

2009 Regular Legislative Session
FISCAL ANALYSIS OF PROPOSED LEGISLATION
Prepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER: HB 2253 **STATUS:** Original
SUBJECT: Requires consumer-owned utilities, telecommunications cooperatives, and cable operators to pay fees to Public Utility Commission.
GOVERNMENT UNIT AFFECTED: Public Utility Commission
PREPARED BY: John Terpening
REVIEWED BY: Michelle Deister
DATE: February 4, 2009

	<u>2009-2011</u>	<u>2011-2013</u>
EXPENDITURES:		
Personal Services – Other Funds	\$ 156,931	\$ 156,931
Services and Supplies – Other Funds	\$ 42,402	\$ 42,402
	<hr/> \$ 199,333	<hr/> \$ 199,333

	<u>2009-2011</u>	<u>2011-2013</u>
REVENUES:		
Public Utility Fees – Other Funds	\$ 255,160	\$ 255,160

POSITIONS / FTE:		
Utility Analyst 3	1/1.0	1/1.0

EFFECTIVE DATE: On Passage

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.

ANALYSIS: Current law states that each public utility and telecommunications provider pays a fee to the Public Utility Commission (PUC). This measure requires consumer-owned utilities, telecommunications cooperatives, and cable operators to pay a fee to Public Utility Commission (PUC). The fee outlined in this measure is based on gross retail revenues of the consumer-owned utilities, telecommunications cooperatives, and cable operators and may not be less than \$100 or more than one hundredth of one percent of the gross operating revenues. The measure states that revenue generated from these fees are dedicated for the paying of the expenses of the PUC in providing hearings and oversight directly related to the safety and reliability of consumer-owned utilities, telecommunications cooperatives, and cable operators.

The PUC states that the revenue generated from this measure would be used to fund costs related to enforcement of new rules regarding safety and pole attachments. This enforcement is considered by the PUC, a function of oversight related to safety and reliability of consumer-owned utilities, telecommunication cooperatives, and cable operators, as outlined in the measure. According to the PUC, the costs of hearings are anticipated to be very minimal and will be funded within existing resources.

This bill is anticipated in the Governor's Recommended Budget. The measure is effective on passage, but the agency assumes implementation on July 1, 2009. PUC is projecting revenue for 2009-2011 in the amount of \$255,160 with similar revenue in 2011-2013. This revenue assumption is based on a fee of one hundredth of one percent of the gross operating revenues of consumer-owned utilities, telecommunications cooperatives, and cable operators. This is the maximum allowed fee structure outlined in the measure.

As part of the safety and reliability oversight, PUC is requesting a Utility Analyst position and associated services and supplies costs for a total estimated cost of \$199,333 for the 2009-2011 biennium with similar costs for 2011-2013 biennium.