

ORDER NO. 16 249  
ENTERED JUL 05 2016

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

UM 1775

In the Matter of

NORTH-STATE TELEPHONE COMPANY,

Petition for Exemption Under ORS 759.040(5)  
from ORS 759.175.

ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

This order memorializes our decision, made and effective at our July 5, 2016 Regular Public Meeting, to adopt Staff's recommendation in this matter. The Staff Report with the recommendation is attached as Appendix A.

Dated this \_\_\_\_ day of July, 2016, at Salem, Oregon.

*Lisa D. Hardie*

**Lisa D. Hardie**  
Chair



*John Savage*  
**John Savage**  
Commissioner

COMMISSIONER BLOOM WAS  
UNAVAILABLE FOR SIGNATURE

**Stephen M. Bloom**  
Commissioner

A party may request rehearing or reconsideration of this order under 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 860-001-0720. A copy of the request must also be served on each party to the proceedings as provided in OAR 860-001-0180(2). A party may appeal this order by filing a petition for review with the Circuit Court for Marion County in compliance with ORS 183.484.

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ITEM NO. CA2

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: NORTH-STATE TELEPHONE COMPANY: (Docket No. UM 1775) 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 North-State Telephone Corporation from ORS 759.175.

**DISCUSSION:**

Issue

Whether the North-State Telephone Corporation (North-Sate 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

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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 North-Sate 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.

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

North-State Telephone serves approximately 400 access lines in Oregon in the Dufur exchange.

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There have been no complaints filed with the Commission regarding North-Sate Telephone in the past six 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 North-Sate 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 six years.

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**PROPOSED COMMISSION MOTION:**

North-State Telephone's petition to be exempt from ORS 759.175 be granted.

North-State.UM1775.Exemption.ORS759.175