

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: September 21, 2021**

REGULAR CONSENT EFFECTIVE DATE November 1, 2021

DATE: September 9, 2021

TO: Public Utility Commission

FROM: Laurel Anderson

THROUGH: Bryan Conway, Michael Dougherty, and Roger White **SIGNED**

SUBJECT: OREGON PUBLIC UTILITY COMMISSION STAFF:
(Docket No. UM 940)
Establishes the gross revenue fee level for telecommunications providers for 2022.

STAFF RECOMMENDATION:

By November 1, 2021, issue an order to set 0.35 percent as the percentage rate for the annual PUC fees due from telecommunications providers on April 1, 2023, in accordance with ORS 756.310.

DISCUSSION:

ORS 756.310(6) requires each telecommunications provider¹ to pay up to 35 one hundredths of one percent (0.35 percent) of its gross retail intrastate Oregon revenue or \$100, whichever is more, to the Commission. The Commission opened Docket No. UM 940 in 1999 to set the annual fee levels for telecommunications providers. Until 2015, the statutory maximum rate was 0.25 percent. In 2019, Senate Bill 68 increased the statutory maximum to 0.35 percent.

The Commission received \$1.54 million in annual fees in 2019, \$1.67 million in 2020, \$1.55 Million in 2021, and staff is forecasting the Commission will receive \$1.44 Million in 2022 based on the current rate already in place. During the preceding three-year period, based on Annual Fee Statements filed, gross intrastate retail revenues declined

¹ Telecommunications provider means, "a telecommunications utility or a competitive telecommunications provider as defined in ORS 759.005". This definition excludes radio common carriers and telecommunications cooperatives with certificates issued only under ORS 759.025.

by 13.8 percent. This drop in the contribution base was offset by an increase in the assessment rate to .35 percent in 2019.

Staff is forecasting that the decline in the gross retail revenues will continue. Because of these revenue losses, staff is proposing to set the rate at 0.35 percent, the maximum allowed by statute. Staff estimates the 0.35 percent rate will result in the Commission receiving \$1.34 million in annual fees in 2023 from fees collected by the companies from their customers in 2022.

The Commission must issue an order to establish the percentage rate for the annual fee "not less than 60 days prior to the calendar year upon which the fee is based" (ORS 756.310(6)(a)). For revenues recorded during 2022 and payable to the PUC in 2023, this provision means the fee level order must be issued by November 1, 2021.

PROPOSED COMMISSION MOTION:

By November 1, 2021, issue an order to set 0.35 percent as the percentage rate for the annual PUC fees due from telecommunications providers on April 1, 2023, in accordance with ORS 756.310.