

**OREGON PUBLIC UTILITY COMMISSION
INTEROFFICE CORRESPONDENCE**

DATE: September 3, 2020

TO: File through Michael Dougherty and Bruce Hellebuyck

FROM: Stephanie Yamada

SUBJECT: UNITED TELEPHONE COMPANY OF THE NORTHWEST:
(Docket No. ADV 1172/Advice No. 20-05) Makes tariff changes to recover the public utility privilege tax as a pro rata charge equal to the rate imposed by the municipality.

I have reviewed this filing and recommend that an acknowledgement letter be sent.

Applicable Rule or Law

Telecommunications utilities are required under ORS 759.175 to submit filings to the Commission whenever they intend to change their rates, terms, or conditions of service.

United Telephone Company of the Northwest d/b/a CenturyLink (Company or United) is regulated under a Price Plan pursuant to ORS 759.255 and Order No. 18-359 in Docket No. UM 1908. Section 8.a.i of the Price Plan requires United to file all tariff changes with the Commission at least 30 days prior to the effective date of the change. Section 8.b of the Price Plan requires the Company to provide customers with 30 days' notice of changes to the terms or conditions of service.

OAR 860-022-0042 limits the amount of city-imposed privilege taxes that a large telecommunications utility may charge pro rata to users to the amount exceeding four percent of local access revenues. However, this rule is partially waived for CenturyLink pursuant to Section 13 of the Price Plan, allowing the Company to pass the entire amount of the privilege tax on to customers. Section 6 of the Price Plan allows the Company to recover the public utility privilege tax as a pro rata charge equal to the rate imposed by the municipality and shown as a separate line item on customer bills. Section 6 of the Price Plan also requires the Company to provide 30 days' notice to customers and the Commission before implementing this change in its privilege tax surcharge.

Analysis

The filing was submitted on August 17, 2020, with a proposed effective date of October 1, 2020, in compliance with the filing requirements stated in the Price Plan.

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With this filing, United makes tariff changes to recover the public utility privilege tax as a pro rata charge equal to the rate imposed by the municipality. Specifically, this filing removes references to the four percent limitation referenced in OAR 860-022-0042 from the Company's tariff.

The Company states that it is providing customers with 30 days' notice of the changes implemented with this filing, as required by the Price Plan.

Conclusion

This filing complies with all applicable laws and Commission orders. The filing should be allowed to go into effect and an acknowledgment letter should be sent. No further action is necessary.

United.20-05 [ADV 1172] File – Privilege Tax