

ORDER NO. 14 337

ENTERED SEP 30 2014

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 940

In the Matter of the

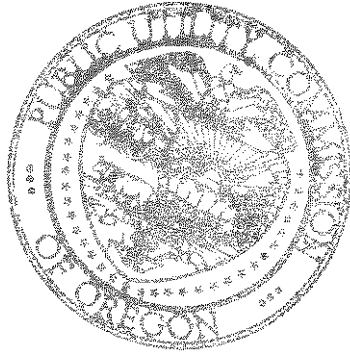
Imposition of Annual Regulatory Fees Upon
Telecommunications Utilities and
Competitive Telecommunications Providers
Operating Within the State of Oregon.

ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

At its public meeting on September 30, 2014, the Public Utility Commission of Oregon adopted Staff's recommendations to set the annual PUC fee at 0.25 percent as the percentage rate for annual fees due from telecommunications providers on April 1, 2016, in accordance with ORS 756.310. The Staff Report with the recommendation is attached as Appendix A.

BY THE COMMISSION:



Becky L. Beier
Becky L. Beier
Commission Secretary

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.

ORDER NO.

14 337

ITEM NO. CA7

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: September 30, 2014

REGULAR _____ CONSENT X EFFECTIVE DATE November 1, 2014

DATE: September 22, 2014

TO: Public Utility Commission

FROM: Laurel Anderson ^{LA}

THROUGH: Jason Eisdorfer, Michael Dougherty, Bryan Conway, and Roger White ^{EW}

SUBJECT: OREGON PUBLIC UTILITY COMMISSION STAFF: (Docket No. UM 940)
Establishes the gross revenue fee level for telecommunications providers for 2015.

STAFF RECOMMENDATION:

By November 1, 2014, 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, 2016, 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 \$1.19 million in annual fees from telecommunications providers in 2012, \$1.86 million in 2013, and approximately \$1.71 million in 2014.²

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.

Docket UM 940
September 18, 2014
Page 2

During this three-year period, intrastate retail revenues declined by 16.1 percent. Staff is forecasting continuing declines in Oregon gross retail intrastate revenues due to continuing line losses. Therefore, for revenues recorded in 2014, 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 \$1.42 million from telecommunications providers for 2015.

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 2015, this provision means the fee level order must be issued by November 1, 2014.

PROPOSED COMMISSION MOTION:

The annual gross revenue fee for telecommunications providers be set at the maximum level of 0.25 percent for calendar year 2015.

UM940 PM Establish 2015 Telecom Annual Fee Rate.doc