

ORDER NO.

ITEM NO. CA4

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: August 9, 2022**

REGULAR **CONSENT** **EFFECTIVE DATE** _____ **N/A**

DATE: July 20, 2022

TO: Public Utility Commission

FROM: Steph Yamada

THROUGH: Bryan Conway, Marc Hellman, and Bruce Hellebuyck **SIGNED**

SUBJECT: ZIPLY FIBER:
(Docket No. UM 1895)
Commission review of Price Plan performance.

STAFF RECOMMENDATION:

This is an informational filing with no recommendation for the Commission.

DISCUSSION:

Issue

Staff's review of Ziplly's Price Plan performance.

Applicable Rule or Law

Zipty Fiber Northwest, LLC dba Zipty Fiber (Zipty NW or Company) and Zipty Fiber of Oregon, LLC dba Zipty Fiber (Zipty OR or Company) are regulated under a Price Plan authorized pursuant to ORS 759.255.¹

Pursuant to Section 2.a. of the Price Plan, the Plan's general objectives are as follows:

- i) Ensure a framework for offering telecommunications services that is in the public interest.
- ii) Ensure high quality of existing telecommunications services and make new services available.

¹ See Order Nos. 18-303 and 19-038 in Docket No. UM 1895.

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- iii) Produce prices for the Company's retail telecommunications services that are just and reasonable.
- iv) Maintain the availability of Primary Line Basic Service at affordable rates throughout the Company's service territory.
- v) Maintain the appropriate balance between the need for regulation and existing competition in Oregon for voice communication services.
- vi) Simplify and reduce the burden of regulation for the Company and the Commission.

Section 3.c. of the Price Plan requires the Company to submit a report detailing its performance and progress toward meeting the Plan objectives by the end of year three of each four-year Plan term. The report must separately address the performance and progress of Zply NW and Zply OR (collectively, Zply or Company) and shall address how both entities are meeting the objectives of the Plan, including—at a minimum—the following information:

- i) An analysis of current Oregon market conditions for the various categories of the Company's regulated retail intrastate telecommunications services to the extent such information is publicly available.
- ii) Data regarding the gain or loss of access lines by wire center.
- iii) Identification of any new services the Company has introduced.
- iv) Identification of any ways in which the burden of regulation for both the Company and the Commission has been simplified or reduced during the current Plan period.
- v) A list of all price increases performed during the current Plan term, including the remaining amount of pricing flexibility available for each service.

Pursuant to Section 3.d.i. of the Price Plan, the Commission must review the Company's performance under the Plan every four years on the basis of the Performance Report described in Section 3.c., any other relevant evidence regarding the competitiveness of the market for substitutable services, and any other relevant factors.

Under Section 3 of the Plan, the initial term of the Plan is four years, and the Plan will automatically renew for successive four-year terms unless suspended or modified by a change in applicable law or an order of the Commission.

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Analysis

Background

The Price Plan was approved with Order No. 18-303, issued August 17, 2018, in Docket No. UM 1895. The Price Plan was later amended with Order No. 19-038, issued February 14, 2019. The purpose of the amendment was to clarify that any service that was not subject to price caps during the Company's previous Price Plan due to qualification as a "New Service" should remain exempt from price caps under the present Plan.²

In compliance with the filing requirements stated in the Plan, the Company's Price Plan Performance Report (Report) was submitted on August 16, 2021, which represents the final day of the third year of the current Plan term. The current four-year Plan term will end on August 16, 2022. Under Section 3 of the Price Plan, the Plan will automatically renew for a second four-year term on August 17, 2022, unless suspended or modified by a change in applicable law or an order of the Commission. No such modifications have occurred during the current Plan term.

Both Ziplly NW and Ziplly OR recently underwent name changes. Prior to June 9, 2021, Ziplly NW was known as Frontier Communications Northwest Inc. (Frontier NW), and Ziplly OR was known as Citizens Telecommunications Company of Oregon (Citizens). As such, those are the names that appear in the Company's Price Plan. Prior to the change to Ziplly, both companies operated under the name Frontier Communications (Frontier).

