

ORDER NO. 04-130

ENTERED MAR 04 2004

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**BEFORE THE PUBLIC UTILITY COMMISSION**

**OF OREGON**

UM 1012

In the Matter of	)	
	)	ORDER
The Imposition of Annual Regulatory Fees	)	
upon Public Utilities Operating within the State	)	
of Oregon.	)	

**DISPOSITION: FEE LEVEL SET FOR CALENDAR YEAR 2004**

Pursuant to OAR 860-011-0024 and ORS 756.310, it is hereby determined that it is necessary during the year 2004 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 2003.

In addition, pursuant to OAR 860-011-0022, each regulated electric utility shall pay a calculated fee derived from a rate applied to kilowatt-hours delivered to retail electric customers during 2003. 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, 2004, 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, 2004.

At its Public Meeting on March 2, 2004, the Commission adopted Staff's Recommendation, which is attached as Appendix A and incorporated by reference.

**ORDER**

IT IS ORDERED that natural gas, water, and wastewater utilities operating in the State of Oregon shall pay to the Public Utility Commission of Oregon by April 1, 2004, a fee of twenty-five hundredths of one percent (2.5 mills per dollar) of such public utilities' gross operating revenues derived within the State of Oregon during the year 2003. In no case shall such fee be less than \$10.

Each regulated electric utility shall pay by April 1, 2004, the calculated fee derived from the rate determined in this Order applied to kilowatt-hours delivered to retail electric customers during 2003. The fee rate is 0.1734 mills for Portland General Electric Company, 0.1799 mills for PacifiCorp, and 0.1257 mills for Idaho Power Company. In no case shall such fee be less than \$10.

Made, entered, and effective \_\_\_\_\_.

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**Lee Beyer**  
Chairman

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**John Savage**  
Commissioner

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**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 to a court pursuant to applicable law.

**PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: March 2, 2004**

REGULAR      CONSENT   X   EFFECTIVE DATE                  N/A                                 

**DATE:** February 17, 2004

**TO:** Lee Sparling

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

**SUBJECT:** OREGON PUBLIC UTILITY COMMISSION STAFF: (Docket No. UM 1012) Requests an order to continue the annual gross revenue fee level for gas, water, and wastewater utilities at 2.5 mills per dollar (.25 percent) and sets the utility fee rate for each electric utility based on kilowatt-hours delivered to retail electric customers in 2003.

**STAFF RECOMMENDATION:**

Staff recommends that the Commission issue an order setting the gross revenue fee at 2.5 mills for collection year 2004 for natural gas, water, and wastewater utilities. In addition, the order should set the electric utility fee, applied to kilowatt-hours delivered to retail electric customers in 2003, at 0.1734 mills for Portland General Electric Company, 0.1799 mills for PacifiCorp, and 0.1257 mills for Idaho Power Company. This rate is the same as collection year 2003.

**DISCUSSION:**

Fee Collections on Natural Gas, Water, and Wastewater:

Pursuant to OAR 860-011-0024, Annual Fees Payable by Other Public Utilities, 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.

It also states that the Commission’s order shall be entered on or after March 1. The fee shall be payable by 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, .25 percent or 2.5 mills per dollar) of the Oregon 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 OPUC, the fee level should remain at 2.5 mills for collection year 2004 for natural gas, water, and wastewater utilities.

Fee Collection on Electric Utilities:

In addition, pursuant to OAR 860-011-0022, each regulated electric utility shall pay a calculated fee derived from a rate applied to kilowatt-hours delivered to retail electric customers during 2003. The calculated average fee rate for the electric utilities this collection year is 0.1754 mills per kWh. This rate is adjusted by company-specific ratios to determine each utility's fee rate.

The rates for electric utilities for collection year 2004 should be set at 0.1734 mills for Portland General Electric Company, 0.1799 mills for PacifiCorp, and 0.1257 mills for Idaho Power Company. The average fee payable by each electric company shall not exceed eighteen-hundredths of one mill per kilowatt-hour.

**Collection Year 2004**

<b>Total Estimated Fee Collection</b>		<b>\$10,334,358</b>
Natural Gas (@2.5 mills)	\$1,712,106	
Water & Wastewater (@2.5 mills)	24,550	
Electric Utility Fee <sup>1</sup>	5,653,702	
<i>Telecommunications</i>	<i>\$2,944,000</i>	
<i>(Fee level set at 2.5 mills at October 15, 2003 Public Meeting)</i>		
<b>A. <u>Estimated Revenues</u></b>		<b>\$ 504,445</b>
<i>(from RSPF, Misc., and Federal Gas Pipeline)</i>		
<b>B.</b>		
<b>C. <u>Total Collections for April, 2004</u></b>		<b>\$10,838,803</b>
<b>D.</b>		
<b>E. <u>Estimated Expenditures for Utility Regulation April 1, 2004 through March 31, 2005</u></b>		<b>\$12,060,000</b>

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<sup>1</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 2003, the PUC received \$42,615. Approximately 50 percent of one analyst's time was dedicated to public purpose and Energy Trust of Oregon issues.

**PROPOSED COMMISSION MOTION:**

The Commission issue an order setting the gross revenue fee at 2.5 mills for collection year 2004 for natural gas, water, and wastewater utilities. In addition, the order should set the electric utility fee, applied to kilowatt-hours delivered to retail electric customers in 2003, at 0.1734 mills for Portland General Electric Company, 0.1799 mills for PacifiCorp, and 0.1257 mills for Idaho Power Company.

Gross Revenue Fee Memo Feb 2004