Qwest

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Alex M. Duarte

Corporate Counsel- Oregon and Utah



Maiheur Bell

P.O. Box 249 Ontario, OR 97914

November 30, 2009

Ms. Carol Hulse Oregon Public Utility Commission P. O. Box 2148 Salem, OR 97308-2148

Re: <u>Docket UM 1451</u>- Malheur Bell and Qwest filing of Customer Notice Letters

Dear Ms. Hulse:

Applicant Malheur Home Telephone Company ("Malheur Bell") and Qwest Corporation ("Qwest") hereby formally file the three customer notice letters that Malheur Bell sent to its customers notifying them of the transaction for which it seeks Commission approval in this docket (seeking to consolidate its operations with its corporate parent, Qwest), and any price increases as a result of the transaction. Malheur Bell did not previously formally file these customer notice letters because it had previously provided drafts and copies of the letters to Commission Staff in advance of the mailing of the letters, and OAR 860-034-0310 merely requires that a small company customer notice letter regarding any price increase be "provided" to the Commission, and thus does not require that such letters be "filed" with the Commission (which typically would have a docket open for such a filing). Moreover, only the second notice letter, on October 26, 2009, is a letter pursuant to OAR 860-034-0310. The other two letters, on October 5, 2009 and November 20, 2009, advised Malheur Bell customer of the transaction and any potential price increases, but were not sent pursuant to OAR 860-034-0310.

In any event, Malheur Bell, Qwest and Commission Staff have agreed that in order for these three customer letters to be officially part of the record in this docket, Qwest will formally file copies of these letters. Accordingly, Qwest files the following letters:

- October 5, 2009 customer notice letter to all Malheur Bell customers, with attachment
- October 26, 2009 customer notice letter to all Malheur Bell customers pursuant to OAR 860-034-0310, with attachment
- November 20, 2009 customer notice letter to all Malheur Bell Vale and Oregon slope exchange customers

If the Commission has any questions about this letter, please feel free to contact me.

Very truly yours

Alex M. Duarte





October 5, 2009

# NOTICE OF ENTITY CONSOLIDATION OF MALHEUR BELL, A WHOLLY OWNED SUBSIDIARY OF QWEST CORPORATION, INTO THE PARENT COMPANY, QWEST CORPORATION

In an effort to improve operating efficiencies in the management of your local telephone company, Qwest Corporation (Qwest) has notified the Oregon Public Utility Commission of Malheur Bell and Qwest's intent to consolidate operations effective on December 14, 2009. Malheur Bell is currently a wholly owned subsidiary of Qwest and after the consolidation is complete, you will still be served by the same network facilities that serve you today. Consequently, you should not notice a difference in the quality and dependability of your local telephone service, although there may be some differences in the rates, terms or conditions of your service.

If Qwest Long Distance Corp. is your long-distance provider at the time of the transfer, or if you are currently a customer of a long-distance company other than Qwest Long Distance Corp., your long-distance provider will remain unchanged unless and until you request a change. You may choose another long-distance provider at any time. If you had asked Qwest for a preferred carrier freeze on your long-distance services, those freezes will not be lifted as part of this consolidation process. If you would like to add a carrier freeze please contact us at the number listed below. At the current time, however, there are no other local service providers available in your area.

As indicated above, you will be moved to Qwest service, at no charge to you, with the same telephone number and, to the extent possible, the same or similar services and features that you have now, except they will be provided under Qwest's terms and conditions and Qwest's rates. Specific changes are noted on the attachment.

Please be assured that your move to Qwest service, in no way prevents you from choosing a different long-distance provider at any time.

If you have any questions, concerns or complaints regarding the entity consolidation of Malheur Bell and Qwest, please contact the Oregon Public Utility Commission at 1800-522-2404 (503-378-6600 in Salem). You may also call Malheur Bell directly, at 541-889-5321, or Qwest directly at 1800-244-1111 (residence); 1800-603-6000 (Small Business) or 1800-777-9594 (Large Business).

