

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: April 23, 2002**

REGULAR _____ CONSENT X EFFECTIVE DATE May 5, 2002

DATE: April 9, 2002

TO: John Savage through Phil Nyegaard and Lance Ball

FROM: David Sloan

SUBJECT: CENTURYTEL OF OREGON, INC.: (Advice No. 233) Introduces Simple Choice One, Simple Choice Two and Voice Mail Complementary Services Package.

STAFF RECOMMENDATION:

Staff recommends the tariff filing be allowed to go into effect.

DISCUSSION:

On December 19, 2001, CenturyTel of Oregon, Inc. (the Company) filed Advice No. 233. The purpose of the filing is to introduce three new service packages in the Company's tariff PUC OR No. 5. The filing also grandfathers to existing customers feature discounts currently in the tariff, and changes certain features names for the purpose of standardization. The effective date of the filing is May 5, 2002.

Simple Choice - The filing introduces two new service packages – Simple Choice One and Simple Choice Two, available to both residence and business customers. The proposed packages are not new services, but merely bundle services/features that the Company currently offers in its tariff. The filing grandfathers currently tariffed features discounts to existing customers at their current location. However, the services/features in the packages are still available to customers on a non-discounted individual service/feature basis. The package prices proposed in the filing for each package are considerably less than the sum of the tariffed prices for the individual services/features included in the packages.

I have reviewed the cost and revenue analysis provided with the filing. The price proposed in the filing for each Simple Choice package exceeds the cost of providing the services/features included in the package.

Simple Choice One includes a specified list of features and a flat rate access line. Simple Choice Two includes the same specified list of features and two access lines. Customers subscribing to either package are entitled to unlimited use of the following services/features:

Caller ID	3-Way Calling
Call Waiting	Distinctive Ring
Call Waiting ID	VIP Alert
Call Waiting Display Deluxe	Busy Redial *66
Call Forwarding	Speed Call 8 or Speed Call 30
Call Forward No Answer	Anonymous Call Rejection *77
Call Forward Busy	Selective Call Accept *64
Call Forward Busy/No Answer	Selective Call Forward *63
Call Forward Remote Access	Selective Call Rejection *60
Call Return *69	Message Waiting Indication

The proposed price matrix for Simple Choice One and Simple Choice Two is as follows:¹

	<u>Residence</u>	<u>Business</u>
Simple Choice One		
Rate Group One	\$24.95	\$34.95
Rate Group Two	\$29.95	\$39.95
Simple Choice Two		
Rate Group One	\$44.95	\$64.95
Rate Group Two	\$54.95	\$74.95

As a comparison, the Company's tariffed rate for Flat Rate Service if ordered separately is as follows:

Rate Group One	\$12.48	\$20.31
Rate Group Two	\$16.55	\$27.25

¹ The Company tariff, P.U.C. Or. No. 5, includes pricing for two rate groups. Rate Group I includes all of the Company's exchanges except the Silver Lake exchange. Rate Group II includes the Silver Lake exchange. Distinctive rates (now Rate Group II) were established for the Silver Lake exchange in Telephone Utilities of Eastern Oregon's (a predecessor to CenturyTel) Advice No. 31, effective December 17, 1984. This resulted from Commission Order No. 84-922, which authorized the purchase of the Silver Lake exchange from Pacific Northwest Bell.

Voice Mail Complementary Services Package - The filing also introduces a Voice Mail Complementary Services Package. The Package provides customers with a group of basic network services (generally used in conjunction with voice mail service) at a single monthly rate. The package merely bundles features that the Company currently offers in its tariff. The filing grandfathers currently tariffed discounted Voice Mail Service feature packages to existing customers at their current location. However, the features in the Voice Mail Complementary Services Package are still available to customers on an individual feature basis. The package price proposed in the filing is less than the sum of the tariffed prices for the individual services/features included in the package. The proposed package consists of the following services/features:

Call Forward No Answer,
Call Forward Busy or
Call Forward Busy/ No Answer, and
Message Waiting Indication – Audible or Visual

The proposed monthly rate for the Package is \$2.00 and \$3.00 for residence and business customers, respectively.

The Company estimates a net annual revenue increase of \$28,810 from this filing.

The filing also changes certain features names for the purpose of standardization, with no effect on the Company's revenues.

The filing is in compliance with Oregon Revised Statute (ORS) 759.190, which requires the Company to give a 30-day notice to the Public Utilities Commission for any change made to its tariff schedules. The filing is consistent with OAR 860-022-0025, which permits a utility to make tariff changes and establishes the type of information a utility must submit with a tariff filing.

The filing is not contrary to the public interest. The filing introduces additional service/feature options for the Company's business and residence customers.

PROPOSED COMMISSION MOTION:

The tariff sheets filed with CenturyTel of Oregon, Inc.'s Advice No. 233 be allowed to go into effect for service rendered on or after May 5, 2002.