## BEFORE THE PUBLIC UTILITY COMMISSION

## **OF OREGON**

### **UM 1431**

	)	
In the Matter of	)	CUB'S MOTION PURSUANT TO
	)	CONDITION 56 OF ORDER NO. 10-
VERIZON COMMUNICATIONS, INC	)	067 REQUESTING THE ADOPTION
And	)	OF A PROVISION FROM
FRONTIER COMMUNICATIONS	)	ANOTHER STATE'S ORDER AS
CORPORATION	)	PERMITTED BY OREGON'S
	)	"MOST FAVORED STATE"
	)	PROVISION
	)	

On May 3, 2010 Frontier Communications provided to the Oregon Public Utility Commission (OPUC), and to the parties to Docket UM 1431, copies of final orders from the States of Illinois and Washington adopting conditions applicable to the merger that is the subject of this docket. Pursuant to Condition 56 of the Public Utilities Commission's Order No. 10-067, CUB makes the following Response.

The Washington State Utilities and Transportation Commission (WUTC) in Docket UT-090842, Order 06 imposed the following condition:

"Verizon may be subject to a refund payment to Frontier of up to \$3.85 million per year for the five years after closing for responsibility it bears for significant problems with the replicated OSS, and any such refund amounts are not subject to the regulatory claw-back provisions of the Merger Agreement...." WUTC Order 10 at 89.

CUB requests that the OPUC also adopt this provision pursuant to Condition 56. This

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provision should be adopted because it satisfies the requirements of the "Most Favored States" provision. It does not result in the combined company being required to provide a net benefit. The harm sought to be prevented by this provision is the concern that Verizon does not have adequate incentive to assure that the replicated OSS has no significant problems. Although this issue was considered in this docket, no provision in the OPUC Order provides as much incentive to Verizon to insure that the replicated system will be without significant problems.

Senior Assistant Attorney General, Michael Weirich, advises that Staff supports this Motion.

#### **CONCLUSION**

CUB urges the Commission to adopt the WUTC provision, cited above, as an Oregon condition to this merger. OPUC Staff supports this Motion.

Dated this 24th Day of May, 2010

Respectfully submitted,

G. Catriona McCracken

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## **UM 1431 – CERTIFICATE OF SERVICE**

I hereby certify that, on this 24th day of May, 2009, I served the foregoing CUB'S MOTION PURSUANT TO CONDITION 56 OF ORDER NO. 10-067 REQUESTING THE ADOPTION OF A PROVISION FROM ANOTHER STATE'S ORDER AS PERMITTED BY OREGON'S "MOST FAVORED STATE" PROVISION in docket UM 1431 upon the PUC Service List by email and, where paper service is not waived, by U.S. mail, postage prepaid, and upon the Commission by email and by sending an original and one copy by U.S. mail, postage prepaid, to the Commission's Salem offices.

	(W denotes waiver of paper service)		(C denotes service of Confidential material authorized)
(HC) (C)	DEPARTMENT OF JUSTICE MICHAEL T. WEIRICH ASSISTANT ATTORNEY GENERAL RUBS 1162 COURT ST NE SALEM OR 97301-4096 michael.weirich@state.or.us	(HC) (C)	PUBLIC UTILITY COMMISSION MICHAEL DOUGHERTY PO BOX 2148 SALEM OR 97308-2148 michael.dougherty@state.or.us
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UM 1431 Certificate of Service CUB'S MOTION PURSUANT TO CONDITION 56 OF ORDER NO. 10-067 REQUESTING THE ADOPTION OF A PROVISION FROM ANOTHER STATE'S ORDER AS PERMITTED BY OREGON'S "MOST FAVORED STATE" PROVISION

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