Market Conditions

In its Report, Ziplly states, "Companies continue to face a starkly difficult competitive landscape, particularly with regard to customer losses in Commission-regulated Time Division Multiplexing (TDM) products." Ziplly also states "competition has intensified each year throughout the Companies' entire service territory" since 2017.

Competing products cited by Ziplly include those offered by traditional facilities-based carriers, wireless carriers, and VOIP providers, as well as non-voice services such as email, texting, video calling, and social media websites. The Company states "[w]ireless companies continue to be the predominant voice service providers in Oregon," and "[m]any Oregon consumers have opted to drop their landline completely in favor of wireless service," including low-income Lifeline customers. The Company also cites the increasing availability of broadband and WiFi hot spots as reasons for the continued decline in landline service subscriptions, as internet access enables

² See Amended Exhibit A provided in Staff's Unopposed Motion to Amend Commission Order, filed January 10, 2019, in Docket No. UM 1895.

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customers to utilize VOIP technology to place voice calls without a landline telephone. The Company also states voice traffic is further reduced by non-voice services such as, “[w]ireless texts, email, chat service options, and other messaging applications,” which “are now among the primary means of communications for many.” Staff generally agrees the service alternatives described here represent competitive options customers may increasingly choose in lieu of traditional landline services. Staff also notes one of the goals of the pricing flexibility afforded by the Price Plan is to enable Zply to price its services competitively with competing offerings.

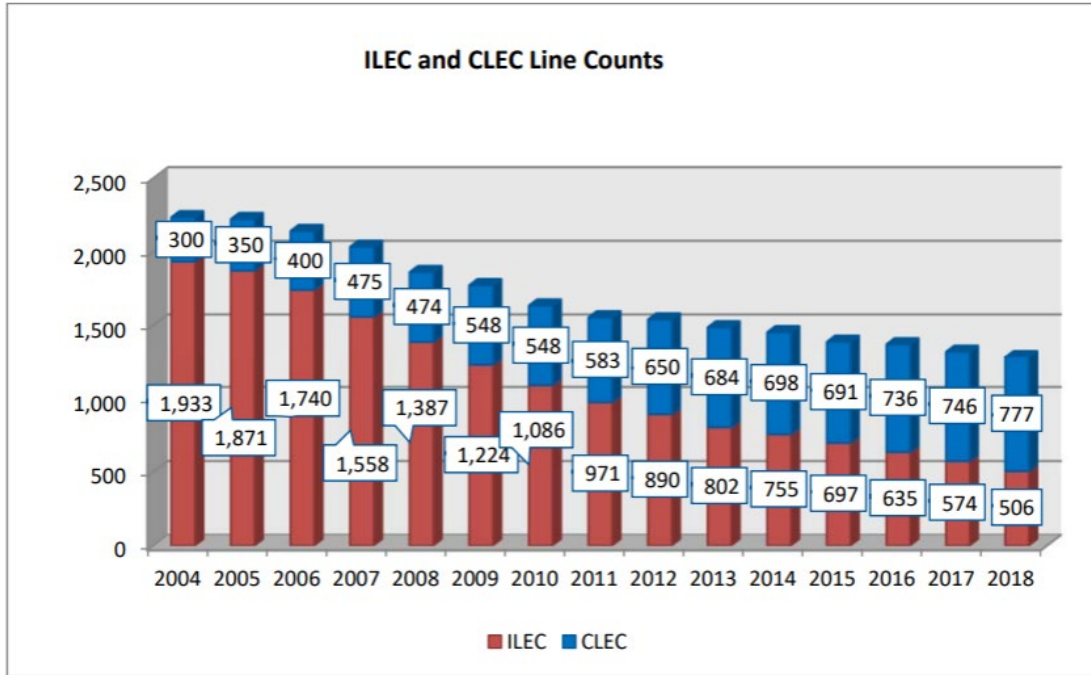
Gain or Loss of Access Lines

In its Report, the Company describes its recent loss of access lines as reproduced below:

Between the 2013 Petition and the 2017 Petition, the Companies lost over 42% of their access lines. Since the 2017 Petition, the Companies have lost an additional 43% of their access lines. More specifically, since 2017 the Companies have lost 49% of their residential basic service line customers, and 30% of their business basic service line customers. Other TDM services have followed a similar pattern by shedding an average of 44% of their customers since 2017.

