

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT**

PUBLIC MEETING DATE: November 20, 2001

REGULAR _____ **CONSENT** X **EFFECTIVE DATE** November 21, 2001

DATE: November 9, 2001

TO: Phil Nyegaard through Lance Ball

FROM: Jim Stanage

SUBJECT: VERIZON NORTHWEST, INC.: (Advice No. 763) Requests a standard nonrecurring charge for supersedure orders from independent payphone providers.

STAFF RECOMMENDATION:

I recommend that the filed tariff be allowed to go into effect.

DISCUSSION:

Verizon Northwest, Inc. (Verizon) proposes to establish a standard nonrecurring charge for supersedure orders from independent payphone providers. Housekeeping changes have also been made to conditions for Public Access Line Service. When independent payphone providers take over the payphones of other payphone providers they place supersedure orders with Verizon. The effect of the supersedure orders is that the name on the customer account is changed, but no changes affecting the access line facilities are necessary, and thus, the public access line (PAL) customer is not required to pay the nonrecurring service installation normally associated with a new access line. The standard rate will apply to all such PAL "take overs" by payphone providers. In addition, the current rate is reduced through this filing from \$19.95 to \$12.26.

The filing was submitted on October 12, and thus, complies with Oregon Revised Statutes (ORS) 759.190, which requires tariff filings to be made at least thirty days prior to their effective dates. In addition, ORS 759.175 requires telecommunications utilities to submit tariff filings to the Commission whenever a telecommunications utility intends to change its rates, terms, or conditions of service.

Public access line service provides telephone service to all independent payphone providers' pay telephones. A pay telephone is defined in Oregon Administrative Rule (OAR) 860-032-0001 as "a telephone instrument, generally placed in public areas, for

transient use on a pay-per-call basis... provided by local exchange carriers, or provided by other persons or entities.”

The company submitted a cost study that shows the proposed rates cover the cost of service. Although Verizon’s cost study results have not yet been accepted by the Commission, the proposed rates do cover Qwest’s costs for the same services. ORS 759.050(5)(b) requires that regulated telecommunications services be priced at least as high as the imputed price floor¹ (i.e., the cost of service). In docket UM 844, the Commission held that, until Verizon’s cost docket is completed, the imputed price floor established for Qwest would also apply to Verizon as well as to other Oregon Incumbent Local Exchange Companies (ILECs).²

The company estimates that this filing would have a negligible annual revenue effect during the next twelve months.

PROPOSED COMMISSION MOTION:

Verizon’s tariff proposed in Advice No. 763 be allowed to go into effect.

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¹ The imputed price floor: "... the price for a competitive zone service within the zone may not be lower than the total service long run incremental cost [TSLRIC], for nonessential functions, of providing the service within the zone and the charges for essential functions used in providing the service..." See ORS 759.050(5)(b).

² See Order 97-239.