




**OREGON PUBLIC UTILITY COMMISSION
INTEROFFICE CORRESPONDENCE**

DATE: April 22, 2015

TO: File through Bryan Conway and Bruce Hellebuyck  

FROM: Stephanie Yamada 

SUBJECT: QWEST CORPORATION: (Advice Nos. 2124 and 2015-002-PL)
Move services from the company's Tariff No. 33 to its Price List in compliance with Order No. 14-346 in UM 1354, and provide notice of certain price changes.

I have reviewed these filings and recommend that an acknowledgement letter be sent. The filings will go into effect on May 9, 2015. Advice No. 2124 was filed on March 9, 2015, and supplemented on April 2, 2015. Advice No. 2015-002-PL was filed on March 12, 2015, and supplemented on April 7, 2015. With these filings, Qwest Corporation dba CenturyLink QC (Qwest) proposes to move a number of currently tariffed services from its Tariff No. 33 (Exchange and Network Services) to its Price List. These filings also increase rates for residential primary line basic services by \$2.00 and increase rates for certain "other services" and "packages/bundles."

Advice No. 2015-002-PL, which consists of 164 sheets, represents the portion of Tariff No. 33 that will be moved to the company's Price List.

Advice No. 2124, which consists of 28 sheets, represents the tariff sheets that will change as a result of certain services being moved out of the tariff and into the Price List. This filing also cancels a number of tariff sheets that would otherwise be left blank as a result of this move.

On October 3, 2014, the Commission issued its Order No. 14-346, in docket UM 1354, approving a new Price Plan for Qwest under ORS 759.255 (Qwest's previous Price Plan was approved with Order No. 08-408, issued August 8, 2008). 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 Qwest 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 a 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.

Qwest has made these two related filings in order to simplify administration of the Price Plan. Advice Nos. 2124 and 2015-002-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.a of the Price Plan specifies that non-recurring charges for residential primary line basic service may increase a maximum of \$10 during the period of the Price Plan. Non-recurring charges for business primary line basic services are not subject to price caps. With Advice No. 2124, Qwest proposes to increase the Returned Payments Charge as follows:

<u>Non-Recurring Charge</u>	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>Amount</u>	<u>Percent</u>
Returned Payments Charge	\$10.00	\$20.00	\$10.00	100.0%

Qwest also proposes to increase certain recurring rates for primary line basic service. Rates for primary line basic services are discussed in Section B.1.b of the Price Plan, which 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. CenturyLink QC 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 recurring rates for primary line basic service proposed with Advice No. 2124 are summarized below:

<u>Service</u>	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>Amount</u>	<u>Percent</u>
Residential Measured Access Line Service	\$6.37	\$8.37	\$2.00	31.4%
Residential Flat Rate Line – Rate Group 1	\$12.80	\$14.80	\$2.00	15.6%
Residential Flat Rate Line – Rate Group 2	\$13.80	\$15.80	\$2.00	14.5%
Residential Flat Rate Line – Rate Group 3	\$14.80	\$16.80	\$2.00	13.5%

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

Telephone Assistance Plans

Section C of the Price Plan states:

CenturyLink QC will continue to offer current Telephone Assistance Plans (OTAP, Tribal Lifeline, and Tribal Link-Up) pursuant to state and federal requirements.

With Advice No. 2124, Qwest proposes to increase the Tribal Lifeline credit as follows:

Flat Individual Line (1FR)	<u>Current Credit</u>	<u>Proposed Credit</u>	<u>Amount</u>	<u>Percent</u>
Athena	\$12.33	\$14.33	\$2.00	16.2%
Camp Sherman	\$13.25	\$15.25	\$2.00	15.1%
Culver	\$12.25	\$14.25	\$2.00	16.3%
Klamath Falls	\$10.33	\$12.33	\$2.00	19.4%
Pendleton	\$10.33	\$12.33	\$2.00	19.4%
Siletz	\$12.78	\$14.78	\$2.00	15.6%
Warm Springs	\$13.25	\$15.25	\$2.00	15.1%

These changes comply with the requirements in the Price Plan. The \$2.00 increase to Tribal Lifeline credits effectively offsets the \$2.00 increase to Residential Flat Rate Access Lines, causing no change in the rates that these customers pay for basic residential service.

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. 2015-002-PL are summarized below:

<u>Service</u>	<u>Current Rate</u>	<u>Proposed Rate</u>	<u>Amount</u>	<u>Percent</u>
Residential Custom Calling Services (Per Line)				
Call Forwarding				
Don't Answer	\$0.80	\$1.30	\$0.50	62.5%
Don't Answer (Expanded)	\$0.80	\$1.30	\$0.50	62.5%
Busy Line (Expanded)	\$0.45	\$0.95	\$0.50	111.1%
Busy Line (Overflow)	\$0.45	\$0.95	\$0.50	111.1%
Busy Line (Programmable)	\$1.85	\$2.25	\$0.40	21.6%
Busy Line/Don't Answer (Expanded)	\$1.05	\$1.55	\$0.50	47.6%
Busy Line (Overflow)/Don't Answer	\$1.05	\$1.55	\$0.50	47.6%
Continuous Redial	\$4.50	\$5.00	\$0.50	11.1%
Speed Calling – Eight Code Capacity	\$4.50	\$5.00	\$0.50	11.1%
Speed Calling – Thirty Code Capacity	\$4.50	\$5.00	\$0.50	11.1%
Warm Line, each line arranged	\$2.50	\$3.00	\$0.50	20.0%
Residential Custom Calling Services (Per Use)				
Continuous Redial	\$0.75	\$1.25	\$0.50	66.7%
Last Call Return	\$0.75	\$1.25	\$0.50	66.7%
Three-Way Calling	\$0.75	\$1.25	\$0.50	66.7%
Business Custom Calling Services (Per Use)				
Continuous Redial	\$0.75	\$1.25	\$0.50	66.7%
Last Call Return	\$0.75	\$1.25	\$0.50	66.7%
Three-Way Calling	\$0.75	\$1.25	\$0.50	66.7%

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. 2015-002-PL proposes to increase the rates for 27 obsolete packages/bundles by \$2.00, resulting in increases ranging from 3.8 to 8.4 percent. 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. 33

The Commission Order No. 14-346 results in a number of services being retained in PUC OR. No. 33, including:

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

Notice of tariff/price list changes

Qwest 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. Qwest 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.

Qwest will make price list changes to its *Price List* services at least one day prior to the effective date of any change. Qwest 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, Qwest will give "reasonable notice" to the customer of the price prior to the customer's use of the service.