the-fact assurances outside the plan itself.

Ms. Weaver notes that Staff and Lumen have maintained that there is an automatic investigation mechanism for addressing service quality issues but contends that the only investigation mechanism in the plan is the possibility of a remedial action plan after three consecutive months of noncompliance. Ms. Weaver argues that there is no mechanism in Section 11 of the plan or in Attachment E that sets how the service quality reports in the appendix will be used. Ms. Weaver maintains that the Jacksonville Orders were imposed in part based on Staff's testimony in an earlier portion of these proceedings noting that the solutions implemented in response to the performance plan did not provide a durable solution to the issues in Jacksonville. Ms. Weaver contends that nothing in the stipulation and supporting testimony justifies starting over again with another exercise in futility every time another trend of extended outages happens.

Ms. Weaver argues that lifting the Jacksonville Orders would leave CenturyLink free of the risk of being fined for leaving the community's health and lives at risk after only a year of making piecemeal repairs after years of increasingly dangerous and lengthy outages. Ms. Weaver maintains that the fines are not punitive but are instead a deserved sanction that are within the company's control to avoid. Ms. Weaver contends that the pricing metrics and added protections in the plan remain untested and notes that the Commission should not find out whether it works by eliminating the proven protections of the Jacksonville Orders just because the company started its RDOF project.

Ms. Weaver argues that except for a few piecemeal repairs, the customers in Jacksonville will still have the same unreliable buried copper wire and antique structure. Ms. Weaver contends that the Commission previously decided the 90 percent compliance standard was not sufficient to protect customers in Jacksonville and that the enforcement mechanism in the Jacksonville order is what is keeping the phones operating.

Ms. Weaver urges the Commission to reject the stipulation unless the Jacksonville Orders remain in place during the RDOF build and related conversion away from copper wire.

Ms. Weaver contends that if the company sticks to its position that it will not agree to the stipulation if the Jacksonville Orders stay in place, then the Commission should go against Staff's recommendation and reject the price plan outright. Ms. Weaver argues that while the stipulating parties call the price plan balanced and in the public interest, rural Jacksonville is part of that public and that unlike more urban customers, they are not free to find another provider.

C. Stipulating Parties

The stipulating parties maintain that the stipulation and price plan are a reasonable compromise of the issues, meet the criteria set forth in ORS 759.255 for approving a

price plan, and are in the public interest. The stipulating parties argue that the stipulation is a reasonable compromise of the issues and results in just and reasonable rates. The stipulating parties contend that the stipulation ensures just and reasonable rates through price caps and by directly tying pricing flexibility and service quality.⁴⁵ The stipulating parties maintain that the 2018 price plan was found to produce just and reasonable rates in part because of the price caps and note that the proposed price plan retains those price caps with the additional limitations tied to service quality. The stipulating parties contend that none of the prior price plans included restrictions on price increases tied to service quality and that because many of the provisions from the prior plan are carried over to the new plan, this new addition alone shows that the plan is in the public interest.⁴⁶

The stipulating parties maintain that the Commission previously concluded that the requirement to comply with the Commission's service quality rules and its ability to require a corrective action plan if performance dipped below those levels was sufficient to ensure high quality service. The stipulating parties contend that the proposed price plan goes even further by tying price increases to service quality, creating a group of protected customers, solidifying the role of the dedicated service line, and enabling Staff to monitor service quality more closely through detailed reporting.⁴⁷ The stipulating parties state that the stipulation specifically provides that the company may be subject to Commission enforcement in the event of sustained non-compliance with regard to protected customers, in addition to a corrective action plan option.

The stipulating parties argue that the price plan would provide a similar level of protection for the larger protected customer group of approximately 4,100 customers as the Jacksonville Orders currently provide for approximately 100 customers. The stipulating parties highlight the dedicated customer service line and the heightened reporting requirements for these customers, as well as a number of handheld satellite phones that the company will make available for use by protected customers when service is expected to be out longer than 48 hours.⁴⁸ The stipulating parties maintain that there are two differences between the Jacksonville Orders and proposed price plan regarding treatment of customers: 1) requiring that 90 percent of trouble tickets be cleared within 48 hours rather than 100 percent, and 2) reporting dedicated repair line contacts on a monthly basis rather than every two weeks. The stipulating parties contend that the Commission would retain identical authority to fine the company under ORS 759.990 if required and in roughly the same amount of time as under the Jacksonville Orders. The stipulating parties argue that the stipulation will assist the

⁴⁵ Stipulating Parties Opening Brief at 6 (Dec. 1, 2023).

⁴⁶ *Id.* at 7.

⁴⁷ *Id.* at 7.

⁴⁸ *Id.* at 9.

Commission in seeking to impose penalties for service quality problems experienced by all customers, as well as protected customers specifically.

The stipulating parties argue that the expedited RDOF build will provide substantial improvement in service quality to the Jacksonville area. The stipulating parties contend that the project will replace a 13-mile, copper-based T-1 feeder cable with a new fiber-optic cable and that every customer served off that fiber cable will see significant improvement in their service quality even if that fiber is not extended to their residences.⁴⁹ The stipulating parties maintain that all 100 customers covered by the Jacksonville Orders will benefit from the replacement of the copper feeder that runs from the Jacksonville Central Office to the 2600 and 2900 remote terminals with fiber.

The stipulating parties maintain that the Jacksonville orders were considered extensively in the settlement process and provided guidance for crafting the stipulation. The stipulating parties contend that the stipulation provides a significant incentive for CenturyLink to improve service quality through the pricing flexibility mechanism and provides substantial benefits in the form of the protected customer group and the RDOF build. The stipulating parties maintain that the tradeoff for these benefits is that the stipulation provides a pathway for suspension and termination of the Jacksonville Orders. The stipulating parties argue that in reviewing the stipulation, the Commission must consider its contribution to improved service quality for all customers covered by the stipulation and not just those covered by the Jacksonville Orders.⁵⁰

The stipulating parties also argue that service quality to Jacksonville has improved since the Commission issued the Jacksonville Orders and that the company has met the 100 percent of trouble tickets cleared within 48 hours requirement with the exception of a force majeure event in the fall of 2023. The stipulating parties contend that suspending the Jacksonville Orders upon commencement of the RDOF build provides an important incentive to start the project as soon as possible and maintain that the company is already working towards that goal. The stipulating parties argue that CUB's proposed modification offers no assurance that it will not continue to oppose termination of the Jacksonville Orders. The stipulating parties maintain that CenturyLink would not agree to the stipulation if amended in accordance with CUB's proposal and that citizens across Oregon will lose the substantial benefits that the Stipulation ensures.

The parties argue that the price plan is intended to ensure adequate pricing flexibility for CenturyLink so that it may respond to competitive pressures and allow it to try to maximize revenues with light regulation for most of its services. The stipulating parties maintain that the plan provides for upward and downward pricing flexibility for nearly all

⁴⁹ *Id.* at 10.

⁵⁰ *Id.* at 12.

of CenturyLink's offerings but would still enable the Commission to investigate and take remedial action at any time if it were to find that further adjustment or termination of the price plan is required by the public interest.⁵¹

The stipulating parties state that the price plan describes the requested waivers which will simplify regulation of CenturyLink, and that these waivers are substantially identical to the waivers under which the company has operated under the 2018 price plan.

Regarding concerns that the price plan does not explicitly set forth all the Jacksonville Order protections, the stipulating parties state that if the terms are not already sufficiently clear in the record, they do not object to the Commission's requiring them to be reflected in an amendment to the price plan.⁵²

Regarding CUB's concerns that CenturyLink lacks the ability to accurately report trouble tickets, the stipulating parties argue that CUB erroneously states that 478 calls were made to the dedicated service line since it was first established in September 2022; they assert that the actual number is less than half that number of calls as of the date that CUB filed its opening brief.⁵³

VI. DISCUSSION

A. Introduction

The stipulating parties have proposed a price plan for CenturyLink as well as several additional terms and commitments, some but not all of which are integrated into the price plan. Several of these commitments are intended to release the company from the obligations in our Jacksonville Orders, replacing their customer protections with an alternative approach.

Under ORS 759.255(2), we may approve a price plan for a telecommunications facility if it is in the public interest. We must consider, among other things, whether the plan: 1) ensures prices for telecommunications services that are just and reasonable; 2) ensures high quality of existing telecommunications services and makes new services available; 3) maintains the appropriate balance between the need for regulation and competition; and 4) simplifies regulation. In the Jacksonville Orders, we adopted protections for area customers to address ongoing health and safety issues in the area.⁵⁴ In reviewing the stipulation's alternatives, we consider whether the replacement adequately addresses the public interest and health and safety concerns that motivated those orders.

⁵¹ *Id.* at 14-15.

⁵² Stipulating Parties Closing Brief at 12 (Dec. 22, 2023).

⁵³ *Id.* at 16.

⁵⁴ Order No. 22-422 at 7-8; Order No. 23-109 at 20.

We review the stipulation and price plan in an integrated fashion, considering the statutory factors and other public interest considerations together. We find that the price plan meets the criteria set forth in ORS 759.255(2), but we share some of the broader public interest concerns with the stipulation and price plan raised by CUB and Ms. Weaver. Ultimately, after considering those concerns fully, we adopt the stipulation and price plan with modifications and find that, as modified, they are in the public interest.

To explain our reasoning, we first discuss the issues related to the Jacksonville Orders before turning to the price plan itself. The central question before us is whether the public interest supports giving up elements of the Jacksonville Orders that are not captured by the stipulation and price plan in exchange for the accelerated RDOF build and the new commitments they offer to an expanded group of protected customers.

B. Jacksonville Orders

1. Clarification of Requirements Applicable to the New Protected Customer Group

First, we must clarify the details of the protections the price plan and stipulation offer to the proposed new, expanded group of protected customers. Under the terms of the stipulation and price plan, if CenturyLink takes the requisite actions to suspend and ultimately terminate the Jacksonville Orders, the customers currently covered by the Jacksonville Orders would be absorbed into a new protected customer group and receive only the protections available to that group.

Although the record was initially unclear as to which of the specific protections required by the Jacksonville Orders are required for the new protected customer group, we find that the stipulating parties intended for most of the protections set forth in the Jacksonville Orders to be extended to a larger group of protected customers. In testimony, Staff stated that the protections extended to all protected customers include the 24/7 dedicated customer service line, the ability to report for multiple addresses, the ability to create multiple trouble tickets in a single call, and the repair prioritization.⁵⁵ The price plan itself, however, only includes a requirement for the dedicated line.⁵⁶ At the evidentiary hearing, Mr. Beitzel stated that it had always been the intent of the stipulating parties to include these protections from the Jacksonville Orders in the stipulation and price plan, and Mr. Gose concurred with this statement.⁵⁷ In response to a question about the enforceability of these protections if they were not explicitly set forth in either the plan or the stipulation, counsel for CenturyLink stated that if the

⁵⁵ Staff/200, Beitzel/11.