Sincerely,

Todd Townsend

Vice President, Marketing, Qwest

David I. Gabica

President, Malheur Bell

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|---|---------------------------------------|-------------|
| Private Line Channel Performance,<br>Voice Grade 33 ***         | \$17.50                               | \$16.00     |
| Private Line Channel Performance,<br>Voice Grade 36 ***         | \$20.00                               | \$12.50     |
| Private Line Channel Performance,<br>Low Speed Data ***         | \$8.00                                | \$1.26      |
| Private Line Extension Channel Performance ***                  | \$12.00                               | \$5.50      |
| Private Line Channel Performance,<br>Voice Grade 32 Type LS *** | \$10.00                               | \$7.25      |
| Flat Rate PBX Trunk - 2 Way; In Only                            | \$38.40                               | \$30.50     |
| Flat Rated PBX Trunk - In only with DID & Hunting               | \$38.40                               | \$33.50     |
| Flat Rate PBX Trunk - Out only                                  | \$33.40                               | \$30.50     |
| Toll Trunk  | \$21.85                               | \$18.00     |

#### Services that will be grandfathered and no longer available to new customers.

- Public Access Line, Enhanced Measured Service Line
   Call Forwarding Don't Answer- CENTRON Custom
   Call Forwarding Busy Line CENTRON Custom
- Alarm Coupler
- Custom Calling Call Forwarding & 3-Way Calling
- Centron Common Equipment
   Custom Calling Call Waiting & Call Forwarding
- Centron Custom Main Station Line
- Call Waiting, Call Forwarding, 3-way calling, Speed Calling, 8-number and 30-number
- Call Forwarding Busy Line/Don't Answer CENTRON
- Sequential number block
- Nonsequential telephone number
- Intrastate Toll Option Plans
- Joint User Service
- Message Hotel Trunk
- \* This consolidation will not impact the rates, terms or conditions of customers who have a rate stabilized agreement in place with Qwest.
- \*\* Services are or will be grandfathered and no longer available to new customers.
- \*\*\* The overall impact to the individual customer will vary dependent upon the configuration of their private line.
- \*\*\*\* The 2 Directory Assistance call allowances will be eliminated.

Qwest's local long distance rate for business MTS is increasing from \$0.11 Day and \$0.07 ENW to \$0.14 all times per minute. Qwest's local long distance for business Super Savings is increasing from \$0.08 to \$0.11 per minute.

### NEW MALHEUR BELL TO QWEST PRODUCT & RATE INFORMATION

| Residence  |         |             |
|--|---------|-------------|
| taring the state of the state o |         | Granistalis |
|  |         | Tires.      |
| Call Transfer  | \$6.00  | \$6.50      |
| Three-Way Calling  | \$3.50  | \$4.50      |
| Speed Calling 8 Number   | \$2.00  | \$3.00      |
| Call Forwarding Variable   | \$3.00  | \$5.00      |
| Call Waiting   | \$5.00  | \$6.75      |
| Foreign Listing  | \$0.75  | \$2.10      |
| Foreign Exchange for 4 Party Service   | \$10.55 | \$13.80     |
| Foreign Exchange for 8 Party Service   | \$5.93  | \$13.80     |
| Complete Coverage  | \$4.75  | \$6.00      |
| Standard Feature Package CENTRON 6 & 30  | \$4.75  | \$5.00      |
| Call Waiting ID  | \$5.00  | \$6.75      |
| Selective Call Forwarding  | \$2.00  | \$4.50      |
| Caller ID  | \$6.50  | \$9.00      |
| Priority Call  | \$2.00  | \$4.50      |
| Last Call Return   | \$2.95  | \$5.00      |
| Continuous Redial  | \$2.00  | \$4.00      |
| Selective Call Rejection   | \$4.00  | \$5.50      |
| Linebacker   | \$4.75  | \$6.00      |
| Remote Call Forwarding   | \$18.11 | \$22.00     |
| Residence Additional Listing   | \$1.50  | \$2.10      |
| Local Directory Assistance *   | \$0.50  | \$1.12      |
| National Directory Assistance  | \$0.50  | \$1,87      |
| Property of  |         |             |
| Extended Area Service (EAS)<br>for Oregon Slope  | \$1.10  | \$0.60      |
| Hunting  | \$5.00  | \$3.00      |
| Residence Measured Line  | \$8.10  | \$6.37      |
| Convenience Dialing 30 # CENTRON 6 & 30  | \$4.00  | \$2.50      |
| Call Forwarding Variable CENTRON<br>6 & 30   | \$3.00  | \$2.00      |
| Nonlisted Listing  | \$1.00  | \$0.35      |
| Nonpublished Listing   | \$1.25  | \$0.65      |
|  |         |             |



# Services that will be grandfathered and no longer available to new customers. • Intrastate Toll Option Plans • Call Forwarding Busy Line/Don't Answer CENTRON 6 & 30

- \* The 2 Directory Assistance call allowances will be eliminated.

