

ORDER NO. 16 364

ENTERED SEP 27 2016

**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 27, 2016, the Public Utility Commission of Oregon adopted Staff's recommendation in this matter. The Staff Report with the recommendation is attached as Appendix A.

BY THE COMMISSION:




Kristi Collins
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 Circuit Court for Marion County in compliance with ORS 183.484.

ITEM NO. CA6

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: September 27, 2016

REGULAR _____ CONSENT X EFFECTIVE DATE November 1, 2016

DATE: September 15, 2016

TO: Public Utility Commission

FROM: Laurel Anderson *LA*

THROUGH: Jason Eisdorfer, Michael Dougherty, Bryan Conway, and Roger White *J E M BK RW*

SUBJECT: OREGON PUBLIC UTILITY COMMISSION STAFF: (Docket No. UM 940)
Establishes the gross revenue fee level for telecommunications providers for 2017.

STAFF RECOMMENDATION:

By November 1, 2016, issue an order to set 0.30 percent as the percentage rate for the annual PUC fees due from telecommunications providers on April 1, 2018, in accordance with ORS 756.310.

DISCUSSION:

ORS 756.310(6) requires each telecommunications provider¹ to pay up to 3 tenths of one percent (0.30 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. Until 2015, the statutory maximum rate was 0.25 percent. In 2015, Senate Bill 329 increased the statutory maximum to 0.30 percent.

The Commission collected \$1.7 million in annual fees from telecommunications providers in 2014, \$1.6 million in 2015, and \$1.6 million in 2016. During this three-year period, gross intrastate retail revenues declined by 7.9 percent. Staff is forecasting that this decline in the contribution base will continue due to revenue losses to wireless

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.

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companies, which are not required to contribute. Because of these revenue losses, staff is proposing an increase in the rate from 0.275 percent to 0.30 percent, the maximum allowed by statute. The 0.275 percent incremental rate applied to telecommunications revenues in 2016 is expected to generate \$1.7 million in fees to be collected in 2017. Staff estimates the 0.30 percent rate will generate annual fees of \$1.8 million from telecommunications providers, which will be collected by the commission in 2018.

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 2017, this provision means the fee level order must be issued by November 1, 2016.

PROPOSED COMMISSION MOTION:

Set the annual gross revenue fee for telecommunications providers at the maximum level of 0.30 percent for calendar year 2017.

UM940 PM Establish 2018 Telecom Annual Fee Rate