

ORDER NO. 08-131

ENTERED 02/26/08

**BEFORE THE PUBLIC UTILITY COMMISSION**

**OF OREGON**

UM 1012

In the Matter of	)	
	)	
PUBLIC UTILITY COMMISSION OF	)	ORDER
OREGON	)	
	)	
The Imposition of Annual Regulatory Fees	)	
upon Public Utilities Operating within the	)	
State of Oregon.	)	

**DISPOSITION: FEE LEVEL SET FOR 2007**

Pursuant to OAR 860-021-0034, OAR 860-036-0095, OAR 860-037-0095, and ORS 756.310, it is hereby determined that it is necessary for the year 2008 to impose a fee on natural gas, water, and wastewater utilities in the amount of twenty-five hundredths of one percent (2.5 mills per dollar) of gross operating revenues derived within the State of Oregon during the year 2007.

In addition, pursuant to the amendment of OAR 860-021-0033, per House Bill 2053, Annual Fees Payable to the Commission by an Electric Company, each regulated electric company must pay an annual fee on gross operating revenues derived within Oregon at a rate determined by Commission order. It is hereby determined that the fee rate for electric companies is in the amount of twenty-five hundredths of one percent (2.5 mills per dollar). The gross operating revenues of an electric company do not include revenues from sales of power for resale to the extent that the revenues from those sales exceed an amount equal to 25 percent of the total revenues received by the electric company from sales of electricity to end users in the preceding calendar year.

These fees are deemed necessary to defray the costs of performing duties imposed by law upon the Commission.

The fees as imposed by this order shall be due and payable on or before April 1, 2008, the date specified in a notice to be mailed to each public utility after the effective date of this order and at least 15 days prior to April 1, 2008.

At its Public Meeting on February 26, 2008, the Commission adopted Staff's Recommendation, which is attached as Appendix A and incorporated by reference.

**ORDER**

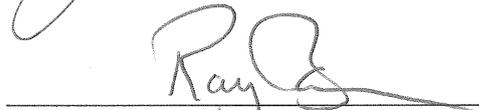
IT IS ORDERED that each natural gas, water, and wastewater utility operating in the State of Oregon shall pay to the Public Utility Commission of Oregon by April 1, 2008, a fee of twenty-five hundredths of one percent (2.5 mills per dollar) of such public utility's gross operating revenues derived within the State of Oregon during the year 2007. In no case shall such fee be less than \$10.

Each regulated electric company shall pay to the Public Utility Commission of Oregon by April 1, 2008, a fee of twenty-five hundredths of one percent (2.5 mills per dollar) on gross operating revenues derived within the State of Oregon during the year 2007. The gross operating revenues of an electric company do not include revenues from sales of power for resale to the extent that the revenues from those sales exceed an amount equal to 25 percent of the total revenues received by the electric company from sales of electricity to end users in the preceding calendar year. In no case shall such fee be less than \$10.

Made, entered, and effective FEB 26 2008.

  
\_\_\_\_\_  
**Lee Beyer**  
Chairman

  
\_\_\_\_\_  
**John Savage**  
Commissioner

  
\_\_\_\_\_  
**Ray Baum**  
Commissioner



A party may request rehearing or reconsideration of this order pursuant to ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-014-0095. A copy of any such request must also be served on each party to the proceeding as provided by OAR 860-013-0070(2). A party may appeal this order by filing a petition for review with the Court of Appeals in compliance with ORS 183.480-183.484.

PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: February 26, 2008

REGULAR \_\_\_\_\_ CONSENT  X  EFFECTIVE DATE \_\_\_\_\_ N/A \_\_\_\_\_

DATE: February 12, 2008

TO: Public Utility Commission

FROM: Rick Willis, Vikie Bailey-Goggins, and Ed Busch

THROUGH: Lee Sparling

SUBJECT: OREGON PUBLIC UTILITY COMMISSION STAFF: (Docket No. UM 1012)  
Requests an order to continue the annual fee level for gas, water, and wastewater utilities at 2.5 mills per dollar (.25 percent) and, with the implementation of House Bill 2053, sets the annual fee rate for electric companies at 2.5 mills.

