

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: July 24, 2007**

REGULAR CONSENT EFFECTIVE DATE July 25, 2007

DATE: July 9, 2007

TO: Public Utility Commission

FROM: Jim Stanage

THROUGH: Lee Sparling, Dave Booth, and Dave Sloan

SUBJECT: UNITED TELEPHONE COMPANY OF THE NORTHWEST/EMBARQ:
(Advice No. OR07-19) Revises the company's Business Customer Incentive Program to provide two monthly bill credits rather than the current single monthly bill credit.

STAFF RECOMMENDATION:

Staff recommends that the filed tariff be allowed to go into effect and that the request for a waiver of statutory notice be granted.

DISCUSSION:

United Telephone Company of the Northwest, dba Embarq (Embarq), proposes to revise its Business Customer Incentive Program to provide two bill credits rather than the current single monthly bill credit: Business Customer Incentive Program, Save Offering Lifeguard and Save Offering Coastguard. This program is intended to offer incentives to customers to retain and to expand their purchases of Embarq's services.

The filing was submitted on June 22, 2007, but has since been revised. The revisions were filed less than thirty days prior to the effective date. Oregon Revised Statutes (ORS) 759.190 requires tariff filings to be made at least thirty days prior to their effective dates. However, the company has filed a request for a waiver of the statutory notice requirement so that the tariff filing can be allowed to go into effect with less than the statutory notice of thirty days (i.e., a request sometimes referred to as an LSN).

Both Save Offering Lifeguard and Save Offering Coastguard are available to business customers who subscribe to Key Trunks, PBX Trunks, Integrated Services Digital Network Basic Rate Interface (ISDN-BRI) service, Integrated Services Digital Network

Primary Rate Interface (ISDN-PRI), Enhanced Frame Relay Service, Asynchronous Transfer Mode Cell Relay Service (ATM), Analog Private Line Services, Digital Data, High Capacity, Lightlink, Digital Trunking Service, Centrex, PRI Bundle, or Individual Voice Channels for Custom Access Solution. Those customers would be eligible for *two* bill credits when:

1. They contact the company to inform it that they have received a better priced offer for the same or comparable service(s) from a competitor; or
2. They contact the company to disconnect service(s) and agree to retain their service(s) with the company.

The customer's monthly charges for the service(s) for which they would receive the credits must equal or exceed \$50.00 (excluding long distance, taxes, surcharges, and other fees). The credits would be reflected on the customer's bill in the next full month's billing cycle.

The credits, as specified in the tariff, would be reflected on the customer's first and third month's bill following the customer's subscription to the two applicable services.

The company did not submit a cost study to show that the proposed rates cover the costs of service. However, Embarq's proposed rates do cover Qwest Corporation's costs 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, since it is intended to retain current customers and revenues.

PROPOSED COMMISSION MOTION:

The Embarq tariff proposed in Advice No. OR07-19 be allowed to go into effect with less than statutory notice.