

**OREGON PUBLIC UTILITY COMMISSION
INTEROFFICE CORRESPONDENCE**

DATE: February 25, 2021

TO: File through Michael Dougherty and Bruce Hellebuyck

FROM: Stephanie Yamada

SUBJECT: QWEST CORPORATION: (Docket No. ADV 1231/Advice No. 2159)
Increases the monthly rates for residential access lines and decreases certain EAS rates.

I have reviewed this filing and recommend that an acknowledgement letter be sent. With this filing, Qwest Corporation dba CenturyLink QC (Qwest or Company) proposes to increase residential basic service rates and decrease certain Extended Area Service (EAS) rates.

Issue

Whether the rate changes proposed by Qwest should be allowed to become effective for service rendered on and after March 1, 2021.

Applicable Rule or Law

Telecommunications utilities are required under ORS 759.175 to submit filings to the Commission whenever they intend to change their rates, terms, or conditions of service.

Qwest is regulated under a Price Plan pursuant to ORS 759.255 and Order No. 18-359 in Docket No. UM 1908. Section 8.a.i of the Price Plan requires Qwest to file all tariff changes with the Commission at least 30 days prior to the effective date of the change. Section 8.b of the Price Plan requires Qwest to provide customers with 30-day notice of price changes.

Pursuant to Section 4.e.i of the Price Plan, monthly rates for flat rate residential Primary Line Basic Service may not increase by more than \$3.00 annually and may not increase by more than \$10.00 over any four-year Plan term. Pursuant to Section 4.e.ii of the Price Plan, monthly rates for the line component of residential measured service may not exceed 80 percent of Qwest's monthly flat rate for residential Primary Line Basic Service.

Pursuant to Section 4.g of the Price Plan, rates for existing mandatory EAS are capped at pre-Plan rates. ORS 759.255(4) requires rates approved under a price plan to exceed the associated long-run incremental cost of providing the service. Pursuant to

Section 5.B of the Stipulation adopted with Order No. 19-058 in Docket No. UM 2002, the combination of EAS and local exchange rates is sufficient to cover the long run incremental cost of EAS for any company operating under a price plan as allowed by ORS 759.255.

Analysis

This filing was submitted on January 15, 2021, with a proposed effective date of March 1, 2021, in compliance with the filing requirements stated in Qwest’s Price Plan. The Company submitted supplemental filings on February 9 and February 18, 2021. The rate changes proposed with the present filing are summarized below.

Residential Basic Service – Flat Rate

Qwest’s proposed changes to its flat rate Primary Line Basic Service rates are summarized in the table below.

Service	Pre-Plan Rate	Current Rate	Proposed Rate	Current Year Change	4-Year Plan Change
Residence Flat - Rate Group 1	\$15.80	\$21.00	\$24.00	\$3.00	\$8.20
Residence Flat - Rate Group 2	\$16.80	\$21.00	\$24.00	\$3.00	\$7.20
Residence Flat - Rate Group 3	\$17.80	\$21.00	\$24.00	\$3.00	\$6.20

Qwest most recently increased these rates with Advice No. 2152, which became effective on March 1, 2020. The increases proposed with the present filing do not exceed \$3.00 in the present year or \$10.00 in the current Plan term, and therefore comply with the provisions of Qwest’s Price Plan.

Residential Basic Service – Measured

Qwest proposes the following change to its rate for the line component of residential measured service.

Service	Pre-Plan Rate	Current Rate	Proposed Rate	Current Year Change	4-Year Plan Change
Residence Budget Measured	\$9.37	\$14.37	\$17.37	\$3.00	\$8.00

As shown previously, Qwest proposes to increase its residential Primary Line Basic Service flat rate to \$24.00 in all rate groups. The proposed monthly rate for the line component of residential measured service does not exceed 80 percent of that amount, and therefore complies with the provisions of Qwest’s Price Plan.

Extended Area Service

As shown in the below table, Qwest proposes to decrease certain EAS rates to \$0.00.

Service	Pre-Plan Rate	Current Rate	Proposed Rate	Current Year Change	4-Year Plan Change
Residence EAS Flat Rate - Vale	\$1.10	\$1.00	\$0.00	-\$1.00	-\$1.10
Business EAS Flat - Band A1 & A2	\$1.95	\$1.00	\$0.00	-\$1.00	-\$1.95
Business EAS Flat - Band B1 & B2	\$3.00	\$1.00	\$0.00	-\$1.00	-\$3.00
Business EAS Flat - Band C1	\$6.00	\$3.00	\$0.00	-\$3.00	-\$6.00
Business EAS Flat - Band C2	\$6.00	\$2.00	\$0.00	-\$2.00	-\$6.00
Business EAS Flat - Ontario	\$1.20	\$1.00	\$0.00	-\$1.00	-\$1.20

The proposed rates do not exceed pre-Plan rates, and therefore comply with the terms of Qwest's Price Plan. Furthermore, because the combination of EAS and local exchange rates is considered sufficient to cover the long run incremental cost of EAS, the proposed rates comply with the requirements of ORS 759.255(4).

The Company states that customers were notified of the proposed rate changes.

Conclusion

This filing complies with applicable laws and the provisions of Qwest's Price Plan. The filed tariff sheets should be allowed to become effective, and an acknowledgement letter should be sent.