

ORDER NO. 11 072

ENTERED MAR 02 2011

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1012

In the Matter of

PUBLIC UTILITY COMMISSION OF
OREGON

The Imposition of Annual Regulatory Fees
upon Public Utilities Operating within the
State of Oregon.

ORDER

DISPOSITION: FEE LEVEL SET FOR 2010

Pursuant to OAR 860-021-0033, 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 2011 to impose a fee on natural gas, electric, 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 2010.

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 imposed by this order shall be due and payable on or before April 1, 2011, 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, 2011.

At its Public Meeting on February 22, 2011, the Commission adopted Staff's Recommendation, which is attached as Appendix A and incorporated by reference.

ORDER

IT IS ORDERED that each natural gas, electric, water, and wastewater utility operating in the State of Oregon shall pay to the Public Utility Commission of Oregon by April 1, 2011, 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 2010. In no case shall such fee be less than \$10.

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.

Made, entered, and effective MAR 02 2011

BY THE COMMISSION:



Becky L. Beier

Becky L. Beier
Commission Secretary

A party may request rehearing or reconsideration of this order under 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 860-001-0720. A copy of the request must also be served on each party to the proceedings as provided in OAR 860-001-0180(2). A party may appeal this order by filing a petition for review with the Court of Appeals in compliance with ORS 183.480 through 183.484.

ITEM NO. CA 8

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: February 22, 2011**

REGULAR _____ CONSENT X EFFECTIVE DATE _____ NA _____

DATE: February 14, 2011

TO: Public Utility Commission

FROM: Rick Willis, Vikie Bailey-Goggins and Maury Galbraith MF

THROUGH: Lee Sparling

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

STAFF RECOMMENDATION:

Staff recommends that the Commission issue an order setting the annual fee rate at 2.5 mills for 2010 for electric, natural gas, water, and wastewater utilities.

DISCUSSION:

Fee Collections on Electric, Natural Gas, Water, and Wastewater:

Pursuant to OAR 860-021-0033, Annual Fees Payable to the Commission by an Electric Company, 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 electric, 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.

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

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 February 14, 2011
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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 be increased to 2.5 mills for 2010 for electric, natural gas, water, and wastewater utilities. Our revenue collections are less this year due to telecommunications being at the .0015 for the last seven months of 2010. Consequently, our cash balance will be reduced to approximately four months of operating expenditures.

Estimated Fee Collection

Natural Gas (@2.5 mills)	\$2,413,336	
Water & Wastewater (@2.5 mills)	36,100	
Electric ¹ (@2.5 mills)	8,153,604	
Telecommunications	\$1,373,326	
(Fee level set at 1.5 mills at October 26, 2010 Public Meeting)		
Total Estimated Fee Collection		\$11,976,366
Additional Estimated Revenues		\$833,400
(From Federal Gas Pipeline, RSPF, and Misc.)		
Total Collections and Revenues as of April 1, 2011		\$12,809,766
Estimated Expenditures for Utility Regulation		\$13,346,450
April 1, 2011 through March 31, 2012		

PROPOSED COMMISSION MOTION:

The Commission issue an order setting the annual fee assessment rate at 2.5 mills for 2010 for electric, natural gas, water, and wastewater utilities.

UM 1012 Annual Fee Memo 22Feb2011

¹ 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 2010, the PUC received \$12,610. Approximately 29 percent of one analyst's time was dedicated to public purpose and Energy Trust of Oregon issues.