

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: July 5, 2016

REGULAR _____ CONSENT X EFFECTIVE DATE _____ NA _____

DATE: June 22, 2016

TO: Public Utility Commission

FROM: Jim Stanage 

THROUGH: Jason Eisdorfer, Bryan Conway, and Bruce Hellebuyck 

SUBJECT: OREGON TELEPHONE CORPORATION: (Docket No. UM 1774) Petition requesting exemption from ORS 759.175 pursuant to the authority set forth in ORS 759.040(5).

STAFF RECOMMENDATION:

Staff recommends that the Commission grant the petition to exempt Oregon Telephone Corporation from ORS 759.175.

DISCUSSION:

Issue

Whether the Oregon Telephone Corporation (Oregon Telephone) petition to be exempt from the requirements of ORS 759.175 pursuant to the authority set forth in ORS 759.040(5) should be granted. The petition was filed on May 6, 2016, and was amended on May 20, 2016.

Applicable Law

Telecommunications utilities are required, under ORS 759.175, to submit tariff filings to the Commission whenever a telecommunications utility intends to change its rates, terms, or conditions of service.

The company has been regulated under ORS 759.040 since the statute went into effect in 1987. Pursuant to ORS 759.040(1), (2), and (3), small telecommunications utilities (i.e., those serving fewer than 50,000 access lines in Oregon), as well as affiliated groups of telecommunications utilities collectively serving fewer than 50,000 access

lines in Oregon, are subject to ORS 759.175. This status is can be referred to as "small company treatment."

Small telecommunications utilities may petition the Commission under ORS 759.040(5) for exemption from ORS 759.175, which would remove the requirement for the company to file tariff changes with the Commission.

Nevertheless, under OAR 860-034-0300(1):

Small telecommunications utilities not subject to ORS 759.175 must, upon the Commission's request, provide copies of any schedules showing rates, tolls, and charges, including all rules and regulations that in any manner affect the rates charged or to be charged for any service.

In addition, under OAR 860-034-0040(2):

Each small telecommunications utility shall keep on file and open for public inspection at its offices, complete rate schedules, contract forms, rules and regulations of the utility, and a copy of the Commission's rules and regulations.

Analysis

The Commission has previously granted the petitions of four small telecommunications utilities to be exempt from ORS 759.175 through Order Nos. 88-531 in Docket No. UX 8 (Eagle Telephone Company), 88-584 in Docket No. UX 9 (Helix Telephone Company), 88-585 in Docket No. UX 10 (Midvale Telephone Company), and 88-1215 in Docket No. UX 12 (Pine Telephone Company). All four orders were issued in 1988 and the petitions filed in the above four dockets are the only such petitions that have been docketed by the Commission under ORS 759.040(5) prior to this petition by Oregon Telephone. In granting each petition, the Commission found that allowing the requested exemption would result in reduced company costs and increase the companies' flexibility, allowing for more efficient operations and lower rates.

Oregon Telephone states that granting its petition "will allow it to have increased flexibility in dealing with its customers and to better serve its customers." Oregon Telephone requests that the Commission find that granting its petition, on this basis, to be in the public interest.

Oregon Telephone serves approximately 1,560 access lines in Oregon and has exchanges located in and around the communities of Bates, Dayville, Hereford-Unity, Mt. Vernon, Prairie City, Juntura, and Harper.

There have been no complaints filed with the Commission regarding Oregon Telephone in the past four years.

In each of the four Orders described previously, the Commission conditioned its approval by requiring the companies: (1) to keep on file and open for public inspection a complete copy of its current tariff at its offices, (2) to provide, upon the Commission's request, a complete copy of its current tariff, and (3) to remain subject to the Commission's rules and regulations.

These conditions are now largely reflected in OAR 860-034-0300 and -0040 even for exempted telecommunications utilities.

Commission's Decision Alternatives

The Commission has the following decision alternatives:

1. Grant the petition---i.e., exempt the company from ORS 759.175.
2. Deny the petition.
3. Set the matter for investigation and hearing.

Conclusion

Staff recommends the Commission grant Oregon Telephone's petition for the following reasons:

1. Staff does not dispute the company's assertion that there could be cost savings to the company which could result in comparatively lower rates and allow the company more flexibility in providing services to customers.
2. The company would be required to keep on file and open for public inspection a complete copy of its current tariff at its offices.
3. The company would be required to provide, upon the Commission's request, a complete copy of its current tariff.
4. The company would remain subject to the Commission's rules and regulations.
5. There have been no service complaints filed against the company within the past four years.

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PROPOSED COMMISSION MOTION:

Oregon Telephone's petition to be exempt from ORS 759.175 be granted.

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