



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

DATE: November 26, 2014

TO: File through Bruce Hellebuyck 

FROM: Jim Stanage 

SUBJECT: Pine Telephone System, Inc., Customer Notice
Increases rates for residential one-party local access line service.

I have reviewed this filing and recommend that an acknowledgement letter be sent that acknowledges receiving the customer notice that the company sent to its customers. The rate increases will go into effect on December 1, 2014. The customer notice was filed on September 26, 2014. Pine is exempt from filing its tariff changes with the Commission through Order No. 88-1215 (UX 12).

The company proposes to increase rates for one-party residential local access line service. Pine states that it is increasing the rates: "to the benchmark set by the Federal Communications Commission..." The customer notice was sent to customers on October 1, 2014.

The proposed local access line services rate increases are 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 | 5.4% |

The filing would affect 607 residential local access lines.

Pine 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. 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 increases. The Commission would have had to have received petitions from 79 customers (10 percent of *all* access line subscribers) to have triggered a rate investigation under the statute.

The company estimates that this filing will increase annual gross revenues by approximately \$5,000.