OREGON PUBLIC UTILITY COMMISSION (INTEROFFICE CORRESPONDENCE)

DATE:

July 17, 2019

TO:

File through Bryan Conway and Bruce Hellebuy

FROM:

Stephen Hayes

SUBJECT:

UNITED TELEPHONE COMPANY OF THE NORTHWEST:

(Docket No. PL 133/Advice No. 19-007): Price Plan compliant changes to Price

List rates, terms, and conditions for construction charges.

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

With this filing, United Telephone Company of the Northwest dba CenturyLink (United or Company) proposes to change rates, terms, and conditions for its price listed construction activities. This filing was made on June 21, 2019 and is proposed to go into effect on July 31, 2019.

On September 28, 2018, 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)(i) of United's Price Plan requires tariff changes to be filed at least thirty days prior to their effective dates and allows price decreases to be filed on one-day notice. 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.

Section 10 of Appendix A, of the Price Plan Order allows United to revise its rate schedules for line extension charges and provisioning agreements for housing developments to reflect the "principles" set forth in Price Plan Exhibit 1. General Principle 4 of Exhibit 1 provides that these changes be filed with a minimum of thirty days of notice prior to their effective date even though they involve price listed services. The filing complies with the special Price Plan filing requirement.

The principles set forth negotiated terms and guidelines for the Company to develop the rates, terms and conditions of this filing. Exhibit 1 covers the following: General Principles; Principles Related to Residential Construction Tariffs and Price Lists, including drops, routes, easements, rights of way and associated costs, batching of line extension requests, and cost calculations; and Principles Related to Provisioning Agreements for Housing Developments.

Highlights of the negotiated principles include: limitation of the company borne cost associated with line extensions to \$2,000 dollars per application; elimination of free line

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extensions within an exchange base rate area; exclusion of any proposed carrier-of-last-resort (COLR) neutralizing terms and conditions, elimination of distance based cost calculations, and retention of customer ability to defray costs by doing some of the work. A result of the new rates, terms, and conditions is that new customers will likely pay more now than they would have under the current rates, terms, and conditions.

The proposed filing meets the special requirements of the Price Plan's Appendix A, Exhibit 1, Principles for Line Extension and Provisioning Agreement for Housing Developments.

The proposed price list sheets contain structural changes mostly related to the removal of distance related calculations. And this filing is related to another price list filing of CenturyLink affiliates; the two CenturyTel entities that utilize the same tariffs and price lists (Docket No. PL 134). This United and the CenturyTel filing are notable because they propose to concur in Qwest's filing in Docket No. PL 132. Consequently, the construction related terms for the regulated CenturyLink Oregon affiliates will only be spelled out in Qwest's Price List pages. The Commission has approved limited concurrences¹. Since all the rates, terms, and conditions are identical and all these affiliates operate under the same Price Plan staff recommends a concurrence be allowed. This will simplify regulatory filings for the Company and the Commission. Because staff believes concurrences potentially make it harder for the public to find rates, terms, and conditions, concurrences are not recommended for approval as a matter of course.

All of the proposed rates, terms, and condition changes comply with the Commission approved Price Plan limits, principles, and noticing requirements.

United.19.007.PL133.PricePlan.Compliant.Construction.Changes

¹ Examples of previously approved concurrences are ADV 412 and ADV 413 concurring in Qwest's Lifeline related filing in ADV 411.