## OREGON PUBLIC UTILITY COMMISSION (INTEROFFICE CORRESPONDENCE)

| DATE: | December 9, 2014                               |
|-------|--|
| TO:   | File through Bryan Conway and Bruce Hellebuyck |
| FROM: | Stephanie Yamada Sur                           |

**SUBJECT:** Citizens Telecommunications Company, Advice No. OR-14-08 Increases rates for residential and business access line service.

I have reviewed this filing and recommend that an acknowledgement letter be sent. The filing will go into effect on December 10, 2014. It was filed on October 22, 2014. The filing proposes to increase access line service rates for residential and business customers. The filing would affect 1,503 residential and 954 business local access lines. The proposed rate increases are listed below.

| Service                    | Current<br><u>Charge</u> | New<br><u>Charge</u> | Amount of<br><u>Increase</u> | <u>% Increase</u> |
|----------------------------|--------------------------|----------------------|------------------------------|-------------------|
| Residential One Party      | \$13.67                  | \$14.67              | \$1.00                       | 7.3%              |
| Residential Key Line       | \$13.67                  | \$14.67              | \$1.00                       | 7.3%              |
| Business One Party         | \$24.32                  | \$26.32              | \$2.00                       | 8.2%              |
| Business Key Line          | \$37.75                  | \$39.75              | \$2.00                       | 5.3%              |
| Semi-Public Payphone       | \$22.32                  | \$24.32              | \$2.00                       | 9.0%              |
| PBX Trunk                  | \$37.75                  | \$39.75              | \$2.00                       | 5.3%              |
| Centrex Flat Rate Key Line | \$22.32                  | \$24.32              | \$2.00                       | 9.0%              |
| COCOT                      | \$22.32                  | \$24.32              | \$2.00                       | 9.0%              |

The filing complies with Oregon Revised Statutes (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 is exempt under ORS 759.040 from the requirement under ORS 759.190 that tariff filings to 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 Citizens/Rate Increase December 9, 2014 Page 2

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 and has filed a copy of the customer notification letter with the Commission. The Commission received 25 petitions in opposition to the rate increases. The Commission would have had to have received petitions from 500 customers to have triggered a rate investigation under the statute.

The company estimates that this filing will increase annual gross revenues by approximately \$41,000.

CitizensOR-14-08.RateIncrs.ResBus