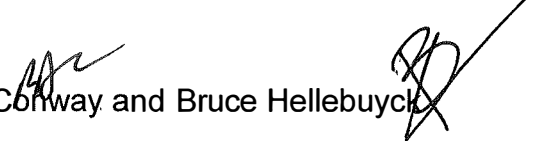



**OREGON PUBLIC UTILITY COMMISSION
INTEROFFICE CORRESPONDENCE**

DATE: February 26, 2015

TO: File through Bryan Conway and Bruce Hellebuyck 

FROM: Stephanie Yamada 

SUBJECT: UNITED TELEPHONE COMPANY OF THE NORTHWEST:
(Advice Nos. OR15-01 and 15-002-PL) Move services from the company's regular tariff (PUC OR. No. 3) to its Price List in compliance with Order No. 14-347.

I have reviewed these filings and recommend that an acknowledgement letter be sent. The filings will go into effect on March 1, 2015. Advice No. OR15-01 was filed on January 21, 2015, and Advice No. 15-002-PL was filed on January 27, 2015. United Telephone Company of the Northwest dba CenturyLink (United) proposes to move many currently tariffed services from its regular tariff (PUC OR. No. 3) to its Price List. These filings increase rates for residential primary line basic services by \$2.00 and decrease residential rates for Extended Area Service (EAS) in Level 3 exchanges by \$2.00. These filings also increase rates for some "other services" and "packages/bundles."

Advice No. OR15-01, which consists of 121 sheets, represents the company's entire revised regular tariff after removing the portion of the tariff that was moved to the company's Price List. This filing also renumbers the company's regular tariff from PUC OR No. 3 to PUC OR No. 4.

Advice No. 15-002-PL, which consists of 339 sheets, represents the company's entire revised Price List, including the portions that have been moved into the Price List from PUC OR No. 3. This filing also renumbers the Price List from PL No. 101 to PL No. 102.

On October 7, 2014, the Commission issued its Order No. 14-347, in docket UM 1686, approving a Price Plan for United under ORS 759.255. Section 1 of the statute states: "Prices approved under the plan are not subject to the provisions of ORS 759.180 to 759.190 and shall become effective as stated in the plan." This provision of the statute has the effect of allowing United the same relief from regulatory requirements as ORS 759.054, which allows a telecommunications utility to establish specific services in a "price list," and which allows the utility to change rates for service upon notice to the Commission. The Price Plan, Section P, also allows for rate changes to be made upon notice to the Commission for the group of services that these filings would establish in a price list.

Section P of the Price Plan also requires tariff changes to be filed 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.

United has made these two related filings in order to simplify administration of the Price Plan. Advice Nos. OR15-01 and 15-002-PL comply with the notice requirements for tariff and Price List filings, respectively.

Primary Line Basic Services

Section B of the Price Plan, *Pricing and Availability of Services under Price Plan*, establishes certain specific pricing restrictions for primary line basic services.

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. United 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 2 of the Price Plan.

The changes to primary line basic service rates proposed with Advice No. OR15-01 are summarized below:

<u>Service</u>	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>Amount</u>	<u>Percent</u>
Residential One-Party Flat Rate	\$13.43	\$15.43	\$2.00	14.9%
Residential One-Party Measured	\$7.07	\$9.07	\$2.00	28.3%

These changes comply with the restrictions established in Section B of the Price Plan.

Extended Area Service

Section E of the Price Plan states:

Rates for extended area service (EAS) are capped at current rates...

The changes to EAS rates proposed with Advice No. OR15-01 are summarized below:

<u>Service</u>	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>Amount</u>	<u>Percent</u>
EAS Level 3	\$9.00	\$7.00	(\$2.00)	(22.2%)

These changes comply with the restrictions established in Section E of the Price Plan. The rate reductions for EAS services do not render the proposed rates to be below the cost of service, and therefore, they comply with the price floor requirement of ORS 759.255(4).

Other Services

Section H of the Price Plan states:

Monthly rates for "Other Services" for business customers will not be subject to price caps. Monthly rates for residential customers may increase up to 50 percent or \$.50, annually, whichever is greater. The cumulative price increase over the term of the Price Plan is not to exceed 200 percent for residential customers.

