

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: September 19, 2006**

REGULAR _____ **CONSENT** X **EFFECTIVE DATE** November 1, 2006

DATE: September 5, 2006

TO: Public Utility Commission

FROM: John Tatom

THROUGH: Lee Sparling, Rick Willis, Vikie Bailey-Goggins, Phil Nyegaard, and
Cynthia Van Landuyt

SUBJECT: OREGON PUBLIC UTILITY COMMISSION STAFF: (Docket No. UM 940)
Establishes the gross revenue fee level for telecommunications providers
for 2007.

STAFF RECOMMENDATION:

By November 1, 2006, issue an order to set 0.25 percent as the percentage rate for the annual PUC fees due from telecommunications providers on April 1, 2008, in accordance with ORS 756.310.

DISCUSSION:

ORS 756.310(6) requires each telecommunications provider¹ to pay up to 25 hundredths of one percent (0.25 percent) of its gross retail intrastate Oregon revenue or \$100, whichever is more, to the Commission. The Commission opened docket UM 940 in 1999 to set the annual fee levels for telecommunications providers, and the annual rates have been set at the statutory maximum of 0.25 percent.

The Commission collected \$2.9 million in annual fees from telecommunications providers for 2004 and \$2.8 million for 2005. Staff is forecasting declines in gross retail intrastate Oregon revenues for 2006 and 2007. Therefore, for revenues recorded during 2007, the Commission should continue to assess the annual fee at the statutory

¹ Telecommunications provider means "a telecommunications utility or a competitive telecommunications provider as defined in ORS 759.005" (ORS 756.310(8)(c)). This definition excludes radio common carriers and telecommunications cooperatives with certificates issued only under ORS 759.025.

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maximum level of 0.25 percent. I estimate this assessment rate will provide annual fees of \$2.6 million from telecommunications providers for 2007.

The Commission must issue an order to establish the percentage rate for the annual fee "not less than 60 days prior to the calendar year upon which the fee is based" (ORS 756.310(6)(a)). For revenues recorded during 2007, this provision means the fee level order must be issued by November 1, 2006.

Attached is a draft order for the Commission's consideration. It is based on the previous fee level orders for revenues recorded by telecommunications providers during 2000 through 2006 (for example, Order 05-1122).

PROPOSED COMMISSION MOTION:

The annual gross revenue fee for telecommunications providers be set at the statutory maximum level of 0.25 percent for calendar year 2007.

Attachment

ORDER NO.

DRAFT

**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.)

ORDER

DISPOSITION: FEE LEVEL SET FOR CALENDAR YEAR 2007

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 (0.25 percent) of gross retail intrastate revenue during the calendar year 2007 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 2007, are payable to the Commission not later than April 1, 2008.

ORDER NO.

DRAFT

IT IS ORDERED that:

Telecommunications utilities and competitive telecommunications providers operating in Oregon must pay to the Public Utility Commission a fee of twenty-five hundredths of one percent (0.25 percent) of gross retail intrastate revenues during the calendar year 2007 in Oregon. In no case may such fee be less than \$100. Each telecommunications utility and competitive telecommunications provider must pay the fee on or before April 1, 2008. Staff's report is attached as Appendix A and is incorporated by reference.

Made, entered, and effective _____.

Lee Beyer
Chairman

John Savage
Commissioner

Ray Baum
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.