

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: May 13, 2003**

REGULAR _____ CONSENT X EFFECTIVE DATE May 21, 2003

DATE: May 5, 2003

TO: John Savage through Phil Nyegaard through Lance Ball

FROM: Jim Stanage

SUBJECT: SPRINT/UNITED TELEPHONE CO. OF THE NORTHWEST:
(Advice No. OR03-04) Establishes two new Toll Restriction options

SUMMARY RECOMMENDATION:

Allow the filed tariff to go into effect.

DISCUSSION:

Sprint/United Telephone Company of the Northwest, Inc. (United) proposes to establish a new service, Toll Restriction Service, with two options. The two options give customers additional choices and assist in the standardization of United's tariffs across states, according to the company. This service is available to customers who wish to prevent incurring usage charges for certain types of calls. These options prevent access to certain dialing patterns, including direct dialed, operator assisted and directory assistance calls. The proposed package would have a nonrecurring charge of \$25.00 and a monthly recurring charge of \$2.00 per line.

The filing was submitted on April 15, 2003, 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.

Where central office facilities permit, Toll and Casual Dialing Restriction prevents the completion of certain types of calls. Toll and Casual Dialing Restriction may be provided with individual line residence and business exchange services in exchanges equipped to program Toll and Casual Dialing Restriction without alteration of the central office equipment.

Toll and Casual Dialing Restriction Options 1 and 2 restrict access to 1+, 0+ 0-, and 00-, and restrict access to 01/011+ numbers outside of the North American Numbering Plan. Access to 900, 976, 500 and 700 numbers is also restricted in addition to Directory Assistance and the casual dialing of toll calls (by preceding the telephone number with 101XXXX+, e.g., 10-10-220 or 10-10-321). Option 1 additionally restricts access to Toll Free Code numbers (e.g., 1 + 800, 1 + 888, etc.).

Operator Services will not be accessible from a line with Toll and Casual Dialing Restriction Option 1 or 2. Toll and Casual Dialing Restriction does not restrict calls to 911 emergency reporting service or to 1+710 Government Emergency Telecommunications Service Calls. Customers are responsible for calls charged to their number via third number billing, collect or credit card.

The company did not submit a cost study to show the proposed rates cover the cost of service. Nevertheless, the proposed rate does cover Qwest Corporation's price floor for the same services. I would note that the Commission has not accepted Sprint/United's cost study results. ORS 759.050(5)(b) requires that regulated telecommunications services offered within a company's competitive zone be priced at least as high as the imputed price floor¹ (i.e., the cost of service). The services covered by this filing are offered in Sprint/United's competitive zone exchanges. In docket UM 844, the Commission held that, until a Sprint/United cost docket is completed, the imputed price floor established for Qwest would also apply to Sprint/United as well as to other Oregon Incumbent Local Exchange Companies (ILECs).²

The company estimates that this filing would increase annual net revenues by a negligible amount.

PROPOSED COMMISSION MOTION:

That the Sprint/United tariff proposed in Advice No. OR03-04 be allowed to go into effect.

UnitdOR03-04.TollRestrct

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.