The changes to Other Services proposed with Advice No. 15-002-PL are summarized below:

<u>Service</u>	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>Amount</u>	<u>Percent</u>
Residential Directory Listings				
Additonal Listings	\$1.00	\$1.50	\$0.50	50.0%
Foreign Listings	\$1.00	\$1.50	\$0.50	50.0%
Residential Custom Calling Features (one or two features)				
Call Forwarding	\$2.00	\$2.50	\$0.50	25.0%
Call Forwarding – Fixed	\$2.00	\$2.50	\$0.50	25.0%
Call Forward No Answer	\$0.75	\$1.25	\$0.50	66.7%
Call Forward Busy	\$0.75	\$1.25	\$0.50	66.7%
Call Waiting	\$2.00	\$2.50	\$0.50	25.0%
Personal Alert Line	\$2.00	\$2.50	\$0.50	25.0%
SignalRing	\$2.00	\$2.50	\$0.50	25.0%
Speed Dial – 8 Number	\$2.00	\$2.50	\$0.50	25.0%
3 Way Calling – Flat Rate	\$2.00	\$2.50	\$0.50	25.0%
Residential Custom Calling Features (three or more)				
Call Forwarding	\$1.75	\$2.25	\$0.50	28.6%
Call Forwarding – Fixed	\$1.75	\$2.25	\$0.50	28.6%
Call Forward No Answer	\$0.50	\$1.00	\$0.50	100.0%
Call Forward Busy	\$0.50	\$1.00	\$0.50	100.0%
Call Waiting	\$1.75	\$2.25	\$0.50	28.6%
Personal Alert Line	\$1.75	\$2.25	\$0.50	28.6%
SignalRing	\$1.75	\$2.25	\$0.50	28.6%

Speed Dial – 8 Number	\$1.75	\$2.25	\$0.50	28.6%
3 Way Calling – Flat Rate	\$1.75	\$2.25	\$0.50	28.6%
Res. Fixed Remote Call Forward	\$10.00	\$10.50	\$0.50	5.0%
Residential ExpressTouch Svc.				
Caller ID with Name	\$7.50	\$9.00	\$1.50	20.0%
Caller ID – Number Only	\$5.50	\$6.85	\$1.50	24.5%
Repeat Dial – Flat Rate	\$3.00	\$3.75	\$0.75	25.0%
Return Call – Flat rate	\$3.50	\$4.25	\$0.75	21.4%
Selective Call Forwarding	\$3.00	\$3.75	\$0.75	25.0%
Selective Call Rejection	\$3.50	\$4.25	\$0.75	21.4%
Selective Call Ring	\$3.50	\$4.25	\$0.75	21.4%
Directory Assistance	\$1.25	\$1.75	\$0.50	40.0%

These changes comply with the restrictions established in Section H of the Price Plan.

Packages/Bundles

Section O of the Price Plan allows the rates for Packages and Bundles to be increased by any amount as long as the resulting rate is not more than the sum of the retail rates of the individual services available in the package or bundle. Advice No. 15-002-PL proposes to increase the rates of 22 packages/bundles by approximately five percent to 21 percent, but none of the proposed rates is greater than the sum of the retail rates of the individual services available in the packages/bundles, respectively. Therefore, the proposed rate increases do not violate the conditions of the Price Plan.

PUC OR. No. 4

The Commission Order No. 14-347 results in a number of services being retained in PUC OR. No. 4, including:

- Residential Primary Line Basic Services;
- Non-recurring Charges for Residential and Business Primary Line Basic Services;
- Telephone Assistance Programs (OTAP, Tribal Lifeline, and Link-Up);
- Extended Area Service;
- Toll Restriction Service;
- Call Trace;
- Unlisted Numbers and Directory Listings; and
- E911 Services (including Private Switch/Automatic Location Identification [PS/ALI]).

Notice of tariff/price list changes

United will provide the Commission notice of price increases or other changes to terms and conditions of service by making filings for services in the regular tariff at least 30 days prior to the effective date of such changes. United will provide the Commission notice of price decreases for services under price cap by making tariff filings at least one day prior to the effective date of such price decreases.

United will make price list changes to its *Price List* services at least one day prior to the effective date of any change. United will also provide customers at least 30 days prior notice for services they are purchasing at the time of the price increase. For services on a per-call basis, United will give "reasonable notice" to the customer of the price prior to the customer's use of the service.