
MEMORANDUM

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To: Transportation and Economic Development Subcommittee

From: Julie Neburka, Legislative Fiscal Office
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Date: April 20, 2015

Subject: SB 329 – Public Utility Commission Fees
Work Session Recommendations

Senate Bill 329 increases the annual fee imposed on public utilities and telecommunications providers from the current maximum of 0.25 percent of a utility's gross operating revenues to a maximum of 0.30 percent. This fee increase is required to maintain the PUC's Utility and Policy & Administration programs at the current level of operations. The proposed fee increase will raise the average cost per residential customer per utility bill by \$0.03.

The Public Utility Commission sets fees annually via commission orders, taking into account estimated expenditures for utility regulation and available fund balance. With the exception of 2010, the annual utility fee has been levied at 0.25% since 1997. The annual fee is assessed against the gross operating revenues of subject utilities; the revenue it raises for the PUC varies, therefore, based on the revenues earned by utilities. The PUC adjusts expenditures to balance to available revenues, using fund balance to manage cash flow. Absent the fee change, the agency estimates that it will exhaust its available resources during the 2019-21 biennium.

SB 329 Final Subcommittee Action:

Final Motion:

Move SB 329 to the full committee with a "do pass" recommendation.

Carriers:

Full: _____

House: _____

Senate: _____

Senate Bill 329

Sponsored by Senator BEYER (Presession filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Increases annual fee imposed on public utilities and telecommunications providers for purpose of defraying costs of Public Utility Commission.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to fees imposed by the Public Utility Commission; creating new provisions; amending ORS
3 756.310; and declaring an emergency.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 756.310 is amended to read:

6 756.310. (1) Subject to the provisions of subsections (3) and (4) of this section, each public utility
7 and telecommunications provider shall pay a fee to the Public Utility Commission in each calendar
8 year. The amount of the fee shall equal the amount that the commission finds and determines to be
9 necessary, together with the amount of all other fees paid or payable to the commission by such
10 public utilities and telecommunications providers in the current calendar year, to defray the costs
11 of performing the duties imposed by law upon the commission with respect to the public utilities and
12 telecommunications providers[, *and to pay those amounts as may be necessary to obtain matching*
13 *funds to implement the program referred to in ORS 824.058*].

14 (2) In each calendar year the percentage rate of the fee required to be paid by public utilities
15 shall be determined by orders entered by the commission on or after March 1 of each year. Notice
16 of the orders shall be given to each utility. The utility shall pay to the commission the fee or portion
17 thereof so computed upon the date specified in the notice. The date of payment shall be at least 15
18 days after the date of mailing of the notice.

19 (3) The fee payable under subsection (1) of this section by each public utility may not be less
20 than \$10, or more than [*twenty-five hundredths*] **three-tenths** of one percent of the utility's gross
21 operating revenues derived within this state in the preceding calendar year. For the purpose of this
22 subsection, the gross operating revenues of an electric company do not include revenues from sales
23 of power for resale to the extent that the revenues from those sales exceed an amount equal to 25
24 percent of the total revenues received by the electric company from sales of electricity to end users
25 in the preceding calendar year.

26 (4)(a) For a telecommunications provider, the fee payable under subsection (1) of this section
27 shall be a percentage amount not to exceed [*twenty-five hundredths*] **three-tenths** of one percent of
28 the provider's gross retail intrastate revenue for each calendar year, but may not be less than \$100.
29 The percentage amount shall be determined by order of the commission not less than 60 days prior
30 to the calendar year upon which the fee is based. The fee shall be payable to the commission not
31 later than April 1 of the year following that calendar year.

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted.
New sections are in **boldfaced** type.

1 (b) A telecommunications provider shall collect the fee payable under subsection (1) of this
2 section by charging an apportioned amount to each of the provider's retail customers. The amount
3 of the charge shall be described on the retail customer's bill in a manner determined by the pro-
4 vider.

5 (c) In the event a telecommunications utility has an approved rate that includes the fee required
6 under subsection (1) of this section and separately charges retail customers for the fee described in
7 this section, at the time the utility begins collecting the charge the utility shall file with the com-
8 mission a rate schedule reducing rates in an amount projected to equal the amount separately
9 charged to customers.

10 (5) The commission may use any of its investigatory and enforcement powers provided under this
11 chapter for the purpose of administering and enforcing the provisions of this section.

12 (6) As used in this section:

13 (a) "Electric company" means any entity that is a public utility under ORS 757.005 that is en-
14 gaged in the business of distributing electricity to retail electric customers in Oregon.

15 (b) "Retail customer" does not include a purchaser of intrastate telecommunications services
16 who is a telecommunications provider, telecommunications cooperative, interexchange carrier or
17 radio common carrier.

18 (c) "Telecommunications provider" means any entity that is a telecommunications utility or a
19 competitive telecommunications provider as defined in ORS 759.005.

20 **SECTION 2. The amendments to ORS 756.310 by section 1 of this 2015 Act apply to fees**
21 **imposed by the Public Utility Commission on or after the effective date of this 2015 Act.**

22 **SECTION 3. This 2015 Act being necessary for the immediate preservation of the public**
23 **peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect**
24 **on its passage.**

25 _____