The Company also provided confidential materials detailing the change in access lines by wire center between 2017 and 2021. Staff reviewed those materials and found them to be consistent with the line decreases described here. The line losses reported by Zply are also consistent with general trends of declining access line subscriptions attributable to Oregon Incumbent Local Exchange Carriers (ILECs), as shown in the image on the following page.³

³ Oregon Public Utility Commission January 2020 Local Telecommunications Competition Survey Report to the 2020 Oregon Legislature, Page 9.



Although some of the decrease in ILEC access lines shown in the above chart is attributable to increases in Competitive Local Exchange Carrier (CLEC) access lines, the overall decrease is thought to be attributable to the increased usage of wireless services.⁴

Introduction of New Services

The Price Plan defines “New Service” as “a retail telecommunications service that is offered by Frontier in Oregon for the first time following the effective date of this price plan.” The Plan further clarifies “a service is not a New Service if it merely renames, repackages, or is a variation of an existing service, or if it is reintroduced in substantially the same form after having been grandfathered, withdrawn, or abandoned.” In its Report, Ziplly describes this as “a very narrow definition of new services.”

While Ziplly has not introduced New Services during the current Price Plan term, the Company states it has offered promotional pricing for existing service bundles. Ziplly further states while its offerings “may not strictly meet the Commission’s definition of a new service...they do provide benefits to the Companies’ customers in terms of rates and options.”

⁴ Ibid.

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Staff notes, although the introduction of new services is a stated goal of Price Plan regulation pursuant to ORS 759.255(2)(b), services meeting the definition of “New Service” as stated in Ziplly’s Price Plan are very rarely introduced by any ILEC in recent years.

Burden of Regulation

As noted in Ziplly’s Report, the objectives of the Price Plan include balancing the need for regulation with existing voice competition as well as simplifying and reducing the burden of regulation for both the Company and the Commission. In line with these goals, the Price Plan includes whole or partial waivers of a number of ORS and OARs that would otherwise apply to the Company.

In its Report, Ziplly states “the COVID-19 pandemic actually led to increased regulation of the Companies, primarily through additional reporting requirements, data requests, and proceedings tied to the OPUC’s efforts to assist utility consumers financially impacted by the virus.” Ziplly also states its “principal competitors in the wireless industry largely avoided any such oversight.” Staff notes efforts to financially assist consumers throughout the COVID-19 pandemic represented an important aspect of the Commission’s public interest objectives. Due to the extraordinary nature of the pandemic, Staff does not find that any perceived associated increase in regulation is contrary to the objectives stated in the Plan.

Another aspect of regulation discussed in the Report is the service quality reporting requirements applicable to Ziplly. Specifically, Ziplly states the “outdated service quality standards and monthly reporting requirements continue to be a significant regulatory burden for the Company and, because our competitors are not subject to such regulation, it creates an un-level playing field in the telecommunication market in the Companies’ service area.” Ziplly suggests a “lighter regulatory touch would allow more equitable competition between all providers and technologies.”

Section 12 of the Price Plan, which describes Ziplly’s service quality requirements, is reproduced below.

Frontier NW and Citizens shall continue to be subject to the Commission's service quality rules. Frontier has indicated that it may in the future elect to file a petition with the Commission to open a rulemaking to revise the Commission's service quality rules. The Joint Parties would not unreasonably oppose the initiation of such a rulemaking, but there is no presumption as part of this Price Plan that the Joint Parties would support any particular proposed rule modifications put forth in such a petition.

