

**OREGON PUBLIC UTILITY COMMISSION
(INTEROFFICE CORRESPONDENCE)**

DATE: May 8, 2019

TO: File through Bryan Conway and Bruce Hellebuyck

FROM: Stephen Hayes

SUBJECT: UNITED TELEPHONE COMPANY OF THE NORTHWEST: (Docket No. PL 117/Advice No. 19-003-PL): Increases the rates for Flat Rate business Basic Exchange Service, Custom Calling service and packages, and various business and residence packaged services.

I have reviewed this filing and recommend that an acknowledgement letter be sent.

With this filing, United Telephone Company of the Northwest d/b/a CenturyLink (United or Company and when referring to the Price Plan, CenturyLink) proposes to increase the rates for 94 business flat rate Basic Exchange Service, Customer Calling Service and Packages, and various business and residence packaged services.

On September 28, 2019, the Commission issued its Order No. 18-359, in Docket No. UM 1908, approving a Price Plan for United under ORS 759.255. Section (8)(a)(ii) of United's Price Plan requires price list changes to be filed at least one day prior to their effective dates. Furthermore, 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. This filing was submitted on March 7, 2019, and went into effect on March 8, 2019, and therefore complies with the applicable filing requirements.

The rate changes are organized below into five tables by customer class and the specific Price Plan rate requirements. The Price Plan requirements for each table are discussed along with any concerns or special analysis that was undertaken.

Table 1 Discussion – Residential Other Services

Twenty-four services are proposed for rate increases in this grouping. The Price Plan classifies these services as "Other Services" for residential customers. These are optional ancillary services to but do not include basic services or an equivalent to basic service. Section (4)(k) of the Plan allows increases for these services up to 50 percent or \$0.50 annually, whichever is greater. The cumulative price increase for any "Other" Service over a four year Plan term may not exceed 200 percent for residential customers. The proposed increases comply with the terms of the Price Plan.

Table 1 - Residential Other Services

Service	Pre-plan Price	Current Price	Proposed Price	Price Change	12-Month Percent Change
Call Forwarding - Fixed or Variable	\$3.75	\$3.75	\$5.00	\$1.25	33.33%
Call Forward No Answer - Fixed or Program	\$1.75	\$1.75	\$2.25	\$0.50	28.57%
Call Forward Busy - Fixed or Program	\$1.75	\$1.75	\$2.25	\$0.50	28.57%
Call Waiting	\$3.75	\$3.75	\$5.00	\$1.25	33.33%
Call Waiting with Options	\$3.75	\$3.75	\$5.50	\$1.75	46.67%
Personal Alert Line	\$3.75	\$3.75	\$5.00	\$1.25	33.33%
Signal Ring	\$3.75	\$3.75	\$5.00	\$1.25	33.33%
Speed Dial 8	\$3.75	\$3.75	\$5.00	\$1.25	33.33%
Three-Way Calling	\$3.75	\$3.75	\$5.00	\$1.25	33.33%
Three-Way Calling - Usage	\$1.00	\$1.00	\$1.50	\$0.50	50.00%
Disc Call Forwarding - Fixed or Variable	\$3.25	\$3.25	\$4.50	\$1.25	38.46%
Disc Call Fwd No Answer - Fixed or Program	\$1.50	\$1.50	\$2.25	\$0.75	50.00%
Disc Call Forward Busy - Fixed or Program	\$1.50	\$1.50	\$2.25	\$0.75	50.00%
Disc Call Waiting	\$3.25	\$3.25	\$4.75	\$1.50	46.15%
Disc Call Waiting with Options	\$3.25	\$3.25	\$4.75	\$1.50	46.15%
Disc Personal Alert Line	\$3.25	\$3.25	\$4.75	\$1.50	46.15%
Disc Signal Ring	\$3.25	\$3.25	\$4.75	\$1.50	46.15%
Disc Speed Dial 8	\$3.25	\$3.25	\$4.75	\$1.50	46.15%
Disc Three-Way Calling	\$3.25	\$3.25	\$4.75	\$1.50	46.15%
Remote Call Forwarding	\$10.50	\$10.50	\$13.50	\$3.00	28.57%
Caller ID with Name	\$9.00	\$9.00	\$10.00	\$1.00	11.11%
Caller ID - Number Only	\$9.00	\$9.00	\$10.00	\$1.00	11.11%
Repeat Dial - Usage	\$1.00	\$1.00	\$1.50	\$0.50	50.00%
Return Call - Usage	\$1.00	\$1.00	\$1.50	\$0.50	50.00%

