

BEFORE THE BUSINESS AND TRANSPORTATION COMMITTEE
House Bill 2266

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Oregon Public Utility Commission

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HB 2266 accomplishes two objectives with utility financial reporting and Commission oversight of water utilities. The proposed legislation is primarily housekeeping in nature and does not have any known opposition.

The first objective of the legislation involves ORS 757.105. That statute, in part, requires utilities to submit certain financial and budgetary reports to the Commission on or before specific dates. For many companies, the dates specified in statute do not align well with their fiscal calendars. Generally these utilities cannot meet the statutory deadline because the needed information is not available. The proposed legislation removes the mandated filing dates from the statute and provides the Commission flexibility to prescribe dates that better coordinate with a utility's operating practices.

The second object of the proposed legislation is to further streamline water regulation. In the 2011 Legislative Session, statutes were revised to clarify two categories of regulation for water utilities: (1) service regulated and (2) rate regulated. Unfortunately, the 2011 legislation did not fully and appropriately clarify which statutes apply or don't apply to the category of service regulated water utilities.

There still exists three statutes related to rates that still apply to service regulated water companies—ORS 757.225, 757.245, and 757.355. This is confusing and inconsistent because it incorrectly implies that service-regulated companies are

in fact rate-regulated when that is clearly not the intent. The proposed legislation corrects this inconsistency to exempt service regulated companies from rate regulation under ORS 757.225, 757.245, and 757.355.

In addition, there is one statute that should be made applicable to service-regulated companies and that is ORS 757.480. This statute relates to the sale of utility property, including the utility operations itself, if the property has a value of more than \$10,000. Because the sale of utility property potentially impacts service provided by the water utility, the Commission should review the proposed sale for both service and rate regulated water utilities. This would allow the Commission to determine whether the sale raises any concerns and, in the case of the sale of the utility, provide customers the opportunity to express their views on the proposed transaction.