

# REVENUE IMPACT OF PROPOSED LEGISLATION

74th Oregon Legislative Assembly  
2007 Regular Session  
Legislative Revenue Office

<b>Bill Number:</b>	<b>SB 461-C-Corrected</b>
<b>Revenue Area:</b>	Utilities surcharge
<b>Economist:</b>	Mazen Malik
<b>Date:</b>	06-27-2007

## Measure Description:

Directs PUC to adjust meter fee sufficient to increase total amount in low income assistance fund from \$10 million to \$15 million. The residential meter fee is estimated to rise from 33 to 50 cents, and is not allowed to increase after 2008. While the fees are capped at \$500 for each commercial customer, the PUC is directed to adjust commercial fees to reflect their share of the new revenue. Revenue growth is expected to occur in future years because of load growth of commercial costumers, and increases in the number of residential customers. Specifies that the increase is dedicated to the state's low-income energy assistance program.

## Revenue Impact:

<b>\$ Millions</b>	<b>2007-08</b>	<b>2008-09</b>	<b>2007-09 Biennium</b>	<b>2009-11 Biennium</b>
<b>State Other Funds</b>				
Low-income Electric Bill payment assistance surcharge	\$2.5	\$5.11	\$7.61	\$10.86

## Impact Explanation:

This is a surcharge on electric utility users. To raise \$10 million for low-income bill assistance each electric bill currently has an extra charge, beyond the 3% Public Purpose Fee. This bill proposes to increase that total low-income assistance amount by 50%. The charge increases the total annual collection level for the low-income electric bill assistance program from the current \$10 million to \$15 million in 2008. The amount to be raised in calendar year 2008 is \$5 million, the fiscal year starting July 2008, will accordingly show half of the amount. Thereafter the \$5 million is allowed to increase due to additional residential customers and load growth in commercial costumers. The rate for each customer will not be adjusted in following years but the total fee collected may increase over \$15 million from either the addition of residential customers or the load growth on commercial customers (who pay a rate instead of a flat fee). Revenue increases in this analysis for latter years will follow the population growth forecast shown in the March-2007 forecast by the office of economic analysis.

The Oregon Public Utility Commission determines by administrative rule the proportion of the total to be collected by each utility and the amount to be collected from residential and commercial customers. The fee per residential electric meter is expected to grow from 33 to 50 cents. The bill maintains the current cap of \$500 per month per site for business customers. Public and consumer-owned utilities also offer low-income energy assistance to households in their service areas but are not affected by SB 461-B.

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