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The applicable service quality rules continue to apply to Ziplly, and have not been modified during the current Plan term. Staff looks forward to working with the Company and other parties in Docket No. AR 624—the rulemaking docket opened on Staff’s recommendation to consider changes to the retail service quality rules—on improvements to those rules that both work for all involved and provide information Staff views as important in assessing the quality of Ziplly’s regulated services.

Price Changes during Plan Term

The pricing restrictions applicable to Ziplly’s regulated services are contained in Section 4 of the Price Plan. As discussed previously, Section 3.c. of the Price Plan requires Ziplly to provide with its Price Plan Performance Report a “list of all price increases performed during the current Plan term, including the remaining amount of pricing flexibility available for each service.” Ziplly initially provided this information as a confidential exhibit to its Report, but did not include the remaining amount of pricing flexibility available for each service. The Company later provided a revised list as a non-confidential exhibit in response to Staff’s Data Requests 13 and 14, but incorrectly identified numerous services as being “not subject to price caps,” suggesting that the Company retains unlimited pricing flexibility for those services.

A discussion of the price changes performed by Ziplly during the current Plan term, including a discussion of the applicable price caps and remaining (i.e., unused) pricing flexibility as corrected by Staff, is provided below. Staff notes, should the Company submit any price changes after the date of this memo and before the expiration of the current Plan term, those price changes will not be included in this analysis.

Facility Fee

Section 5 of the Price Plan allows Ziplly to implement a Facility Improvement Surcharge, or “Facility Fee,” to recover facilities-related costs. The surcharge must be applied on a nondiscriminatory basis using a single uniform rate statewide. The residential Primary Line Basic Service (PLBS) price cap is reduced by the amount of the surcharge upon introduction of the surcharge as well as any subsequent increases. At any given time, the sum of the increase to the residential PLBS rate and the surcharge may not exceed either the annual or term caps described in Section 4.e.i. of the Price Plan.

The Facility Fee was introduced at \$1.25 for both Ziplly NW and Ziplly OR in the first year of the Plan term on February 24, 2019.⁵ The fee was later increased by \$0.25 to \$1.50 in the second year of the Plan term, on September 29, 2019.⁶ As required by the Price Plan, the amount of the initial surcharge and subsequent increases did not exceed the applicable annual or term caps applicable to residential PLBS, as described below.

⁵ See Ziplly NW Advice No. 1067 and Ziplly OR Advice No. OR-19-02.

⁶ See Ziplly NW Advice No. 1069 and Ziplly OR Advice No. OR-19-04.

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Residential Primary Line Basic Service—Flat Rate

PLBS is defined in Section 1.g. of Ziplly’s Price Plan as “the first line only of basic local exchange service for an individual residential or business customer account at a single location that is not sold as part of a package.” Pursuant to Section 4.e.i. of the Price Plan, monthly recurring rates for flat rate residential PLBS may be increased by no more than \$3 in any Plan year or \$10 in any four-year Plan term. Pursuant to Section 5 of the Price Plan, the annual cap is reduced by the amount of any increase to (or introduction of) the Facility Fee in the Plan year. The sum of the increase to the residential PLBS rate and the Facility Fee may not exceed either the annual or term caps applicable to residential PLBS at any given time.

Ziplly increased its residential flat PLBS rates twice in the current Plan term. The price changes and remaining pricing flexibility applicable to flat rate residential PLBS services are summarized in Table 1.

Table 1: Residential Flat PLBS Rate Increases

Company	Service	Advice No.	Effective Date	Pre-Plan Rate	Current Rate	Increase	Max Rate	Unused
Ziplly NW	Community	1066, 22-01	2/4/2019, 5/15/2022	\$15.67*	\$19.35	\$3.68	\$24.17	\$4.82
Ziplly NW	Premium	1066, 22-01	2/4/2019, 5/15/2022	\$15.67*	\$19.75	\$4.08	\$24.17	\$4.42
Ziplly OR	Flat Rate	19-01, 2022-01	2/4/2019, 5/15/2022	\$15.67	\$19.75	\$4.08	\$24.17	\$4.42

*Adjusted per Section 4.e.iii of the Price Plan for the purpose of calculating remaining flexibility.