⁵⁶ Stipulation, Attachment A at 10.

⁵⁷ Tr. at 35-38.

Commission wished to clarify or make a specific requirement in approving the stipulation that the company would not likely object.⁵⁸ Additionally, Mr. Gose testified that CenturyLink intended to keep the same dedicated customer line system in place as that set forth in its post-incident report filed on October 23, 2023.⁵⁹ The stipulating parties clarified in their closing brief that they would not object to a requirement that those provisions to be reflected in an amendment to the price plan.⁶⁰

For improved clarity and enforceability, and with the above understanding that the stipulating parties intended to carry them over, we direct the stipulating parties to submit a revised price plan that explicitly sets forth that the following requirements apply to the new protected customer group:

1. CenturyLink will maintain a 24/7 dedicated customer service line and regularly communicate its existence to the protected customers;
2. CenturyLink will allow reporting for multiple addresses with a single call to the dedicated line;
3. CenturyLink will treat trouble tickets opened through the dedicated line as a high priority for resolution; and
4. CenturyLink will provide a monthly report on contacts to the dedicated line.⁶¹

In particular, we appreciate CenturyLink committing to retaining the dedicated line with the process outlined in its post-incident report filed on October 23, 2023.⁶² This is critical to the stipulation and a point of compliance we prioritize.⁶³ We expect that if the company revises its dedicated line process substantially from the process outlined in the October 23 report that it will promptly provide an explanation for the change in this docket. The Jacksonville Orders required the company communicate the existence of the line to the protected customers, and we expect that the company will similarly inform

⁵⁸ *Id.* at 38-39.

⁵⁹ *Id.* at 60-61.

⁶⁰ Stipulating Parties Closing Brief at 11-12.

⁶¹ Attachment E to the stipulation sets forth the reports that CenturyLink must file, including the “Protected Customer Statistics” report that includes substantially the same information as that required in the Jacksonville Orders. Specifically, this report must include the impacted area (wire center or remote terminal), call timestamp, customer contact number, customer name, caller name (if different than the customer), address, account number, circuit number, caller email (if provided), trouble ticket timestamp, trouble ticket number, cause of issue, and disposition of the issue.

⁶² Tr. at 60-61.

⁶³ We observe that even under the Jacksonville Orders it has taken several months to ensure the dedicated line works as intended by the Commission with some consistency.

protected customers about the dedicated line as the stipulating parties stated in testimony and briefs that it would, as a dedicated line no one is aware of is not a functional protection.⁶⁴

Regarding the proposed RCT and TT/100 statistics reports for protected customers, we modify the proposed stipulation to require CenturyLink to include the wire center in these reports. As we discuss in further detail below, we continue to have concerns around the visibility of chronic and localized issues that might jeopardize health and safety in specific areas. We find that including the wire center in these reports will assist Staff with monitoring for such issues in protected customer service areas. The stipulating parties shall submit a revised Attachment E that states that these reports will include the wire center. This modification to Attachment E is not intended to modify pricing flexibility components in the price plan.

2. *Balance of Benefits and Protections*

With these details clarified, we observe that differences still exist between the Jacksonville Orders and the benefits and protections available under the price plan and related commitments. Most significantly, CenturyLink is held to repair 90 percent of trouble tickets within 48 hours across the entire new protected class of more than 4,000 customers, rather than 100 percent of trouble tickets within the much smaller customer group in the Jacksonville area; furthermore, the company's incentive to meet the standard is tied to its ability to raise prices rather than to the specific penalties set forth in the Jacksonville Orders. We turn now to evaluating the central issue presented by the stipulation: does the public interest support giving up the elements of the Jacksonville Orders that are not captured by the stipulation and price plan in exchange for the new commitments they offer to an expanded group of protected customers, as well as the specific benefits to the Jacksonville area promised by the accelerated RDOF build?

a. Incentives and Penalty Authority

We first consider the differences in CenturyLink's incentives to comply with the standards in the price plan, as compared with the Jacksonville Orders. In the Jacksonville Orders, we relied on our authority under ORS 759.990(6) to levy penalties of up to \$50,000 per violation of Commission order, making clear that we were prepared to impose such penalties if CenturyLink failed to adhere to the Jacksonville Orders' requirements. The price plan relies instead on CenturyLink's incentive to raise prices, making that ability dependent on, among other things, maintaining service quality standards across the entire new protected customer group. CUB and Ms. Weaver argue that the penalties available under the Jacksonville Orders are more effective, and in fact

⁶⁴ Order No. 22-340, Appendix A at 8; Staff/200, Beitzel/11; Stipulating Parties Closing Brief at 12 n.34.

necessary, to motivate the company to maintain service quality adequate to protect customer health and safety in the Jacksonville area.

The incentive mechanism proposed by the stipulating parties is a novel approach, balancing the company's ability to increase rates with service quality metrics, including specific metrics for areas with limited access to alternatives. With this novel approach comes some uncertainty, but we find sufficient reason to expect that this mechanism will incent CenturyLink to meet the service quality requirements. Declining line counts make the ability to raise prices up to the annual cap important to the company, and therefore likely to motivate compliance.

The price cap incentive is not, however, our only method of monitoring compliance. The price plan contains an explicit indication that Staff will initiate investigations if CenturyLink fails over three months to meet service quality metrics. We appreciate that agreement between the parties, but we expect that Staff will be attuned to any non-compliance and will present significant non-compliance with service quality measures to us before three months have passed. In addition to our expectation that Staff will inform us of any consecutive months of non-compliance, we expect Staff to highlight any chronic, localized service quality issues that might jeopardize health and safety in specific areas, even if such issues do not cause the company to fall below the standards in the broader service quality metrics.

We agree with the stipulating parties that, if presented with such localized issues, we would retain authority identical to that which we relied on in the Jacksonville Orders to fine the company. Even without the fine provisions present in the Jacksonville Orders, the Commission retains the ability to issue a new order related to public health and safety concerns and, on the basis of that order, to levy fines against CenturyLink.⁶⁵ We agree with the stipulating parties that there is nothing in the stipulation or price plan that would change the Commission's ability to levy a fine on CenturyLink for such violations, with or without the Jacksonville Orders.

In response to Ms. Weaver's argument that the time and level of customer advocacy it took to reach the Jacksonville Orders is not likely to be repeated, we offer an observation that her effective advocacy has made a lasting improvement in the Commission's capacity to respond to similar issues. With the example of the Jacksonville Orders in place, along with new detailed and timely reports and Staff's experience reviewing them, we expect any future timelines for action to be shorter.

⁶⁵ ORS 759.990(6).

b. Trouble Ticket Repair Timeline Commitments

Although compliance incentives and enforcement comparable to the Jacksonville Orders remain in place, we acknowledge that the stipulation and price plan reduce the standard to which the company is held in one important respect: rather than 100 percent of repairs completed within 48 hours, as is required under the Jacksonville Orders, the company must complete repairs associated with 90 percent of trouble tickets within 48 hours to maximize pricing flexibility. The stipulating parties point out that 90 percent is the standard contained in the Commission's rules, which is applicable statewide.

Were this standard metric simply applied statewide, we likely would consider it insufficiently protective. Whether CenturyLink has maintained compliance with this standard has been disputed in this case and, regardless, chronic long-duration outages can plague customers in areas like that covered by the Jacksonville Orders without CenturyLink failing this metric. However, it is meaningful that the stipulation and price plan require this otherwise standard metric to be met within the protected customer group, significantly lowering the threshold for non-compliance. The protected customer group is defined by areas, like Jacksonville, in which customers have limited options if their landline service goes out.⁶⁶ The requirement to continue to prioritize intake and repairs for protected customers combined with the pricing flexibility incentives for maintaining the 90 percent standard within those areas is consequential.⁶⁷

Additionally, as discussed above, we expect that the monthly reports in Attachment E, particularly the replacement for the Jacksonville Orders report, will ensure that Staff is able to monitor service quality issues in Jacksonville and other isolated communities and respond quickly with regulatory action if long-duration, chronic and repeated issues arise in Jacksonville or any other protected customer service area. We are further persuaded by CenturyLink's commitment to offer limited satellite phone service to customers facing longer outages, although we would have liked to see a more expansive approach to substitute service.

Ultimately, we conclude that gaining a stricter standard for more areas of communications vulnerability across Oregon is important enough to justify the lower repair time standard for pricing flexibility. This is particularly so when we consider that

⁶⁶ The Commission's report on COLR identified maintaining connectivity for Oregonians without communication alternatives as an ongoing policy concern. Oregon Public Utility Commission, Carrier of Last Resort (COLR) Report to the 2020 Legislature at 3 (Sept. 15, 2020).

⁶⁷ We note that at the January 9, 2024 Regular Public Meeting, CenturyLink described a dispatch process for trouble tickets reported to the dedicated line that included internal notifications to a range of accountable management in Oregon and nationally and a regular review of local trouble ticket queues to ensure the 48-hour requirement was met. The Jacksonville Orders appear to have resulted in an internal focus on these customers commensurate with the health and safety issues they face during a service outage.

the Jacksonville area will be prioritized for the most viable, long-term reliability solution—extension of broadband fiber facilities to support the backbone voice service.

c. The RDOF Build

Throughout these proceedings, the age and condition of the infrastructure in the area have been identified as major and chronic impediments to reliable service in the area.⁶⁸ We find that in the context of this integrated stipulation, the commitment to suspend and ultimately terminate the Jacksonville Orders in exchange for CenturyLink starting and completing the RDOF build in the area is in the public interest.

We acknowledge, as CUB and Ms. Weaver have argued throughout these proceedings, that there is some risk that the RDOF build will not improve the situation in the Jacksonville area sufficiently. We know for certain that the RDOF build would not provide fiber service for “the last mile” for a substantial number of Jacksonville area customers, though many would be eligible to connect. However, we think the record reflects a reasonably high probability that upgrading the 2600 and 2900 remote terminals will provide a significant improvement to reliability in the area.⁶⁹

With the RDOF commitments, the price plan and stipulation before us offer a potential solution to a significant portion of the ongoing reliability issues in Jacksonville, as well as offering significant new protections for similarly situated customers across the state. The Jacksonville Orders, though they focused attention on the area, do not provide as timely and permanent a potential solution to the issues in the service area as the RDOF commitments in the stipulation.

Further, we note that the Jacksonville Orders would not be suspended until CenturyLink has commenced the RDOF build, and that suspension would remain in place only until completion of the build or December 31, 2024, with certain extensions available under the stipulation. With the customer protections in the price plan and stipulations in place during that period, we do not find it necessary to adopt CUB’s suggestion to require a firmer commitment from CenturyLink for the RDOF build.⁷⁰ We find that suspension of the Jacksonville Orders is sufficient incentive for CenturyLink to begin the RDOF build without setting more definitive language. To the extent that CenturyLink does not proceed, then the Jacksonville Orders remain in place and CenturyLink will continue to be held to the requirements of those orders as well as those set forth in the stipulation and price plan. With few exceptions, which we address below, if CenturyLink does not

⁶⁸ Staff/100, Bartholomew/14 at 14-19 (Nov. 23, 2022); Staff/105, Bartholomew/111 (Nov. 23, 2022); Lumen/100, Gose/7-10 (Nov. 23, 2022); Stipulating Parties/100; Beitzel-Gose/26-27; Staff/200, Beitzel/18; CenturyLink/200, Gose/7 (Nov. 7, 2023); CenturyLink Response to Bench Request 1-1 (Dec. 5, 2023).

