ITEM NO. RA1

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: August 5, 2025

REGULAR X CONSENT ____ EFFECTIVE DATE N/A

DATE: July 23, 2025

TO: Public Utility Commission

FROM: Joseph Bartholomew

THROUGH: Bryan Conway and Russell Beitzel **SIGNED**

SUBJECT: LUMEN TECHNOLOGIES:
(Docket No. UM 1908)
Staff response to Order No. 25-216 regarding Lumen Service Quality.

STAFF RECOMMENDATION:

Staff recommends that the Commission take the following actions:

- Direct Staff to address minimum service quality standards in UM 2399.
- Direct Lumen to provide past due responses to safety audit reports, including evidence of corrections, within 90 days.
- Direct UM 2397 parties to address any violation of Commission orders related to service quality as part of the contested case.

DISCUSSION:

Issue

Whether the Commission should issue fines related to safety and service quality issues during the time period from February 2024 to May 2025.

Applicable Rule or Law

ORS 756.515(1) provides that whenever the Commission believes that "any service is unsafe or inadequate, or is not afforded, or that an investigation of any matter relating to any public utility or telecommunications utility. . . the Commission may on motion summarily investigate any such matter, with or without notice." Upon investigation,

without notice or hearing, the Commission may make any findings and orders it deems justified or necessary as provided in Subsection (4).

The Commission establishes minimum service quality standards to ensure safe and adequate services for all telecommunications carriers pursuant to ORS 759.450. Under Section (5) of this statute, the Commission is required to direct a telecommunications carrier, utility or competitive provider that is not meeting the minimum service quality standards to submit a plan for improving performance to meet the standards within 6 months. The Commission is further required to review and approve or disapprove the plan.

Lumen is currently regulated under an ORS 759.255 Price Plan, approved by the Commission in Order No. 24-113. One of the Price Plan's objectives is to ensure that the quality of existing telecommunications services will meet or exceed Commission service quality standards, and ties service quality metrics to the ability to increase pricing.[1]

OAR 860-023-0055 provides the statutorily required retail service quality standards for large telecommunications utilities.

In Order No. 25-216 the Commission directed Lumen to submit a performance plan to meet minimum service quality standards and address service quality and directed Staff to review Lumen's compliance with service quality rules, addressing the specific recommendations raised by CUB in its comments.

ORS 757.035 and OAR 860-024-0010 and OAR 860-023-0005 for articulate the laws and rules regarding minimum safety standards.

Analysis

Background
Staff has been working with Lumen Technologies Inc., dba CenturyLink (Lumen or Company)[2] for several years in an attempt to improve service quality on several metrics. The Commission has adopted two previous service quality performance plans for

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1 *See*, Docket No. UM 1908/UM 2206, *In the Matters of Lumen Technologies, Proposed Commission Action Pursuant to ORS 756.515 to Suspend and Investigate Price Plan*, Order No. 24-041 at 9-10 (Feb. 9, 2024); *modified by*, Order No. 24-113 (April 30, 2024).

2 Lumen Technologies, Inc. is the parent of operating companies Qwest Corporation, United Telephone Company of the Northwest, CenturyTel of Oregon, and CenturyTel of Eastern Oregon.

Lumen under ORS 759.450(5), in May 2017[3] and June 2021.[4] Staff provided a Report for the June 10, 2025, public meeting, in which Staff recommended the Commission find Lumen out of compliance with the 48-hour repair metric for Lumen's ILEC's Qwest and Century Tel from January 2021 through April 2025, and for United from January 2019 through April 2025. In response to Staff's Report the Oregon Citizens' Utility Board (CUB) provided comments and requests for Commission consideration. The Commission ordered Lumen to submit a performance plan to achieve compliance with the minimum service quality metrics as required pursuant to OAR 759.450(5) and directed Staff to review Lumen's compliance with the service quality rules, addressing the recommendations raised by CUB in its comments.

CUB's comments included the following requests:[5]

1) Suspend the Company's filing in UP 433, and any other Company filing, until the Commission issues a ruling that it is satisfied that the Company has come into compliance with the Commission's safety and reliability rules;
2) Direct PUC Staff to review the Company's Commission rule violations since the first Jacksonville Order was issued in September 2022, or at a minimum, back to the date of the Commission's Order adopting the Price Plan Stipulation in February 2024, Order No. 24-041;
3) Direct PUC Staff to calculate the total fines that could be issued to the Company based upon those violations pursuant to the Commission's authority in ORS 756.990, Oregon statutes and rules, and its Orders;
4) Direct Staff to make a recommendation as to the appropriate amount of fines that should be issued on the Company for the continuing violation and disregard of Commission rules, and consider appropriate amount of penalties; and
5) Direct the Company to meet the requests identified by CUB in our January Response to Lumen's Motion to Amend.

