

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: November 7, 2017

REGULAR _____ CONSENT X EFFECTIVE DATE November 8, 2017

DATE: October 25, 2017

TO: Public Utility Commission

FROM: Stephanie Yamada *SY*

THROUGH: Jason Eisdorfer *J*, Bryan Conway *BC*, and Bruce Hellebuyck *BH*

SUBJECT: FRONTIER COMMUNICATIONS NORTHWEST INC:
(Docket No. ADV 633/Advice No. 1061) Introduces a two-year term plan for the Frontier Commercial Voice Unlimited package.

STAFF RECOMMENDATION:

Staff recommends that the filed tariff be approved.

DISCUSSION:

Issue

Whether to allow Frontier Communications Northwest Inc. (Frontier) to establish a two-year term option for the Frontier Commercial Voice Unlimited package.

Applicable Law

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. Section Q of Frontier's Price Plan requires tariff filings to be made at least thirty days prior to their effective dates. The Price Plan was established by the Commission in its Order No. 14-290 (Docket UM 1677), as allowed by ORS 759.255. Under ORS 759.255(4), the rates for regulated services offered through price plans must cover the cost of service. Section P of Frontier's Price Plan requires that any regulated services included in a package or bundle be separately available for purchase and prohibits the price of the package from exceeding the sum of the retail prices of all services included in the package.

Analysis

With this filing, Frontier proposes to introduce a two-year term option for its Frontier Commercial Voice Unlimited bundle. The filing was submitted on October 3, 2017, with an effective date of November 8, 2017. It therefore complies with the Price Plan's requirement that changes be filed at least 30 days prior to their effective date.

The Frontier Commercial Voice Unlimited bundle includes one flat rate business access line, a group of standard custom calling features, and flat rate Extended Area Service (EAS).¹ The price of the package also includes the End User Common Line Charge and the Access Recovery Charge that are found in the company's federal tariff.²

The proposed rate for the Frontier Commercial Voice Unlimited service package under a two-year term is \$28.00 per month. Currently, customers can purchase this package under a one-year term for \$28.00 per month, or on a month-to-month basis for \$33.00 per month.

Staff has reviewed the filing and determined that each of the component services in this bundle may be purchased separately in the company's tariff. The price of the bundle does not exceed the sum of the tariff and price list rates for the bundle's component services, which complies with Section P of Frontier's Price Plan. The company submitted an analysis that shows the proposed rate covers the cost of service.

Conclusion

Staff finds that the filing complies with the requirements of the Frontier Price Plan and the relevant Oregon Revised Statutes, and therefore, should be allowed to go into effect.

PROPOSED COMMISSION MOTION:

Approve Frontier Advice No. 1061.

Frontier.1061.CommercialVoiceUnlmt.2yr

¹ The monthly business flat rate EAS charges range from \$1.90 to \$8.60.

² The monthly End User Common Line Charge (i.e., subscriber line charge/SLC) is \$6.50 and the Access Recovery Charge is \$0.50.