

ORDER NO. 25-214

ENTERED June 11, 2025

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1180(21)

In the Matter of

PUBLIC UTILITY COMMISSION OF
OREGON,

Residential Service Protection Fund
(RSPF) Surcharge Rate Review and
Recommendation.

ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

At its public meeting on June 10, 2025, 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:

Alison Lackey
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: June 10, 2025**

REGULAR ____ **CONSENT** X **EFFECTIVE DATE** July 1, 2025

DATE: June 2, 2025

TO: Public Utility Commission

FROM: Jon Cray

THROUGH: Bryan Conway and Melissa Nottingham **SIGNED**

SUBJECT: RESIDENTIAL SERVICE PROTECTION FUND:
(Docket No. UM 1180(21))
Surcharge Rate Review and Recommendation.

STAFF RECOMMENDATION:

Staff requests that the Oregon Public Utility Commission (Commission) adjust the monthly surcharge rate for the Residential Service Protection Fund (RSPF) to \$0.06, effective July 1, 2025.

DISCUSSION:

Issue

Whether the Commission should adjust the current RSPF surcharge rate from \$0.27 to \$0.06.

Applicable Law

Oregon Revised Statute ORS 759.685, as amended, allows a monthly surcharge to be assessed on each landline, wireless, or interconnected voice over internet protocol subscriber who has access to the Oregon Telecommunications Relay Service (OTRS) and the rate may not exceed \$0.35.

The surcharge provides revenue for three RSPF programs: Telecommunication Devices Access Program (TDAP), Oregon Telephone Assistance Program (OTAP), also known

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as Oregon Lifeline,¹ and OTRS. Pursuant to ORS 759.685(3), the Commission must review the surcharge and the RSPF balance on an annual basis and may adjust the surcharge as necessary to ensure the fund has adequate resources, yet does not exceed six months of projected expenses.

Analysis

Background

Generally, Staff annually reviews the revenue and expenditures of the previous year and calculates projections for the forthcoming calendar year to determine whether the current surcharge rate is sufficient to sustain expenditures and maintain a six-month reserve balance.

On February 5, 2025, the Commission adopted Staff's recommendation to increase the RSPF surcharge rate from \$0.15 to \$0.27, effective March 1, 2025, to maintain the ending balance with forecasted operating costs, yet ensure the RSPF has adequate resources. See Order No. 25-031. The adjustment was necessary to accommodate the increased demand for Oregon Lifeline support, sustain other program expenditures and maintain a six-month reserve balance.

An Oregon Lifeline participating service provider's current claims of support represent approximately 70 percent of all OTAP reimbursement requests. Effective July 1, 2025, this service provider will cease monthly requests for OTAP reimbursement, and instead, only seek federal Lifeline support for its Oregon Lifeline customers. Staff finds that the RSPF surcharge needs to be adjusted to account for the imminent decrease in expenditures, otherwise, maintaining the RSPF surcharge rate at \$0.27 will engender a significant accumulation of funds that exceeds the six-month statutory threshold.

Based on current projections and barring additional unforeseen circumstances or legislative mandates, Staff recommends a surcharge rate of \$0.06, which is expected to reduce the fund to a reserve balance of \$2 million that's within the six-month statutory threshold of projected expenses by the end of December 2025.

¹ The OTAP is the state counterpart to the Federal Communications Commission's Lifeline program, collectively Oregon Lifeline.

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Below is an overview of the surcharge rate history since the inception of the RSPF.

October 1987 – June 1990	\$0.25
July 1990 – June 1993	\$0.15
July 1993 – August 1994	\$0.16
September 1994 – December 1996	\$0.25
January 1997 – December 1997	\$0.13
January 1998 – December 2001	\$0.10
January 2002 – December 2004	\$0.13
January 2005 – December 2005	\$0.10
January 2006 – January 2007	\$0.08
February 2007 – December 2008	\$0.05
January 2009 – December 2009	\$0.09
January 2010 – December 2013	\$0.12
January 2014 – December 2014	\$0.11
January 2015 – December 2015	\$0.09
January 2016 – December 2017	\$0.07
January 2018 – December 2018	\$0.06
January 2019 – December 2019	\$0.11
January 2020 – December 2020	\$0.10
January 2021 – December 2021	\$0.14
January 2022 – June 2022	\$0.09
July 2022 – December 2023	\$0.03
January 2024 – December 2024	\$0.08
January 2025 – February 2025	\$0.15
March 2025 – June 2025	\$0.27

Conclusion

Staff finds that adjusting the surcharge rate to \$0.06, effective July 1, 2025, is necessary to reduce the ending balance while ensuring the fund has adequate resources to sustain forecasted operating costs.

PROPOSED COMMISSION MOTION:

Approve an adjustment in the RSPF monthly surcharge rate from \$0.27 to \$0.06, effective July 1, 2025.