

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: December 3, 2002**

REGULAR **CONSENT** X **EFFECTIVE DATE** December 4, 2002

DATE: November 25, 2002

TO: John Savage through Phil Nyegaard and Lance Ball

FROM: David Sloan

SUBJECT: VERIZON NORTHWEST INC.: (Advice No. 797) Adds Customer Moves and Changes and Station Message Detail Recording optional services for customers of CentraNet Service.

STAFF RECOMMENDATION:

Staff recommends the filing be allowed to go into effect.

DISCUSSION:

On October 18, 2002, Verizon Northwest Inc. (the Company) filed Advice No. 797 amending its tariff, PUC OR. 18. The Company filed Supplement A on November 5, 2002, along with a Utility L. S. N. Application (LSN). The filing: (1) introduces two new generation optional services for customers of CentraNet®, (2) grandfathers two old generation optional services for customers of CentraNet®, and (3) introduces individual case basis (ICB) pricing for the two new optional services. The effective date is December 4, 2002.

CentraNet®, often generically referred to as Centrex, is a central office based service arrangement that consists of host central office interface equipment and software located on Company premises. CentraNet® provides local exchange access, interexchange access, intrasystem communications and a variety of CentraNet® feature packages.

INTRODUCTION OF NEW GENERATION SERVICES

Customer Moves and Changes (CMAC) - The filing introduces a new generation CMAC, which provides CentraNet® customers with the ability to prepare, schedule, and implement (under the customer's control) certain feature changes and certain

configurations of their CentraNet® from their own computer terminal. The CentraNet® management capabilities of the new generation CMAC include:

1. Service Option Information Changes:
 - Service Level Assignment Call-Pickup Group
 - Call Forwarding Number
 - Authorization code Assignment
 - Button Features
2. Activation/Deactivation of Features
3. Telephone Number Swaps

The filing proposes a monthly rate of \$95 for the CMAC optional feature with CentraNet® systems of 2 – 200 lines. The proposed nonrecurring charge is \$800. The filing proposes ICB pricing for CMAC with CentraNet® systems exceeding 200 lines.

Message Detail Recording (SMDR) – The filing introduces SMDR as a new generation replacement service for Instant Call Accounting. SMDR provides a record of calls originating from CentraNet® station lines to locations outside of the same CentraNet® line group. Facility groups may also be designated as requiring originating and terminating records. The SMDR record includes the following information:

1. The CentraNet® Line number of incoming facility group which originated the call
2. The called telephone number
3. The date, time, and duration of the call
4. The facility type used for routing the call

The new generation SMDR will allow the customer to access their call data: (1) through the Internet, (2) via dial-up to a centralized location, or (3) via dedicated access from the serving central office to the customer's premises. The filing proposes a monthly rate of \$200 and a nonrecurring rate of \$300 for either Internet Access or Dial-up Access with systems of less than 200 lines. The filing proposes that for systems of over 200 lines with Internet Access or Dial-up Access, and for all Dedicated Access, the recurring and nonrecurring pricing be on an individual case basis.

GRANDFATHERED OLD GENERATION SERVICES

Customer Moves and Changes (CMAC) – The filing grandfathers to current customers the old generation CMAC. This old generation optional service was first offered to CentraNet® customers in 1993. The Company reports that it currently has one customer for this service. The customer will be migrated to the less expensive new generation CMAC at the end of the customer's current service contract. When the

Company has no customers for the old generation optional service, it may petition to abandon the service.

Instant Call Accounting (ICA) – The filing grandfathers to current customers this old generation optional service and replaces it with SMDR, which can be accessed through the Internet. The Company reports that it currently has one customer for ICA. When the Company has no customers for the old generation optional service, it may petition to abandon the service.

Since the filing grandfathers to current customers the old generation CMAC and ICA for as long as the customer has the service, OAR 860-032-0020, Notice of Intent to Abandon Service, does not apply. A service is not considered abandoned when the service is closed to new customers, existing customers are grandfathered, and there is no sunset date.

ICB PRICING FOR CMAC AND SMDR

The filing introduces ICB pricing for the new generation optional services CMAC and SMDR. The current tariff includes ICB pricing for CentraNet® Line Charges for service arrangements exceeding 200 lines, but not for CMAC and Instant Call Accounting. Since the proposed ICB pricing for CMAC and SMDR is consistent with the current pricing of CentraNet® Line Charges, the filing should not affect the number of future Verizon Special Contract filings.

The filing is in compliance with 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, and 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 projected annual revenue impact from the filing is \$1,166. The filing is not contrary to the public interest.

PROPOSED COMMISSION MOTION:

The associated LSN be approved and the tariff sheets filed with Verizon Northwest Inc.'s Advice No. 797 be allowed to go into effect for service rendered on or after December 4, 2002.