

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

UM 1180(6)

In the Matter of

THE PUBLIC UTILITY COMMISSION  
OF OREGON

ORDER

Residential Service Protection Fund  
Surcharge Rate Review and  
Recommendation for Increase.

**DISPOSITION: SURCHARGE UNCHANGED**

Under Oregon law, the Commission must review the Residential Service Protection Fund (RSPF) surcharge amount once each year and ensure that the fund balance does not exceed six months' worth of projected expenses. Chapter 290, Oregon Laws 1987, Section 7(1) allows for a monthly surcharge to be assessed on each subscriber line, not to exceed \$.35 per line. The purpose of the surcharge is to provide revenue for three programs: Telecommunication Devices Access Program (TDAP), Oregon Telephone Assistance Program (OTAP), and Oregon Telecommunications Relay Service (OTRS).

RSPF is restricted by statute to maintaining a maximum six-month balance of projected expenses.<sup>1</sup> The current RSPF surcharge is \$.12 per line, and has been at this rate since January 1, 2010. Staff completed an annual review of the surcharge revenues, expenditures, and ending balances, and prepared a recommendation.

RSPF is restricted by statute to maintaining a maximum six-month balance of projected expenses.<sup>2</sup> Maintaining the surcharge at \$.12 per line will continue to fund the three policy option packages as well as sustain the ending balance to match the estimated six month operating costs. The Commission adopted Staff's recommendation. A full description of the filing, its procedural history and Staff's recommendation are contained in the Staff Report, attached as Appendix A and incorporated by reference.

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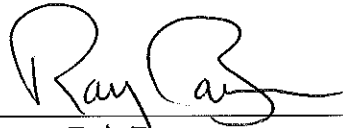
<sup>1</sup> See Chapter 290, Oregon Laws 1987, Section 7(3).

<sup>2</sup> See Chapter 290, Oregon Laws 1987, Section 7(3).

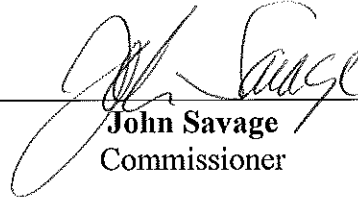
**ORDER**

IT IS ORDERED that the Residential Service Protection Fund surcharge amount remains at \$.12 cents per subscriber line, effective January 1, 2011.

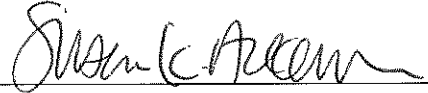
Made, entered, and effective DEC 20 2010.



**Ray Baum**  
Chairman



**John Savage**  
Commissioner



**Susan K. Ackerman**  
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 Court of Appeals in compliance with ORS 183.480 through 183.484.

ITEM NO. CA1

**PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: December 14, 2010**

REGULAR \_\_\_\_\_ CONSENT X EFFECTIVE DATE January 1, 2011

DATE: December 7, 2010

TO: Public Utility Commission

FROM: Jon Cray

THROUGH: Rick Willis and David Poston

SUBJECT: RESIDENTIAL SERVICE PROTECTION FUND: (Docket No. UM 1180(6))  
Surcharge Rate Review and Recommendation for Maintaining Current Rate.

**STAFF RECOMMENDATION:**

Staff recommends the monthly surcharge for the Residential Service Protection Fund (RSPF) remain \$0.12 per subscriber line, effective January 1, 2011.

**DISCUSSION:**

RSPF staff annually reviews the revenue and expenditures of the previous year and calculates projections for the next year to determine whether the current surcharge rate is sufficient to sustain expenditures and maintain a six-month reserve balance. Chapter 290, Oregon Laws 1987, §7(1) allows a monthly surcharge to be assessed on each subscriber line, not to exceed \$0.35 per line. The surcharge provides revenue for three telephone assistance programs: Telecommunication Devices Access Program (TDAP), Oregon Telephone Assistance Program (OTAP), and Oregon Telecommunications Relay Service (OTRS). By law, the RSPF balance may not exceed six months of projected expenses. The law further requires an annual review of the surcharge rate to determine its sufficiency. Proposed rate changes or reviews are submitted to the Commission for approval.

On November 24, 2009, the Commission adopted Staff's recommendation to increase the RSPF surcharge from \$0.09 to \$0.12 per line effective January 1, 2010, to fund the three policy option packages approved by the 2009-2011 Legislature as well as maintain the appropriate ending balance based on projected expenditures and revenue. See Order No. 09-465.

RSPF Surcharge 2010  
 December 14, 2010  
 Page 2

Maintaining the surcharge at \$0.12 per line will continue to fund the three policy option packages as well as sustain the ending balance to match the estimated six month operating costs. For instance, the ending balance for December 2010 at \$0.12 per line is projected to be \$2 million while the estimated six-month operating expense is currently \$2.3 million. The RSPF program is in compliance with Chapter 290, Oregon Laws 1987, §7(3) in which the balance does not exceed six months of projected expenditures.

Below is an overview of the surcharge history since the program's inception:

October 1987 – June 1990	\$0.25
July 1990 – June 1993	\$0.15
July 1993 – August 1994	\$0.16
September 1994 – December 1996	\$0.25
January 1997 – December 1997	\$0.13
January 1998 – December 2001	\$0.10
January 2002 – December 2004	\$0.13
January 2005 – December 2005	\$0.10
January 2006 – January 2007	\$0.08
February 2007 – December 2008	\$0.05
January 2009 – December 2009	\$0.09
January 2010 – December 2010	\$0.12

Advice was sought from the OTRS Industry Advisory Committee and the TDAP Advisory Committee. Neither committee had any concerns regarding the proposed rate.

#### PROPOSED COMMISSION MOTION:

I move that the Commission maintain the RSPF surcharge rate of \$0.12 per subscriber line, effective January 1, 2011.

UM 1180(6)