

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1397

In the Matter of)	
)	
QWEST CORPORATION)	
)	ORDER
Petition to Eliminate or Modify Notification)	
Requirements in Order No. 03-609 for Price)	
Changes to Message Toll Services.)	

DISPOSITION: STIPULATION ADOPTED

INTRODUCTION

On October 28, 2008, Qwest Corporation (Qwest) filed a Petition to Eliminate or Modify Notification Requirements in Commission Order No. 03-609 for Price Changes to Message Toll Services (Petition). Qwest asserts that changes to the notice requirements for price changes to its Message Toll Services (MTS) are necessary to give Qwest the flexibility and regulatory freedom to respond promptly and effectively to changing market conditions. Specifically, Qwest requests that the Public Utility Commission of Oregon (Commission) eliminate or modify the requirement that Qwest provide notice of any price changes to its intraLATA MTS to customers 30 days before implementation of the change.

During a prehearing conference on December 4, 2008, the parties indicated that they believed the matter could be settled. A settlement conference was scheduled for December 15, 2008. On December 18, 2008, Commission Staff (Staff) filed a letter informing the Commission that the parties had settled all issues in the docket during the settlement conference. Qwest and Staff filed a Stipulation Between Qwest Corporation and Commission Staff to Modify Notification Requirements in Order No. 03-609 for Price Changes to Message Toll Services (Stipulation), as well as joint testimony in support of the Stipulation, on January 9, 2009.

DISCUSSION

In their Stipulation, Qwest and Staff agreed that it is appropriate to allow Qwest greater flexibility to make price changes to its intraLATA MTS in order to give Qwest the regulatory freedom to respond quickly and effectively to changing market conditions. The current notice requirements were established in Order No. 03-609.¹ Under these requirements, Qwest must: (1) notify the Commission of any changes to any

¹ *In the Matter of Qwest Corporation's Petition to Exempt from Regulation Qwest's IntraLATA Toll Service, Operator Service Charges, and 800 Service Line Option*, Docket No. UX 28, Order No. 03-609 (Oct 16, 2003).

intraLATA MTS rate within 30 days of making the change; and (2) notify its MTS customers in writing of increases in any MTS rate at least 30 days' prior to implementing the increase. Order No. 03-609 also specified language for the customer notices and stated that Qwest could petition to eliminate or modify the notice requirements in the future. Qwest states that it has not made any changes to its MTS rates in Oregon since the issuance of Order No. 03-609.

Qwest and Staff now request that the Commission modify the notice requirements adopted in Order 03-609 by: (1) requiring prior notice to the Commission of price changes to intraLATA MTS rates instead of subsequent notice; and (2) requiring reasonable prior notice to Qwest's customers of changes to intraLATA MTS rates rather than 30 days' prior notice. Qwest and Staff note that the proposed changes not only provide greater flexibility and regulatory freedom, but also make the notice requirements for changes to Qwest's intraLATA MTS rates consistent with the notice requirements for services purchased on a per-call basis, which were recently adopted in Order No. 08-408.² Qwest and Staff note that it would be illogical to continue to require more stringent notice requirements for intraLATA MTS, which is unregulated, than for services provided on a per-call basis, which remain regulated.

We agree with Qwest and Staff that it is appropriate to modify the notice requirements for changes to Qwest's intraLATA MTS rates. Given the increasingly competitive telecommunications market, it is reasonable to allow Qwest greater flexibility and regulatory freedom. We find that the Stipulation provides such flexibility and freedom, but also protects customers by requiring reasonable prior notice. We also believe that requiring prior notice to the Commission, rather than subsequent notice, is an improvement over the current notice requirements. We therefore replace condition 2 in Section 3 of the stipulation adopted in Order No. 03-609 with the following:

1. Notification to Qwest's MTS Customers: Qwest will provide reasonable prior notice to its MTS customers of changes to its intraLATA MTS service charges.
2. Notification to the Oregon PUC:
 - a. Qwest shall notify the Commission of any changes to its intraLATA MTS service charges on or before the date Qwest notifies its customers.
 - b. Qwest will provide to the Commission proposed language to be used in its notification to customers at least 30 days prior to any changes to its intraLATA MTS service charges. This language may provide placeholders for the actual price information (e.g., local long distance rates will be raised by \$0.xx on xx/xx/xxxx date.) However, if Qwest uses the

² *In the Matter of Qwest Corporation Petition for Approval of Price Plan Pursuant to ORS 759.255, Docket No. UM 1354, Order No. 08-408 (Aug 8, 2008).*

following language, this language will be deemed acceptable by the Commission:

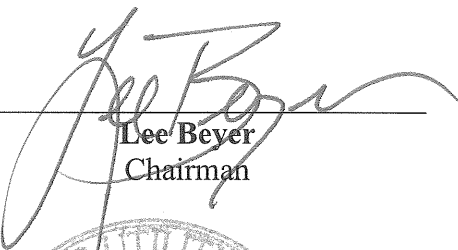
Notice: Effective [date], Qwest's local long distance rate for [product name] is increasing from \$0.xx to \$0.xx per minute. If you have any questions regarding this rate change or your service, or if you would like a free account review, please call us at 1-8xx-xxx-xxxx.³

ORDER

IT IS ORDERED that:

1. The Stipulation between Qwest Corporation and the Staff of the Public Utility Commission of Oregon, attached to this order as Appendix A, is approved.
2. Condition 2 in Section 3 of the stipulation adopted in Order No. 03-609 is modified as set forth in this order, effective immediately.


Made, entered, and effective MAR 13 2009.



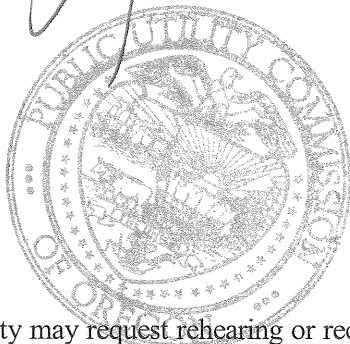
Lee Beyer
Chairman



John Savage
Commissioner



Ray Baum
Commissioner



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.

³ This language is from page 3 of the Stipulation, but has been modified slightly to correct typographical and grammatical errors, and to clarify that prior Commission approval of the language used in the notice is not required if Qwest uses the specific language set forth in 2(b).

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UM 1397

In the Matter of

QWEST CORPORATION

Petition to Eliminate or Modify Notification
Requirements in Order No. 03-609 for Price
Changes to Message Toll Services

**STIPULATION BETWEEN QWEST
CORPORATION AND COMMISSION
STAFF TO MODIFY NOTIFICATION
REQUIREMENTS IN ORDER NO. 03-
609 FOR PRICE CHANGES TO
MESSAGE TOLL SERVICES**

This Stipulation is entered by and between petitioner Qwest Corporation (“Qwest”) and the Staff of the Public Utility Commission of Oregon (“Staff”) in resolution of Qwest’s petition to eliminate or modify notification requirements in Order No. 03-609 for price changes to Message Toll Services (MTS) filed on October 28, 2008 and docketed as UM 1397.

RECITALS

WHEREAS, the parties to this docket and to this Stipulation are Staff and Qwest.

WHEREAS, on October 16, 2003, the Commission issued Order No. 03-609, in Docket UX 28, in which the Commission approved a stipulation of Qwest and Staff to exempt from regulation certain Qwest intraLATA toll services and related services.

WHEREAS, the stipulation approved in Order No. 03-609 contained several conditions, including Section 3, which were the conditions for the exemption from regulation of Qwest’s MTS services (intraLATA toll services in Oregon).

WHEREAS, one of the conditions, Condition 2, in Section 3 approved in Order No. 03-609 pertained to notification of price changes to any MTS rate, specifically as follows:

Notification

Qwest shall notify the Commission of any price changes to any MTS rate *within thirty (30) days of any such price change.* (Emphasis added.)

Qwest will provide its MTS customers with written notification, at Qwest's expense, of increases in its standard intraLATA MTS service charges at least thirty (30) days prior to implementation. The following language should be used in the notice to customers: "Qwest's local long distance rates will be raised by xx % on 'Month' xx, 200x. Alternative providers of long distance plans are available. Additional information is available at the Oregon Public Utility Commission's website, www.puc.state.or.us." *Qwest may file a petition with the Commission to eliminate or modify this notification requirement in the future.* (Emphasis added.)

Qwest will notify its MTS customers that the Commission has deregulated MTS. Qwest will issue the notice at its own expense.

Such notices should be displayed on page 1 of any bill or bill insert and in the same font size as the text of the bill message or bill insert.

Copies of all customer notices shall be sent to the Commission within thirty (30) days of when they are first sent to customers. Order No. 03-609, Appendix A (Stipulation), pp. 3-4 (of 6).

WHEREAS, on October 28, 2008, Qwest filed a petition to eliminate or modify notification requirements in Order No. 03-609 for price changes to Message Toll Services (MTS), which petition was docketed as UM 1397.

WHEREAS, on November 12, 2008, the Commission opened an investigation into Qwest's petition, and later scheduled a settlement conference.

WHEREAS, on December 15, 2008, the parties convened a settlement conference. At the conference, Qwest and Staff reached settlement on Qwest's petition subject to the following conditions proposed by Staff:

1. Notification to Qwest's MTS customers: Qwest will provide reasonable prior notice to its MTS customers of changes to its intraLATA MTS service charges.