This memo provides information about Staff's analysis and findings in the same order. Staff first addresses suspension of Company filings, addressing CUB Request 1. Staff addresses the Commission's direction and CUB Request 2 through review of Lumen's compliance with service quality and safety standards provided in statute or rule. Staff notes that CUB Requests 3 and 4 are broader than Request 2, and include compliance with orders in addition to rules and statutes. After assessing Lumen's compliance with

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[3] Docket No. UM 1836, Order No. 17-175 (May 16, 2017).
[4] Docket No. UM 1026, Order No. 01-689 (Aug. 1, 2001) (resulting in an MOU between Staff and Lumen approved on July 24, 2001).
[5] CUB's Comments on Staff's Report for the June 10, 2025, Public Meeting (June 9, 2025); referencing, CUB's Response to Lumen's Motion to Amend at 9-10 (Jan. 14, 2025).

Commission orders relevant to safety and service quality, Staff provides information on penalties, which address CUB Requests 3 and 4. Lastly, Staff summarizes additional information it reviewed as part of its analysis providing relevant context and addressing the topics included in CUB's January Response to Lumen's Motion to Amend.

Suspension of Dockets
Docket No. UP 433 was closed on June 16, 2025.[6] Staff is not aware of any other Company-initiated filings.

Compliance with Service Quality and Safety Standards

1. *Minimum Service Quality Standards*

Staff reviewed Lumen's compliance with the minimum service quality standards articulated in OAR 860-023-0055. To be considered out of compliance, a company's performance needs to fall below the minimum service quality metrics as outlined below.

Staff reviewed the six components related to service quality, with the following summarized results. The individual months related to compliance can be found in Attachment A and are summarized below:

- **Residential repair center call answer time** – Compliance is related to a company answering a call within 50 seconds. The Company was in compliance with this standard.
- **Business repair center call answer time** – Compliance is related to a company answering a call within 50 seconds. The Company was in compliance with this standard.
- **Service Order Completion** – Compliance is related to a company achieving 90 percent of commitments met within a 30-day period.
    - Qwest – Out of compliance 1 time.
    - United – Out of compliance 5 times.
    - CenturyTel – Out of compliance 5 times.
- **48-hour repair clearing time** – Compliance is related to a company completing 90 percent of all trouble tickets within 48-hours of issuance. None of the Lumen ILEC's, Qwest, United, and CenturyTel, were in compliance with this standard.
- **Held Orders for Lack of Facilities** – Compliance is related to a company having less than 10 percent of held orders completed over a 30-day period. United and CenturyTel were both in compliance, but Qwest was out of compliance 3 times.

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[6] Docket No. UP 433, *In the Matter of Qwest Corporation Application for Authority to Transfer Property Under ORS 759.375*, Order No. 25-222 (June 16, 2025) (dismissing the application and closing the docket).

- **Trouble tickets per 100 customers** – Compliance is related to a company having a specific amount of trouble tickets per 100 customers. The Company was in compliance with this standard.

2. *Safety Standards*

Staff reviewed safety audit reports to understand Lumen's potential safety violations. Commission Safety Staff perform periodic audits around the state to assess the level of compliance with the National Electric Safety Code (NESC) and the Commission's Divisions 24 and Division 28 safety rules. Staff's safety audits reports include "probable violations" of Division 24 & Division 28 rules. A factual determination by the Commission is necessary for the finding of noncompliance or violation of the administrative rules. While each safety audit report, shown in Attachment C, included multiple probable violations, there have been no findings of rule violations.

Compliance with Commission Orders

1. *Service Quality Orders*

Staff reviewed Lumen's compliance with Commission Orders related to service quality, Order Nos. 22-340, 22-422, and 24-041. Specifically, Staff reviewed call logs provided by the Company for the dedicated customer service line, comments submitted in Commission dockets, and complaints submitted to the Staff's Consumer Services Section, shown below.

