

May 4, 2018

VIA E-Filing

Filing Center
Oregon Public Utility Commission
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Re: DR 52 – Warm Springs Telecom Petition for a Declaratory Ruling

Dear Commission Staff:

The purpose of this letter is to support Warm Springs Telecommunications Company's (WSTC) Petition for Declaratory Ruling. I've been engaged by Warm Springs Telecommunications Company since March 2015 to assist with accounting and other telecom reporting items.

Beginning with the April 2012 accounting period, and prior to my engagement, WSTC had correctly accrued OUSF revenues in accordance with Generally Accepted Accounting Principles (GAAP). WSTC's independent auditors also believed the revenues had been properly accrued and accounted for. In addition, OUSF remittance payments from the PUC are evidence that the payments were indeed in arrears. (The PUC calls this a two-month lag) Because the PUC made OUSF payments in arrears, this created an asset, a receivable for OUSF recipients. For WSTC, this amount is material on its balance sheet. It is also material in regard to total support revenues for the company. OUSF represents approximately 60% of our total revenue each year.

During the transition between UM 1481 Phase II to the most recent Phase III of the order, the "two-month lag" was eliminated by the PUC, but this wasn't mentioned in the order itself. The transition to cash basis accounting by the PUC during Phase III doesn't relieve the commission from paying obligations under previous phases of the order. Comments filed by OTA's attorney confirm "all recipients of support of OUSF support are in exactly the same position" which is further evidence that GAAP, and accruals for these revenues were common within the industry.

I believe it is more than reasonable to ask the Commission for clarification on the order, how it was interpreted and implemented by Staff, and how the resulting negative impact to WSTC (and other companies) can be ameliorated. It would make sense that these other companies are not bringing this up as they may not be materially affected by the change, while WSTC is greatly impacted.

Thank you for your time and consideration.

Sincerely,
Darlene L. Burden