

**OREGON PUBLIC UTILITY COMMISSION
INTEROFFICE CORRESPONDENCE**

DATE: February 13, 2023

TO: File through Bryan Conway and Marc Hellman

FROM: Steph Yamada

SUBJECT: ZIPLY FIBER NORTHWEST, LLC:
(Docket No. ADV 1475/Advice No. 2022-9)
Increases rates for Residential Primary Line Basic Service.

I have reviewed this filing and recommend that an acknowledgement letter be sent. With this filing, Ziplly Fiber Northwest, LLC (Ziplly NW or Company) proposes to increase rates for residential Primary Line Basic Service (PLBS). The filing was submitted on December 16, 2022, with an effective date of January 15, 2023.

Applicable Rule or 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. Ziplly NW is also regulated under a Price Plan pursuant to ORS 759.255.¹

Pursuant to Section 4.e.i. of the Price Plan, monthly recurring rates for flat rate residential PLBS may be increased by no more than \$3 in any Plan year or \$10 in any four-year Plan term. Pursuant to Section 5 of the Price Plan, the annual cap is reduced by the amount of any increase to (or introduction of) the Facility Fee in the Plan year. The sum of the increase to the residential PLBS rate and the Facility Fee may not exceed either the annual or term caps applicable to residential PLBS at any given time.

Pursuant to Section 4.e.ii of the Price Plan, monthly rates for the line component of residential measured service may not be priced higher than 70 percent of the Company's flat rate residential PLBS.

Section 9.b of the Price Plan requires Ziplly NW to provide 30-day notice of price increases to customers subscribing to the service. Retail customer notices may be made by bill message, including notice to customers receiving electronic bills. Section 9.b also requires tariff changes to be filed with the Commission at least 30 days prior to the effective date of the change.

¹ See Order Nos. 18-303 and 19-038 in Docket No. UM 1895.

Analysis

With this filing, ZiPLY NW implements the following residential rate increases.

Service	Type	Old Rate	New Rate	Incr. (\$)	Incr. (%)
Basic Calling Service	Measured	\$13.82	\$15.92	\$2.10	15.20%
Community Calling Service	Flat	\$19.35	\$22.35	\$3.00	15.50%
Premium Calling Service	Flat	\$19.75	\$22.75	\$3.00	15.19%

These changes represent the first increases to residential PLBS rates in the current Plan term, which began on August 17, 2022. The increases to residential flat PLBS rates do not exceed \$3.00 in the current Plan year or \$10.00 in the current Plan term. As the Company has not implemented any increase to the Facility Fee in the current Plan term, no reduction to the applicable price cap is necessary. Furthermore, the proposed rate for Basic Calling Service (ZiPLY NW's residential measured service offering) does not exceed 70 percent of the proposed rate for Premium Calling Service, which is used as the standard for calculating the maximum measured service rate.² These changes comply with the requirements of the Price Plan.

Staff notes that the rate increases discussed here build on prior increases that have become effective but have not yet been acknowledged at the time of this writing. Specifically, rates for Basic, Community, and Premium Calling Services were previously increased with Advice No. 22-02 in Docket No. ADV 1388, which became effective June 15, 2022. As discussed further in Staff's Price Plan Performance Report submitted in Docket No. UM 1895,³ those increases comply with the requirements of the Price Plan. The current unacknowledged status of Advice No. 22-02 does not affect the appropriateness of the increases implemented with the present filing.

This filing was submitted 30 days prior to the effective date of the change. The Company states that customers received notification of the increase via bill message beginning on November 15, 2022, and will continue to receive messages through February 2023.

Conclusion

This filing complies with applicable laws and Commission orders. The filing has already become effective, and an acknowledgement letter should be sent. No further action is necessary.

ZiPLY NW.ADV 1475.Res Increase.MTF

² See Staff Report for Docket Nos. ADV 907, ADV 908, and ADV 909, Page 4.

³ See Price Plan Performance Report, Docket No. UM 1895, Pages 8-9.