Qwest's local long distance rate for residence MTS is increasing from \$0.11 Day and \$0.07 ENW to \$0.14 all times per minute. Qwest's local long distance for residence Super Savings is increasing from \$0.08 to \$0.11 per minute.

| Business   |          | i i - sharer                 |
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| en a productiva de la compansa de la |          | ता<br>इ.स.च्याहर<br>स्वयुद्ध |
| Public Access Line, Coinless,<br>Outgoing only   | \$8.88   | \$9.62                       |
| ISDN Single Line Service, Flat Rate,<br>Month-to-Month   | \$58.00  | \$62.00                      |
| Business Additional Listing  | \$1.50   | \$4.10                       |
| Three-Way Catting  | \$4.00   | \$6.00                       |
| Call Forwarding Variable   | \$4.00   | \$6.00                       |
| Foreign Listing  | \$1.50   | \$4.10                       |
| Standard Feature Package CENTRON 6 & 30 **   | \$4.75   | \$7.65                       |
| Caller ID Name & Number  | \$7.95   | \$10.00                      |
| Caller ID Number   | \$7.50   | \$10.00                      |
| Last Call Return   | \$3.00   | \$3.25                       |
| Remote Call Forwarding   | \$18.11  | \$22.00                      |
| Unistar  | \$5.75   | \$7.00                       |
| Outward WATS   | \$25.00  | \$27.50                      |
| Informational Listing  | \$1.50   | \$4.10                       |
| Local Directory Assistance ****  | \$0.50   | \$1.12                       |
| National Directory Assistance  | \$0.50   | \$1.87                       |
|  |          | 1.7,                         |
| Extended Area Service (EAS) for<br>Oregon Slope  | -\$1.55  | \$1.20                       |
| DS1 Transport Mileage ***  | \$15.00  | \$6.60                       |
| Private Line - 2 Wire Connection ***   | \$23.50  | \$9.80                       |
| Private Line - 4 Wire Connection ***   | \$45.00  | \$19.60                      |
| Business Line with Unlimited Local Calling   | \$28.99  | \$28.50                      |
| Private Line - Transport Facility/<br>mileage ***  | \$1.35   | \$0.12                       |
| Private Line Bridging ***  | \$5.00   | \$1.75                       |
| Digital Switched Services - stand alone facility; basic or combination of basic & advanced trunks  | \$350.00 | \$270.00                     |

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| Digital Switched Services - stand alone facility; Advanced trunks   | \$150.00   | \$137.00           |
| Digital Switched Services - stand alone facility; Advanced trunks, 3 year plan  | \$126.90   | \$123.30           |
| Digital Switched Services; Advanced trunks with flat usage, In only   | \$33.50  | \$17.00            |
| Digital Switched Services; Advanced trunks with flat usage, 2-Way w/ answer supervision   | \$33.50  | \$17.00            |
| Speed Calling 30 Number   | \$5.00   | \$2.25             |
| Call Transfer   | \$6.00   | \$4.50             |
| Network Access Registers, Flat Rate, 2 Way  | \$24.59  | \$19.00            |
| Network Access Registers, Flat Rate,<br>In only   | \$21.09  | \$19.00            |
| Network Access Registers, Flat Rate,<br>Out only  | \$19.59  | \$18.00            |
| Call Forwarding Busy Line (Programmable)  | \$5.50   | \$2.00             |
| Speed Calling 8 Number  | \$4.00   | \$3.25             |
| Call Waiting  | \$9.00   | \$4.50             |
| Call Forwarding Don't Answer  | \$2.00   | \$1.50             |
| Call Forwarding Busy Line (External)/<br>Don't Answer   | \$2.50   | \$1.50             |
| Call Forwarding Busy Line (Overflow)/<br>Don't Answer   | \$6.50   | \$3.50             |
| Call Forwarding Busy Line (Overflow)  | \$5.00   | \$3.00             |
| Hunting   | \$5.00   | \$3.00             |
| Business Measured Service   | \$19.60  | \$18.00            |
| Standard Feature Package 2 - 30 lines<br>CENTRON 6 & 30   | \$7.75   | \$6.65             |
| Call Forwarding Busy Line CENTRON 6 & 30  | \$3.00   | \$1.36             |
| Call Forwarding Variable CENTRON 6 & 30   | \$3.00   | \$1.05             |
| Call Waiting CENTRON 6 & 30   | \$3.00   | \$2.00             |
| Call Forwarding Don't Answer<br>CENTRON 6 & 30  | \$3.00   | \$0.75             |
| DID Trunk Circuit, 2 way and In Only,<br>Each termination   | \$45.00  | \$16.50            |
| Nonlisted Listing   | \$1.00   | \$0.35             |
| Nonpublished Listing  | \$1.25   | \$0.65             |
| Priority Call   | \$3.50   | \$3.25             |
| Continuous Redial   | \$3.50   | \$3.25             |
| Call Rejection  | \$4.50   | \$3.25             |
| Private Line Channel Performance,<br>Voice Grade 32 Type LA ***   | \$11.60  | \$9.00             |
| Private Line Channel Performance,<br>Voice Grade 32 ***   | \$8.00   | \$7.50             |





