



**OREGON PUBLIC UTILITY COMMISSION  
(INTEROFFICE CORRESPONDENCE)**

**DATE:** November 28, 2014

**TO:** File through Bruce Hellebuyck 

**FROM:** Stephanie Yamada 

**SUBJECT:** Eagle Telephone System, Inc., Advice No. 2  
Increases the rate for residential one-party local access line service.

I have reviewed this filing and recommend that an acknowledgement letter be sent. The filing will go into effect on November 30, 2014. It was filed on October 1, 2014. The filing proposes to increase the rate for one-party residential local access line service. The customer notice was sent to customers and the Commission on October 1, 2014.

The proposed rate increase is as follows:

<u>Service</u>	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>Amount</u>	<u>Percent</u>
One-Party Residential	\$14.00	\$14.75	\$0.75	5.36%

The filing would affect 333 residential customers.

Eagle Telephone is exempt from making filings in compliance with ORS 759.175, which requires telecommunications utilities to submit tariff filings to the Commission whenever a telecommunications utility intends to change its rates, terms, or conditions of service. The filing, also, is exempt under ORS 759.040 from the requirement under ORS 759.190 that tariff filings be made at least thirty days prior to their effective dates. However, under ORS 759.040, the company is required to provide notice to its customers at least 45 days prior to the effective date of any rate increases. The Commission requires that a copy of the customer notice be filed at the same time that customers are sent notice, under OAR 860-034-0310.

The company states that it has notified its customers in compliance with the statute. The company has filed a copy of the customer notification letter with the Commission. The Commission did not receive any petitions in opposition to the rate increase. The Commission would have had to have received petitions from 33 customers to have triggered a rate investigation under the

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statute.

The company states that the primary purpose of the filing is to comply with the Federal Communications Commission's (FCC) Order No. 11-161. In that order, the FCC adopted new rules concerning the Universal Service Fund (USF). The effect of those rules is to penalize any company whose residential local end-user rate (plus EAS and state regulated fees) is less than \$16.00 per month for rates effective December 1, 2014, or less than \$18.00 per month effective July 1, 2016. The penalty would result in a dollar-for-dollar reduction in USF support for the company's operations.

The company estimates that this filing will increase annual gross revenues by approximately \$2,997.

Eagle2.RateIncrs.Res