⁶⁹ Stipulating Parties/100, Beitzel-Gose/25-27; CenturyLink/200 Gose/7.

⁷⁰ CUB/100, Garrett/7-8 (Oct. 24, 2023); CUB Opening Brief at 16.

complete the build by December 31, 2024, the Jacksonville Orders will go back into effect, and CenturyLink once again will be held to both those requirements and those in the stipulation and price plan.

We do note that neither the price plan nor Attachment C to the stipulation defines “commencement” for the purpose of establishing when the Jacksonville Orders are suspended. Under Attachment C, CenturyLink is required to notify the Commission at the beginning of the construction period. The testimony and briefs of the stipulating parties refer to the start of construction of the RDOF build. We interpret “commencement” of the build to be the day that CenturyLink demonstrates that on-site construction has begun on the RDOF build. The company should file sufficient information regarding the project for Staff to recommend that the Commission determine, in a public meeting (by consent or regular agenda), that the project has commenced and the Jacksonville Orders are suspended.

Furthermore, we interpret the language in Attachment C as requiring any such “circumstances beyond [the company’s] control” that might form the basis for an extension past December 31, 2024, to be reasonable. We emphasize that we will consider whether any such basis for the delay was unforeseen or unable to be mitigated in a timely manner in determining the reasonableness of the extension request. The company has committed to filing a monthly report for the duration of the RDOF build, and we expect that this filing will provide information about any potential delays or issues with the project that could cause the project to continue past December 31, 2024, and any steps the company is taking to mitigate potential delays.

We also accept the terms of the stipulation providing that the Jacksonville Orders would be terminated upon completion of the RDOF build. We share CUB’s and Ms. Weaver’s uncertainty about whether the RDOF build will sufficiently address reliability issues in Jacksonville, but we are satisfied that the build should resolve several fundamental issues with aging infrastructure in the area and that terms in the stipulation and price plan, as well as our underlying authority, will allow Staff to monitor and the Commission to correct any continuing service issues in the area. We expect that if, after suspension or termination of the Jacksonville Orders, Staff finds that CenturyLink’s service quality or repair response time in the area declines or chronic issues continue, it will bring those concerns to our attention as soon as it is reasonably able, regardless of the stipulation’s proposed timeline for Staff action if health and safety issues are apparent. We recognize the long history of poor service that the Jacksonville customers have endured, and thus we also note that under ORS 756.515 and Section 3(d) of the price plan that the Commission may open an investigation into whether the plan requires further adjustment or termination.

d. Conclusion

Ms. Weaver, CUB, and the customers protected by the Jacksonville Orders have invested a significant level of their scarce resources seeking reliable service from CenturyLink, which is obligated to provide that service. This stipulation and price plan present some risk that CenturyLink's performance history will repeat, and we have sought to proactively ensure that we are aware of service quality in the area and positioned to respond more quickly with remedies. We also appreciate their persistence and clarity. While the result has some risk of a return to poor service, the advocates have succeeded in extending protections to similarly situated communities across Oregon, including more effective insight into local, chronic reliability problems and an incentive structured tied to serving these communities well. There is significant public benefit in this result, and we appreciate the innovations in reporting, tracking, and resolving trouble tickets that they have made possible through their effective advocacy.

C. Price Plan

The proposed price plan adds several provisions to CenturyLink's current price plan, including a pricing flexibility mechanism that is tied to service quality and safety metrics, in addition to the more traditional price caps. Under this mechanism, the components ensure that service quality is taken into account in any future rate increase, including metrics for protected customers. This is a novel and welcome innovation in price plan regulation that links just and reasonable prices and a high quality of service.

We do want to be clear that our approval of this stipulation should not be considered an indication of support for any specific change or removal of service metrics. In fact, our experience with service quality problems in the Jacksonville area and our ongoing attention to such issues through monthly reporting may increase our interest in rigorous service quality metrics. In this order, we observe only that the service quality metrics in the price plan are consistent with those in our rules, and the metrics in the plan will not change without Commission action in this docket.

Regarding the statutory criteria that the price plan balance competition and regulation, we find that the price plan balances consideration of the competitive pressures on CenturyLink with the need to regulate service to ensure quality. In particular, the pricing flexibility mechanism, when combined with the Commission's powers to investigate and modify or terminate the price plan if necessary, addresses this balance. Regarding the criteria to simplify regulation, we find that the included waivers of several statutes and rules, consistent with prior price plans, simplifies regulation.

We determine that the price plan, as modified, meets the criteria set forth in ORS 759.255(2) and is in the public interest.

D. Conclusion

To summarize, we find that with the modification to explicitly detail the requirements applicable to the protected customer group, the stipulation and price plan taken together are in the public interest. They ensure prices for telecommunications services that are just and reasonable, ensure high quality of existing telecommunications services and make new services available, maintain the appropriate balance between the need for regulation and competition, and simplify regulation. The modifications to the stipulation and price plan are as follows:

1. The stipulating parties shall file an amended price plan setting forth all the requirements from the Jacksonville Orders that will apply to the new protected customer class, as listed above; and
2. The stipulating parties shall file an amended Attachment E indicating that the protected customer RTC and TT/100 statistics reports in Section III will include the wire center.

We also outlined several expectations for CenturyLink and Staff regarding the implementation of the price plan and stipulation. For clarity, we reiterate those expectations below:

1. CenturyLink is expected to maintain the dedicated line with substantially the same process as outlined in its October 23, 2023 comments, and shall make an explanatory notification in this docket of any substantial changes to the procedures and process for the dedicated line;
2. CenturyLink is expected to include in its monthly RDOF build report any potential delays or issues with the project that could cause the project to continue past December 31, 2024, and corrective steps the company is taking;
3. Staff is expected to monitor CenturyLink's reports, as well as customer complaints, and raise any issues with the Commission as soon as possible, particularly with regards to health and safety issues or localized, chronic issues that may not be reflected immediately in the metrics; and

4. After the Jacksonville Orders are suspended or terminated, Staff is expected to continue monitoring the Jacksonville area, and if Staff finds that CenturyLink's service quality or repair response time in the area declines, it will bring those concerns to the Commission as soon as it is reasonably able.

As set forth in OAR 860-001-0350(8), the stipulating parties may accept or reject the Commission's proposed modifications. To the extent that the stipulating parties cannot accept the modification set forth in this order, the stipulating parties may submit a revised stipulation. The Commission encourages the stipulating parties to ensure that any revised stipulation addresses the concerns behind the Commission's proposed modification in this order.

VII. ORDER

IT IS ORDERED that:

1. The stipulation between Lumen Technologies, dba CenturyLink, and the Staff of the Public Utility Commission of Oregon filed on October 10, 2023, as corrected in Errata Attachment A Page 11 filed on December 22, 2023, and incorporated herein, attached as Appendix A, is adopted, subject to the proposed modifications.
2. Lumen Technologies, dba CenturyLink, and the Staff of the Public Utility Commission of Oregon shall file a revised price plan and Attachment E to the stipulation consistent with the directives of this order by February 23, 2024.

3. Lumen Technologies, dba CenturyLink, and the Staff of the Public Utility Commission of Oregon shall comply with all other directives of this order.

Made, entered, and effective Feb 09 2024.



Megan W. Decker
Chair



Letha Tawney
Commissioner



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 Court of Appeals in compliance with ORS 183.480 through 183.484.

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1908/UM 2206

1
2
3
4 In the Matter of
5 LUMEN TECHNOLOGIES,
6 Proposed Commission Action Pursuant to
7 ORS 756.515 to Suspend and Investigate
8 Price Plan (UM 1908), and
9 QWEST CORPORATION,
10 Investigation Regarding the Provision of
11 Service in Jacksonville, Oregon and
12 Surrounding Areas (UM 2206).
13 Price Plan Investigation.

STIPULATIONS

12 This Stipulation is entered into for the purpose of resolving all issues in this proceeding
13 by and among the parties as set forth below.

14
15 **I. Parties**

16 This Stipulation is by and between Qwest Corporation, United Telephone Company of
17 the Northwest, CenturyTel of Oregon, and CenturyTel of Eastern Oregon (collectively
18 "CenturyLink" or "Company") and Staff of the Public Utility Commission of Oregon ("Staff")
19 (hereafter, collectively referred to as the "Stipulating Parties"). Intervenors Citizens Utility
20 Board and Priscilla Weaver ("collectively, the "Intervenors") have informed the Stipulating
21 Parties they have chosen not to join this Stipulation and will oppose the stipulation in part or in
22 full. The Stipulating Parties and Intervenors collectively are all the "Parties" to this proceeding.

23 **II. Background**

24 The Commission approved the Price Plan currently in effect for CenturyLink in Order
25 No. 18-359 ("2018 Price Plan"). Prior to the 2018 Price Plan's scheduled automatic renewal, the
26 Commission extended the 2018 Price Plan to investigate whether it is in the public interest,

1 Order No. 22-340. The Commission further extended the 2018 Price Plan until February 29,
2 2024. Order No. 23-345.

3 **III. Terms of the Stipulation**

4 1. The Stipulating Parties have negotiated this Stipulation and the Price Plan,
5 attached as Attachment A thereto, in good faith and recommend that the Commission adopt the
6 Stipulation and the Price Plan in their entirety.

7 2. This Stipulation, along with its attachments, sets forth the terms and conditions of
8 the Price Plan that the Stipulating Parties agree the Commission should approve. The
9 attachments to this Stipulation, including the Price Plan, contain agreements of the Stipulating
10 Parties that are additional to those set forth in this Stipulation. By executing this Stipulation, the
11 Stipulating Parties agree to abide by and perform all agreements set forth in this Stipulation as
12 well as those set forth in the attachments as if they were set forth in this Stipulation.

13 3. CenturyLink acknowledges that Commission approval of these Stipulations shall
14 not in any way affect its continuing obligations under existing interconnection agreements
15 (ICAs) and shall not in any way affect its continuing obligations under sections 251 and 252 of
16 the Telecommunications Act of 1996, 47 U.S.C, 251-252, nor any federal or state regulation,
17 orders or rules promulgated under such statutes, nor any federal rules or orders promulgated
18 under any section of the Federal Communications Act of 1934, as amended.

19 4. The Stipulating Parties agree that the Price Plan will be effective immediately
20 following the Commission's approval of this Stipulation and the Price Plan.

