


PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: August 22, 2017

REGULAR \_\_\_\_\_ CONSENT  X  EFFECTIVE DATE \_\_\_\_\_ Upon Approval \_\_\_\_\_

DATE: August 2, 2017

TO: Public Utility Commission

FROM: Stephen Hayes 

THROUGH: Jason Eisdorfer, Bryan Conway, and Bruce Hellebuyck 

SUBJECT: ASOTIN TELEPHONE COMPANY: (Docket No. UM 1849) Pursuant to ORS 759.040 Sections (4) and (5) exemption from certain filing and reporting requirements.

**STAFF RECOMMENDATION:**

Staff recommends that the Commission grant the petition to exempt Asotin Telephone Company doing business as TDS Telecom (Asotin) from ORS 759.175.

**DISCUSSION:**

Issue

Whether the Asotin petition under ORS 759.040(5) to be exempt from the requirements of ORS 759.175 should be granted. In its initial petition, filed on June 12, 2017, Asotin requested exemption from certain filing requirements under both ORS 759.040(4) and ORS 759.040(5). On July 17, 2017, Asotin modified its petition to request exemption from only ORS 759.175.

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.

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. The regulatory status resulting from ORS 759.040 is referred to as "small company treatment."

In addition to the small company treatment afforded small Oregon telephone utilities by the statute, 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. ORS 759.040(5) states:

(5) Upon petition by any telecommunications utility serving fewer than 50,000 access lines in Oregon, and finding that such action is consistent with the public interest, the commission by order may exempt such telecommunications utility from ORS 759.175 and 759.205 to 759.215.

The Commission requires small telecommunications utilities exempt from ORS 759.175 to comply with two administrative rules. Specifically, 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

### *Background*

Asotin filed its petition for exemption from ORS 759.175 on June 12, 2017, and amended the application on July 17, 2017. Asotin serves approximately 95 access lines in Oregon in the Flora-Troy exchange. Asotin is not affiliated with or under common control with any other utilities in Oregon. The exchange is located in the north-eastern portion of the state adjacent to the Washington state border. The Flora-Troy exchange is served by central office facilities located in the state of Washington.

The Commission previously granted exemptions from ORS 759.175 as requested by six small telecommunications utilities as shown in the following table. In granting each petition, the Commission found that allowing the requested exemption would result in

reduced company costs and increase the company's flexibility, allowing for more efficient operations and lower rates.

<b>Company</b>	<b>Order Number</b>	<b>Docket Number</b>
Eagle Telephone	88-531	UX 8
Helix Telephone	88-584	UX 9
Midvale Telephone	88-585	UX 10
Pine Telephone	88-1215	UX 12
Oregon Telephone	16-248	UM 1774
North-State Telephone	16-249	UM 1775

*Public Interest Analysis*

Asotin states that granting its petition "will allow it to have increased flexibility in dealing with its customers and to better serve its customers." Asotin requests that the Commission find that granting its petition, on this basis, to be in the public interest. The Company further noted in response to a Staff information request, that a reduced regulatory burden will result in cost savings, and customers will be able to request additional process from the Commission in the event there is a concern with a rate increase.

Staff agrees that granting Asotin's petition is consistent with the public interest. The last Asotin customer complaint filed with the Commission was February 6, 2013. Six consumer complaints have been filed since 1996. Asotin has been complaint free for over four years.

Asotin has informed Staff that it can meet its obligations under OAR 860-034-0300(1), i.e., it will make available on the TDS Telecom website its 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 previous analyses of similar requests Staff pointed to adherence to a Commission rule as a portion of the rationale for approval. However, Asotin cannot meet the exact terms of OAR 860-034-0040(2), which requires a Company exempt from ORS 759.175 to 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. In response to an information request, Asotin states that, "The single exchange of Flora-Troy Oregon is served out of Washington State and there are no offices in the State of Oregon. Approval of the company's petition with the commitment to post tariffs on-line will actually benefit those customers by providing easier access to those tariffs." However, it appears that the Company has not been in compliance with

this rule and its petition does not create or suggest a remedy. Asotin should petition the Commission to waive OAR 860-034-0040(2) pursuant to OAR 860-034-0010(1).

*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 Asotin 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 will be required to provide, upon the Commission's request, a complete copy of its current tariff.
3. The Company will remain subject to the Commission's rules and regulations.
4. There has been no service complaints filed against the Company within the past four years.

**PROPOSED COMMISSION MOTION:**

Grant Asotin Telephone's petition to be exempt from ORS 759.175.