

PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: December 3, 2014

REGULAR \_\_\_\_\_ CONSENT X EFFECTIVE DATE December 5, 2014

DATE: November 19, 2014

TO: Public Utility Commission

FROM: Jim Stanage *JS*

THROUGH: Jason Eisdorfer, Bryan Conway, and Bruce Hellebuyck *BH*

SUBJECT: CENTURYTEL OF OREGON INC: (Advice No. 337) Establishes the Home Phone II bundle for residential customers.

**STAFF RECOMMENDATION:**

Staff recommends that the filed tariff be allowed to go into effect.

**DISCUSSION:**

CenturyTel of Oregon, Inc., dba CenturyLink (CenturyTel) proposes to establish Home Phone II, a new bundle available to residential customers. The proposed monthly rate for Home Phone II is \$38.95 per line.

The monthly rate includes one flat rate access line, flat rate EAS, and a choice of 17 calling features. Voice Messaging can be added to the bundle for an additional monthly charge of \$1.55. Also, the monthly rate does not include the recurring charges for the qualifying long distance plan.

A customer must subscribe to either CenturyLink Communications, LLC, Home Phone II Per Minute long distance plan or Home Phone II Unlimited long distance plan to qualify for the proposed bundle. Both long distance plans are non-regulated services and require additional charges.

This filing was made pursuant to the Price Plan that the Commission approved in Order No. 14-347, effective October 7, 2014. Under the Price Plan, CenturyTel is required to file tariff changes with the Commission at least 30 days prior to a filing's effective date. This filing was made on November 5, 2014, and is effective on December 5, 2014, which is only 29 days. However, the company did file the same service description,

rates, terms, and conditions of service through a *price list filing* on November 4, 2014, before they learned that was not the proper form for a filing that establishes a service in the price list. In these circumstances, staff recommends that the Commission allow this filing.

The company is allowed under its Price Plan, Section O, to establish packages and bundles as long as two conditions are met:

1. Customers can purchase, separately from the company's tariff or price list, any regulated telecommunications service included in the package or bundle, and
2. The package or bundle price is not more than the sum of the retail prices of all services available in the package or bundle.

Under Section 4 of ORS 759.255, the price for a package or bundle must not be less than the sum of the long-run, incremental costs (LRIC) of its regulated services. The company submitted financial analyses that show the proposed rate cover the company's estimated LRIC for the regulated services.

**PROPOSED COMMISSION MOTION:**

The CenturyTel tariff proposed in Advice No. 337 be allowed to go into effect.