

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: October 15, 2002**

REGULAR _____ **CONSENT** X **EFFECTIVE DATE** November 1, 2002

DATE: October 8, 2002

TO: John Savage

FROM: Terry Lambeth through Cynthia Van Landuyt, Phil Nyegaard,
Vikie Bailey-Goggins, and Rick Willis

SUBJECT: UM 940: Establish the gross revenue fee rate for telecommunications providers for calendar year 2003 (collection year 2004).

STAFF RECOMMENDATION:

Establish 0.25 percent as the percentage rate for annual PUC fees due from telecommunications providers in April 2004, in accordance with OAR 860-011-0023(3) and ORS 756.310. This is the same rate established for collection years 2001 through 2003.

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 2003, this provision means the order must be issued by November 1, 2002.

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 2003 (collection year 2004), the Commission should continue to assess the annual fee rate at the statutory maximum of 25 hundredths of one percent. At this level, I estimate that OPUC will collect \$3.3 million from telecommunications providers during collection year 2004.

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.

PROPOSED COMMISSION MOTION:

Establish the annual gross revenue fee rate for telecommunications providers at the statutory maximum rate of 25 hundredths of one percent for calendar year 2003.

ENTERED

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 940

In the Matter of the Imposition of Annual)
Regulatory Fees Upon Telecommunications)
Utilities and Competitive Telecommunications)
Providers Operating Within the State of Oregon.)

DISPOSITION: FEE LEVEL SET FOR CALENDAR YEAR 2003
(COLLECTION YEAR 2004)

In accordance with ORS 756.310, it is hereby determined that it is necessary to impose a fee on telecommunications utilities and competitive telecommunications providers of twenty-five hundredths of one percent (2.5 mills) of gross retail intrastate revenue during the calendar year 2003 in Oregon. These fees are deemed necessary to defray the cost of performing duties imposed by law upon the Commission. The fees as imposed by this order on calendar year 2003 shall be due and payable on April 1, 2004.

IT IS ORDERED that:

Telecommunications utilities and competitive telecommunications providers operating in Oregon shall pay to the Public Utility Commission a fee of twenty-five hundredths of one percent of gross retail intrastate revenues during the calendar year 2003 in Oregon. In no case shall such fee be less than \$100. Each telecommunications utility and competitive telecommunications provider shall pay the fee on or before April 1, 2004. Attached is a copy of the staff report.

Made, entered, and effective _____.

ORDER NO.

Roy Hemmingway
Chairman

Lee Beyer
Commissioner

Joan H. Smith
Commissioner

A party may request rehearing or reconsideration of this order pursuant to 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 860-014-0095. A copy of any such request must also be served on each party to the proceeding as provided by OAR 860-013-0070(2). A party may appeal this order to a court pursuant to applicable law.