

REVENUE: No revenue impact

FISCAL: Fiscal statement issued

Action:	Do Pass as Amended and Be Printed Engrossed
Vote:	5 - 0 - 2
Yeas:	Berger, Edwards C., Esquivel, Holvey, Schaufler
Nays:	0
Exc.:	Rosenbaum, Smith P.
Prepared By:	Theresa Van Winkle, Administrator
Meeting Dates:	3/2, 3/9

WHAT THE MEASURE DOES: Modifies the base on which the fee imposed on investor-owned electric utilities to support Public Utility Commission operations is determined. Establishes that the fee may not be less than \$10, or more than 25/100 of one percent of the utility's gross operating revenues derived within Oregon in the preceding calendar year. Exempts revenues from sales of power for resale from "gross operating revenues," to the extent that the revenues from those sales exceed 25% of total revenues received by the electric company from electricity sales to end users in the preceding calendar year.

ISSUES DISCUSSED:

- Number of companies affected by the measure
- Economic factors contributing to a decrease in Public Utility Commission revenues, such as inflation and projected decrease in gross revenue from the telecommunications industry
- Benefits of revising the formula for calculating the fee
- Support from electric companies as well as consumer groups

EFFECT OF COMMITTEE AMENDMENT: Establishes that the fee may not be less than \$10, or more than 25/100 of one percent of the utility's gross operating revenues derived within Oregon in the preceding calendar year. Exempts revenues from sales of power for resale from "gross operating revenues," to the extent that the revenues from those sales exceed 25% of total revenues received by the electric company from electricity sales to end users in the preceding calendar year.

BACKGROUND: Public utility and telecommunications providers are required by statute to pay a fee to the Public Utility Commission (PUC) for the purpose of defraying the cost of regulation and contributing to matching funds required to implement the Department of Transportation's Track Improvement and Rehabilitation Program described in ORS 824.058. HB 2053-A returns the calculation of the amount electric utilities submit to the PUC from one based on electric kilowatt-hour throughput at the meters back to a gross revenue fee of no more than 0.25%, which was the formula applied before 1999 and is consistent with the other regulated industries that pay fees to the commission.

The measure also caps wholesale sales at no more than one-fourth of one percent of the utility's revenues from retail customers.