21 5. The Stipulating Parties acknowledge that the terms of this Stipulation and Price
22 Plan satisfy the public interest standard set forth in ORS 759.255 for approval of the Price Plan.

23 6. The Stipulating Parties agree that this Stipulation is in the public interest and, in
24 the unique circumstances present in this case, will result in rates that are fair, reasonable, and
25 will meet the standard set forth in ORS 756.040.

26

1 7. The Stipulating Parties have negotiated this Stipulation in good faith and
2 recommend and request that the Commission adopt the Stipulation in its entirety as an
3 appropriate and reasonable resolution to the issues described therein.

4 8. The Stipulating Parties agree that the Stipulation represents a compromise in the
5 positions of the Stipulating Parties. By entering into this Stipulation, no Stipulating Party shall
6 be deemed to have approved, accepted, or consented to the facts, principles, methods, or theories
7 employed by any other Stipulating Party in arriving at the terms of this Stipulation.

8 9. The Stipulating Parties agree that without the written consent of all Stipulating
9 Parties, evidence of conduct or statements, including but not limited to term sheets or other
10 documents created solely for use in settlement conferences in this docket, and conduct or
11 statements made at settlement conferences, are confidential and not admissible in this or any
12 subsequent proceeding, unless independently discoverable or offered for other purposes allowed
13 under ORS 40.190.

14 10. The Stipulating Parties support entering into evidence, without requiring any
15 Stipulating Party to lay a foundation for its admission, this Stipulation and its Attachment A
16 (2023 Price Plan), Attachment B (Principles for Line Extension and Provisioning Agreement for
17 Housing Developments), Attachment C (Agreement on Suspension of Commission Orders in
18 Conjunction with Jacksonville RDOF Build), Attachment D (Standardized Form O), Attachment
19 E (Monthly Reporting Template), and the joint written testimony of Staff and the Company in
20 support of the Stipulation (Exhibit Stipulating Parties/100), and supporting witness qualification
21 statement (Exhibit Stipulating Parties/101).

22 11. Grandfathering local measured service: The Stipulating Parties agree to and
23 support the grandfathering of the Company's local measured service. While current
24 CenturyLink local measured service customers may continue to utilize the service, CenturyLink
25 will remove the service from its rate schedules as an available offering to customers not currently
26 subscribed to the service.

1 12. Ending imputation of directory revenues: The Stipulating Parties agree to and
2 support CenturyLink no longer including by way of imputation any revenues deemed to be
3 derived from operations of a telephone directory listing services.

4 13. Form O Standardization: The Stipulating Parties agree to and support
5 standardizing balance sheet account reporting in Form O across all CenturyLink ILECs.

6 14. Suspension of Commission Orders in Conjunction with Jacksonville RDOF
7 Build: The Stipulating Parties agree to support suspension of Orders 22-340 and 22-422 as
8 described in Attachment C. CenturyLink intends to move forward with the Jacksonville Rural
9 Digital Opportunity Fund Project (Bid ID: OR-029-0030023) (“RDOF build”). The Stipulating
10 Parties agree that, upon the commencement of RDOF build, the Orders will be suspended until
11 the earlier of the build being completed or December 31, 2024. Upon completion of the RDOF
12 build, Orders 22-340 and 22-422 will terminate, and the investigation Regarding the Provision of
13 Service in Jacksonville, Oregon and Surrounding Areas will be closed.

14 15. The Stipulating Parties understand that this Stipulation does not foreclose the
15 Commission from addressing any other issues or foreclose a Stipulating Party from raising issues
16 in a different proceeding.

17 16. The Stipulating Parties have negotiated this Stipulation as an integrated
18 document. Accordingly, if the Commission rejects all or any portion of this Stipulation, or adds
19 any condition to any final order that is not consistent with this Stipulation, each Stipulating Party
20 reserves the right, upon written notice to the Commission and all Parties to this proceeding
21 within 15 days of the date of the Commission’s final order, to withdraw from the Stipulation and
22 to present additional evidence and argument on the record. However, prior to withdrawal, any
23 Stipulating Party that wishes to withdraw must engage in good faith negotiation with the other
24 Stipulating Parties. No Stipulating Party withdrawing from this Stipulation shall be bound to any
25 position, commitment, or condition of this Stipulation.

26

1 17. This Stipulation may be executed in any number of counterparts, each of which will be
2 an original for all purposes, but all of which taken together will constitute one and the same agreement.

3 18. This Stipulation may not be modified or amended except by written agreement by all
4 Stipulating Parties.

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6 This Stipulation is entered into by each Stipulating Party on the date entered next to such Stipulating
7 Party's signature.

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DATED: October 9, 2023

X Natascha Smith
Natascha Smith, OSB # 174661
Assistant Attorney General
Of Attorneys for Staff of the Public Utility
Commission of Oregon

DATED: October 9, 2023

Lawrence Reichman
Lawrence Reichman, OSB #860836
PERKINS COIE LLP
representing Century Link

Qwest Corporation, CenturyTel of Oregon, CenturyTel of Eastern Oregon, and United Telephone Company of the Northwest

**Proposed ORS 759.255 Price Plan and ORS/OAR Waivers
Docket Nos. UM 1908/ UM 2206 - Attachment A to Stipulation**

1. Definitions:

- a) "Century Link" means, collectively, Qwest Corporation, CenturyTel of Oregon, CenturyTel of Eastern Oregon and United Telephone Company of The Northwest.
- b) "New Service" means a retail telecommunications service that is offered by CenturyLink in Oregon for the first time following the effective date of the price plan. A service is not New Service if it merely renames, repackages, or is a variation of an existing service, or if it is reintroduced in substantially the same form after having been grandfathered, withdrawn, or abandoned.
- c) "Other Service" means any residential or business services other than a New Service contained in CenturyLink's Rate Schedules that is not specifically addressed in this Price Plan and does not include Packages and Bundles.
- d) "Packages and Bundles" means any combination of services, which may include residential or business basic local exchange service as well as other services at a combined price.
- e) "Pre-Plan" means the rates, terms, and conditions in CenturyLink's approved Rate Schedules immediately prior to the effective date of the Plan.
- f) "Price List" and "Price Lists" means CenturyLink's Oregon intrastate retail price lists as of September 5, 2023, and any subsequent revisions to the Price List.
- g) "Primary Line Basic Service" means the first line only of basic local exchange service for an individual residential or business customer account at a single location that is not sold as part of a package. For the purposes of this definition/ "basic local exchange service" means residential single party flat rate local exchange service; residential single party measured local exchange service, including local exchange usage; business single party flat rate local exchange service; and business single party measured local exchange service/ including local exchange usage.
- h) "Privilege Tax" and "Fees and Other Assessments" have the same meaning as in OAR 860-022-0042(2)(c).
- i) "Protected Customer" means those CenturyLink residential local service customers in Oregon who, at their residences, have access to only CenturyLink copper-based wireline service and commercial satellite services to make voice calls, as determined by GIS mapping of CenturyLink's local residential customers and the FCC's Broadband Data Collection (BDC) data. Residential customers with access to fiber-based CenturyLink wireline service or mobile wireless, fixed wireless, cable or wireline competitive alternatives at their residences are not "Protected Customers." "Access to" means the customers are able to subscribe to such services regardless of whether they actually do subscribe. CenturyLink has identified approximately 4,100 residential local service customers in Oregon who meet this definition, as of June 2023. This number could increase or decrease over time based on whether the company adds or loses customers,

and also based on whether other fiber-based wireline services and/or competitive alternatives become available for customers.

- j) “Rate Schedules” means CenturyLink’s Tariffs and Price Lists.
- k) “Repair Clearing Time” (“RCT”) metric establishes the clearing time for all trouble reports from the time the customer reports the trouble to CenturyLink until the trouble is resolved as identified in OAR 860-023-0055(6), and detailed further in 860-034-0390(6)(b), and 860-032-0012(b).
- l) “Tariff” and “Tariffs” means CenturyLink’s Oregon intrastate retail tariffs as of September 5, 2023, and any subsequent revisions to these Tariffs. As of September 5, 2023, these consist of:

Jurisdiction	Entity Type	Entity Name	Tariff Type	Summary
Oregon	LEC	Qwest Corporation	Access	Tariff No. 32
Oregon	LEC	Qwest Corporation	Local	Tariff No. 33 - Exchange & Network
Oregon	LEC	CenturyTel of Eastern Oregon	Access	Tariff No. 4
Oregon	LEC	CenturyTel of Oregon	Access	Tariff No. 4
Oregon	LEC	United Telephone Company of the Northwest	Local	Tariff No. 4
Oregon	LEC	CenturyTel of Eastern Oregon	Local	Tariff No. 6
Oregon	LEC	CenturyTel of Oregon	Local	Tariff No. 6
Oregon	LEC	United Telephone Company of the Northwest	Access	Tariff No. 6

- m) “Trouble Reports” metric (“TT/100”), means the number of trouble reports received per 100 working access lines per wire center as identified in OAR 860-023-0055(5) and 860-034-0390(6)(b).

2. General Objectives:

- a) CenturyLink's Price Plan ("Price Plan" or "Plan") will achieve the following objectives:
 - i) Ensure a framework for offering telecommunications service that is in the public interest.
 - ii) Ensure high quality of existing telecommunications services and make new services available.
 - iii) Produce prices for CenturyLink's retail telecommunications services that are just and reasonable.
 - iv) Maintain the availability of Primary Line Basic Service at affordable rates throughout CenturyLink's service territory.
 - v) Maintain the appropriate balance between the need for regulation and existing competition in Oregon for voice communication services.
 - vi) Simplify and reduce the burden of regulation for CenturyLink and the Commission.

3. Term of Plan and Company Report:

- a) Term: The Plan will become effective upon Commission approval with an initial term of four years. The Plan will automatically renew for successive four-year terms, with the pricing structure established in Sec. 4(e)(i), unless the current plan is extended (meaning that the then-existing Plan term will remain in effect, without renewal) by the Commission. The Plan may be suspended or modified by a change in applicable law of an Order of the Oregon Public Utility Commission.