Staff notes that Ziplly NW’s pre-Plan rate for Community Calling Service was \$15.34, and the pre-Plan rate for Premium Calling Service was \$15.59. However, Section 4.e.iii. of the Price Plan provided Ziplly the ability to set all flat rate residential PLBS rates equal to the then-existing Citizens rate of \$15.67 on the effective date of the Plan. Consequently, \$15.67 is used as the starting price for the purpose of calculating the total amount of pricing flexibility available for these services.

Ziplly did not exceed the allowable \$3 increase in any Plan year, including adjustments relating to the Facility Fee. As discussed previously, Ziplly increased the Facility Fee to \$1.50 in the current Plan term; the corresponding reduction to the four-year PLBS term cap of \$10 results in a total allowable increase of \$8.50 to flat rate PLBS rates in the current Plan term. If Ziplly had used the total amount of pricing flexibility available, the maximum allowable rate for these services would have been \$24.17 at the end of the current Plan term. As shown in Table 1, Ziplly did not use the total amount of available pricing flexibility for any of its residential flat rate PLBS service offerings.

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Residential Primary Line Basic Service—Measured

Pursuant to Section 4.e.ii. of Ziplly’s Price Plan, monthly rates for the line component of measured PLBS (which is offered only by Ziplly NW) may not exceed 70 percent of the Company’s flat rate option for PLBS. The Company implemented two increases to this rate during the current Plan term, as summarized in Table 2.

Table 2: Ziplly NW Measured PLBS Rate Increases

Service	Advice No.	Effective Date	Pre-Plan Rate	Current Rate	Increase	Max Rate	Remaining Flexibility
Basic	1066, 22-01	2/4/2019, 6/15/2022	\$10.82	\$13.82	\$3.00	\$16.92	\$3.10

At 70 percent of the maximum possible residential flat PLBS rate of \$24.17 (discussed previously), the measured PLBS rate could have been priced up to a maximum of \$16.92 in the current Plan term. The Company increased the rate to \$13.82, leaving \$3.10 of its available pricing flexibility unused.

Business Primary Line Basic Service

Pursuant to Section 4.f. of the Price Plan, business PLBS rates are not subject to price caps, though the rate charged by Ziplly OR may not exceed the rate charged by Ziplly NW in Rate Group 2. Ziplly increased business PLBS rates twice for both Ziplly NW and Ziplly OR during the current Plan term. The increases became effective on February 24, 2019, and June 2, 2022.

The Ziplly NW increases implemented with Advice Nos. 059SPL and PL 2022-2 are summarized in Table 3 on the following page.

Table 3: Ziplly NW Business Rate Increases

Service	Pre-Plan Rate	Current Rate	Increase
Basic Calling Service	\$22.00	\$27.00	\$5.00
Community Calling Service - Trunk - Zone 1	\$26.00	\$31.00	\$5.00
Community Calling Service - Trunk - Zone 2	\$31.00	\$35.00	\$4.00
Community Calling Service - Trunk - Zone 3	\$34.20	\$38.00	\$3.80
Community Calling Service - One-Party - Zone 1	\$23.00	\$28.00	\$5.00
Community Calling Service - One-Party - Zone 2	\$28.00	\$32.00	\$4.00
Community Calling Service - One-Party - Zone 3	\$31.50	\$35.00	\$3.50
Premium Calling Service - Trunk - Zone 1	\$26.30	\$31.00	\$4.70
Premium Calling Service - Trunk - Zone 2	\$31.00	\$35.00	\$4.00
Premium Calling Service - Trunk - Zone 3	\$34.50	\$39.00	\$4.50
Premium Calling - Public Access Line - Zone 1	\$23.00	\$28.00	\$5.00
Premium Calling - Public Access Line - Zone 2	\$28.00	\$32.00	\$4.00
Premium Calling - Public Access Line - Zone 3	\$31.50	\$35.00	\$3.50
Premium Calling - One-Party - Zone 1	\$23.00	\$28.00	\$5.00
Premium Calling - One-Party - Zone 2	\$28.00	\$32.00	\$4.00
Premium Calling - One-Party - Zone 3	\$31.50	\$35.00	\$3.50

