

ORDER NO. **18 352**

ENTERED **SEP 26 2018**

**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 25, 2018, 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:



A handwritten signature in blue ink, appearing to read "m. grant", is written over a horizontal line.

Michael Grant
Chief Administrative Law Judge

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.

ORDER NO. 18 352

ITEM NO. CA1

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: September 25, 2018

REGULAR _____ CONSENT X EFFECTIVE DATE November 1, 2018

DATE: September 13, 2018

TO: Public Utility Commission

FROM: Laurel Anderson *LA*

THROUGH: *E* Jason Eisdorfer, *my* Michael Dougherty, *BMC* Bryan Conway, and *RU* Roger White

SUBJECT: OREGON PUBLIC UTILITY COMMISSION STAFF: (Docket No. UM 940)
Establishes the gross revenue fee level for telecommunications providers for 2019.

STAFF RECOMMENDATION:

By November 1, 2018, issue an order to set 0.30 percent as the percentage rate for the annual PUC fees due from telecommunications providers on April 1, 2020, 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 \$1.58 million in annual fees in 2016, \$1.61 million in 2017, \$1.62 Million in 2018, and staff is forecasting the Commission will collect \$1.54 Million in 2019. During the preceding three-year period, based on Annual Fee Statements filed, gross intrastate retail revenues declined by 15.6 percent. This drop in the contribution base was offset by increases in the assessment rate.

¹ 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.

Docket UM 940
September 13, 2018
Page 2

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 \$1.54 million in annual fees in 2019. This is a decrease of 5.5 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 2019, this provision means the fee level order must be issued by November 1, 2018.

PROPOSED COMMISSION MOTION:

Set the annual gross revenue fee for telecommunications providers at the maximum level of 0.30 percent for calendar year 2019.

UM940 PM Establish 2019 Telecom Annual Fee Rate