- b) Petitions to Modify or for Other Forms of Regulation: CenturyLink may file a petition, pursuant to ORS 759.255, proposing modifications to the Plan not sooner than the second anniversary of the Plan adoption. CenturyLink may, at any time during the Plan, file a petition pursuant to ORS 759.052 or for any other form of regulation or relief permitted under Oregon law.
- c) Performance Report: CenturyLink shall submit a report detailing its performance and progress toward meeting the Plan objectives by the end of year three of each four-year Plan term. The report shall separately address the performance and progress of each CenturyLink entity covered by the Price Plan and shall address how each CenturyLink entity is meeting the objectives of the Plan, including the following information, at a minimum:
- i) An analysis of current Oregon market conditions for the various categories of CenturyLink's regulated retail intrastate telecommunications services to the extent such information is publicly available.
 - ii) Data regarding the gain or loss of access lines by wire center.
 - iii) Identification of any new services CenturyLink has introduced.
 - iv) Identification of any ways in which the burden of regulation for both CenturyLink and the Commission has been simplified or reduced during the current Plan period.
 - v) A list of all price increases performed during the current Plan term, including the remaining amount of pricing flexibility available for each service.
- d) Commission Review:
- i) The Commission shall review CenturyLink's performance under the Plan every four years on the basis of the Performance Report described in Section 3(c), any other relevant evidence regarding the competitiveness of the market for substitutable services and any other relevant factors.
 - ii) The Commission may open an investigation at any time pursuant to ORS 756.515 to determine whether further adjustments to the Plan or termination of the Plan is required by the public interest, according to the factors set forth in ORS 759.255(2). The Commission may order further adjustments to the Plan or termination of the Plan only after providing CenturyLink with notice and the opportunity for a hearing. In any such investigation and proceeding, the Joint Parties agree that the Commission should first attempt to identify and require adjustments to the Plan such that the continuation of the Plan is in the public interest before it orders termination of the Plan.
 - iii) If the Commission orders termination of the Price Plan, CenturyLink may thereafter pursue any form of price regulation or relief therefrom then permitted under Oregon law, including but not limited to: exemptions from regulation pursuant to ORS 759.052; price listing pursuant to ORS 759.054, 759.056, and/or 759.195; rate regulation pursuant to ORS 759.175-759.190; another price plan pursuant to ORS 759.255; price cap regulation pursuant to ORS 759.405-759.410, or any other relevant statute.
 - iv) If the Commission orders early termination of the Price Plan, the Parties agree that the Commission may also, in the same proceeding, adjust CenturyLink's rates to ensure that CenturyLink's rates are just and reasonable, and the Parties agree not to advocate for rates that are lower than those that were in effect one year prior to the initiation of the proceeding to terminate the Plan. CenturyLink would no longer be

able to increase its rates as it was permitted to do under the Price Plan, but CenturyLink would be allowed to decrease its rates subject to any applicable price floor.

4. Pricing and Availability of Services Under the Price Plan

- a) The rates, terms and conditions that CenturyLink charges under its price lists and approved tariffs are just and reasonable and will be its published terms as of the effective date of the Plan.
- b) Availability: CenturyLink will continue to offer residential and business Primary Line Basic Service on a stand-alone basis.
- c) Non-recurring charges for residential Primary Line Basic Service: Charges may increase a maximum of \$10 during any four-year Plan term.
- d) Non-recurring charges for business Primary Line Basic Service: Charges will not be subject to price caps.
- e) Recurring charges for residential Primary Line Basic Service: Primary Line Basic Service for residential customers will be subject to price caps.
 - i) Monthly rates for flat rate residential Primary Line Basic Service may not increase by more than \$3.00 in any year during Plan year and may not increase by more than \$12.00 total over any four-year Plan term. Pricing flexibility for each year shall be determined through compliance with applicable components.
 - ii) Once the Price Plan becomes effective, the company may potentially increase rates. For this first year of the Price Plan, year 1, the Company has the option of applying (and adding together) the two Optional Components listed in (4)(e)(ii)(1) & (2) below or applying (and adding together) the three components listed in subsection 4(e)(iii).
 - (1) *Optional Component 1*: Company statewide performance under Repair Clearing Time (RCT) and Trouble Ticket (TT/100) metrics.
 - (a) RCT and TT/100 statistics shall be calculated on the basis of a rolling statewide 12-month average using all 167 wire centers. All rolling 12-month averages identified in the Price Plan will be calculated as of the date CenturyLink seeks to increase rates.
 - (b) The TT/100 metric will be measured by the percentage of its 167 wire centers that are compliant per month over a rolling 12-month period.
 - (c) The Company may increase Primary Basic Line Service, by no more than \$1.50, by the amount found at the intersection of its RCT and TT/100 performances below for all Oregon customers.

	TT/100 Performance Below 70% compliant	TT/100 Performance 70%-79% compliant	TT/100 Performance 80%-89% compliant	TT/100 Performance 90%+ compliant
RCT 90%+	\$0.75	\$1.00	\$1.25	\$1.50
RCT 80%-89%	\$0.50	\$0.75	\$1.00	\$1.25

RCT 70%-79%	\$0.25	\$0.50	\$0.75	\$1.00
RCT < 70%	\$0.00	\$0.25	\$0.50	\$0.75

- (2) *Optional Component 2*: Company performance under RCT and TT/100 performances below for all Protected Customers (calculated as a single group).
- (a) RCT and TT/100 statistics shall be calculated on the basis of a rolling 12-month average for all Protected Customers. By way of example, if CenturyLink averages fewer than 3 trouble tickets/100 access lines for Protected Customers in 11 of 12 months, its performance will be calculated as 91.67% (11/12).
 - (b) The TT/100 metric will be measured by the percent compliance (≤ 3 trouble tickets/100 access lines) the company achieves for Protected Customers (calculated as a single group) per month over a rolling 12-month period.
 - (c) The Company may increase Primary Basic Line Service, by no more than \$1.50, by the amount found at the intersection of its RCT and TT/100 performances for all Protected Customers.

	TT/100 Performance Below 70% compliant	TT/100 Performance 70%-79% compliant	TT/100 Performance 80%-89% compliant	TT/100 Performance 90%+ compliant
RCT 90%+	\$0.75	\$1.00	\$1.25	\$1.50
RCT 80%-89%	\$0.50	\$0.75	\$1.00	\$1.25
RCT 70%-79%	\$0.25	\$0.50	\$0.75	\$1.00
RCT < 70%	\$0.00	\$0.25	\$0.50	\$0.75

- iii) Beginning the year after the Price Plan becomes effective, the company may potentially (depending on RCT and TT/100 performance) increase rates on or around the anniversary of the prior rate increase. Such price increases (beginning year 2) will be based on the 3 components identified below. Interim 12-month rolling average calculations will not require/allow the company to decrease or increase rates between annual rate increases. For clarity, the Company may utilize these 3 components for year 1 of the Price Plan as alternative to the 2 components described in 4(e)(ii)(1) and (2).

- (1) *Component 1*: Company statewide performance under RCT and TT/100 metrics.
 - (a) RCT and TT/100 statistics shall be calculated on the basis of a statewide 12-month average using all 167 wire centers.
 - (b) The TT/100 metric will be measured by the percentage of its 167 wire centers that are compliant per month over a rolling 12-month period.

- (c) The Company may increase Primary Basic Line Service, no more than \$1.00, by the amount found at the intersection of its RCT and TT/100 rates performances below for all Oregon customers.

	TT/100 Performance Below 70% compliant	TT/100 Performance 70%-79% compliant	TT/100 Performance 80%-89% compliant	TT/100 Performance 90%+ compliant
RCT 90%+	\$.50	\$.67	\$.83	\$ 1.00
RCT 80%-89%	\$.33	\$.50	\$.67	\$.83
RCT 70%-79%	\$.17	\$.33	\$.50	\$.67
RCT < 70%	\$ 0	\$.17	\$.33	\$.50

- (2) *Component 2:* Company performance under RCT and TT/100 metrics for Protected Customers.

- (a) RCT and TT/100 statistics shall be calculated on the basis of a 12-month, rolling average for Protected Customer
- (b) The TT/100 metric will be measured by the percent compliance the company achieves for Protected Customers (calculated as a single group) per month over a rolling 12-month period.
- (c) The Company may increase Primary Basic Line Service, no more than \$1.00, by the amount found at the intersection of its RCT and TT/100 rates for all Protected Customers.

	TT/100 Performance Below 70% compliant	TT/100 Performance 70%-79% compliant	TT/100 Performance 80%-89% compliant	TT/100 Performance 90%+ compliant
RCT 90%+	\$.50	\$.67	\$.83	\$ 1.00
RCT 80%-89%	\$.33	\$.50	\$.67	\$.83
RCT 70%-79%	\$.17	\$.33	\$.50	\$.67
RCT < 70%	\$ 0	\$.17	\$.33	\$.50

(3) *Component 3: Company’s compliance with fire and safety inspections referenced below under section 11 Service Quality and Safety.*

- (a) This component will be evaluated as a snapshot in time (as opposed to a 12-month rolling average) as of the date the Company proposes to exercise upwards pricing flexibility in each year of the Plan.
- (b) The Parties recognize that completion of National Electrical Safety Code (NESC) violation projects can be delayed by matters beyond the Company’s control. Those include most notably delays in obtaining municipal permits and/or delays caused by other pole attachers or pole owners. In the event any NESC violation project is delayed by matters beyond the Company’s control, the Company may seek from the Public Utility Commission Staff an adjustment to the relevant deadline; such adjustments will not be unreasonably denied, conditioned, or delayed.
- (c) The Company may increase its Primary Basic Line Service by up to the amount permitted in the table below for the weighted average age of outstanding NESC violation reports.

Outstanding OPUC NESC Compliance Report/Violations	Weighted average report violation age ≥ 180 days	Weighted average report violation age < 180 and > 120 days	Weighted average report violation age ≤ 120 and > 60 days	Weighted average report violation age ≤ 60 days
	\$0	\$0.50	\$0.75	\$1.00

- iv) Limitations on CenturyLink’s ability to increase rates by the full \$3 per year will be modified if, during the Price Plan period, the Commission eliminates or modifies the RCT and/or TT/100 rules. In the event the Commission eliminates or modifies either or both rules, the Stipulating Parties will negotiate promptly and in good faith regarding how to modify the charts above. If the Stipulating Parties are unable to agree, the issue will be presented to the Commission for decision.
- f) Recurring charges for business Primary Line Basic Service:
 - i) Prices for business Primary Line Basic Service will not be subject to price caps.
 - ii) The rate that is charged for this service by CenturyTel of Oregon, CenturyTel of Eastern Oregon, and United Telephone Company of The Northwest shall be priced no higher than the rate charged for this service by Qwest Corporation in Rate Group 2.
- g) Extended Area Service (EAS): Rates for existing mandatory EAS are capped at Pre-Plan rates. CenturyLink is permitted to combine the respective EAS rates and the rate for residential Primary Line Basic Service into a single line item amount for the purpose of bill simplification. CenturyLink will not be required to establish any new or expanded EAS routes as long as it operates under the Price Plan.
- h) Directory Listings:
 - i) CenturyLink will provide at no additional charge the first listing included with the Primary Line Basic Service, including those within packages and bundles.
 - ii) Additional listings beyond the initial listing are price capped with increases limited to not more than 25% per Plan year.