The Ziplly OR increases implemented with Advice Nos. 003PL and 2022-22 are summarized in Table 4.

Table 4: Ziplly OR Business Rate Increase

Service	Pre-Plan Rate	Current Rate	Increase
Access Line – One-Party	\$27.32	\$32.00	\$4.68

After these changes, the Ziplly OR rate does not exceed the Ziplly NW rate in Rate Zone 2. The rate changes comply with the terms of the Price Plan. Because business PLBS rates are not subject to price caps, the Company retains unlimited pricing flexibility for these services.

Directory Listings

Section 4.h. of the Price Plan requires the first Directory Listing to be included with PLBS. Rates for additional listings beyond the initial listing may increase by up to 25 percent per Plan year. Price caps relating to Directory Listings apply to both residential and business services.

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Zipty increased rates for Directory Listings once during the current Plan term, and the increases became effective on October 20, 2019. The Zipty NW increases implemented with Advice No. 065SPL apply to both residential and business services, and are summarized in Table 5.

Table 5: Zipty NW Directory Listings Rate Increases

Service	Pre-Plan Rate	Current Rate	Increase	Max Rate	Remaining Flexibility
Foreign Exchange Listing	\$3.50	\$4.00	\$0.50	\$8.54	\$4.54
Additional Listing	\$3.50	\$4.00	\$0.50	\$8.54	\$4.54
Extra Lines of Information	\$3.50	\$4.00	\$0.50	\$8.54	\$4.54

The Zipty OR increases implemented with Advice No. 008PL are summarized in Table 6.

Table 6: Zipty OR Directory Listings Rate Increases

Service	Pre-Plan Rate	Current Rate	Increase	Max Rate	Remaining Flexibility
Residential Services					
Foreign Listing	\$1.00	\$1.25	\$0.25	\$2.44	\$1.19
Additional Listing	\$1.00	\$1.25	\$0.25	\$2.44	\$1.19
Cross-reference Listing	\$1.00	\$1.25	\$0.25	\$2.44	\$1.19
Line of Information	\$1.00	\$1.25	\$0.25	\$2.44	\$1.19
Reference Listing	\$1.00	\$1.25	\$0.25	\$2.44	\$1.19
Business Services					
Foreign Listing	\$1.25	\$1.50	\$0.25	\$3.05	\$1.55
Additional Listing	\$1.25	\$1.50	\$0.25	\$3.05	\$1.55
Cross-reference Listing	\$1.25	\$1.50	\$0.25	\$3.05	\$1.55
Line of Information	\$1.25	\$1.50	\$0.25	\$3.05	\$1.55
Reference Listing	\$1.25	\$1.50	\$0.25	\$3.05	\$1.55

The Company did not utilize all of the pricing flexibility allowed for Directory Listings under the terms of the Price Plan in the current Plan term.

Features

Pursuant to Section 4.j. of the Price Plan, Features are not subject to price caps. Features consist of "Calling Services" as listed in Section 6 of the Frontier NW Statewide Price List as of May 9, 2018, as well as "Custom Calling Service" and "Customized Local Area Signaling Service (CLASS)" as listed in Section IV of Citizens' Tariff No. 3 as of May 9, 2018.

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Zipty increased rates for Features once during the current Plan term, and the increases became effective on August 25, 2019. The Zipty NW increases implemented with Advice No. 064SPL are summarized in Table 7.