Summary of Docket Comments

- On January 14, 2025, a Jacksonville resident sent in comments to Docket No. UM 1908. In the comment, the resident reports issues accessing the dedicated line, stating that a neighbor was unable to access the dedicated line, and given a repair date five days out.
- On February 27, 2025, another Jacksonville resident submitted a comment to Docket No. UM 1908 stating that their repair ticket was past 48 hours for resolution. Further the customer reported that when they called the special dedicated customer support line, they were transferred to the regular customer service line.
- On July 14, 2025, a customer submitted a comment in Docket No. UM 2397 noting that the dedicated support line does not work.

Summary of Consumer Services Complaints

The Consumer Services Section received complaints from four Lumen customers on various dates related to outages, the dedicated line, or repair time frames as described below.

- In early February 2025, two Jacksonville customers submitted complaints related to a February 3, 2025, outage in which the backup batteries did not work. Both customers were provided with repair timelines of over 48 hours.
- In late February 2025, two separate Jacksonville customers submitted complaints regarding an outage lasting from February 26 through February 28, 2025. Both customers were provided with repair timelines in March.
- On June 19, 2025, a protected customer filed a complaint reporting multiple outages over several days and an inability to access the dedicated line.

Staff investigated the information outlined above, as well as information contained in Attachment B. Staff finds that Lumen may have violated Commission orders based on the following:

- Customers describe being unable to report multiple outages for other customers.
- Lumen has not repaired 90 percent of all trouble tickets within 48 hours as shown in Attachment B.
- Lumen stopped filing call logs every two weeks from July 2024 through July 2025 and only filed monthly call logs.
- The dedicated line was likely not operational 24/7, 365 days a year, specifically the few days in June 2025 when the Company had an internal outage.

2. *Safety Order*

Order No. 24-041 requires that Lumen "be responsive to inspections performed by other Operators or Public Utility Commission Staff" and defines responsiveness as "date certain corrections, no later than 120 days from notice."[7] The safety audit reports provided by Staff notify the utility of probable violations of the NESC including conditions identified as fire and safety risks. Generally, the safety audit reports specify that corrections are to be completed within 180 days, however, utilities are provided the opportunity to request an extension.[8] Attachment C provides lists Lumen's past due safety audit responses. Lumen has 18 past due responses for safety audits, for which the Company was provided with reports after Order No. 24-041 was issued. While past due responses do not necessarily mean that corrections have not been completed, it does indicate that evidence of corrections have yet to be received by Staff.

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7 Order No. 24-041, Appendix A at 3, Section 11(f).

8 If there is a dispute about a citation in the safety audit report, the recipient is advised to submit in writing within 30 days of receipt. Coordination between operators may be required which can create challenges meeting the 180-day deadline.

Fines and Penalties
Consistent with CUB's request. Staff reviewed the Company's compliance with the Commission's rules, statutes, and orders, as described above. CUB requested that Staff evaluate the total amount of fines that the Commission could issue and provide a recommendation on the appropriate amount of fines that should be issued. CUB's request focuses on penalties pursuant to the Commission's authority in ORS 756.990, but Staff also considers penalty authority captures in ORS 759.990. In addressing this request, Staff discusses rule and statute violations and order violations separately and summarizes its recommendations for each in the table below.

Obligation	**Fines Recommended Here**	**Staff Recommendation**
Minimum Service Quality[9]	$0	Address minimum service quality standards in UM 2399
Commission Orders Related to Service Quality	$0	Address in UM 2397 contested case
Safety Requirements	$0	Address through existing safety processes

1. *Penalties Related to Minimum Service Quality Standards*

ORS 759.450(5) and OAR 860-023-0055 describe available remedies for violations of minimum service quality rules, including the pathway for fines.

> If a large telecommunications utility does not meet the goals of its improvement plan within six months, or if the plan is disapproved by the Commission, the Commission may assess penalties in accordance with ORS 759.450(5) through (7).[10]

In Order No. 25-216 the Commission required the Company to submit a performance plan by July 25, 2025.[11] This filing has been docketed in UM 2399. If the plan is disapproved by the Commission or if Lumen fails to meet the goals of the performance plan within six months, the Commission could assess penalties of up to "two percent of the utility's gross intrastate revenue from the sale of telecommunications services for the

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9 ORS 759.450 & OAR 860-023-0055.
10 OAR 860-023-0055(14)(a).
11 The Commission issued Order No. 25-216 on June 10, 2025, and directed filling of Lumen's performance plan within 45 days.

calendar year preceding the year in which the penalties are assessed."[12] However, since the Lumen performance plan has yet to be reviewed by the Commission, no penalties are currently appropriate. Staff believes a new docket, UM 2399, is the appropriate venue to address compliance with minimum service quality metrics.

