

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: January 4, 2005**

REGULAR _____ **CONSENT** X **EFFECTIVE DATE** January 5, 2005

DATE: December 20, 2004

TO: Lee Sparling through Phil Nyegaard and Cynthia Van Landuyt

FROM: Suzanne Smith

SUBJECT: OREGON EXCHANGE CARRIER ASSN: (Advice No. 91) Revises the tariff language related to the calculation of and use of the Percent Interstate Usage (PIU) factors.

STAFF RECOMMENDATION:

Staff recommends that the Commission allow the filing to go into effect January 5, 2005.

DISCUSSION:

On November 24, 2004, the Oregon Exchange Carrier Association (OECA) filed Advice No. 91 in its PUC OR No. 2 intrastate-switched access tariff with an effective date of January 3, 2005. Since the first Public Meeting in January is January 4, staff requested OECA change the effective date to January 5 to allow staff more review time.

The filing was made under ORS 759.175, *Filing rate schedules and data with the commission*. In the filing, OECA proposes a revision of the intrastate tariff language related to the calculation and use of the Percent Interstate Usage (PIU) factors and to more closely match the National Exchange Carrier Association's (NECA) interstate access filing.

Background

PIU refers to the amount of intrastate¹ versus interstate traffic subject to Federal Communications Commission (FCC) authority. The PIU factor is used to determine the percent of interstate and intrastate access minutes of total monthly access minutes.

¹ Intrastate traffic is defined as services or traffic that originates and terminates within the same state as opposed to interstate traffic, which originates and terminates within different states. The route that the call takes through the telecommunications network does not affect the jurisdiction of the call.

The local exchange carrier (LEC) multiplies intrastate access minutes times the OECA rates for monthly billing purposes. The current tariff contains little detail on how the PIU factor is calculated and applied. The proposed changes would provide additional information regarding the application of the PIU factor. Such information would include a detailed list of what services the PIU factor is applied to, including but not limited to, Toll Free Services, 900 Access Services and Feature Groups A, B, C and D Switched Access Service. Feature Groups A through D are four separate switching arrangements that the LEC's offer to interexchange carriers (IXC)². These feature groups are used by IXC's to originate and terminate calls to end user customers. With the proposed changes, IXC's would be able to provide separate PIU factors for each service offered.

In accordance with ORS 759.185, *Suspension of rates pending hearing; time limitations; revenue collected subject to refund; interim rates*, the Commission could suspend this filing for further investigation. After review, staff finds the proposed changes are in the public interest and recommends that the Commission allow the proposed changes to go into effect January 5, 2005.

PROPOSED COMMISSION MOTION:

OECA's filing, which would revise the tariff language related to the calculation and use of PIU factors, be allowed to go into effect January 5, 2005.

² Interexchange carriers or IXC's are long distance carriers. The largest IXC's are Sprint, WorldCom, MCI and AT&T; however, there are smaller regional companies that also fit into this category.