

SENATE AMENDMENTS TO SENATE BILL 600

By COMMITTEE ON BUSINESS AND ECONOMIC DEVELOPMENT

March 15

1 On page 3 of the printed bill, line 15, delete “and” and insert “or”.

2 In line 24, delete “and” and insert “or”.

3 On page 6, line 16, delete “and” and insert “or”.

4 On page 7, after line 32, insert:

5 “**SECTION 13a.** ORS 759.195 is amended to read:

6 “759.195. (1) Except as provided in subsection (6) of this section, upon petition of a telecommu-
7 nications utility [*which*] **that** provides local exchange service directly, or is affiliated with a utility
8 [*which*] **that** provides local exchange service, and after notice and hearing, the Public Utility Com-
9 mission may authorize the utility to set rates for toll and other telecommunications services by filing
10 a price list containing the price and terms for the service. The price list or any [*revisions thereof,*
11 *shall not be*] **revision of the price list is not** subject to the provisions of ORS 759.180 to 759.190
12 and shall become effective as determined by the commission. The commission may prescribe condi-
13 tions on an authorization to establish rates by price list, including conditions relating to the sharing
14 of revenues received by the utility [*which*] **that** are in excess of allowances provided for in the order
15 of authorization.

16 “(2) Telecommunications utilities [*which*] **that** provide telecommunications services only be-
17 tween exchanges and are not affiliated with a utility [*which*] **that** provides local exchange service[,
18 *may price list services*] **may establish rates by price list** without special authorization [*of*] **from**
19 the commission.

20 “(3) Prior to granting a petition to set rates by price list under this section, the commission
21 shall find that pricing flexibility:

22 “(a) Is reasonably necessary to enable the utility to respond to current and future competitive
23 conditions for any or all telecommunications services;

24 “(b) Will maintain the appropriate balance between the need for price flexibility and the pro-
25 tection of consumers;

26 “(c) Is likely to benefit the consumers of fixed rate services; and

27 “(d) Is unlikely to cause any undue harm to any customer class.

28 “(4) A rate set for a service by a utility [*shall*] **may** not be lower than the long run incremental
29 cost of providing the service.

30 “(5) Upon its own motion the commission may fix maximum rate levels and terms of service for
31 price listed services and for toll services on noncompetitive routes. Upon request of any affected
32 person, the commission shall fix maximum rate levels and terms of service for price listed services
33 not subject to competition and for toll services on noncompetitive routes.

34 “(6) By rule, the commission shall designate local exchange services [*which*] **that** it deems es-
35 sential, and rates for such services shall be prescribed under ORS 759.180 to 759.190. [*Rates for es-*

1 *essential services need not be designed to recover the cost of service of such services, but may be*
2 *supported by revenues from other regulated telecommunication services of the utility or its affiliates.*
3 *Such support is in addition to any subsidy which may be provided under ORS 759.030 (9).] The com-*
4 *mission also may authorize automatic adjustment clauses which reflect increases, decreases, or both,*
5 *in particular costs incurred by the utility. For the purposes of this subsection, ‘essential services’*
6 *need not be essential for all classes of customers.*

7 “(7) The commission may, at any time, order a telecommunications utility to appear and estab-
8 lish that any[, or all,] of its price listed rates are just and reasonable and in conformity with the
9 requirements of this section and the authorization to price list issued by the commission. [Such]
10 **Price listed** rates shall also be subject to complaint under ORS 756.500.

11 “**SECTION 13b.** ORS 759.255 is amended to read:

12 “759.255. (1) In addition to powers vested in the Public Utility Commission under ORS 759.195,
13 and subject to the limitations contained in subsections (2) to (4) of this section, upon petition of a
14 telecommunications utility that provides local exchange service directly, or is affiliated with a util-
15 ity that provides local exchange service, the commission, after notice and hearing, may approve a
16 plan under which the commission regulates prices charged by the utility, without regard to the re-
17 turn on investment of the utility. Prices approved under the plan [shall not be] **are not** subject to
18 the provisions of ORS 759.180 to 759.190 and shall become effective as stated in the plan.

19 “(2) Prior to granting a petition to approve a plan under subsection (1) of this section, the
20 commission must find that the plan is in the public interest. In making its determination the com-
21 mission shall consider, among other matters, whether the plan:

22 “(a) Ensures prices for telecommunications services that are just and reasonable;

23 “(b) Ensures high quality of existing telecommunications services and makes new services
24 available;

25 “(c) Maintains the appropriate balance between the need for regulation and competition; and

26 “(d) Simplifies regulation.

27 “(3) If the commission approves a plan under subsection (1) of this section, [it] **the commission**
28 shall establish objectives of the plan and conditions for review of the plan during [its] **the operation**
29 **of the plan.** The commission [shall] **may** not consider return on investment of the utility when [it]
30 **the commission** establishes objectives of the plan and conditions for review of the plan during
31 [its] **the operation of the plan.**

32 “(4) A rate for any service in the plan authorized under subsection (1) of this section may not
33 be lower than the total service long run incremental cost, for nonessential functions, of providing
34 the service and the charges of essential functions used in providing the service. However, the com-
35 mission may allow a telecommunications utility to establish rates for residential local exchange
36 service at any level necessary to achieve the commission’s universal service objectives.

37 “(5) If the commission approves a plan under subsection (1) of this section, the commission may
38 waive, in whole or in part, compliance by the telecommunications utility with ORS [759.100, 759.110
39 to] **759.120, 759.125, 759.130,** 759.135, 759.180 to 759.205, 759.215, 759.220, 759.285 and 759.300 to
40 759.393.”.

41 On page 8, line 11, after “759.195” insert “and 759.410”.

42 Delete lines 32 through 45 and insert:

43 “**NOTE:** Section 17 was deleted by amendment. Subsequent sections were not renumbered.”.

44 On page 9, delete lines 1 through 27.

45 On page 10, delete lines 13 through 42 and insert:

1 “**NOTE:** Section 20 was deleted by amendment. Subsequent sections were not renumbered.”.
2 On page 11, line 12, delete “with respect to any of the”.
3 In line 32, delete “corporation and”.
4 In line 34, delete “corporation and”.
5 In line 37, delete “or corporation”.
6 In line 38, delete “or corporation”.
7 In line 40, delete “person” and insert “individual”.
8 In line 41, delete “corporation” and insert “person”.
9 On page 12, line 14, delete “or corporation”.
10 In line 23, delete “or corporation”.
11 On page 13, line 7, delete “or corporation”.
12 In line 15, delete “or corporation”.
13 On page 14, line 32, delete “7”.
14 In line 33, delete “or”.
15 On page 16, line 10, delete the second “ORS” and after “759.560.” insert “The commission has
16 authority under ORS 756.500 to 756.610 to resolve a dispute arising from a reallocation made under
17 this subsection.”.
18 In line 11, after “(2)” insert “Upon request,”.
19 In line 14, after “759.560.” insert “The commission has authority under ORS 756.500 to 756.610
20 to resolve a dispute arising from an allocation made under this subsection.”.
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