- i) Directory Assistance: CenturyTel of Oregon, CenturyTel of Eastern Oregon, and United Telephone Company of the Northwest may update their Rate Schedules to eliminate the two-call allowance for Directory Assistance Service, consistent with the terms for National Directory Assistance Service contained in Qwest Corporation's Rate Schedules.
- j) Toll Restriction/Call Trace/Unlisted Numbers:
 - i) Toll Restriction and Call Trace will continue to be priced at Pre-Plan rates.
 - ii) Residential Unlisted Numbers will continue to be priced at Pre-Plan rates.
 - iii) Business Unlisted Numbers may not increase by more than \$1.00 in any Plan year and may not increase by more than \$3.00 total over a four-year Plan term.
 - iv) Non-published Numbers may not increase by more than \$1.00 in any Plan year and may not increase by more than \$3.00 total over a four-year Plan term.
- k) Other Services: Monthly rates for "Other Services" for business customers will not be subject to price caps. Monthly rates for "Other Services" for residential customers may increase up to 50 percent or \$.50 annually, whichever is greater. The cumulative price increase for any Other Service over a four-year Plan term may not exceed 200 percent for residential customers. Within 60 days of receiving notice of price increase to "Other Services," business and residential customers who request removal of any service contained in "Other Services" will not incur a nonrecurring charge for the removal of the service.
- l) Cost-Based Charges: Prices that are identified as at actual cost in CenturyLink's Rate Schedules as of September 5, 2023, will continue to be priced at actual cost.
- m) DS-1, DS-3 and ISDN-PRI Services: Rates for DS-1, DS-3 and ISDN-PRI services will not be subject to price caps.
- n) E911 Services: Rates, terms, and conditions for E911 services in CenturyLink's rate schedules as of the effective date of this plan will remain at Pre-Plan status, except that CenturyLink may petition the Commission separately for any proposed rate changes or price structures.
- o) Switched Access Rates: Rates for intrastate switched access services will be capped at Pre-Plan rates and the Commission may adjust the price caps if required by FCC action.
- p) New Services: Any New Service introduced after the effective date of the Plan will not be subject to price caps.
- q) Packages and Bundles: CenturyLink may combine any regulated telecommunications service with any other service(s) to offer Packages and Bundles of services, which may include residential Primary Line Basic Service and EAS, at any price, subject to the below conditions:
 - i) All regulated telecommunications services offered as part of a package or bundle shall remain separately available for purchase from CenturyLink's Rate Schedules.
 - ii) The package or bundle price shall not exceed the sum of the stand-alone retail prices of all available services in the package or bundle.
- r) Rate Averaging:
 - i) CenturyLink will not further de-average the pricing of any existing regulated services that are currently de-averaged.
 - ii) CenturyLink will not increase the existing dollar differences between rate groups for residential or business Primary Line Basic Service rates. However, CenturyLink is permitted to reduce any differences in price between these rate groups.

- iii) For regulated services that as of the effective date of this plan are sold on the basis of a statewide average rate, CenturyLink will maintain statewide average rates for these regulated services in each Rate Schedule.
5. Facility Improvement Surcharge:
- a) CenturyLink may implement a single surcharge to recover facilities-related costs. If implemented, the surcharge must be applied using a single uniform rate statewide and shall be applied on a nondiscriminatory basis. If CenturyLink elects to implement such a surcharge, the residential Primary Line Basic Service price cap for the Plan year in which the surcharge is introduced shall be reduced by the amount of the surcharge. If CenturyLink subsequently increases the surcharge, the residential Primary Line Basic Service price cap for the Plan year in which the surcharge is increased shall be reduced by the amount of that increase. At any given time, the sum of the increase to the residential Primary Line Basic Service rate and the surcharge shall not exceed either the annual or term caps described in Section 4.e.i of this Plan.
 - b) If CenturyLink elects to implement the surcharge discussed in Section S(a), CenturyLink will first file a tariff change with the Commission that states the amount of the surcharge and all applicable terms and conditions.
 - c) CenturyLink will provide notice to customers 30 days before implementing the surcharge described in Section S(a) or making any changes to that surcharge or related terms and conditions.
 - d) If CenturyLink wishes to label the surcharge discussed in Section S(a) as anything other than "Facility Fee," "Facility Surcharge," "Facility Improvement Fee," or "Facility Improvement Surcharge," CenturyLink will first engage in good faith discussions with Public Utility Commission Staff to reach agreement on how the surcharge will be labeled.
6. Recovery of Mandatory Taxes and Fees:
- a) CenturyLink may, with 30 days' notice to customers and the Commission, recover the Privilege Tax and Fees and Other Assessments as a pro rata charge equal to the rate imposed by the municipality and shown as a separate line item on all applicable customer bills.
 - b) CenturyLink may, with 30 days' notice to customers and the Commission, recover the OPUC fee as a separate line item on customers' bills.
7. Exogenous Change Adjustments: CenturyLink may petition the Commission for adjustments to the Price Plan to reflect changed circumstances outside CenturyLink's control that will have an overall material impact on the Company (e.g., changes in law, rule, or tax structure as a result of legislative, judicial, or administrative agency action). For example, the Company may request consideration of the introduction of new or increased taxes or fees assessed on the basis of revenue or margin that will have an overall material impact on the Company, or changes in Universal Service Support, FCC imposed price floors, or other changes if those items are beyond its control and have an overall material impact on the Company. CenturyLink will have the burden of showing that adjustments will result in rates that are just and reasonable; the Commission may also consider whether Price Plan adjustments are in the public interest, considering the factors set forth in ORS 759.255(2). There is no presumption as part of this Price Plan that the CenturyLink and Staff of the Public Utilities Commission of Oregon would support such a petition.
8. Notice of Changes to Rate Schedules:
- a) Commission Notice Requirements

- i) **Tariff Changes:** CenturyLink will file all Tariff changes with the Commission at least 30 days prior to the effective date of the change, except that price decreases may be filed with one-day notice.
 - ii) **Price List Changes:** CenturyLink will file notice of all Price List changes with the Commission at least one day prior to the effective date of the change.
 - b) **Customer Notice Requirements:**
 - i) **Monthly Recurring Charges:** For price increases and changes to the terms or conditions of service, CenturyLink will provide 30-day notice to customers subscribing to the service, including business customers under contract or with term commitments.
 - ii) **Pay-Per-Use Charges:** For price increases and changes to the terms or conditions of service, CenturyLink will provide 30-day notice to customers who have used the service within the past 12 months.
 - iii) **Form of Notice:**
 - (1) Retail customer notices may be made by bill message including notice to customers receiving electronic bills.
 - (2) Wholesale customer notices may be made by email.
 - c) **Services exempt from regulation:** Services that the Commission has already ordered to be exempt from regulation will remain exempt from regulation subject to the conditions of the order that exempted the services from regulation. CenturyLink retains the ability to petition the Commission to exempt any additional services from regulation under ORS 759.052 or any other applicable rule or law, except for a petition to modify the Plan under ORS 759.255, as discussed in Section 3.b of this Plan.
9. **Promotions:** CenturyLink may offer promotions for residential Primary Line Basic Service and other regulated services pursuant to ORS 759.182 and ORS 759.267.
10. **Construction Charges:** CenturyLink may revise its Rate Schedules for Line Extension Charges and Provisioning Agreements for Housing Developments to reflect the principles set forth in Attachment B to this Price Plan.
11. **Service Quality and Safety:**
- a) CenturyLink shall continue to be subject to the Commission's service quality rules. CenturyLink has indicated that it may in the future elect to file a petition with the Commission to open or continue a rulemaking to revise the Commission's service quality rules. The Joint Parties would not unreasonably oppose the initiation or continuation of such a rulemaking, but there is no presumption as part of this Price Plan that the Joint Parties would support any particular proposed rule modifications put forth in such a petition.
 - b) CenturyLink will provide a single report summarizing trouble report clearing data on a monthly basis for all Protected Customers. The data will be made available as a single Protected Customer category, as opposed to providing it at a wire center or RT level.
 - c) The Company shall maintain a dedicated customer service contact number for Protected Customers to submit trouble reports.
 - d) Where the company both fails to satisfy the applicable (as set out in Commission rule) RCT metric and the TT/100 metric for the category of Protected Customers for three months in a row, the Commission may take action including, but not limited to, implementing the following consequences:

- i) Require a resolution plan to be submitted and implemented as required by Commission approval within 1 month.
 - ii) Any additional remedies available to the Commission outside the Price Plan.
- e) CenturyLink is willing to make a small inventory of satellite phones, or possibly other SOS enabled phones, available to deploy from two wire centers to be agreed upon by the Company and Public Utility Commission Staff. Such phones will be deployed as available in instances where service interruptions of greater than two consecutive days in the two selected wire centers are identified. In instances of widespread service disruptions due to force majeure conditions or the actions of third parties, CenturyLink may file a petition with the Commission to request for this requirement to not be applicable.
- f) The company must be responsive to inspections performed by other Operators¹ or Public Utility Commission Staff for conditions identified as fire and safety risks, if identified conditions also constitute National Electrical Safety Code (NESC) violations.
 - i) Responsiveness means date certain corrections, no later than 120 days from notice, with that time frame automatically extended where permitting is both required and takes longer than 5 days.
 - ii) Non-compliance with this aspect of the price plan will result in restricted pricing flexibility (detailed in section 4(e) above) and the potential for Commission investigation.

12. Reporting:

- a) Form O: Century Link will submit standardized Form O balance sheet account reporting across all CenturyLink Incumbent Local Exchange Carriers (ILECs) as reflected in Attachment D.
 - i) Qwest Corporation is not required to provide regional information in the Form O, and will only be required to provide Oregon-specific information in the Form O.
 - ii) The following schedules are not required as part of CenturyLink's Form O filing:
 - (1) B-2. Analysis of Depreciation and Amortization
 - (2) B-3. Analysis of Charges related to Plant Retired;
 - (3) B-4. Long-term Debt;
 - (4) 1-4. Operating Taxes other than Federal Income Tax;
 - (5) 1-6. Reconciliation of Reported Net Income with Taxable Income for Federal Income Tax;
 - (6) 1-7. Reconciliation of Reported Net Income with Taxable Income for Oregon State Excise Tax;
 - (7) 1-8. Transactions with Affiliated and Non-Regulated Operations.
- b) Form I:
 - i) CenturyLink will no longer be required to file the Commission's annual Form I.
- c) Affiliate Transactions: CenturyLink will not file with the Commission a report of affiliated interest contracts executed during the period from January 1 through December 31 of the immediately preceding year.

13. Waiver of Statutes Rules and Prior Commission Orders:

¹ As defined in OAR 860-024-0001(9).

