

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 1264

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| In the Matter of |) | |
| |) | |
| CITIZENS TELECOMMUNICATIONS |) | |
| COMPANY OF OREGON, dba FRONTIER |) | ORDER |
| COMMUNICATIONS OF OREGON |) | |
| |) | |
| Request to Increase the Rate for Business |) | |
| Caller ID, Caller ID with Name and Number |) | |
| and Voice Mail Services. |) | |

DISPOSITION: APPLICATION APPROVED

On June 2, 2006, Citizens Telecommunications Company of Oregon, dba Frontier Communications of Oregon (Frontier or Company) filed an application for waiver of OAR 860-034-0310 with the Public Utility Commission of Oregon (Commission). The basis for the current request is detailed in Staff's Report, attached as Appendix A, and incorporated by reference.

Pursuant to ORS 759.040 and OAR 860-034-0310, Frontier is required to notify its affected customers at least 45 days prior to the effective date of any proposed increase in intrastate telecommunications service. On May 18, 2006, Frontier notified its affected customers that effective July 5, 2006, their rates for certain business feature services would increase. Concurrently, Frontier filed Advice No. OR-06-06 with the Commission, which included a copy of the customer notice.

Staff notified Frontier that the notice contained two errors. First, the customer notice stated a July 5, 2006 effective date whereas the Company's filing stated a July 4, 2006 effective date. Second, the deadline for customers to petition the Commission for an investigation of the filing should be ten days prior to the effective date, pursuant to OAR 860-034-0310. However, the customer notice stated a July 5, 2006 deadline, the same day as the effective date.

As per Staff's recommendation, on May 25, 2006, Frontier filed a supplement to its Advice No. OR-06-06 to extend the effective date to July 15, 2006. This allows for the required ten days between the deadline stated in the customer notice for customers to petition for investigation and the effective date.

However, the customer notice still lists the wrong effective date. Staff agrees with the Company that no customer is harmed by the new rates going into effect ten days later than the stated effective date in the customer notice. Therefore, Staff recommends that the Commission grant the petition and deem Frontier's May 18, 2006 customer notice to be sufficient.

At its Public Meeting on June 27, 2006, the Commission adopted Staff's Recommendation and approved Frontier's current request.

ORDER

IT IS ORDERED that:

- 1. The petition for waiver of OAR 860-034-0310 customer notice requirements submitted by Frontier Communications of Oregon is granted.
- 2. The customer notice sent to Frontier Communications of Oregon customers on, or about, May 18, 2006, is deemed sufficient.

Made, entered, and effective JUN 29 2006.

BY THE COMMISSION:



Becky L. Beier

Becky L. Beier
 Commission Secretary

A party may request rehearing or reconsideration of this order pursuant to ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-014-0095. A copy of any such request must also be served on each party to the proceeding as provided by OAR 860-013-0070(2). A party may appeal this order by filing a petition for review with the Court of Appeals in compliance with ORS 183.480-183.484.

ITEM NO. CA5

on

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: June 27, 2006**

REGULAR _____ CONSENT X EFFECTIVE DATE July 15, 2006

DATE: June 19, 2006

TO: Public Utility Commission

FROM: David Sloan *DL*

in

PA

LB

THROUGH: Lee Sparling, Phil Nyegaard, and Lance Ball

SUBJECT: CITIZENS TELECOMMUNICATIONS CO OF OREGON: (Docket No. UM 1264/Advice No. OR-06-06) Increases the rate for Business Caller ID, Caller ID with Name and Number, and Voice Mail services.

STAFF RECOMMENDATION:

Frontier's petition for waiver of the customer notice requirements of OAR 860-034-0310 be granted and the customer notice sent to customers on or about May 18, 2006, be deemed sufficient.

DISCUSSION:

Citizens Telecommunications of Oregon d/b/a Frontier Communications of Oregon (Frontier) is a small telecommunications carrier (under 50,000 access lines) subject to the provisions of Oregon Revised Statute (ORS) 759.040 and to Division 34 of the Oregon Administrative Rules (OAR).

On May 18, 2006, Frontier mailed a notice to its business customers advising them that the monthly tariff rates for several of their feature services would increase effective July 5, 2006. A copy of the customer notice was filed concurrently with the Commission under Advice No. OR-06-06.¹

Due to an administrative oversight, the May 18 notice that Frontier mailed to customers contained two errors. The customer notice stated an effective date of July 5, 2006, instead of the effective date of July 4, 2006, stated on the tariff sheets included in the filing. Additionally, the customer notice stated that the deadline for customer petitions to

¹ Rate increases require notification to affected customers via bill inserts or direct mailings. See OAR 860-034-0310(2). The Commission receives a copy of this customer notice.

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June 19, 2006
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the Commission for an investigation of the filing would be July 5, 2006, instead of June 24, 2006, (10 days prior to the effective date) as required by OAR 860-034-0310.²

On May 25, 2006, Frontier filed to extend the effective date of Advice No. OR-06-06 to July 15, 2006. The revised effective date allows the required 10 days between the final date that customers were told that they could petition the Commission for an investigation of the filing (July 5, 2006) and the effective date of the filing. This is now in compliance with OAR 860-034-0310(3)(e). However, the customer notice sent on or about May 18, 2006, would still not be in total compliance with OAR 860-034-0310, since the effective date stated in the customer notice is July 5, 2006, and the effective date, as revised, is July 15, 2006.

On June 2, 2006, Frontier filed an Application for Waiver of OAR 860-34-0310. In its application, the company asks the Commission to grant it a waiver of the customer notice requirements of the OAR and deem the notice that Frontier sent to all affected customers on or about May 18, 2006, to be sufficient.

I have reviewed the filing and have discussed with Frontier the errors in the customer notice, as well as various alternatives for correcting the errors. An additional notice, with corrected dates, would be very confusing to the customers. Staff believes that no customer is harmed by the company's proposal to delay the effective date of the rate increases to July 15, 2006, from the July 5, 2006, date stated in the customer notice.

Staff has no objections to Frontier's petition for waiver of OAR 860-34-0310 and no objections to deeming the notice sent to customers on or about May 18, 2006, as sufficient with the revised effective date of July 15, 2006.

Pursuant to OAR 860-34-0310 and ORS 759.040, if, prior to the July 5, 2006, deadline for filing petitions with the Commission for an investigation, the Commission receives petitions from 10 percent of the access line subscribers affected by the rate increases (or 500 subscribers, whichever is less), then staff will bring the filing back before the Commission and ask that an investigation be opened. Staff does not anticipate a significant number of subscriber complaints concerning this filing, but if sufficient petitions are received, staff will bring the filing back to the Commission, likely at its July 11, 2006, public meeting.

² OAR 860-034-0310(3)(e) requires the Commission to investigate company rate increases if 10 percent of customers or 500 customers, whichever is less, petition for an investigation 10 days prior to the effective date of the proposed rate increase.

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PROPOSED COMMISSION MOTION:

Frontier's petition for waiver of the customer notice requirements of OAR 860-034-0310 be granted and the customer notice sent to customers on or about May 18, 2006, be deemed sufficient.

Frontier Advice No. OR-06-06