Table 2 Discussion – Residential Bundles and Packages

Twenty-seven residential bundles and packages are included in the proposed rate increases in this Price Plan grouping. The Price Plan sets forth requirements for Bundle and Package rates in Section (4)(r). Defined in Section 1 of the Plan “Packages and Bundles” means any combination of services, which may include residential or business basic local exchange service as well as other services at a combined price. The pricing of Packages and Bundles are subject to Plan conditions: i) All regulated telecommunications services offered as part of a package or bundle shall remain separately available for purchase from CenturyLink’s Rate Schedules, and; ii) The package or bundle price shall not exceed the sum of the stand-alone retail prices of all available services in the package or bundle. The proposed increases comply with the terms of the Price Plan.

Table 2 - Residential Bundles

Service	Pre-plan Price	Current Price	Proposed Price	Price Change
Ideal Solution	\$33.95	\$33.95	\$37.00	\$3.05
Sure Solution I	\$33.95	\$33.95	\$37.00	\$3.05
Sure Solution II	\$30.95	\$30.95	\$34.00	\$3.05
Custom Solution 1	\$30.95	\$30.95	\$34.00	\$3.05
Choice Solution	\$28.95	\$28.95	\$32.00	\$3.05
Standard Solution II	\$23.95	\$23.95	\$27.00	\$3.05
Basic Solution	\$33.95	\$33.95	\$37.00	\$3.05
Classic Solution	\$30.95	\$30.95	\$34.00	\$3.05
Core Solution	\$40.75	\$40.75	\$44.00	\$3.25
Clear Solution	\$40.75	\$40.75	\$44.00	\$3.25
Personal II Solution	\$35.95	\$35.95	\$39.00	\$3.05
Home II Solution	\$29.45	\$29.45	\$32.50	\$3.05
Safe and Sound Solution II	\$23.95	\$23.95	\$27.00	\$3.05
Progressive Plan	\$29.45	\$29.45	\$32.50	\$3.05
Standard Home Phone II	\$35.95	\$35.95	\$39.00	\$3.05
Simple Solution	\$23.99	\$23.99	\$27.00	\$3.01
Progressive II Plan	\$29.45	\$29.45	\$32.50	\$3.05
Follow Me Plan	\$29.95	\$29.95	\$33.00	\$3.05
Pure Bundle - Residential	\$28.00	\$28.00	\$30.00	\$2.00
Simple Choice Bundle	\$29.95	\$29.95	\$31.95	\$2.00
Essential Home Phone	\$28.95	\$28.95	\$32.00	\$3.05
Economy Pack	\$29.95	\$29.95	\$31.95	\$2.00
Economy Pack Plus	\$25.00	\$25.00	\$27.00	\$2.00

Table 3 Discussion – Business Basic Service

The Company proposes to increase two business rates for two Primary Line Basic Services, a measured service, and a flat rate Service. Price Plan Section (4)(f) provides that: i) Prices for business Primary Line Basic Service will not be subject to price caps, and ii) The rate that is charged for this service by Qwest's Oregon affiliates shall be priced no higher than the rate charged for this service by Qwest Corporation in Rate Group 2. Qwest's newly filed rate group two rate (\$33.00) will be used to determine if any subsequent rate changes to the analog service by Qwest's affiliates meets the second test. As such the Price Plan allows the proposed rate increases.

Table 3 - Business Basic Service

Service	Pre-plan Price	Current Price	Proposed Price	Price Change
One-Party Flat Rate	\$27.00	\$27.00	\$30.00	\$3.00
One-Party Measured	\$16.00	\$16.00	\$19.00	\$3.00

Table 4 Discussion – Business Other Service

United proposes to raise rates for eighty-six services falling under the “Other Service” Price Plan category. Plan Section 4(k) permits United to raise this grouping of business services without regard to a cap. The Price Plan allows the proposed rate increases.

