

**PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: October 7, 2008**

REGULAR \_\_\_\_\_ CONSENT  X  EFFECTIVE DATE  October 8, 2008

**DATE:** September 26, 2008

**TO:** Public Utility Commission

**FROM:** John Reynolds

**THROUGH:** Lee Sparling, Bryan Conway and Cynthia Van Landuyt

**SUBJECT:** VERIZON NORTHWEST INC: (Advice No. 963) Introduces a lower speed (10 Mbps) to Transparent LAN Service (TLS) Premier Access Line, and clarifies tariff language for Network Performance Service Level Agreements and Ethernet Virtual Circuits (EVCs).

**STAFF RECOMMENDATION:**

Staff recommends the filing be allowed to go into effect.

**DISCUSSION:**

On September 8, 2008, Verizon Northwest Inc. (Verizon) filed Advice No. 963, proposing to change its tariff P.U.C. OR. No. 12. The filing introduces a lower speed (10 Mbps) to TLS Premier Access Line, and clarifies tariff language for Network Performance Service Level Agreements and EVCs. The effective date is October 8, 2008.

TLS is a high speed packet data service which uses a shared fiber network to allow for the interconnection of Local Area Networks (LANs) across selected metropolitan areas. Access lines connect a LAN to Verizon's network, which is then connected by an access line to another LAN. Verizon offers TLS in two different service types: Ethernet Multipoint Service, which provides multipoint connectivity, and Ethernet Relay Service, which provides point-to-point connectivity. ERS offers two access line choices: Standard and Premier. Each type of access line provides different schemes of prioritizing the handling of data packets. Both types of access lines are available in speeds of 100 Mbps and 1,000 Mbps. Prior to this filing, low speed (10 Mbps) was available only in the Standard Access Line. This advice adds a 10 Mbps choice to the Premier Access Line type.

Staff has reviewed the cost support information submitted with this advice and has found the rates proposed for month-to-month, 3-year contract and 5-year contract exceed the Total Service Long Run Incremental Costs for the service. In addition, the cost studies are consistent with previous TLS filings with this Commission.

This advice proposes changes to service guideline requirements for Premier and Ethernet Multipoint Service-Real Time access lines and for EVCs.<sup>1</sup> TLS is Ethernet technology, the criteria for which are established primarily by the Institute of Electrical and Electronics Engineers Inc. Ethernet criteria are not included in the service quality requirements monitored by this Commission.

In accordance with ORS 759.185, *Suspension of rates pending hearing*, the Commission could suspend this filing for further investigation. However, based on the data presented, a much more detailed review is unlikely to result in different findings. Therefore, Staff recommends the Commission accept Verizon's tariff revision.

**PROPOSED COMMISSION MOTION:**

Verizon Northwest's Advice No. 963 be allowed to go into effect for service rendered on or after October 8, 2008.

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<sup>1</sup> An EVC provides point-to-point Ethernet connectivity between two User Network Interfaces (UNIs), between a UNI and a shared network EVC, or between a UNI and an Internet EVC. (UNIs are connected to customer systems such as LANs at each point.)