October 26, 2009

Notice of Price Changes as a result of entity consolidation of Malheur Bell, a wholly-owned Subsidiary of Qwest Corporation, into the parent company, Qwest Corporation

On or about October 5, 2009, we advised you that Malheur Bell, a wholly-owned subsidiary of Qwest Corporation ("Qwest"), will be consolidated into its corporate parent company, Qwest, effective December 14, 2009. As we advised, you will be moved to Qwest service, at no charge to you, with the same telephone number and, to the extent possible, the same or similar services and features that you have now, except they will be provided under Qwest's terms and conditions and Qwest's rates.

Attached with this letter is a list of Malheur services for which there will be rate changes as a result of the consolidation. The list includes the current Malheur Bell rates and the Qwest rates that will apply beginning December 14, 2009, including the amounts and percentages of any price increases or price decreases for each service. Please be advised that customers may petition the Public Utility Commission of Oregon to investigate rate increases. The Commission will investigate rate increases if it receives petitions signed by 500 customers on or before December 4, 2009. If the Commission does not receive sufficient petitions by December 4, 2009, the proposed rates will become effective on December 14, 2009 without Commission review. Petitions should be sent to the Commission's Consumer Services Division. A petition must contain a statement asking the Commission to conduct a rate review and must include the customer's name, address, phone number and original signature. Malheur Bell will provide a current copy of the local exchange directory and its service territory map within ten days of a request from any customer. The Commission's toll-free telephone number is 1 800-522-2404 and its address is P. O. Box 2148, Salem, OR 97308-2148.

In addition, beginning December 14, 2009, you will see several changes to your bill.

- The remittance address will change from the Malheur Bell remittance address to the Qwest remittance address of PO BOX 91155, SEATTLE, WA 98111-9255 for all paper payments. We would like to advise customers that use electronic payment addresses to use the new address after December 14, 2009.
- 2. Walk-up payment locations will also change.

The Malheur Bell office at 225 SW 2nd Street in Ontario will close on December 11, 2009 and payments will no longer be taken at that location. The payment drop box will no longer

be available at that location. The new location for walk-up payments in Ontario will be the Red Apple Marketplace at 555 SW 4th Avenue.

It is yet to be determined if the City of Nyssa will continue to accept walk-up payments. If the city chooses not to accept payments, they will notify customers through posted signs. Logan's Express, 101 Thunderegg Blvd., in Nyssa will be the new location for walk-up payments in Nyssa.

The location for walk-up payments in Vale will continue to be Malheur Drug at 198 A Street W in Vale.

Qwest and Malheur are committed to providing the best possible customer experience throughout the integration. If you have questions or concerns about the matters addressed in this letter, you may call Malheur Bell directly, at 541-889-5321, or Qwest directly at 1 800-244-1111 (Residential); 1 800-603-6000 (Small Business) or 1 800-777-9594 (Large Business).

Thank you for your continued business.

Sincerely,

Todd Townsend

Vice President, Marketing, Qwest

David I. Gabica

President, Malheur Bell

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|--|---------|---------|----------|---------|
| Call Forwarding Busy<br>Line CENTRON 6 & 30                        | \$3.00  | \$1.36  | -\$1.64  | -54.67% |
| Call Forwarding Variable<br>CENTRON 6 & 30                         | \$3.00  | \$1.05  | -\$1.95  | -65.00% |
| Call Waiting CENTRON<br>6 & 30                                     | \$3.00  | \$2.00  | -\$1.00  | -33.33% |
| Call Forwarding Don't<br>Answer Centron 6 & 30                     | \$3.00  | \$0.75  | -\$2.25  | -75.00% |
| DID Trunk Circuit, 2-<br>way and In Only, Each<br>termination      | \$45.00 | \$16.50 | -\$28.50 | -63.33% |
| Nonlisted Listing  | \$1.00  | \$0.35  | -\$0.65  | -65.00% |
| Nonpublished Listing   | \$1.25  | \$0.65  | -\$0.60  | -48.00% |
| Priority Call  | \$3.50  | \$3.25  | -\$0.25  | -7.14%  |
| Continuous Redial  | \$3.50  | \$3.25  | -\$0.25  | -7.14%  |
| Call Rejection   | \$4.50  | \$3.25  | -\$1.25  | -27.78% |
| Private Line Channel<br>Performance, Voice<br>Grade 32 Type LA *** | \$11.60 | \$9.00  | -\$2.60  | -22.41% |
| Private Line Channel<br>Performance, Voice<br>Grade 32 ***         | \$8.00  | \$7.50  | -\$0.50  | -6.25%  |

