

**74<sup>th</sup> OREGON LEGISLATIVE ASSEMBLY – 2007 Regular Session  
BUDGET REPORT AND MEASURE SUMMARY**

**MEASURE: SB 5537-A**

**JOINT COMMITTEE ON WAYS AND MEANS**

**Carrier – House: Rep. D. Edwards  
Carrier – Senate: Sen. Whitsett**

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**Action:** Do Pass as Amended and Be Printed A-Engrossed

**Vote:** 20 – 0 – 1

House – Yeas: D. Edwards, Garrard, Hanna, Jenson, Morgan, Nathanson, Nolan, Shields

– Nays:

– Exc: Galizio

Senate – Yeas: Bates, Carter, Devlin, Gordly, Johnson, Morse, Nelson, Schrader, Verger, Westlund, Whitsett, Winters

– Nays:

– Exc:

**Prepared By:** Satish Upadhyay, Department of Administrative Services

**Reviewed By:** Michelle Deister, Legislative Fiscal Office

**Meeting Date:** 5/4/07

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**Agency**

Public Utility Commission

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**LFO Analysis Page**

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**Biennium**

2007-09

**Senators:** Bates, Carter, Devlin, Gordly, Johnson, Morse, Nelson,  
Schrader, Verger, Westlund, Whitsett, Winters

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Senator Kurt Schrader, Co-Chair

**Representatives:** D. Edwards, Galizio, Garrard, Hanna, Jenson,  
Morgan, Nathanson, Nolan, Shields

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Representative Mary Nolan, Co-Chair

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Senator Betsy Johnson, Transportation and Economic Development  
Subcommittee Chair

## **Budget Summary\***

	2005-07		2007-09		Percentage Committee Change from Governor's Budget
	Legislatively Approved Budget (1)	Governor's Budget	Committee Recommendation	Difference from Governor's Budget	
Other Funds	\$ 34,746,609	\$ 36,483,061	\$ 36,150,980	\$ -332,081	-0.9%
Other Funds Nonlimited	108,020,000	108,027,751	104,007,751	-4,020,000	-3.7%
Federal Funds	434,799	468,265	468,265	0	0.0%
Total	\$ 143,201,408	\$ 144,979,077	\$ 140,626,996	\$ -4,352,081	-3.0%

## **Position Summary**

Authorized Positions	125	125	125	0
Full-time Equivalent (FTE) Positions	124.00	123.50	123.50	0.00

(1) Includes adjustments through the December 2006 meeting of the Emergency Board

\* Excludes Capital Construction expenditures

## **Summary of Revenue Changes**

The majority of the agency's expenditures are funded from fees paid by investor-owned utilities. The Residential Service Protection Fund is funded through a monthly surcharge on telecommunications subscribers. Revenues for the Oregon Universal Service Fund come from telecommunications providers. Federal Funds are available to ensure the safe operation of natural gas pipelines.

Three "revenue only" policy packages which would have changed assessments and the public purpose charge enacted by Senate Bill 1149 (1999) were not approved by the Subcommittee, as each package is dependent on the passage of substantive legislation. The agency's revenue and ending balance can be adjusted at a later date to reflect the additional assumed revenue should legislation be approved.

## **Summary of Subcommittee Action**

The Public Utility Commission of Oregon works to ensure that safe and reliable utility services are provided to consumers at just and reasonable rates through regulation and by promoting the development of competitive markets. It does this by regulating investor-owned electric and natural gas companies, as well as certain telephone and water companies. The Subcommittee approved a budget of \$140,626,996 total funds and 123.50 full-time equivalent positions for the agency. This is a two percent total funds reduction from the 2005-07 Legislatively Approved Budget and a three percent total funds reduction from the agency's 2007-09 Essential Budget Level.

## Utility Regulation

The Utility Regulation program regulates rates for natural gas, electricity, water, and telephone services. The program also works to promote effective competition in these industries. The Subcommittee approved a budget of \$10,029,224 total funds (limited), \$104,007,751 Other Funds (non-limited) and 42.00 full-time equivalent positions for the Utility Regulation program.

The Subcommittee approved Package 801, Legislative Fiscal Office (LFO) Analyst Adjustment. The package makes a reduction of \$4,020,000 Other Funds Non-Limited to better reflect expected special payments from the Oregon Universal Service Fund due to decreased demand in rural telephone line infrastructure.

The Subcommittee approved Package 802, Ways and Means Co-Chairs Two Percent Reprioritization. The package reduces the Personal Services expenditure limitation by \$14,963 Other Funds to reflect savings of other payroll expenses associated for part-time employees, and reduces the Services and Supplies expenditure limitation by \$3,708 Other Funds to reflect savings in services and supplies costs.

## Residential Service Protection

The Residential Service Protection program consists of four programs, which work to ensure that adequate and affordable residential telephone services are available to all Oregonians. These programs include services for the hearing and speech-impaired, and low-income individuals. The Subcommittee approved a budget of \$10,134,598 Other Funds and 6.50 full-time equivalent positions for the Residential Service Protection program.

The Subcommittee approved Package 802, Ways and Means Co-Chairs Two Percent Reprioritization. The package reduces the Personal Services expenditure limitation by \$1,429 Other Funds to reflect savings of other payroll expenses associated for part-time employees, and reduces the Services and Supplies expenditure limitation by \$269,827 Other Funds to reflect savings in services and supplies costs and savings related to renegotiated equipment pricing and efficiencies for outreach efforts associated with the program.

## Policy and Administration

The Policy and Administration program includes the Commission and the divisions providing support to the public and the Utility Regulation program. The Subcommittee approved a budget of \$16,455,423 Other Funds and 75.00 full-time equivalent positions for this program.

The Subcommittee approved Package 802, Ways and Means Co-Chairs Two Percent Reprioritization. The package reduces the Personal Services expenditure limitation by \$23,608 Other Funds to reflect savings of other payroll expenses associated with part-time employees, and reduces the Services and Supplies expenditure limitation by \$18,546 Other Funds to reflect \$8,546 Other Funds reduction in services and supplies costs including travel, training, dues and subscriptions, and \$10,000 Other Funds reduction to reflect savings related to renegotiated contracts for court reporting, transcription services, database access, etc.

## **Summary of Performance Measure Action**

See attached Legislatively Adopted 2007-09 Key Performance Measures form.