Table 4 - Business Other Service

Service	Pre-plan Price	Current Price	Proposed Price	Price Change
Key Line Flat Rate	\$31.00	\$31.00	\$34.00	\$3.00
Key Line Measured	\$16.00	\$16.00	\$19.00	\$3.00
PBX Trunk Flat Rate	\$32.00	\$32.00	\$35.00	\$3.00
PBX Trunk Measured	\$17.00	\$17.00	\$20.00	\$3.00
Call Forwarding - Fixed or Variable	\$3.00	\$3.00	\$4.50	\$1.50
Call Forward No Answer - Fixed or Program	\$1.00	\$1.00	\$1.50	\$0.50
Call Forward Busy - Fixed or Program	\$1.00	\$1.00	\$1.50	\$0.50
Call Waiting	\$3.00	\$3.00	\$4.50	\$1.50
Call Waiting with Options	\$3.00	\$3.00	\$4.50	\$1.50
Personal Alert Line	\$3.00	\$3.00	\$4.50	\$1.50
Signal Ring	\$3.00	\$3.00	\$4.50	\$1.50
Speed Dial 8	\$3.00	\$3.00	\$4.50	\$1.50
Three-Way Calling	\$3.00	\$3.00	\$4.50	\$1.50
Three-Way Calling - Usage	\$1.00	\$1.00	\$1.50	\$0.50
Disc Call Forwarding - Fixed or Variable	\$2.50	\$2.50	\$3.75	\$1.25
Disc Call Fwd No Answer - Fixed or Program	\$0.75	\$0.75	\$1.00	\$0.25
Call Forward Busy - Fixed or Program	\$0.75	\$0.75	\$1.00	\$0.25
Disc Call Waiting	\$2.50	\$2.50	\$3.75	\$1.25
Disc Call Waiting with Options	\$2.50	\$2.50	\$3.75	\$1.25
Disc Personal Alert Line	\$2.50	\$2.50	\$3.75	\$1.25
Disc Signal Ring	\$2.50	\$2.50	\$3.75	\$1.25
Disc Speed Dial 8	\$2.50	\$2.50	\$3.75	\$1.25
Disc Three-Way Calling	\$2.50	\$2.50	\$3.75	\$1.25
Remote Call Forward	\$15.00	\$15.00	\$18.00	\$3.00
Caller ID with Name	\$9.00	\$9.00	\$10.00	\$1.00
Caller ID - Number Only	\$8.00	\$8.00	\$10.00	\$2.00
Repeat Dial	\$4.50	\$4.50	\$5.00	\$0.50
Repeat Dial - Usage	\$1.00	\$1.00	\$1.50	\$0.50

Table 4 - Business Other Service

Service	Pre-plan Price	Current Price	Proposed Price	Price Change
Return Call - Usage	\$1.00	\$1.00	\$1.50	\$0.50
Selective Call Forwarding	\$4.50	\$4.50	\$5.00	\$0.50

Table 5 Discussion – Business Bundles and Packages

Fifteen business bundles and packages are included in the proposed rate increases in this Price Plan grouping. The Price Plan sets forth requirements for Bundle and Package rates in Section (4)(r). Defined in Section 1 of the Plan “Packages and Bundles means any combination of services, which may include residential or business basic local exchange service as well as other services at a combined price. The pricing of Packages and Bundles are subject to Plan conditions: i) All regulated telecommunications services offered as part of a package or bundle shall remain separately available for purchase from CenturyLink’s Rate Schedules, and; ii) The package or bundle price shall not exceed the sum of the stand-alone retail prices of all available services in the package or bundle. The proposed increases comply with the terms of the Price Plan.

Table 5 - Business Bundles and Packages

Service	Pre-plan Price	Current Price	Proposed Price	Price Change
Sure Solution II	\$44.85	\$44.85	\$48.00	\$3.15
Choice Solution	\$39.00	\$39.00	\$42.00	\$3.00
Standard Solution II	\$33.50	\$33.50	\$36.00	\$2.50
Classic Solution	\$42.50	\$42.50	\$45.00	\$2.50
Priority Solution	\$39.00	\$39.00	\$42.00	\$3.00
Economy Bundle IIA	\$37.15	\$37.15	\$40.00	\$2.85
Rotary Classic Solution	\$39.90	\$39.90	\$43.00	\$3.10
Pure Bundle - Business	\$35.92	\$35.92	\$40.00	\$4.08
Economy Solution	\$33.85	\$33.85	\$37.00	\$3.15
Connected II	\$44.85	\$44.85	\$48.00	\$3.15
Economy Bundle IIB	\$37.15	\$37.15	\$40.00	\$2.85
Business Assist Advantage	\$51.65	\$51.65	\$54.00	\$2.35
Business Assist Adv Add Line	\$45.95	\$45.95	\$49.00	\$3.05
Business Assist Unlimited Initial	\$53.15	\$53.15	\$55.00	\$1.85
Business Assist Unlimited Add	\$45.95	\$45.95	\$49.00	\$3.05

All of the proposed increases and decreases satisfy the Price Plan limits and requirements and meet relevant Statute and Commission rule requirements.