**STAFF RECOMMENDATION:**

Staff recommends that the Commission issue an order setting the annual fee rate at 2.5 mills for 2007 for natural gas, water, and wastewater utilities. In addition, with the implementation of House Bill 2053, staff recommends the order set the electric company annual fee rate at 2.5 mills for 2007.

**DISCUSSION:**

Fee Collections on Natural Gas, Water, and Wastewater:

Pursuant to OAR 860-021-0034, Annual Fees Payable to the Commission by a Gas Utility, OAR 860-036-0095, Annual Fees Payable to the Commission by a Water Utility, and OAR 860-037-0095, Annual Fees Payable to the Commission by a Wastewater Utility, each gas, water, and wastewater public utility shall pay to the Commission an annual fee on gross operating revenues derived within Oregon at a rate determined by Commission order.

Fee Collection on Electric Companies:

In addition, pursuant to the amendment of OAR 860-021-0033, per House Bill 2053, Annual Fees Payable to the Commission by an Electric Company, each regulated electric company must pay an annual fee on gross operating revenues derived within Oregon at

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a rate determined by Commission order.<sup>1</sup> The gross operating revenues of an electric company do not include revenues from sales of power for resale to the extent that the revenues from those sales exceed an amount equal to 25 percent of the total revenues received by the electric company from sales of electricity to end users in the preceding calendar year.

The rules also state that the Commission's order shall be entered on or after March 1. The fee shall be payable before 5:00 p.m. on April 1 of the year after the calendar year upon which the fee is based. The fee payable shall not exceed 25 hundredths of one percent (that is, 0.25 percent or 2.5 mills per dollar) of the Oregon gross revenue during the prior calendar year.

Each year, the fee level is set based on gross operating revenues of utilities for the previous calendar year. To ensure adequate funding for the Oregon Public Utility Commission, the fee level should remain at 2.5 mills for 2007 for natural gas, water, and wastewater utilities. The fee level should be set at 2.5 mills for 2007 for electric companies.

### **Estimated Fee Collection**

Natural Gas (@2.5 mills)	\$2,987,700
Water & Wastewater (@2.5 mills)	33,900
Electric <sup>2</sup> (@2.5 mills)	7,785,027
Telecommunications	\$2,572,100

(Fee level set at 2.5 mills at September 20, 2007 Public Meeting)

<b>Total Estimated Fee Collection</b>	<b>\$13,378,727</b>
<b>Additional Estimated Revenues</b>	<b>\$487,300</b>
(From Federal Gas Pipeline, RSPF, and Misc.)	
<b>Total Collections due April 1, 2008</b>	<b>\$13,866,027</b>
<b>Estimated Expenditures for Utility Regulation</b>	<b>\$12,403,975</b>
April 1, 2008 through March 31, 2009	

<sup>1</sup> Prior to House Bill 2053, the fee for electric companies was derived from a rate applied to kilowatt-hours delivered to retail electric customers during the prior calendar year.

<sup>2</sup> In addition, the OPUC receives amounts from public purpose funds collected by PGE and PacifiCorp to cover administrative costs, per ORS 757.612(3)(c) and OAR 860-038-0480(16). In 2007, the PUC received \$26,688. Approximately 34 percent of one analyst's time was dedicated to public purpose and Energy Trust of Oregon issues.

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**PROPOSED COMMISSION MOTION:**

The Commission issue an order setting the annual fee assessment rate at 2.5 mills for 2007 for natural gas, water, and wastewater utilities. In addition, with the implementation of House Bill 2053, the order should set the electric company annual fee rate at 2.5 mills for 2007.

Annual Fee Memo UM 1012 26-Feb-2008