Table 7: Zipty NW Features Rate Increases

Service	Pre-Plan Rate	Current Rate	Increase
Residential Services			
Call Waiting/Cancel Call Waiting	\$3.60	\$4.10	\$0.50
Call Forward Busy/No Answer	\$4.50	\$5.00	\$0.50
Caller ID with Name	\$8.00	\$8.50	\$0.50
Business Services			
Call Forward Busy/No Answer	\$5.00	\$5.50	\$0.50
Call Waiting/Cancel Call Waiting	\$3.60	\$4.10	\$0.50
Caller ID with Name	\$5.00	\$5.50	\$0.50
Residential and Business Services			
3 Way Calling	\$2.25	\$2.75	\$0.50
3 Way Calling Pay-Per-Use	\$3.50	\$4.00	\$0.50
Basic Call Forward	\$2.75	\$3.25	\$0.50
Call Forward Busy	\$2.75	\$3.25	\$0.50
Call Forward No Answer	\$13.50	\$14.00	\$0.50
Remote Call Forward (RCF)	\$1.75	\$2.25	\$0.50
Anonymous Call Block/Rejection	\$2.25	\$2.75	\$0.50
*66 Busy Number Redial Pay-Per-Use	\$2.25	\$2.75	\$0.50
*69 Call Return Pay-Per-Use	\$9.50	\$10.00	\$0.50

The Zipty OR increases implemented with Advice No. 007PL are summarized in Table 8 on the following page.

Table 8: Zply OR Features Rate Increases

Service	Pre-Plan Rate	Current Rate	Increase
Residential Services			
Call Waiting/Cancel Call Waiting	\$3.00	\$3.50	\$0.50
Caller ID with Name	\$8.00	\$8.50	\$0.50
Call Forward Busy/No Answer (NEW)	None	\$2.40	\$2.40
Business Services			
Call Waiting/Cancel Call Waiting	\$4.00	\$4.50	\$0.50
Caller ID with Name	\$9.99	\$10.49	\$0.50
Call Forward Busy/No Answer	\$2.40	\$2.90	\$0.50
Residential and Business Services			
3 Way Calling	\$2.40	\$2.90	\$0.50
3 Way Calling Pay-Per-Use (NEW)	None	\$0.50	\$0.50
Basic Call Forward	\$2.40	\$2.90	\$0.50
Call Forward Busy	\$2.40	\$2.90	\$0.50
Call Forward No Answer	\$2.40	\$2.90	\$0.50
Remote Call Forward (RCF)	\$16.00	\$16.50	\$0.50
*66 Busy Number Redial Pay-Per-Use	\$0.75	\$1.25	\$0.50
*69 Call Return Pay-Per-Use	\$0.75	\$1.25	\$0.50

Because rates for Features are not subject to price caps, the Company retains unlimited pricing flexibility for these services.

Packages and Bundles

Pursuant to Section 4.q. of the Price Plan, the Company may combine any regulated telecommunications service with any other service(s) to offer Packages and Bundles, which may include PLBS and Extended Area Service (EAS). All regulated telecommunications services offered as part of a package or bundle must remain separately available for purchase, and the package or bundle price may not exceed the sum of the stand-alone retail prices of the included services.

The increases to Package and Bundle rates implemented by Zply in the current Plan term are summarized in Table 9 on the following page.

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Table 9: Ziplly Packages and Bundles Rate Increases					
Service	Advice No.	Effective Date	Existing Rate	New Rate	Increase
Ziplly NW					
Digital Phone Enhanced Feature Pack	057SPL	12/16/18	\$3.49	\$4.49	\$1.00
Digital Phone Enhanced Feature Pack	067SPL	11/24/19	\$4.49	\$4.99	\$0.50
Ziplly OR					
Digital Phone Enhanced Feature Pack	002PL	12/16/18	\$3.99	\$4.49	\$0.50
Digital Phone Enhanced Feature Pack	010PL	11/24/19	\$4.49	\$4.99	\$0.50

The Company did not utilize all of the pricing flexibility available under the Price Plan for these services. The rates for the affected packages remain substantially lower than the sum of the stand-alone retail prices of the included services.

