

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: October 1, 2013

REGULAR _____ CONSENT X EFFECTIVE DATE November 1, 2013

DATE: September 19, 2013

TO: Public Utility Commission

FROM: Laurel Anderson ^{LA}

THROUGH: Jason Eisdorfer, Michael Dougherty, Bryan Conway, and Roger White ^{JAP BAC RW}

SUBJECT: OREGON PUBLIC UTILITY COMMISSION STAFF: (Docket No. UM 940)
Establishes the gross revenue fee level for telecommunications providers for 2014.

STAFF RECOMMENDATION:

By November 1, 2013, the Commission issue an order to set the annual PUC fee at 0.25 percent as the percentage rate for annual fees due from telecommunications providers on April 1, 2015, in accordance with ORS 756.310.

DISCUSSION:

ORS 756.310(6) requires each telecommunications provider¹ to pay up to 25 hundredths of one percent (0.25 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, and the annual rates have been set at the statutory maximum of 0.25 percent.

The Commission collected \$1.28 million in annual fees from telecommunications providers in 2011, \$1.15 million in 2012, and approximately \$1.74 million in 2013.²

¹ Telecommunications provider means "a telecommunications utility or a competitive telecommunications provider as defined in ORS 759.005" (ORS 756.310(8)(c)). This definition excludes radio common carriers and telecommunications cooperatives with certificates issued only under ORS 759.025.

² The reason for the dramatic increase in revenues between 2012 and 2013 was the rate increase. In 2011 and 2012, the rate was lowered to bring the average balance down. In 2013, the rate was returned to .25 percent.

During this three-year period, intrastate retail revenues declined by 8.2 percent. Staff is forecasting continuing declines in Oregon gross retail intrastate revenues due to continuing line losses. Therefore, for revenues recorded in 2013, the Commission should continue to assess the annual fee at the statutory maximum level of .25 percent. I estimate this assessment rate will provide annual fees of \$1.59 million from telecommunications providers for 2013.

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 2014, this provision means the fee level order must be issued by November 1, 2013.

Attached is a draft order for the Commission's consideration. It is based on the previous fee level orders for revenues recorded by telecommunications providers during 2002 through 2012 (for example, Order 10-420).

PROPOSED COMMISSION MOTION:

The annual gross revenue fee for telecommunications providers be set at the maximum level of 0.25 percent for calendar year 2014.

Attachment

ORDER NO.

DRAFT

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 940

In the Matter of the Imposition of Annual)
Regulatory Fees Upon Telecommunications)
Utilities and Competitive Telecommunications)
Providers Operating Within the State of Oregon.)

ORDER

DISPOSITION: FEE LEVEL SET FOR CALENDAR YEAR 2014

In accordance with ORS 756.310, it is hereby determined that it is necessary to impose a fee on telecommunications utilities and competitive telecommunications providers of twenty-five hundredths of one percent (0.25 percent) of gross retail intrastate revenue during the Calendar Year 2014 in Oregon. These fees are deemed necessary to defray the cost of performing duties imposed by law upon the Public Utility Commission of Oregon (Commission). The fees, as imposed by this order on Calendar Year 2014, are due on or before April 1, 2015.

At its Public Meeting on October 1, 2013, the Commission adopted Staff's recommendation to impose a fee on telecommunications utilities and competitive telecommunications providers of twenty-five hundredths of one percent (0.25 percent). Staff's recommendation report is attached as Appendix A and is incorporated by reference.

ORDER NO.

DRAFT

ORDER

IT IS ORDERED that telecommunications utilities and competitive telecommunications providers operating in Oregon must pay, to the Public Utility Commission of Oregon, a fee of twenty-five hundredths of one percent (0.25 percent) of gross retail intrastate revenues during the Calendar Year 2014 in Oregon. In no case shall such fee be less than \$100. Each telecommunications utility and competitive telecommunications provider must pay the fee on or before April 1, 2015.

Made, entered, and effective _____.

Susan K. Ackerman
Chairman

John Savage
Commissioner

Stephen Bloom
Commissioner

A party may request rehearing or reconsideration of this order pursuant to ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-014-0095. A copy of any such request must also be served on each party to the proceeding as provided by OAR 860-013-0070(2). A party may appeal this order to by filing a petition for review with the Court of Appeals in compliance with ORS 183-480-183.484.