ORDER NO. 26-385

ENTERED Oct 13 2026

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 1180(23)

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 October 13, 2026, 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 appeal this order by filing a petition for review with the Circuit Court for Marion County in compliance with ORS 183.484.

ITEM NO. CA11

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: October 13, 2026

REGULAR ____ **CONSENT** __X__ **EFFECTIVE DATE** **January 1, 2027**

DATE: September 22, 2026

TO: Public Utility Commission

FROM: Jon Cray

THROUGH: Melissa Nottingham and Russell Beitzel **SIGNED**

SUBJECT: RESIDENTIAL SERVICE PROTECTION FUND:
(Docket No. UM 1180(23))
Surcharge Rate Review and Recommendation.

STAFF RECOMMENDATION:

Staff recommends that the Oregon Public Utility Commission (Commission) maintain the monthly surcharge rate for the Residential Service Protection Fund (RSPF) at $0.08, effective January 1, 2027.

DISCUSSION:

Issue

Whether the Commission should maintain the current RSPF surcharge rate at $0.08.

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 Lifeline, 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 November 13, 2025, the Commission adopted Staff's recommendation to adjust the RSPF surcharge rate from $0.06 to $0.08, effective January 1, 2026, to ensure the fund had adequate resources to sustain forecasted operating costs. *See* Order No. 25-454. The adjustment was necessary to accommodate the increase in Oregon Lifeline support, sustain other program expenditures, and maintain a reserve balance within the six-month statutory threshold.

Currently, the fund exceeds six months of projected expenses by one to two months. The enactment of House Bills 3148 and 5034 by the 2025 Oregon Legislature increased the expenditure limitation for the RSPF, and expenditures anticipated in 2027 under these measures are expected to draw down the fund balance, bringing it into alignment with the statutory requirement limiting forecasted operating expenses to six months.

House Bill 3148 (HB 3148) establishes a one-time personal computing device benefit of up to $100 through the Oregon Lifeline program.[1] Staff's rulemaking to implement HB 3148 is underway in Docket No. AR 675 with some rules already adopted and in force. House Bill 5034[2] comprises the Commission's legislatively adopted budget for the 2025-2027 biennium and includes a policy option package originally submitted in the Agency Request Budget to replace the customer relationship management system used for Oregon Lifeline and TDAP functions. Based on current projections and barring unforeseen circumstances, Staff recommends maintaining the surcharge rate at $0.08, which is expected to result in an ending balance of approximately $1.1 million in December 2027 and within the six-month projected expense threshold.

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1 *See* Oregon State Legislature; *Oregon Legislative Information; 2025 Regular Session*, https://olis.oregonlegislature.gov/liz/2025R1/Measures/Overview/HB3148 (last visited September 15, 2026).

2 *See* Oregon State Legislature; *Oregon Legislative Information; 2025 Regular Session*, https://olis.oregonlegislature.gov/liz/2025R1/Measures/Overview/HB5034 (last visited September 15, 2026).

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
July 2025 – December 2025	$0.06
January 2026 – December 2026	$0.08

Conclusion

Staff finds that keeping the surcharge rate at $0.08, effective January 1, 2027, is necessary to maintain the ending balance and ensure the fund has adequate resources to sustain forecasted operating costs.

PROPOSED COMMISSION MOTION:

Maintain the RSPF monthly surcharge rate at $0.08, effective January 1, 2027.

CA - UM 1180(23)