

ORDER NO. 13 177
ENTERED MAY 15 2013

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

AR 570

In the Matter of Amendments to
OAR 860-027-0050, 860-034-0393, and
860-034-0730, Uniform System of
Accounts.

ORDER

DISPOSITION: MODIFICATIONS TO RULES ADOPTED

This proceeding was convened to reconcile the reporting of Universal Service Fund (USF) collections and contributions required in the rules with federal requirements set out in the Code of Federal Regulations, 47 CFR 32.4010 and the Federal Communications Commission RAO Letter 27. The changes to the rules allow telecommunications utilities and cooperatives to record the state USF collections and contributions in balance sheet accounts as liabilities instead of as assets and record the federal USF collections and contributions in income statements as revenues and expenses, consistent with federal requirements.

On March 15, 2013, the Public Utility Commission of Oregon filed a Notice of Proposed Rulemaking and Statement of Need and Fiscal Impact with the Secretary of State. On March 25, 2013, notice was provided to all interested persons on the service lists maintained pursuant to OAR 860-001-0030(1)(b) and to certain legislators specified in ORS 183.335(1)(d). Notice of the rulemaking was published in the April 2013 *Oregon Bulletin*.

As specified in the notice, the deadline for filing written comments was close of business, April 23, 2013. No written comments were received. The proposed modifications to OAR 860-027-0050, 860-034-0393, and 860-034-0730 should be adopted.

ORDER

IT IS ORDERED that:

1. The modifications to Oregon Administrative Rules 860-027-0050, 860-034-0393, and 860-034-0730, as shown in Appendix A, are adopted.
2. The rule changes become effective upon filing with the Secretary of State.


Made, entered, and effective MAY 15 2013



Susan K. Ackerman
Chair



John Savage
Commissioner



Stephen M. Bloom
Commissioner



A person may petition the Public Utility Commission of Oregon for the amendment or repeal of a rule under ORS 183.390. A person may petition the Oregon Court of Appeals to determine the validity of a rule under ORS 183.400.

860-027-0050**Uniform System of Accounts for Large Telecommunications Utilities**

(1) The Uniform System of Accounts for Telecommunications Companies, Part 32, adopted by the Federal Communications Commission (FCC) on February 6, 2002, is hereby adopted and prescribed for all large telecommunications utilities except as modified for intrastate purposes in sections (2) through (5) of this rule.

(2) A large telecommunications utility may follow Class B accounting except when Class A accounting is needed to complete intrastate depreciation and jurisdictional separation studies, to provide the details requested in annual reports under OAR 860-027-0070, and to comply with other Oregon rules and statutes.

(3) The allocation rules in Part 32, Section 32.27, are replaced by OAR 860-027-0052(3).

(4) For construction work in progress and property held for future use, each large telecommunications utility shall maintain subsidiary records consistent with ORS 759.285.

(5) Each large telecommunications utility shall maintain subsidiary records sufficient to separately identify the following deferred taxes, universal service fund collection, revenues, and expenses:

(a) Federal and state net noncurrent deferred operating income taxes (Account 4340).

(b) Federal ~~and state~~ universal service fund collection (Account ~~1170~~5081).

(c) **Federal universal service fund contribution (Account 6540).**

(d) **State universal service fund collection and contribution (Account 4010).**

(e) Interstate and intrastate switched access revenue (Account 5082).

(d) Interstate and intrastate special access revenue (Account 5083).

(eg) Miscellaneous Revenues (Account 5200):

(A) Directory revenues, including amounts derived from alphabetical and classified sections of directories and fees paid by other entities for the right to publish the large telecommunications utility's directories; the classified section of the directories; the sale of new telephone directories whether they are the large telecommunications utility's own directories or directories purchased from others; additional and boldface listings, marginal displays, inserts, and other advertisements in the alphabetical sections of the telephone directories; and unlisted and nonpublished telephone numbers;

(B) Interstate and intrastate carrier billing and collection revenues derived from the provision to other telecommunications providers for services such as message recording, billing, collection, billing analysis, and billing information services, whether rendered under tariff or contractual arrangements; and

(C) Miscellaneous revenue other than directory or carrier billing and collection revenues.