#### Services that will be grandfathered and no longer available to new customers.

- Public Access Line, Enhanced Measured Service Line
- Call Forwarding Don't Answer- CENTRON Custom
   Call Forwarding Busy Line CENTRON Custom
- Alarm Coupler
- Custom Calling Call Forwarding & 3-Way Calling
- Centron Common Equipment
- Custom Calling Call Waiting & Call Forwarding
- Centron Custom Main Station Line
- Call Waiting, Call Forwarding, 3-way calling, Speed Calling, 8-number and 30-number
- Call Forwarding Busy Line/Don't Answer CENTRON 6 & 30
   Sequential number block
- Nonsequential telephone number
- Intrastate Toll Option Plans
- Joint User Service
- Message Hotel Trunk
- This consolidation will not impact the rates, terms or conditions of customers who have a rate stabilized agreement in place with Qwest.
- $^{\prime\prime}$  Services are or will be grandfathered and no longer available to new customers.
- \*\*\* The overall impact to the individual customer will vary dependent upon the configuration of their private line.
- \*\*\*\* The 2 Directory Assistance call allowances will be eliminated.

Owest's local long distance rate for business MTS is increasing from \$0.11 Day and \$0.07 ENW to \$0.14 all times per minute. Owest's local long distance for business Super Savings is increasing from \$0.08 to \$0.11 per minute.

† Measured usage charge structure will also change. Outgoing local calls placed within your home exchange will change to \$.03 per minute; local calling within the local calling area but outside your home exchange will change to \$.04 per minute. The time of day discount will no longer apply.

Customers may be subject to late payment and return payment charges in the future. A late payment charge of 1.5% (or a minimum of \$0.50) will apply to an account if a balance of \$30.00 or more remains unpaid on the date of the next bill. A return payment charge of \$10.00 will apply to any payment returned to Qwest for insufficient tunds.

### NEW MALHEUR BELL TO QWEST PRODUCT & RATE INFORMATION

| April 1995 - All Colonia de la | 71      |         | ı       | 5.77    |
|--|---------|---------|---------|---------|
| Call Transfer  | \$6.00  | \$6.50  | \$0.50  | 8.33%   |
| Three-Way Calling  | \$3.50  | \$4.50  | \$1.00  | 28.57%  |
| Speed Calling 8 Number   | \$2.00  | \$3.00  | \$1.00  | 50.00%  |
| Call Forwarding Variable   | \$3.00  | \$5.00  | \$2.00  | 66.67%  |
| Call Waiting   | \$5.00  | \$6.75  | \$1.75  | 35.00%  |
| Foreign Listing  | \$0.75  | \$2.10  | \$1.35  | 180.00% |
| Foreign Exchange for 4 Party<br>Service  | \$10.55 | \$13.80 | \$3.25  | 30.81%  |
| Foreign Exchange for 8 Party<br>Service  | \$5.93  | \$13.80 | \$7.87  | 132.72% |
| Complete Coverage  | \$4.75  | \$6.00  | \$1.25  | 26.32%  |
| Standard Feature Package<br>CENTRON 6 & 30   | \$4.75  | \$5.00  | \$0.25  | 5.26%   |
| Call Waiting ID  | \$5.00  | \$6.75  | \$1.75  | 35.00%  |
| Selective Call<br>Forwarding   | \$2.00  | \$4.50  | \$2.50  | 125.00% |
| Cailer ID  | \$6.50  | \$9.00  | \$2.50  | 38.46%  |
| Priority Call  | \$2.00  | \$4.50  | \$2.50  | 125.00% |
| Last Call Return   | \$2.95  | \$5.00  | \$2.05  | 69.49%  |
| Continuous Redial  | \$2.00  | \$4.00  | \$2.00  | 100.00% |
| Selective Call Rejection   | \$4.00  | \$5.50  | \$1.50  | 37.50%  |
| Linebacker   | \$4.75  | \$6.00  | \$1.25  | 26.32%  |
| Remote Call Forwarding   | \$18.11 | \$22.00 | \$3.89  | 21.48%  |
| Residence Additional Listing   | \$1.50  | \$2.10  | \$0.60  | 40.00%  |
| Local Directory Assistance *   | \$0.50  | \$1.12  | \$0.62  | 124.00% |
| National Directory Assistance  | \$0.50  | \$1.87  | \$1.37  | 274.00% |
| Federal Access Charge -<br>Primary Line  | \$6.38  | \$6.50  | \$0.12  | 1.88%   |
| Federal Access Charge -<br>Non-Primary Line  | \$6.38  | \$6.81  | \$0.43  | 6.74%   |
|  |         |         |         |         |
| Extended Area Service (EAS) for Oregon slope   | \$1.10  | \$0.60  | -\$0.50 | -45.45% |
| Hunting  | \$5.00  | \$3.00  | -\$2.00 | -40.00% |
| Residence Measured Line †  | \$8.10  | \$6.37  | -\$1.73 | -21.36% |
| Convenience Dialing 30 #<br>CENTRON 6 & 30   | \$4.00  | \$2.50  | -\$1.50 | -37.50% |
| Call Forwarding Variable<br>CENTRON 6 & 30   | \$3.00  | \$2.00  | -\$1.00 | -33.33% |
| Nonlisted Listing  | \$1.00  | \$0.35  | -\$0.65 | -65.00% |
| Nonpublished Listing   | \$1.25  | \$0.65  | -\$0.60 | -48.00% |



