OREGON PUBLIC UTILITY COMMISSION (INTEROFFICE CORRESPONDENCE)

DATE: July 22, 2014

TO: File through Bruce Hellebuych

FROM: Stephanie Yamada $\frac{3}{3}$

SUBJECT: United Telephone Company of the Northwest, Advice No. 14-007, Increases the effective rate of four packages/bundles by \$0.44 (Voicemail).

I have reviewed this filing and recommend that an acknowledgement letter be sent. The filing went into effect July 11, 2014, and was filed July 9, 2014. The Company proposes to increase the effective rate of four packages/bundles by \$0.44. The Company states that the increases are related directly to its Voicemail service, which is a deregulated service that is included in the packages. Because Voicemail is included in the regulated packages, it must be shown as such in the tariff along with a notation regarding its deregulated status. The Company had previously established the additional charge for Voicemail at \$1.55 per month in its Advice No. 13-006, which was a price list filing that went into effect June 15, 2013. The proposed increase would make the additional charge for Voicemail \$1.99 (i.e., \$1.55 plus \$0.44). The four packages are: Business Assist Advantage, Unlimited Business Assist Advantage, Hosted MultiLine Bundle, and Core Connect.

The Company shows the increases in the Price List as additional charges for each of the four packages rather than simply increasing the price of each package by \$1.99. While it would be more straight-forward to have added the \$1.99 to each respective package rate, the Price List includes numerous footnotes that show various discounts that can apply to packages when other unregulated services are also provided. Therefore, allowing the additional \$1.99 charge to appear in the footnotes on tariff/price list sheets is consistent with the established precedents.

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. Under ORS 759.054, the Commission may authorize a telecommunications utility to price list services, if the services are "subject to competition." Rate increases, such as the ones proposed here, are not prohibited by the statute. Price list filings can become effective upon filing with the Commission. United No. 14-007 July 22, 2014 Page 2

The proposed rates are less than the sum of the tariffed prices of the individual services/features, and therefore, comply with the Commission's policy concerning the maximum rates for packages of services.

The Company estimates that this filing would have a negligible annual revenue effect.

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