

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 940

In the Matter of

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 20, 2022, 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:



Nolan Moser
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.

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: September 20, 2022**

REGULAR **CONSENT** **EFFECTIVE DATE** November 1, 2022

DATE: September 8, 2022

TO: Public Utility Commission

FROM: Laurel Anderson

THROUGH: Bryan Conway, Michael Dougherty, and Roger White **SIGNED**

SUBJECT: OREGON PUBLIC UTILITY COMMISSION:
(Docket No. UM 940)
Establishes the gross revenue fee level for telecommunications providers for 2023.

STAFF RECOMMENDATION:

By November 1, 2022, issue an order to set 0.35 percent as the percentage rate for the annual PUC fees due from telecommunications providers on April 1, 2024, in accordance with ORS 756.310.

DISCUSSION:

ORS 756.310(6) requires each telecommunications provider¹ to pay up to 35 one hundredths of one percent (0.35 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 2019, Senate Bill 68 increased the statutory maximum to 0.35 percent.

The Commission received \$1.67 million in annual fees in 2020, \$1.51 million in 2021, \$1.44 million in 2022, and staff is forecasting the Commission will receive \$1.38 million in 2023 based on the current rate already in place. During the preceding three-year period, based on Annual Fee Statements filed, gross intrastate retail revenues declined

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.

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by 15.7 percent. This drop in the contribution base was offset by an increase in the assessment rate to 0.35 percent in 2019.

Staff is forecasting that the decline in the gross retail revenues will continue. Because of these revenue losses, staff is proposing to set the rate at 0.35 percent, the maximum allowed by statute. Staff estimates the 0.35 percent rate will result in the Commission receiving \$1.32 million in annual fees in 2024 from fees collected by the companies from their customers in 2023.

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 2023 and payable to the PUC in 2024, this provision means the fee level order must be issued by November 1, 2022.

PROPOSED COMMISSION MOTION:

By November 1, 2022, issue an order to set 0.35 percent as the percentage rate for the annual PUC fees due from telecommunications providers on April 1, 2024, in accordance with ORS 756.310.

UM940 PM Establish 2023 Telecom Annual Fee Rate