### Services that will be grandfathered and no longer available to new customers. Intrastate Toll Option Plans Call Forwarding Busy Line/Don't Answer CENTRON 6 & 30

- \* The 2 Directory Assistance call allowances will be eliminated.

The 2 Directory Assistance call allowances will be eliminated.

Owest's local long distance rate for residence MTS is increasing from \$0.11 Day and \$0.07 ENW to \$0.14 all times per minute. Owest's local long distance for residence Super Savings is increasing from \$0.08 to \$0.11 per minute.

1 Measured usage charge structure will also change. Outgoing local calls placed within your home exchange will change to \$.03 per minute; local calling within the local calling area but outside your home exchange will change to \$.04 per minute. The time of day discount will no longer apply.

Customers may be subject to late payment and return payment charges in the future. A late payment charge of 1.5% (or a minimum of \$0.50) will apply to an account if a balance of \$30.00 or more remains unpaid on the date of the next bill. A return payment charge of \$10.00 will apply to any payment returned to Qwest for insufficient funds.

| TUNCS.   |         |         |          |         |
|--|---------|---------|----------|---------|
| Harmon Marian Designation (Control of the Control o |         |         |          |         |
| Public Access Line,<br>Coinless, Outgoing only   | \$8.88  | \$9.62  | \$0.74   | 8.33%   |
| ISDN Single Line Service,<br>Flat Rate, Month-to-<br>Month   | \$58.00 | \$62.00 | \$4.00   | 6.90%   |
| Business Additional<br>Listing   | \$1.50  | \$4.10  | \$2.60   | 173.33% |
| Three-Way Calling  | \$4.00  | \$6.00  | \$2.00   | 50.00%  |
| Call Forwarding Variable   | \$4.00  | \$6.00  | \$2.00   | 50.00%  |
| Foreign Listing  | \$1.50  | \$4.10  | \$2.60   | 173.33% |
| Standard Feature Package CENTRON 6 & 30 **   | \$4.75  | \$7.65  | \$2.90   | 61.05%  |
| Caller ID Name &<br>Number   | \$7.95  | \$10.00 | \$2.05   | 25.79%  |
| Caller ID Number   | \$7.50  | \$10.00 | \$2.50   | 33.33%  |
| Last Call Return   | \$3.00  | \$3.25  | \$0.25   | 8.33%   |
| Remote Call Forwarding   | \$18,11 | \$22.00 | \$3.89   | 21.48%  |
| Unistar  | \$5.75  | \$7.00  | \$1.25   | 21.74%  |
| Outward WATS   | \$25.00 | \$27.50 | \$2.50   | 10.00%  |
| Informational Listing  | \$1.50  | \$4.10  | \$2.60   | 173.33% |
| Local Directory<br>Assistance ****   | \$0.50  | \$1.12  | \$0.62   | 124.00% |
| National Directory<br>Assistance   | \$0.50  | \$1.87  | \$1.37   | 274.00% |
| Federal Access Charge -<br>Single Line Accounts  | \$6.38  | \$6.50  | \$0.12   | 1.88%   |
| Federal Access Charge -<br>Multi-Line, ISDN<br>Accounts  | \$6.38  | \$6.81  | \$0.43   | 6.74%   |
| alan di Alan di Kabupatèn Balanda.<br>Majangkan  |         |         |          |         |
| Extended Area Service (EAS) for Oregon Slope   | \$1.55  | \$1.20  | -\$0.35  | -22.58% |
| DS1 Transport<br>Mileage ***   | \$15.00 | \$6.60  | -\$8.40  | -56.00% |
| Private Line - 2 Wire<br>Connection ***  | \$23.50 | \$9.80  | -\$13.70 | -58.30% |
| Private Line - 4 Wire<br>Connection ***  | \$45.00 | \$19.60 | -\$25.40 | -56.44% |
| Business Line with<br>Unlimited Local Calling  | \$28.99 | \$28.50 | -\$0.49  | -1.69%  |

