

**OREGON PUBLIC UTILITY COMMISSION
INTEROFFICE CORRESPONDENCE**

DATE: April 8, 2021

TO: File through Michael Dougherty and Bruce Hellebuyck

FROM: Stephanie Yamada

SUBJECT: CENTURYTEL OF OREGON, INC.: (Docket No. ADV 1241/Advice No. 372) Changes rates for Residential Basic Service, Extended Area Service, Unlisted Numbers, and Trouble Isolation Charges.

I have reviewed this filing and recommend that an acknowledgement letter be sent. With this filing, CenturyTel of Oregon dba CenturyLink (CenturyTel or Company) proposes to adjust certain rates in compliance with its Price Plan.

Issue

Whether the rate changes proposed by CenturyTel should be allowed to become effective for service rendered on and after April 9, 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.

CenturyTel 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 CenturyTel 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 CenturyTel 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 CenturyTel's monthly flat rate for residential Primary Line Basic Service.

Section 4.s.ii of CenturyTel's Price Plan prohibits the Company from increasing the existing dollar differences between rate groups for residential or business Primary Line Basic Service rates. However, the Company is permitted to reduce any differences in price between these rate groups.

Pursuant to Section 4.g of the Price Plan, rates for existing mandatory Extended Area Service (EAS) are capped at pre-Plan rates.

Pursuant to Section 4.j of the Price Plan, residential Unlisted Numbers are capped at pre-Plan rates. Business Unlisted Numbers may not increase by more than \$1.00 in any Plan year and may not increase by more than \$3.00 in any four-year Plan term. Rates for Non-Published Numbers may not increase by more than \$1.00 in any Plan year and may not increase by more than \$3.00 cumulatively over any four-year Plan term.

CenturyTel's Price Plan defines "Other Services" as any residential or business service contained in the Company's rate schedules that is not specifically addressed in the Price Plan. Pursuant to Section 4.k of the Price Plan, rates for Other Services for business customers are not subject to price caps. Rates for residential Other Services may increase by the greater of \$0.50 or 50 percent annually. The cumulative price increase for any residential Other Service may not exceed 200 percent in any four-year Plan term.

Analysis

This filing was initially submitted on February 16, 2021, with a proposed effective date of March 26, 2021, in compliance with the filing requirements stated in the Company's Price Plan. CenturyTel submitted a supplementary filing on February 23, 2021, to make an additional change relating to the Trouble Isolation Charge. On April 8, 2021, the Company submitted an amendment to revise the effective date from March 26, 2021, to April 9, 2021, citing implementation delays. The Company states that customers were notified of the rate changes proposed with this filing, as required by the Price Plan. The proposed rate changes are summarized below.

Residential Basic Service – Flat Rate

CenturyTel's proposed changes to its flat rate residential 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 | \$15.48 | \$21.00 | \$24.00 | \$3.00 | \$8.52 |
| Residence Flat - Rate Group 2 | \$17.55 | \$21.00 | \$24.00 | \$3.00 | \$6.45 |

CenturyTel most recently increased these rates with Advice No. 367, which became effective on March 15, 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 CenturyTel’s Price Plan.

Residential Basic Service – Measured

CenturyTel proposes the following changes to its rates for the line component of residential measured service.

| Service | Pre-Plan Rate | Current Rate | Proposed Rate | Current Year Change | 4-Year Plan Change | % of Flat Rate |
|---------------------|---------------|--------------|---------------|---------------------|--------------------|----------------|
| Res Measured – RG 1 | \$11.55 | \$13.55 | \$16.50 | \$2.95 | \$4.95 | 68.8% |
| Res Measured – RG 2 | \$16.55 | \$16.55 | \$19.00 | \$2.45 | \$2.45 | 79.2% |

As shown previously, CenturyTel 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 in any rate group, in compliance with the provisions of the Price Plan. The present filing also decreases the price difference between Rate Groups 1 and 2 for residential measured service, which is allowed under CenturyTel’s Price Plan.

Extended Area Service

CenturyTel proposes to decrease certain EAS rates, as summarized below.

| Class | EAS Band | Pre-Plan Rate | Current Rate | Proposed Rate | Current Year Change | 4-Year Plan Change |
|-----------|----------|---------------|--------------|---------------|---------------------|--------------------|
| Residence | A | \$4.83 | \$4.00 | \$3.00 | (\$1.00) | (\$1.83) |
| Residence | B | \$5.00 | \$4.00 | \$3.00 | (\$1.00) | (\$2.00) |
| Residence | C | \$5.50 | \$4.00 | \$3.00 | (\$1.00) | (\$2.50) |
| Residence | D | \$5.50 | \$4.00 | \$3.00 | (\$1.00) | (\$2.50) |
| Residence | E | \$7.00 | \$4.00 | \$3.00 | (\$1.00) | (\$4.00) |
| Business | A | \$7.00 | \$6.00 | \$3.00 | (\$3.00) | (\$4.00) |
| Business | B | \$7.00 | \$6.00 | \$3.00 | (\$3.00) | (\$4.00) |
| Business | C | \$9.00 | \$6.00 | \$3.00 | (\$3.00) | (\$6.00) |
| Business | D | \$10.00 | \$6.00 | \$3.00 | (\$3.00) | (\$7.00) |
| Business | E | \$12.00 | \$7.00 | \$3.00 | (\$4.00) | (\$9.00) |

The proposed rates do not exceed pre-Plan rates, and therefore comply with the terms of CenturyTel’s Price Plan.

Unlisted and Non-Published Numbers

CenturyTel's proposed rate changes for Unlisted and Non-Published Numbers are summarized below.

| Class | Service | Pre-Plan Rate | Current Rate | Proposed Rate | Current Year Change | 4-Year Plan Change |
|-----------|----------------------|---------------|--------------|---------------|---------------------|--------------------|
| Business | Non-Listed Number | \$1.00 | \$3.00 | \$4.00 | \$1.00 | \$3.00 |
| Res & Bus | Non-Published Number | \$1.00 | \$3.00 | \$4.00 | \$1.00 | \$3.00 |

CenturyTel most recently increased these rates with Advice No. 367, which became effective on March 15, 2020. The proposed increases do not exceed \$1.00 in the present year or \$3.00 in the current Plan term, and therefore comply with the provisions of CenturyTel's Price Plan.

Other Services

CenturyTel proposes the following changes to its Trouble Isolation Charges. These charges fall into the Other Service category of the Price Plan.

| Trouble Isolation Charge | Pre-Plan Rate | Current Rate | New Rate | Current Year Change | | 4-Year Plan Change | |
|----------------------------|---------------|--------------|----------|---------------------|-------|--------------------|-------|
| | | | | \$ | % | \$ | % |
| First 15 Minutes | \$21.30 | \$31.95 | \$40.00 | \$8.05 | 25.2% | \$18.70 | 87.8% |
| Each Additional 15 Minutes | \$9.00 | \$13.50 | \$15.00 | \$1.50 | 11.1% | \$6.00 | 66.7% |

CenturyTel most recently increased these rates with Advice No. 367, which became effective on March 15, 2020. The proposed rate increases do not exceed the greater of \$0.50 or 50 percent in the current Plan year or 200 percent cumulatively in the current Plan term, and therefore comply with the provisions of CenturyTel's Price Plan.

Conclusion

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