- a) Waiver - Pursuant to ORS 759.255(5), CenturyLink's compliance with the following statutes and the Commission rules implementing these statutes, is waived in full, unless a partial waiver is noted as long as CenturyLink operates under the Price Plan:
- i) ORS 759.120 Form and manner of accounts prescribed by Commission; Partial to the extent allowed in prior Commission Orders.
 - ii) ORS 759.125 Records and accounts prescribed by Commission; prohibition on other records or accounts; exception; blanks for reports; Partial to the extent allowed in prior Commission Orders.
 - iii) ORS 759.135 Depreciation accounts; un-depreciated investment allowed in rates; conditions
 - iv) ORS 759.180 Hearing on reasonableness of rates; procedures; exceptions
 - v) ORS 759.185 Suspension of rates pending hearing; time limitation; refund of revenue collected; interim rates
 - vi) ORS 759.190 Notice of Schedule Change
 - vii) ORS 759.195 Price listing of services; conditions; maximum rates; essential services; justification by utility of rates for price-listed services
 - viii) ORS 759.200 Inclusion of amortizations in rates; deferral of certain expenses or revenues; limitation on amounts; prohibited uses
 - ix) ORS 759.215 (2) Public access to schedules
 - x) ORS 759.220 Joint rates and classifications; procedure; considerations - Partial waiver with regard to joint rates and establishment of new through services, but not with regard to canceling any existing through service.
 - xi) ORS 759.285 Charging rates based on cost of property not presently providing service;
 - xii) ORS 759.300 to ORS 759.360 - Issuance of Securities.
 - xiii) ORS 759.375{1}{a} -Approval prior to sale, mortgage or disposal of operative utility property- Partial waiver according to the below terms:
 - (1) CenturyTel of Oregon, CenturyTel of Eastern Oregon, and United Telephone Company must seek prior approval for the sale, lease, assignment or other disposal of property necessary or useful in the performance of those entities' duties to the public of a value of or in excess of \$1 million. Qwest Corporation must seek prior approval for the sale, lease, assignment or other disposal of property necessary or useful in the performance of its duties to the public of a value of or in excess of \$10 million.
 - (2) CenturyLink must still seek prior approval under ORS 759.375(1)(a) of any sale, lease, assignment or other disposal of any franchise, permit or right to maintain and operate the telecommunications utility or telecommunications utility property, or perform any service as a telecommunications utility.
 - (3) CenturyTel of Oregon, CenturyTel of Eastern Oregon, and United Telephone Company must also notify the Commission of the sale, lease, assignment, or other disposal of property necessary or useful in the performance of those entities' duties to the public of a value of or in excess of \$100,000, but less than \$1 million, within 60 days following the sale, and Qwest Corporation must notify the Commission of the sale, lease, assignment, or other disposal of property necessary or useful in the performance of its duties to the public of a value of or in excess of

\$100,000, but less than \$10 million, within 60 days following the sale, consistent with ORS 759.375(2).

- xiv) ORS 759.385 to 759.393 Affiliate contracts
- b) Rules - Pursuant to waiver authority the Commission has granted itself in each Division of the Commission's rules, CenturyLink's compliance with the following rules is waived in full, unless a partial waiver is noted, as long as CenturyLink operates under the Price Plan:
 - i) OAR 860-022-0025(2)(b) and (c) Requirements for Filing Tariffs or Schedules Changing Rates
 - ii) OAR 860-022-0030 Requirements for Filing Tariffs or Schedules Naming Increased Rates
 - iii) OAR 860-022-0042 Relating to City Privilege Taxes, Fees, and Other Assessments Imposed Upon a Large Telecommunications Utility- Partial waiver of rule to allow CenturyLink to pass through to its customers the entire amount of City Privilege Taxes, Fees and Other Assessments as a separately itemized charge on it customer's bills.
 - iv) OAR 860-022-0047 Recovery of Certain Facility Relocation Costs; Partial waiver to implement section 5, to the extent necessary.
 - v) OAR 860-025-0065 Allocation of Carrier of Last Resort (COLR) Reinstatement Costs;
 - vi) OAR 860-026-0025(b).
 - vii) OAR 860-027-0016 Accounting for Director's Fees
 - viii) OAR 860-027-0030 through OAR 860-027-0044
 - ix) OAR 860-027-0050 through OAR 860-027-0052
 - x) OAR 860-027-0070 Annual Report Requirements for Electric, Large Telecommunications, Gas, and Steam Heat Utilities - except as required in Price Plan
 - xi) OAR 860-027-0100 Reporting of Affiliated Transactions

**Principles for Line Extension and Provisioning Agreement for Housing Developments
Docket Nos. UM 1908/ UM 2206 - Attachment B to Stipulation**

General Principles:

1. Qwest Corporation, CenturyTel of Oregon, CenturyTel of Eastern Oregon, and United Telephone Company of the Northwest (collectively, "CenturyLink") may modify their rate schedules to update their approach to line extension, construction, and housing development charges to reflect the below principles, which enable the companies to better control the total amount of, and increase the predictability of, the costs of certain construction activities, while also balancing the reduction of regulatory burdens with appropriate public interest considerations.
2. Generally, CenturyLink may remove from the relevant portion of its rate schedules the existing distinction related to base rate area to eliminate the allowance currently required based on an applicant for service being located inside the base rate area.
3. CenturyLink may not introduce terms and conditions to its rate schedules that would neutralize CenturyLink's carrier-of-last-resort obligations, which stem from a statute that cannot be waived under an ORS 759.255 price plan.
4. The Price Plan to which the parties have stipulated in Appendix A requires CenturyLink to file tariff changes at least thirty days prior to their effective date. Staff anticipates processing tariff changes conforming to these principles as compliance filings to simplify the approval process if CenturyLink's proposed changes do not exceed the scope of the principles identified in this document. The Price Plan to which the parties have stipulated requires CenturyLink to file price list changes at least one day in advance of their effective date; any changes to price list terms that are made to reflect the principles in this document, however, should be filed at least thirty days prior to their effective date to enable sufficient time for Commission Staff review.

Principles Related to Residential Construction Tariffs and Price List:

5. Definitions:

- a. Drops- Facilities between pedestals/poles and residence
- b. Line Extensions - From closest practical point of distribution facilities to owner pedestal. The pedestal is typically at the owner property line for residential services. Line extensions do not include drops.

6. Drops:

- a. The builder or owner may be responsible for the cost of drops
- b. If the builder or owner is responsible for the cost of drops, the rate schedules will provide the builder or owner the right to perform work on private property associated with drops, such as trenching, conduit placement, placing pull rope, and setting poles, in order to defray costs.

7. Line Extension Allowance:

- a. CenturyLink may impose line extension charges for an extension to plant to furnish service where the actual cost exceed \$2,500, and may only impose line extension charges for the portion of the actual costs that exceed \$2,500.
- b. CenturyLink may stop using distance measurements as the basis for line extension allowances. This change eliminates the need to calculate distances and, together

with the \$2,500 allowance in Principle 7(a) and the elimination of base rate area allowance in Principle 2, substantially reduces CenturyLink's costs.

8. Routes, Easements, Rights of Way, and Associated Costs:

- a. CenturyLink shall determine the route for line extensions along public rights of ways and may determine the route for line extensions on private property.
- b. The owner is responsible for obtaining and paying for easements where necessary, subject to the \$2,500 allowance described in Principle 7(a).
- c. CenturyLink is responsible for obtaining access to public rights of way and the costs associated with obtaining such access.
- d. CenturyLink must inform an owner in writing in-advance if CenturyLink's preferred route will result in costs exceeding the \$2,500 allowance and must include in such notice an itemized estimate of costs and any alternative route options that would result in lower costs for the owner. If CenturyLink's preferred route would necessitate obtaining an easement, CenturyLink has a duty to avoid acting in any way that may inflate the cost of such an easement.

9. Batching Line Extension Projects:

- a. In other than a Provisioning Agreement for Housing Developments (PAHD), CenturyLink may batch line extension agreements into one project. The terms and conditions for administering the batched line extensions will be set forth in a written contract, which must provide for reimbursement of the difference between estimated and actual costs. In the event that line extension projects are batched, the total line extension allowance under Principle 7(a) for those line extension project shall be the product of \$2,500 multiplied by the number of applicants for service requiring line extension in that batch.
- b. Applicants for service that require line extensions shall not be required to participate in a batched line extension project as a condition of obtaining service.

10. Calculation of Costs:

- a. Line extension costs may only include costs associated with facilities necessary to serve the owner or owners requesting the line extension(s). In a cost estimate, costs associated with providing unregulated services shall be clearly itemized in the estimate/quote, and residential customers should be given the opportunity to choose to pay for drop facilities to provide unregulated services at the time of obtaining service.
- b. The calculation of line extension costs or allowances may not include costs associated with reinforcement of facilities needed to provide regulated or unregulated services for future owners or developments.
- c. Costs may be allocated on a reasonable basis (e.g., pair counts or capacity related to regulated telephone service).

Principles Related to Provisioning Agreements for Housing Developments

11. A developer may be required to pay all line extension and construction costs necessary to extend CenturyLink's network to service a development.
12. Where the developer is not the builder, the builder or owner may be responsible for the cost of drops, unless the terms of the PAHD include the costs of drops.
13. CenturyLink may modify payment requirements and reduce charges associated with developments to respond to competition.

14. In a PAHD where the developer, builder, or owner is required to pay line extension or construction costs, CenturyLink shall provide a quote of estimated costs and shall reimburse the payer the excess between estimated and actual costs.
15. A developer, builder, or owner may perform work such as trenching, conduit placement, placing pull rope, and setting poles, on private property in order to defray costs.

**Agreement on Suspension of Commission Orders in Conjunction with
Jacksonville RDOF Build
Docket Nos. UM 1908/ UM 2206- Attachment C to Stipulation**

Despite dramatically changed circumstances and costs (including significant inflation and greater-than-anticipated fiber run lengths), CenturyLink intends to move forward with the Jacksonville Rural Development Opportunity Fund Project (Bid ID: OR-029-0030023) (“RDOF build”), and will make good faith efforts to complete fiber construction to as many of the living units within the originally planned RDOF build as practically possible. CenturyLink may, decline to build to a small portion of the living units, as of August 2023 estimated by the company to be up to 15 units, based on extreme costs to build, but in such cases will use best efforts to work with affected CenturyLink customers to find and potentially subsidize alternative services, including reliable commercial satellite services. Failure to build to any living units will be based on a reasonable determination that doing so would make the RDOF build economically infeasible to complete.

In the event that CenturyLink is unable to provide a fiber option to its customers in the portions of the area covered by the RDOF build, the company will provide (on a confidential basis, if appropriate) sufficient evidence to the Commission demonstrating extreme costs or other factors which make it uneconomic to build to any portion of living units. CenturyLink will also provide the Commission a plan to fulfill its COLR obligation to serve customers protected by Commission Orders 22-340 and 22-422 who will not receive fiber service. CenturyLink must provide this plan (which may refer to CenturyLink’s intention to continue providing service over existing facilities) to the Commission prior to termination of Orders 22-340 and 22-422.

Once CenturyLink commences the RDOF build, as possibly adjusted as discussed above, Orders 22-340 and 22-422 will be suspended until the earlier of the RDOF build being completed or December 31, 2024. Upon completion of the RDOF build, as possibly adjusted as discussed above, Orders 22-340 and 22-422 will terminate, and the investigation Regarding the Provision of Service in Jacksonville, Oregon and Surrounding Areas will be closed. For clarity, among other things, the penalty provisions contained in Order 22-340 (page 1), will no longer be in effect during the suspension period described above.

