

2007 Regular Legislative Session
FISCAL ANALYSIS OF PROPOSED LEGISLATION
Prepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER: HB 2053 **STATUS:** A-Engrossed
SUBJECT: Modification of electric company fee support for the Public Utility Commission
GOVERNMENT UNIT AFFECTED: Public Utilities Commission
PREPARED BY: Michelle Deister
REVIEWED BY: John F. Borden
DATE: March 12, 2007 <REVISED>

	<u>2007-2009</u>	<u>2009-2011</u>
EXPENDITURES:		
See Comments		

REVENUES:		
Other Funds – Public Utility Fees	\$ 926,800	\$ 2,092,400

POSITIONS / FTE:
See Comments

EFFECTIVE DATE: January 1, 2008

GOVERNOR’S BUDGET: This bill is anticipated by the Governor’s recommended budget.

LOCAL GOVERNMENT MANDATE: This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

COMMENTS: *This measure’s -1 amendment fiscal impact statement, issued on March 7, 2007, has been revised based upon clarifying information that the Legislative Fiscal Office received from the Public Utilities Commission regarding the amount of fee revenue this measure would raise. The revenue figures originally included in the -1 fiscal impact were \$1.4 million for the 2007-09 biennium and \$2.2 million for the 2009-11 biennium.*

This measure modifies the basis for public utilities pay fees to support the Public Utilities Commission (PUC). The basis would change from the number of kilowatt hours distributed to gross operating revenues derived within the Oregon for the preceding calendar year. The amount of the fee may not be less than \$10 or more than twenty-five hundredths of one percent of the utilities gross operating revenues.

According to the PUC, revenue would come from three companies: Portland General Electric, Pacific Power, and Idaho Power. Portland General Electric provide over 90% of this revenue. Revenue for all three utilities would be collected once per calendar year (April). On a biennial basis, the amount of revenue generated is estimated to be \$926,800 for the 2007-09 biennium and \$2.1 million for the 2009-11 biennium.

PUC states that the revenue generated from this measure would be used to fund on-going operations and stabilize the Commission’s declining ending balance over the next several biennia. In other words, the revenue would not be utilized to fund an enhanced level of expenditure by the Commission, other than ordinary budgetary increases approved by the Legislature or the Emergency Board.