2. Notification to the Oregon PUC:

a. Qwest shall notify the Commission of any changes to its intraLATA MTS service charges on or before the date Qwest notifies its customers.

b. Qwest will provide to the Commission at least 30 days prior to any changes to its intraLATA MTS service charges proposed language to be used in its notification to customers. This language may provide placeholders for the actual price information (e.g., local long distance rates will be raised by \$.0.xx on xx/xx/xxxx date.) However, if Qwest uses the following language below, this language will be deemed acceptable by the Commission:

Notice: Effective [date], Qwest's local long distance rates for [product name] is increasing from \$0.xx to \$0.xx per minute. If you have any questions regarding this rate change, your service or would like a free account review, please call us at 1-8xx-xxx-xxxx.

WHEREAS, the parties request that the Commission modify Condition 2 in Section 3 of the stipulation approved in Order No. 03-609 in its entirety and replace it with the conditions set forth in the immediately previous recital above.

NOW, THEREFORE, THE PARTIES EXECUTING THIS STIPULATION agree to the following terms in order to settle the following specified issues as allowed by OAR 860-014-0085:

AGREEMENT

1. General Terms

This Stipulation is entered into to resolve and settle certain disputed issues for the Commission in UM 1397. It does not represent a statement or agreement by any party that the provisions herein can or should be used in any other jurisdiction for any purpose. Rather, it is an agreement to settle the request raised in Qwest's petition in order to avoid the expense of further litigation, and to expeditiously implement Qwest's petition. A party's agreement to this Stipulation shall not be used as a statement by such party that it endorses any methodology, analysis or legal interpretation.

Should the Commission fail to adopt the Stipulation, or should the Commission materially modify the Stipulation, any party hereto shall have the right to withdraw from the Stipulation and proceed with a resolution of all issues in this proceeding through hearings.

This Stipulation sets forth the entire agreement between the parties hereto and supercedes any and all prior communications, understandings, or agreements, oral or written, between the parties pertaining to the subject matter of this Stipulation.

This Stipulation may not be modified or amended except by written agreement between all parties who have executed it.

This Stipulation may be executed in counterparts, all of which when taken together shall constitute one agreement binding on the parties, notwithstanding that all parties are not signatories to the same counterpart. The parties further agree that any facsimile copy of a party's signature is valid and binding to the same extent as an original signature.

2. Conditions regarding future price changes for intraLATA toll

The parties agree to the following conditions regarding any future price changes for intraLATA toll, as follows:

1. Notification to Qwest's MTS customers: Qwest will provide reasonable prior notice to its MTS customers of changes to its intraLATA MTS service charges.
2. Notification to the Oregon PUC:
 - a. Qwest shall notify the Commission of any changes to its intraLATA MTS service charges on or before the date Qwest notifies its customers.
 - b. Qwest will provide to the Commission at least 30 days prior to any changes to its intraLATA MTS service charges proposed language to be used in its notification to customers. This language may provide placeholders for the actual price information (e.g., local long distance rates will be raised by \$.0.xx on xx/xx/xxxx date.) However, if Qwest uses the following language below, this language will be deemed acceptable by the Commission:

Notice: Effective [date], Qwest's local long distance rates for [product name] is increasing from \$0.xx to \$0.xx per minute. If you have any questions regarding this rate change, your service or would like a free account review, please call us at 1-8xx-xxx-xxxx.

IT IS SO STIPULATED.

SIGNATURES

PUBLIC UTILITY COMMISSION OF OREGON STAFF

By: *Michael X*
Its: Attorney

Dated: January 8th, 2009

QWEST CORPORATION

By: _____
Its: Attorney


Dated: January __, 2009

Notice: Effective [date], Qwest's local long distance rates for [product name] is increasing from \$0.xx to \$0.xx per minute. If you have any questions regarding this rate change, your service or would like a free account review, please call us at 1-8xx-xxx-xxxx.

IT IS SO STIPULATED.

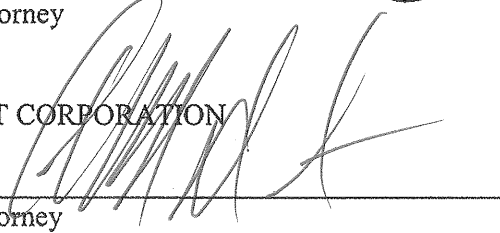
SIGNATURES

PUBLIC UTILITY COMMISSION OF OREGON STAFF

By: 
Its: Attorney

Dated: January 8th, 2009

QWEST CORPORATION

By: 
Its: Attorney

Dated: January 9, 2009