

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: November 8, 2007**

REGULAR _____ **CONSENT** X **EFFECTIVE DATE** November 19, 2007

DATE: October 29, 2007

TO: Public Utility Commission

FROM: David Sloan

THROUGH: Lee Sparling and Dave Booth

SUBJECT: QWEST CORPORATION: (Advice No. 2057) Introduces the Purchase Plus Reward discounted pricing plan for business customers purchasing three to twenty basic business lines and/or packages.

STAFF RECOMMENDATION:

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

DISCUSSION:

Qwest Corporation (Qwest) filed Advice No. 2057 on October 19, 2007, proposing changes to the company's Exchange and Network Services tariff, PUC OR. No. 33. The filing, which introduces a discounted pricing plan for basic business services, is filed pursuant to Oregon Revised Statutes (ORS) 759.175 and 759.410. The new discount pricing plan is a part of Qwest's overall efforts to retain its business customers.

The purpose of this filing is to introduce the Purchase Plus Reward™ plan, which provides monthly discounts for business customers purchasing three to twenty basic business lines and/or packages. The discounts are available when the customer commits to increase their total monthly billing on qualifying Qwest products and services for a minimum term of one year. The increased monthly billing may come from Qwest Corporation, Qwest Communications Corporation and/or Qwest Long Distance Corporation products and services under the terms and conditions of the Qwest Total Advantage Express™ or Qwest Total Advantage™ Agreement.¹ The filing also removes some obsolete U S WEST trademark references that remain in the tariff.

¹ The filing adds to the tariff a brief description of the new Contractual Service Agreements, Qwest Total Advantage Express™ and Qwest Total Advantage™. These are one, two, and three-year agreements.

Services eligible for the monthly discount include the Flat Rated Business Line (1FB), Qwest Choice™ Business, Qwest Choice™ Business Plus, Qwest Choice™ Business Add-A-Line and Qwest Choice™ Business Prime.

Discounts available for the 1FB range from 10 percent for an increased total monthly billing of \$100 to \$499 to 20% for an increased total monthly billing of \$1,000 plus. For the 1FB there is no differentiation between discounts by length of term commitment.

Discounts available for Qwest Choice™ Business, Qwest Choice™ Business Plus, Qwest Choice™ Business Add-A-Line and Qwest Choice™ Business Prime are differentiated by length of term commitment and by increase in total monthly billing. The discounts range from 20 percent for a one-year term commitment and an increase in total monthly billing of \$100 to \$499 up to 40 percent for a three-year term commitment and an increase in total monthly billing of \$1,000 plus.

I have reviewed the filing and conclude that it is consistent with applicable statutes, rules and Commission policy. In an effort to retain customers and increase the related monthly billing, Qwest is offering this additional option to its business customers.

PROPOSED COMMISSION MOTION:

The tariff sheets filed with Qwest Corporation's Advice No. 2057 be allowed to go into effect for service rendered on or after November 19, 2007.