

This is an electronic copy. Appendices and Footnotes may not appear.

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UD 12

In the Matter of the Petition of United)	
Telephone Company of the Northwest dba)	ORDER
Sprint to Price List Certain Packaged)	
Services.)	

DISPOSITION: PETITION GRANTED

On August 31, 1999, United Telephone Company of the Northwest dba Sprint (United) filed a petition to price list five service packages, "Advantage," "Call Manager," "Sprint Essentials," "In Touch With Call Forward," and "Sprint Elite." Only the packages themselves would be price listed, not the individual services in the packages. The individual services would remain in the regular tariff.

The five service packages proposed for price listing are:

(1) Advantage Package (\$11.00)¹

- Call Waiting
- Caller ID Name and Number
- Return Call
- Call Forward – Busy
- Call Forward – Don't Answer

(2) Call Manager Package (\$10.00)

- Call Forward -- Variable
- Call Waiting
- Three-Way Calling
- Repeat Dial
- Return Call
- Call Forward – Busy
- Call Forward – Don't Answer

¹ The prices reflect the monthly rate per line.

ORDER NO.

(3) Sprint Essentials (\$13.00)

- Call Forward -- Variable
- Call Waiting
- Caller ID Name and Number
- Three-Way Calling
- Repeat Dial
- Return Call
- Call Forward – Busy
- Call Forward – Don't Answer

(4) In Touch With Call Forward (\$5.00)

- Call Forward -- Variable
- Call Waiting
- Three-Way Calling
- Call Forward – Busy
- Call Forward – Don't Answer

(5) Sprint Elite (\$15.00)

- Anonymous Call Rejection
- Call Forward -- Variable
- Call Waiting
- Call Waiting With Options
- Caller ID Name and Number
- Repeat Dial
- Return Call
- Three-Way Calling
- Call Forward – Busy
- Call Forward – Don't Answer

The five packages are currently available to residential and business customers pursuant to Schedule AE-4 of United's Local Exchange Tariff OR PUC No. 3, 3rd Revised Sheet 19. United states in its application that the initial prices of these packages will be the current tariffed rates, and that the price for any package will not exceed the sum of the tariffed rates for the package's individual components. United also states that any revised prices for the price-listed packages will be equal to or greater than the sum of the long-run incremental costs of the nonessential services plus the tariffed rates for any essential services included in the packages. The rates and charges are in addition to all rates and charges for the associated underlying access line service.

ORDER NO.

Under ORS 759.030(6) and OAR 860-032-0035, the Commission may authorize a telecommunications utility to price list services if the services are not essential services, without any requirement that the services be subject to competition.

Commission Staff reviewed United's petition and presented its analysis at the Commission's October 5, 1999, public meeting. Staff recommended that the Commission grant the petition and allow United to file a price list for the service packages listed in the petition. Staff stressed that only the packages would be price listed, while the individual features in the packages would still be available pursuant to tariff. Staff also noted that the initial prices for the packages would be the same as the currently tariffed rates for the packages, and therefore there will be no net revenue impact from this filing.

In addition, Staff pointed out that, should it appear in the future that United was using the price listing of the packages in a manner designed to circumvent the normal regulatory process, Staff could ask for an investigation and the Commission could order that the packages be filed as part of the fully regulated tariff. Staff added that under ORS 759.030(7), the Commission could suspend the current filing and investigate further regardless of whether the proposed price list services are essential, if it has other public policy concerns. However, Staff raised no other policy issues. Staff asserted that it sees no immediate risk of harm to the public interest in allowing this petition.

However, Staff noted that past Commission decisions included a requirement that the price for any package not exceed the sum of the tariffed rates of the package's individual service components. Staff also noted that prior orders were issued without prejudice to future decisions concerning whether any particular services are essential or nonessential, or whether any particular service package should be price listed when some of the underlying services are tariffed.

The Commission adopted the Staff report and granted United's petition at the October 5 public meeting. The Commission finds that the petition substantially meets the requirements of ORS 757.030(6) and OAR 860-032-0035.² Because the initial rates for the packages will be same as the current tariffed rates, it appears that the rates will be above cost. In any event, United has committed in its petition that the rates will be equal to or greater than the long-run incremental costs of the nonessential services plus the tariffed rates for any essential services, and that the maximum rates will not exceed the sum of the tariffed rates for the individual components in the packages. The Commission also notes that pursuant to OAR 860-032-0035(7), it may amend or revoke its order after proper notice and investigation if future circumstances warrant.

² The information provided with the petition does not appear to include all of the terms and prices of the service. However, the information does appear to incorporate by reference the terms and conditions contained in Schedule AE-4 of the P.U.C. Or. No. 3 tariff.

ORDER NO.

ORDER

IT IS ORDERED that:

1. The petition filed by United Telephone Company of the Northwest dba Sprint to price list its Advantage, Call Manager, Sprint Essentials, In Touch With Call Forward, and Sprint Elite packaged services is granted. United shall file a price list that is consistent with its petition and this order.
2. The total price of each service package shall not exceed the sum of the tariffed rates of the individual service components in the package.
3. The total price of each service package shall be equal to or greater than the long-run incremental costs of the nonessential services plus the tariffed rates for any essential services.
4. The decision to grant the petition of United Telephone Company of the Northwest dba Sprint is made without prejudice to future decisions regarding whether any particular services are essential or nonessential, or whether any particular service package should be price listed when some of the underlying services are tariffed.

Made, entered, and effective _____.

Ron Eachus
Chairman

Roger Hamilton
Commissioner

Joan H. Smith
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 to a court pursuant to ORS 756.580.

ORDER NO.

P:\Administrative Hearings\Bensavage\United Telephone, UD 12