Other Services

Section 1.c. of the Price Plan defines "Other Services" as "any other residential or business services contained in Frontier's Rate Schedules that are not expressly listed in this Price Plan and does not include Packages and Bundles." Pursuant to Section 4.k. of the Price Plan, rates for Other Services may increase by the greater of 25 percent or \$0.50 per Plan year. The Ziplly NW increases to Other Services rates in the current Plan term are summarized in Table 10 on the following page.

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Table 10: Ziplly NW Other Services Rate Increases

Service	Advice No.	Effective Date	Pre-Plan Rate	Current Rate	Total Increase	Max Rate	Remaining Flexibility
Customized Multi-Line Telephone Service							
Month to Month, 2-25 Lines	058SPL, 062SPL	1/20/19, 6/16/19	\$14.00	\$17.75	\$3.75	\$34.18	\$18.18
Month to Month, 26-50 Lines	058SPL, 062SPL	1/20/19, 6/16/19	\$13.75	\$17.50	\$3.75	\$33.57	\$17.82
12 Month Term, 101+ Lines	058SPL, 062SPL	1/20/19, 6/16/19	\$12.75	\$16.50	\$3.75	\$31.13	\$16.38
Custom Line Telephone Service Basic Service							
Zone 1	058SPL	1/20/19	\$28.15	\$30.15	\$2.00	\$68.73	\$38.58
Zone 2	058SPL	1/20/19	\$33.15	\$35.15	\$2.00	\$80.93	\$45.78
Zone 3	058SPL	1/20/19	\$37.42	\$39.42	\$2.00	\$91.36	\$51.94
Unlimited DTL Basic Packages							
Expansion Line without Unlimited Calling	058SPL	1/20/19	\$30.00	\$32.00	\$2.00	\$73.24	\$41.24
Versaline Station Line Service							
Month to Month	058SPL, 062SPL	1/20/19, 6/16/19	\$45.00	\$48.75	\$3.75	\$109.86	\$62.86
36 Month Contract	062SPL	6/16/19	\$42.00	\$43.75	\$1.75	\$102.54	\$58.79

The Ziplly OR increases to Other Services rates in the current Plan term are summarized in Table 11.

Table 11: Ziplly OR Other Services Rate Increases

Service	Advice No.	Effective Date	Pre-Plan Rate	Current Rate	Total Increase	Max Rate	Remaining Flexibility
Business Multi-Line Access Line	003PL, 2022-22	2/24/19, 6/2/2022	\$40.75	\$45.00	\$4.25	\$99.49	\$54.49

The Company did not utilize all of the pricing flexibility available under the Price Plan for these services.

Other Pricing Requirements

In addition to the price caps described previously, the Price Plan specifies that certain services are capped at pre-Plan rates. These include EAS, Toll Restriction, Call Trace, Residential Unlisted Numbers, E911 services, and intrastate switched access services. In compliance with the terms of the Price Plan, Ziplly did not increase these rates during the current Plan term.

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The Company did not exceed the price caps stated in the Price Plan and did not use all of the pricing flexibility available for any service, suggesting that the Price Plan, in conjunction with competitive market forces, continues to foster rates that are just and reasonable.

Conclusion

Staff finds that Ziplly has complied with all material requirements of the Price Plan during the current Plan term, and that the Price Plan continues to be an effective means of regulation for the Company.

Both the Company and the Oregon Citizens' Utility Board (intervenor in UM 1895) have reviewed a draft of this memo and neither party noted any concerns.

PROPOSED COMMISSION MOTION:

This is an informational only report with no recommendation for the Commission.

UM 1895 Price Plan Performance Report 2022 PMM