

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: October 22, 2001

REGULAR _____ CONSENT X EFFECTIVE DATE November 1, 2001

DATE: October 16, 2001

TO: Phil Nyegaard

FROM: Terry Lambeth through Cynthia Van Landuyt and Janice Fulker

SUBJECT: Docket UM 940 – Requests the fee level to be assessed against telecommunications providers for calendar year 2002 (collection year 2003)

SUMMARY RECOMMENDATION:

Establish 0.25 percent as the percentage rate for annual PUC fees due from telecommunications providers in 2003, in accordance with OAR 860-011-0023(3) and ORS 756.310. This is the same rate as for collection years 2002 and 2001.

DISCUSSION:

ORS 756.310(6)(a) requires each telecommunications provider to pay up to 25 hundredths of one percent (0.25 percent) of its gross retail intrastate revenue or \$100, whichever is more. ORS 756.310(6)(a) requires the Commission to issue an order to establish the percentage rate for the PUC fee due from telecommunications providers "not less than 60 days prior to the calendar year upon which the fee is based." For calendar year 2002, this provision means by November 1, 2001.

ORS 756.310(8)(c) defines a telecommunications provider as "any entity that is a telecommunications utility or a competitive telecommunications provider as defined in ORS 759.005." This definition includes telecommunications utilities and competitive providers. It excludes telecommunications cooperatives with certificates issued only under ORS 759.025 and radio common carriers. OAR 860-011-0023(3) clearly identifies that this requirement differs from the requirements for public utilities, who are subject to annual fees under ORS 756.310(4) and ORS 756.310(5).

The Commission opened docket UM 940 in 1999 to establish the annual OPUC fees due from telecommunications providers each year under ORS 756.310(6)(a).

For calendar year 2002 (collection year 2003), staff estimates that OPUC will collect \$3.0 million related to telecommunications. OPUC's most recent collection period was for calendar year 2000 (collection year 2001), and OPUC collected \$2.5 million from tel-

ecommunications utilities. Data for calendar year 2001 (collection year 2002) will not be available until June 2002.

For calendar year 2002 (collection year 2003), the Commission should continue the annual fee rate for telecommunications providers at the statutory maximum of 25 hundredths of one percent. The Commission should post its order on its website, so all telecommunications providers will have immediate access to it. This will give the companies time to revise their billing systems, if needed, to collect the annual fees in advance from customers.

STAFF RECOMMENDATION:

The Commission should issue an order by November 1, 2001, to establish 25 hundredths of one percent as the rate for the PUC fee due from telecommunications providers in calendar year 2002 (collection year 2003) and payable on or before April 1, 2003. The rate will be applied to the gross retail intrastate revenues in Oregon of telecommunications providers. Attached is a draft order.

Attachment