| Gertage 1997 and a general and   |          |          |                  |         |
|--|----------|----------|------------------|---------|
|  | . 1 (Co  | ;        | £ <sub>1</sub> , | jæ∫ig   |
| Private Line - Transport<br>Facility mileage ***   | \$1.35   | \$0.12   | -\$1.23          | -91.11% |
| Private Line Bridging ***  | \$5.00   | \$1.75   | -\$3.25          | -65.00% |
| Digital Switched Services<br>- stand alone facility;<br>basic or combination of<br>basic & advanced trunks | \$350.00 | \$270.00 | -\$80.00         | -22.86% |
| Digital Switched Services - stand alone facility; Advanced trunks  | \$150.00 | \$137.00 | -\$13.00         | -8.67%  |
| Digital Switched Services<br>- stand alone facility;<br>Advanced trunks, 3 year<br>plan                    | \$126.90 | \$123.30 | -\$3.60          | -2.84%  |
| Digital Switched<br>Services; Advanced<br>trunks with flat usage,<br>In only                               | \$33.50  | \$17.00  | -\$16.50         | -49.25% |
| Digital Switched<br>Services; Advanced<br>trunks with flat usage,<br>2-Way w/answer<br>supervision         | \$33.50  | \$17.00  | -\$16.50         | -49.25% |
| Speed Calling 30<br>Number   | \$5.00   | \$2.25   | -\$2.75          | -55.00% |
| Call Transfer  | \$6.00   | \$4.50   | -\$1.50          | -25.00% |
| Network Access<br>Registers, Flat Rate,<br>2-Way   | \$24.59  | \$19.00  | -\$5.59          | -22.73% |
| Network Access<br>Registers, Flat Rate,<br>In only   | \$21.09  | \$19.00  | -\$2.09          | -9.91%  |
| Network Access<br>Registers, Flat Rate,<br>Out only  | \$19.59  | \$18.00  | -\$1.59          | -8.12%  |
| Call Forwarding Busy<br>Line (Programmable)  | \$5.50   | \$2.00   | -\$3.50          | -63.64% |
| Speed Calling 8 Number   | \$4.00   | \$3.25   | -\$0.75          | -18.75% |
| Call Waiting   | \$9.00   | \$4.50   | -\$4.50          | -50.00% |
| Call Forwarding Don't<br>Answer  | \$2.00   | \$1.50   | -\$0.50          | -25.00% |
| Call Forwarding Busy<br>Line (External)/Don't<br>Answer  | \$2.50   | \$1.50   | -\$1.00          | -40.00% |
| Call Forwarding Busy<br>Line (Overflow)/Don't<br>Answer  | \$6.50   | \$3.50   | -\$3.00          | -46.15% |
| Call Forwarding Busy<br>Line (Overflow)  | \$5.00   | \$3.00   | -\$2.00          | -40.00% |
| Hunting  | \$5.00   | \$3.00   | -\$2.00          | -40.00% |
| Business Measured<br>Service †   | \$19.60  | \$18.00  | -\$1.60          | -8.16%  |
| Standard Feature<br>Package 2 - 30 lines<br>CENTRON 6 & 30   | \$7.75   | \$6.65   | -\$1.10          | -14.19% |



Malheur Bell

November 20, 2009

## Notice of Potential Commission Investigation of Possible Slight Rate Increases in 2011 to Vale and Oregon Slope Exchange Customers to Reflect Differences in Costs to Provide Service

Dear Malheur Bell Vale and Oregon Slope exchange customer:

As we have recently advised you, Malheur Bell has filed an application with the Public Utility Commission of Oregon ("PUC") requesting an order allowing it to be consolidated into its corporate parent, Qwest Corporation ("Qwest"), effective December 14, 2009. In letters sent on or about October 5, 2009, and October 26, 2009, we further provided you with a list of Malheur services for which there would be rate changes if the PUC approves the consolidation as it was filed. The PUC is currently considering Malheur Bell's request for approval of this consolidation. The parties participating in the consolidation proceeding are Malheur Bell, Qwest, the Citizens' Utility Board of Oregon, and the PUC staff ("the consolidation parties").