(fh) Distributions from the federal USF and the Oregon USF.

(gi) Depreciation expenses related to telecommunications plant in service, depreciation expense related to property held for future use, and amortization expense.

[Publications: Publications referenced are available from the agency.]

Stat. Auth.: ORS 183, 756 & 759
 Stats. Implemented: ORS 756.105, 759.120, 759.125 & 759.130

860-034-0393

Uniform System of Accounts for Small Telecommunications Utilities

(1) The Uniform System of Accounts for Telecommunications Companies, Part 32, adopted by the Federal Communications Commission (FCC) on February 6, 2002, is hereby adopted and prescribed for all small telecommunications utilities except as modified for intrastate purposes in sections (2) through (5) of this rule.

(2) A small telecommunications utility may follow Class B accounting except when Class A accounting is needed to complete intrastate depreciation and jurisdictional separation studies, to provide the details requested in annual reports under OAR 860-034-0395, and to comply with other Oregon rules and statutes.

(3) The allocation rules in Part 32, Section 32.27, are replaced by OAR 860-034-0394(3).

(4) For construction work in progress and property held for future use, each small telecommunications utility shall maintain subsidiary records consistent with ORS 759.285.

(5) Each small telecommunications utility shall maintain subsidiary records sufficient to identify the following deferred taxes, universal service fund collection, revenues, and expenses:

- (a) Federal and state net noncurrent deferred operating income taxes (Account 4340).
- (b) Federal ~~and state~~ universal service fund collection (Account ~~4170~~5081).
- (c) **Federal universal service fund contribution (Account 6540).**
- (d) **State universal service fund collection and contribution (Account 4010).**
- (e) Interstate and intrastate switched access revenue (Account 5082).
- (~~df~~) Interstate and intrastate special access revenue (Account 5083).
- (~~eg~~) [Reserved].
- (~~fh~~) Distributions from the federal USF and the Oregon USF.
- (~~gi~~) Depreciation expenses related to telecommunications plant in service, depreciation expense related to property held for future use, and amortization expense

[Publications: Publications referenced are available from the agency.]

Stat. Auth.: ORS 183, 756 & 759
 Stats. Implemented: ORS 756.040 & 759.045

860-034-0730

Uniform System of Accounts for Type 2 Cooperatives

(1) The Uniform System of Accounts for Telecommunications Companies, Part 32, adopted by the Federal Communications Commission (FCC) on February 6, 2002, is hereby adopted and prescribed for all Type 2 cooperatives utilities except as modified for intrastate purposes in sections (2) through (~~415~~) of this rule.

(2) A Type 2 cooperative may follow Class B accounting except when Class A accounting is needed to complete intrastate depreciation and jurisdictional separation

studies, to provide the details requested in annual reports under OAR 860-034-0750, and to comply with other Oregon rules and statutes.

(3) The allocation rules in Part 32, Section 32.27, are replaced by OAR 860-034-0740(3).

(4) For construction work in progress and property held for future use, each Type 2 cooperative shall maintain subsidiary records consistent with ORS 759.285.

(5) Each Type 2 telecommunications cooperative shall maintain subsidiary records sufficient to identify the following universal service fund collection, revenues, and expenses:

(a) [Reserved].

(b) Federal ~~and state~~ universal service fund collection (Account ~~11705081~~).

(c) **Federal universal service fund contribution (Account 6540).**

(d) State universal service fund collection and contribution (Account 4010).

(e) Interstate and intrastate switched access revenue (Account 5082).

(f) Interstate and intrastate special access revenue (Account 5083).

(g) [Reserved].

(h) Distributions from the federal USF and the Oregon USF.

(i) Depreciation expenses related to telecommunications plant in service, depreciation expense related to property held for future use, and amortization expense.

[Publications: Publications referenced are available from the agency.]

Stat. Auth.: ORS 183, 756 & 759

Stats. Implemented: ORS 756.040, 759.220 & 759.225