CenturyLink shall formally notify the Commission at the beginning of RDOF construction and shall provide monthly status reports during the construction period. CenturyLink shall be responsible for notifying the Commission of the completion of RDOF construction work. If the RDOF build is not completed by December 31, 2024, the Commission at its discretion may extend the suspension period if CenturyLink has reasonably demonstrated that circumstances beyond its control have delayed completion of the RDOF build. The Commission will not unreasonably deny such extension. Such circumstances may include, but are not limited to, inclement weather, natural disaster, materials or labor shortages, supply chain disruptions, permitting delays, or other reasonable impediments.

Oregon Form O, B-1 tab for ILECs

CenturyLink proposes that beginning in 2024 for 2023 data, CenturyTel of Oregon and CenturyTel of Eastern Oregon report the same 53 balance sheet accounts as Quest and United Telephone currently report.

Line No.	Account No.	B-1 Description	Full Balance Sheet Provided		Partial Balance Sheet Provided	
			CenturyTel of Oregon	CenturyTel of Eastern Oregon	UTC-NW	QC
			x	x		
1	1120	Cash and Equivalents	x	x		
2	1170	Receivables	x	x		
3	1171	Allowance for Doubtful Accounts	x	x		
4	1220	Inventories	x	x	x	x
5	1280	Prepayments	x	x		
6	1350	Other Current Assets	x	x		
7		Total Current Assets (lines 1..6)	x	x		
8	1406	Nonregulated Investments	x	x		
9	1410	Other Noncurrent Assets	x	x		
10	1438	Deferred Maintenance, Retirements, and Other Deferred Charges	x	x		
11	1500	Other Jurisdictional Assets - Net	x	x		
12		Total Noncurrent Assets (lines 8..11)	x	x		
13	2001	Telecommunications Plant in Service (line 61)	x	x	x	x
14	2002	Property Held for Future Telecommunications Use	x	x		
15	2003	Telecommunications Plant Under Construction	x	x		
16	2005	Telecommunications Plant Adjustment	x	x		
17	2006	Nonoperating Plant	x	x		
18	2007	Goodwill	x	x		
19		Total Plant (lines 13..18)	x	x	x	x
		Telecommunications Plant in Service				
20	2111	Land	x	x	x	x
21	2112	Motor Vehicles	x	x	x	x
22	2113	Aircraft	x	x	x	x
23	2114	Tools and Other Work Equipment	x	x	x	x
24	2121	Buildings	x	x	x	x
25	2122	Furniture	x	x	x	x
26	2123.1	Office Support Equipment	x	x	x	x
27	2123.2	Company Communications Equipment	x	x	x	x
28		<i>Sub-Total 2123 Office Equipment (lines 26+27)</i>	x	x	x	x
29	2124	General Purpose Computers	x	x	x	x
30		Total Land and Support (lines 20..27 and 29)	x	x	x	x
31	2211	Nondigital Switching	x	x	x	x
32	2212.1	Digital Electronic Switching - Circuit	x	x	x	x
33	2212.21	Digital Electronic Switching - Packet Switching	x	x	x	x
34	2212.22	Digital Electronic Switching - Soft Switch	x	x	x	x
35		Total Central Office - Switching (lines 31..34)	x	x	x	x
36	2220	Operator Systems	x	x	x	x
37	2231	Radio Systems	x	x	x	x
38	2232.1	Circuit Equipment - Electronic	x	x	x	x
39	2232.2	Circuit Equipment - Optical	x	x	x	x
40		Total Central Office - Transmission (lines 37..39)	x	x	x	x
41		Total Switching and Transmission (lines 35..39)	x	x	x	x
42	2310	Information Origination/Termination	x	x	x	x
43	2351	Public Telephone Terminal Equipment	x	x	x	x
44	2362	Other Terminal Equipment	x	x	x	x
45		Total Information Origination/Termination (lines 42..44)	x	x	x	x
46	2411	Poles	x	x	x	x
47	2421.1	Aerial Cable - Metallic	x	x	x	x
48	2421.2	Aerial Cable - Nonmetallic	x	x	x	x
49	2422.1	Underground Cable - Metallic	x	x	x	x
50	2422.2	Underground Cable - Nonmetallic	x	x	x	x
51	2423.1	Buried Cable - Metallic	x	x	x	x
52	2423.2	Buried Cable - Nonmetallic	x	x	x	x
53	2424	Submarine and Deep Sea Cable	x	x	x	x
54	2426	Intrabuilding Network Cable	x	x	x	x
55	2431	Aerial Wire	x	x	x	x
56	2441	Conduit Systems	x	x	x	x
57		Total Cable and Wire Facilities (lines 46..56)	x	x	x	x
58	2680	Amortizable Tangible Assets	x	x	x	x
59	2690	Intangibles (Balance reflects the reduction of \$ from B-2 Ln 38 Col (g))	x	x	x	x
60		Total Other Assets (lines 58..59)	x	x	x	x
61		Telecommunications Plant in Service (lines 30+41+45+57+60)	x	x	x	x
		Accumulated Depreciation and Amortization				
62	3100	Accumulated Depreciation	x	x	x	x
63	3200	Depreciation - Property Held for Future Telecommunications Use	x	x		
64	3300	Depreciation - Nonoperating	x	x		
65	3400	Accumulated amortization-Tangible	x	x	x	x
66		Accumulated Depreciation and Amortization (lines 62..65)	x	x	x	x
67		Net Plant (line 19 less line 66)	x	x	x	x
68		Total Assets (lines 7+12+67)	x	x	x	x
		Liabilities and Equity				

69	4010	Current Accounts & Notes Payable (excludes State USF)	x	x		
70	4010.2	Collection and Contribution of State USF	x	x	x	x
71	4040	Customer Deposits	x	x		
72	4070	Income Taxes - Accrued	x	x		
73	4080	Other Taxes - Accrued	x	x		
74	4100	Net Current Deferred Operating Income Tax	x	x		
75	4110	Net Current Deferred Nonoperating Income Tax	x	x		
76	4130	Other Current Liabilities	x	x		
77		Total Current Liabilities (lines 69..76)	x	x		
78	4200	Long Term debt and funded debt	x	x		
79	4300	Other Liabilities and deferred credits	x	x		
80	4320	Unamortized Operating Investment Tax Credits - Net	x	x		
81	4330	Unamortized Nonoperating Investment Tax Credits - Net	x	x		
82	4340.1	Net Noncurrent Deferred Operating Federal Income Tax	x	x	x	x
83	4340.2	Net Noncurrent Deferred Operating State Income Tax	x	x	x	x
84	4341	Net Deferred Tax Liability Adjustments	x	x		
85	4350	Net Noncurrent Deferred Nonoperating Income Tax	x	x		
86	4361	Deferred Tax Regulatory adjustments - Net	x	x		
87	4370	Other Jurisdictional Liabilities and Deferred Credits - Net	x	x		
88		Total Other Liabilities and Deferred Credits (lines 78..87)	x	x		
89	4510	Capital Stock	x	x		
90	4520	Additional Paid-In Capital	x	x		
91	4530	Treasury Stock	x	x		
92	4540	Other Capital	x	x		
93	4550	Retained Earnings (from Retained Earnings, below)	x	x		
94		Total Stockholders' Equity (lines 89..93)	x	x		
95		Total Liabilities and Equity (lines 77+88+94)	x	x		
		Retained Earnings				
96	460	Balance at January 1	x	x		
97	465	Net Income (from Income Statement, Schedule I-1, line 81)	x	x		
98	470	Dividends Declared	x	x		
99	475	Miscellaneous Debits (Include explanation in footnotes)	x	x		
100	480	Miscellaneous Credits (Include explanation in footnotes)	x	x		
101	490	Balance at December 31 (lines 96+97+100 less line 98 & 99)	x	x		

Reporting Data and Templates
Docket Nos. UM 1908/UM 2206 - Attachment E to Stipulation

To comply with the Price Plan’s reporting requirements, CenturyLink will provide monthly reporting of repair clearing times and trouble report rates. CenturyLink will provide statewide data by wire center and will provide Protected Customer data at the individual line level. Additionally, the Company will provide monthly data on the Dedicated Customer Service Line serving Protected Customers. For purposes of this document, all numbers and text shown in blue are provided for example or description only.

I. Report Clearing Time (“RCT”) Statistics

Century Link will report monthly to the Commission the percentage of trouble reports cleared within 48 hours by wire center as described in OAR 860-034-0390(6)(b) and 860-032-0012(b)(b). The clearing time for trouble reports is the time between when the customer reports the trouble to CenturyLink until the trouble is resolved. For the purposes of pricing flexibility RCT statistics shall be calculated on the basis of a statewide, 12-month, rolling average using all 167 wire centers.

Provide Monthly:

ILEC Entity	Wire Center	Month		
		Total Number of Trouble Tickets	Trouble Cleared Within 48 Hours	Percent of Tickets Cleared in 48 Hours
(Qwest/ United/ CenturyTel)	(Name of Wire Center)	10	9	90%
CenturyLink Totals:		Total # of Trouble Tickets Received for All Wire Centers During Month	Total # of Trouble Tickets Cleared Within 48 Hours for All Wire Centers During Month	Percent of Trouble Tickets Cleared within 48 Hours for All Wire Centers During Month

II. Trouble Report Rate Statistics (“TT/100”)

Century Link will report monthly to the Commission the number of customer trouble reports that were received during the month, the total working access lines within a wire center, and the monthly trouble report rate, as detailed in OAR 860-023-0055(5) and 860-034-0390(6)(b).

Provide Monthly:

ILEC Entity	Wire Center	Lines in Wire Center	Permissible Number of Tickets per OAR	Actual Number of Tickets Received	Number of Tickets above Limit
(Qwest/ United/ CenturyTel)	(Name of Wire Center)	200	(3 tickets/100 lines for 200 lines) = 6	8	2
CenturyLink Totals:		Total # of Wire Centers (167)	Total # of Wire Centers at or below Ticket Limit	Total # of Wire Centers above Ticket Limit	Percentage of Wire Centers Statewide in Compliance with Ticket Limit

III. Protected Customer Statistics

For Protected Customers CenturyLink will report performance under RCT and TT/100 metrics monthly. This data will be provided at the individual phone line level and calculated as a single group, instead of per wire center. The data will be provided in a format equivalent to the RT and TT/100 tables provided above. In addition, the Company will report the following information for every incoming call to the dedicated customer support line:

- Impacted Area- RT or Wire Center
- Call Timestamp- Time the Call with Customer began
- Contact Number- Customer phone number or preferred contact number
- Customer Name
- Caller Name- if different from customer
- Address
- Account Number
- Circuit Number
- Caller Email- if provided
- Ticket Timestamp- Time the trouble ticket was created
- Trouble Ticket Number(s)
- Cause of Issue
- Disposition- Has the issue been addressed, resolved, etc...