2. Penalties Related to Commission Service Quality Orders

As a preliminary matter, Staff notes that violations of Order Nos. 22-340, 22-422, and 24-041 are currently being addressed in the UM 2397 contested case.[13] In reviewing issues reported by customers and information provided by the Company in the docket, Staff identified a factual dispute related to compliance with the applicable orders.[14] In addition, several of the comments submitted in the UM 1908 docket or to the Consumer Services Section lack sufficient details for Staff to make a determination about violation of the orders.

Additional investigation and discovery would be necessary to assess if violations occurred. ORS 183.745 requires notice and opportunity for a hearing prior to issuing civil penalties.[15] Staff believes UM 2397 is the appropriate venue to both address disputes around any violations and meet statutory requirements.

3. Penalties Related to Safety Standards and Orders

The Commission has authority to issue penalties for violations of its safety rules pursuant to ORS 757.990 and its orders pursuant to ORS 759.990. However, assessment of penalties in either case would require compliance with the notice and opportunity for a hearing requirement in ORS 183.745. Because additional information is necessary to determine if a violation of either the safety rules or Order No. 24-140 occurred, Staff does not recommend issuing penalties at this time.

Additional Information and Relevant Context

As part of its investigation Staff also reviewed Consumer Services Section Staff's issuance of at faults to Lumen, price increases submitted by the Company under the price plan, and updates on the provision of fiber to the Jacksonville area.

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12 ORS 759.450(7).

13 Oregon Citizens' Utility Board, Request for Penalties and Show Cause Order Against Lumen Technologies, Inc. at 1 (July 8, 2025).

14 *See e.g.*, Qwest Corporation's Opposition to CUB Request for Expedited Consideration at 2 (July 8, 2025).

15 ORS 183.745(2) and (4); *see also*, ORS 183.745(3), if after notice, no hearing is requested within the time specified the agency may issue a final order imposing the penalty.

1. *At Faults*

For the time period from February 1, 2024 to June 30, 2025, Consumer services received 1,060 complaints from Lumen customers throughout the state, 567 trouble reports exceeded the 48 hours as defined in OAR 860-023-0055 (6). Several customers (51) experienced missed commitment multiple times as part of the 567 shown in the table below:

Customer Complaints Violations Assigned[16]		
February 1, 2024 to June 30, 2025		
Customer Complaints Total	Complaints w/ Violations*	OAR 860-023-0055(6)(b) Trouble Reports > 48 Hrs.
1,060	516	567

*Customer may receive more than one missed commitment.

2. *Price Increases*

Lumen submitted a price increase in dockets ADV 1700/1701/1702 on January 13, 2025. The request was to increase the Residential Local Exchange Access Service flat monthly rates by $1.50 with an effective date of March 1, 2025. Staff analyzed the increase and due to Lumen being in compliance with the trouble tickets per 100 customers service quality metric, Staff found that Lumen was in compliance with the Price Plan and approved and processed the filing on January 24, 2025.

3. *Fiber Buildout*

Lumen notified Staff that due to the Company selling all its fiber drop assets to AT&T, it has relinquished all of its RDOF money for Oregon. Although the Company is no longer receiving RDOF funds, they are continuing the Jacksonville fiber build and will complete it using the Company's own financing.

Conclusion

Staff's analysis demonstrates that the company is out of compliance in numerous service quality categories and has received many violations related to customer complaints, assigned by Consumer Services. Since the scope of UM 1908 is directed at the development of the Company's price plan, UM 2399 is the appropriate venue to address compliance with the minimum service quality rules. For similar reasons, Staff

[16] This information in this table may overlap with the data related to the Company compliance for the 48-hour repair times.

recommends that the Commission utilize Docket No. UM 2397 to determine if penalties are appropriate. Staff believes that the Commission's existing Safety Section processes are appropriate to address concerns, but that Lumen should be required to provide past due responses to the safety audit reports within the next 90 days to ensure that the Company is appropriately correcting safety issues.

PROPOSED COMMISSION MOTION:

Direct Staff to address minimum service quality standards in UM 2399. Direct Lumen to provide past due responses to safety audit reports, including evidence of corrections, within 90 days. Direct UM 2397 parties to address any violation of Commission orders related to service quality as part of the contested case.