

**PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: November 3, 2009**

**REGULAR** \_\_\_\_\_ **CONSENT**  X  **EFFECTIVE DATE**  November 4, 2009

**DATE:** October 22, 2009

**TO:** Public Utility Commission

**FROM:** Jim Stanage

**THROUGH:** Lee Sparling, Bryan Conway, and Irv Emmons

**SUBJECT:** UNITED TELEPHONE CO OF THE NORTHWEST: (Advice No. OR09-14)  
Establishes a new Business Customer Incentive Program, "Connected II  
(One Month Free)".

**STAFF RECOMMENDATION:**

Staff recommends that the filed tariff be allowed to go into effect.

**DISCUSSION:**

United Telephone Company of the Northwest, dba Embarq (Embarq), proposes to establish a new Business Customer Incentive Program called, "Connected II (One Month Free)". The monthly rate for Connected II is \$38.95 per line.

Business customers who are not currently subscribed to Solutions II – Business Connected II may be eligible for a one-time waiver of the monthly recurring charge for Solutions II – Business Connected II. To be eligible, customers who are contacted by the Company or contact the Company and request this offer must subscribe to Solutions II – Business Connected II under a one, two, or three-year term commitment.

The one-time waiver of the monthly recurring charge for Solutions II – Business Connected II will apply for the first full month's service after the service is installed. This waiver only applies to the initial bundle ordered per location.

Connected II is a package of optional business services. The service package includes features and services for a flat monthly rate on each local business access line provided. Connected II includes the following services and features:

- One-Party Flat Rate Local Exchange Service;
- Hunting (optional);
- Call Waiting;
- Three-Way Calling;
- Call Forwarding;
- Return Call;
- Repeat Dial;
- Speed Dial (8 Number Capacity);
- Caller ID with Name (includes Anonymous Call Rejection);
- Call Forward No Answer-Fixed; and
- Call Forward Busy-Fixed.

Under Oregon Revised Statute (ORS) 759.190, telecommunications utilities are required to submit tariff filings to the Commission whenever they intend to change their tariff, including changes to rates, terms, or conditions of service. This filing was submitted on October 1, 2009, and thus, complies with the statute, which requires tariff filings to be made at least thirty days prior to their effective date.

The company submitted an analysis that shows the rates for the filed services cover the cost of service. Although Embarq has not completed a general cost study docket and had its results adopted by the Commission, the proposed rates do cover Qwest Corporation's adopted long-run, incremental costs (LRIC) for the same regulated services, which staff is using as a surrogate for analytical purposes.

This filing would have a negligible effect on annual revenues.

**PROPOSED COMMISSION MOTION:**

The Embarq tariff proposed in Advice No. OR09-14 be allowed to go into effect.