

ENTERED SEP 28 2017

**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 26, 2017, 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:



  
**Michael Dougherty**  
Chief Operating Officer

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. CA1

PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: September 26, 2017

REGULAR \_\_\_\_\_ CONSENT \_\_\_\_\_ EFFECTIVE DATE November 1, 2017

DATE: September 13, 2017

TO: Public Utility Commission

FROM: Laurel Anderson *LA*

THROUGH: Jason Eisdorfer, Michael Dougherty, Bryan Conway, and Roger White *E* *MD* *BKC* *OW*

SUBJECT: OREGON PUBLIC UTILITY COMMISSION STAFF: (Docket No. UM 940)  
Establishes the gross revenue fee level for telecommunications providers for 2018.

**STAFF RECOMMENDATION:**

By November 1, 2017, issue an order to set 0.30 percent as the percentage rate for the annual PUC fees due from telecommunications providers on April 1, 2019, in accordance with ORS 756.310

**DISCUSSION:**

ORS 756.310(6) requires each telecommunications provider<sup>1</sup> 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 \$1.61 million in annual fees in 2015, \$1.58 million in 2016, \$1.61 Million in 2017, and staff is forecasting the Commission will collect \$1.66 Million in 2018. During the preceding three-year period, based on Annual Fee Statements filed, gross intrastate retail revenues declined by 9.0 percent. This drop in the contribution base was offset by increases in the assessment rate.

<sup>1</sup> Telecommunications provider means, "a telecommunications utility or a competitive telecommunications provider as defined in ORS 759.005". This definition excludes radio common carriers and telecommunications cooperatives with certificates issued only under ORS 759.025.

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Staff is forecasting that the decline in the contribution base will continue due to revenue losses to wireless companies, which are not required to contribute. Because of these revenue losses, staff is proposing to maintain the rate at 0.30 percent, the maximum allowed by statute. Staff estimates the 0.30 percent rate will result in the Commission collecting \$1.57 million in annual fees in 2019. This is a decrease of 5.4 percent from the 2018 forecast.

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 2018, this provision means the fee level order must be issued by November 1, 2017.

**PROPOSED COMMISSION MOTION:**

Set the annual gross revenue fee for telecommunications providers at the maximum level of 0.30 percent for calendar year 2018.

UM940 PM Establish 2019 Telecom Annual Fee Rate