


**OREGON PUBLIC UTILITY COMMISSION  
INTEROFFICE CORRESPONDENCE**

**DATE:** October 8, 2014 BR

**TO:** File through Bryan Conway and Bruce Hellebuyck 

**FROM:** Jim Stanager JS

**SUBJECT:** FRONTIER COMMUNICATIONS NORTHWEST INC. (Advice No. 1042)  
Increases the monthly rates for residential and business local access line services

I have reviewed this filing and recommend that an acknowledgement letter be sent. The filing would go into effect on October 19, 2014, and it was filed on September 19, 2014. Frontier Communications Northwest Inc. (Frontier) proposes to increase the monthly rates for residential and business local access line services by \$1.75 per line. This filing has been made pursuant to the establishment of a Price Plan. This filing also deletes an obsolete access line service, called Service Line.

On August 18, 2014, the Commission issued its Order No. 14-290, in docket UM 1677, approving a *Price Plan* for Frontier under ORS 759.255. Section B. of the Price Plan, *Pricing and Availability of Services under Price Plan*, establishes certain specific pricing restrictions and is most pertinent to this filing.

Section B.1.b of the Price Plan states: "Primary line basic service for residential customers will be subject to price caps. Monthly rates for this Service may increase a maximum of \$3.00 during the period of the Price Plan. Frontier may increase these rates up to a \$2.00 maximum on the Price Plan's effective date, and may increase rates up to an additional \$1.00 beginning in year 3 of the Price Plan."

Section B.1.c of the Price Plan states: "Frontier may increase recurring charges for business primary line basic service by up to \$4.00 on the effective date of the Price Plan."

The proposed local access line services rate increases are as follows:

| <u>Service</u>        | <u>Current Rate</u> | <u>Proposed Rate</u> | <u>Amount</u> | <u>Percent</u> |
|-----------------------|---------------------|----------------------|---------------|----------------|
| One-Party Residential | \$12.59             | \$14.34              | \$1.75        | 13.9%          |
| Measured Residential  | \$8.07              | \$9.82               | \$1.75        | 21.7%          |
| Lifeline, Flat-rate   | \$5.59              | \$7.34               | \$1.75        | 31.3%          |
| Lifeline, Measured    | \$1.07              | \$2.82               | \$1.75        | 163.6%         |

|                              |         |         |        |      |
|------------------------------|---------|---------|--------|------|
| One-Party Business           |         |         |        |      |
| Rate Group 1                 | \$19.00 | \$20.75 | \$1.75 | 9.2% |
| Rate Group 2                 | \$24.00 | \$25.75 | \$1.75 | 7.3% |
| Rate Group 3                 | \$28.27 | \$30.02 | \$1.75 | 6.2% |
| PBX Trunk (Business)         |         |         |        |      |
| Rate Group 1                 | \$22.00 | \$23.75 | \$1.75 | 8.0% |
| Rate Group 2                 | \$27.00 | \$28.75 | \$1.75 | 6.5% |
| Rate Group 3                 | \$31.20 | \$32.95 | \$1.75 | 5.6% |
| Measured Business            | \$18.00 | \$19.75 | \$1.75 | 9.7% |
| Public Access Line (PAL)     |         |         |        |      |
| Rate Group 1                 | \$19.00 | \$20.75 | \$1.75 | 9.2% |
| Rate Group 2                 | \$24.00 | \$25.75 | \$1.75 | 7.3% |
| Rate Group 3                 | \$28.27 | \$30.02 | \$1.75 | 6.2% |
| Central Office Located Trunk | \$18.12 | \$19.87 | \$1.75 | 9.7% |

The filing was submitted on September 12, 2014, with supplemental changes files on September 19, 2014, and thus, complies with Frontier Price Plan, Section Q, which requires tariff filings to be made at least thirty days prior to their effective dates. Telecommunications utilities are required under ORS 759.175 to submit tariff filings to the Commission whenever they intend to change their rates, terms, or conditions of service.

This filing complies with the above cited provisions of Section B.1 of the Price Plan and do not exceed the rate increases allowed for access lines of a maximum of \$2.00 for residential and \$4.00 for business.

This filing also deletes an obsolete access line service, called Service Line, for which the company currently has no customers. The elimination of this service complies with OAR 860-032-0020, *Abandonment of Service* (subsection 8), which allows the elimination of a regulated service, for which there are no current customers, through an advice letter filing.