Subsequently, the consolidation parties have determined that as a result of various prior regulatory proceedings and decisions of the Federal Communications Commission ("FCC") and the PUC, the PUC will need to investigate certain issues relating to Qwest's costs of providing service in your geographic areas if it approves the consolidation. The PUC has previously set Qwest's current basic local exchange rates at three different rates each for basic residential services and for basic business services, based on Qwest's costs to provide service in different geographic areas (or "geographic zones") in which Qwest provides service. Thus, as a result of these previous regulatory proceedings and decisions, the consolidation parties will ask the PUC to begin an investigation proceeding in 2010 to review the costs to serve in the Vale and Oregon Slope exchanges if it approves the consolidation. One result of this PUC investigation could be slight increases to the monthly basic local exchange rates that Qwest would be required to charge to former Malheur Bell customers in these two exchanges. Specifically, these potential increases would be a \$1.00 per access line monthly increase from current basic rates for residential customers, and a \$1.51 per access line monthly increase from current basic rates for business customers. In addition, for certain business customers, PBX trunks could also be increased by \$2.00 per month for two-way, in-only and out-only trunks. Finally, in-only trunks with Direct Inward Dial (DID) could increase by \$0.36 per month. However, any such increases would not occur until after the PUC has investigated the issue, and has allowed interested parties to participate, and, as requested by the consolidation parties, would not be imposed until **January 2011** at the earliest.

Accordingly, this is to advise you that if the PUC approves the request to consolidate Malheur Bell into its corporate parent company, Qwest, under the terms requested by the consolidation parties, the PUC will open an investigation proceeding in early 2010 to determine whether, due to the costs of providing service to your geographic area, and prior FCC and PUC proceedings and decisions, the basic local exchange rates for former Malheur Bell Vale and Oregon Slope exchange customers

should increase. The potential increases that may be imposed, after this investigation proceeding is completed, but no earlier than January 2011 as requested, would be a \$1.00 monthly increase of basic local residential rates (from \$13.80 to \$14.80 per access line), a \$1.51 monthly increase of basic local business rates (from \$28.99 to \$30.50 per access line), and \$0.36 and \$2.00 monthly increases for PBX trunks. In addition, Qwest has committed to give you notice of that investigation proceeding, including information about your rights to participate, once the proceeding has begun.

If you have questions about the matters addressed in this letter, you may call Malheur Bell directly at 541-889-4402, or Qwest directly at 503-242-5623. You may call the PUC at 1 800-522-2404 (503-378-6600 in Salem).

Sincerely,

Todd Townsend

Vice President, Marketing, Qwest

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David I. Gabica

President, Malheur Bell

David & Gabien

### CERTIFICATE OF SERVICE

#### UM 1451

I hereby certify that on the 30<sup>th</sup> day of November 2009, I served the foregoing LETTER TO MS. CAROL HULSE REGARDING MALHEUR CUSTOMER NOTICE LETTERS in the above entitled docket on the following persons via U.S. Mail, by mailing a correct copy to them in a sealed envelope, with postage prepaid, addressed to them at their regular office address shown below, and deposited in the U.S. Post Office at Portland, Oregon.

Michael T. Weirich, Esq. Department of Justice 1162 Court St. NE, Room 100 Salem, OR 97301

Larry Reichman
Perkins Coie, LLP
1120 N.W. Couch St.
10th Floor
Portland, OR 97209-4128

Mark Reynolds Qwest Corporation 1600 7th Ave., Room 3206 Seattle, WA 98191

David Gabica Malheur Home Telephone Co. P.O. Box 249 Ontario, Oregon 97914

Kay Marinos Oregon Public Utility Commission P.O. Box 2148 Salem, OR 97308 G. Catriona McCracken (W\*) Citizens' Utility Brd of Oregon 610 SW Broadway, Suite 308 Portland, OR 97205 Catriona@oregoncub.org

DATED this 30<sup>th</sup> day of November, 2009.

**QWEST CORPORATION** 

By:

ALEX M. DUARTE, OSB No. 02045

421 SW Oak Street, Suite 810 Portland, OR 97204

Telephone: 503-242-5623 Facsimile: 503-242-8589

e-mail: alex.duarte@qwest.com Attorney for Qwest Corporation

denotes signator of Protective Order No. 09-375
 W denotes waiver of paper service