

**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: STAFF'S RECOMMENDATION ADOPTED

At its public meeting on February 25, 2020, the Public Utility Commission of Oregon adopted Staff's recommendation in this matter. The Staff Report with the recommendation is attached as Appendix A.

BY THE COMMISSION:



A handwritten signature in blue ink, appearing to read "Nolan Moser", is written over a horizontal line.

**Nolan Moser**  
Chief Administrative Law Judge

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 Circuit Court for Marion County in compliance with ORS 183.484.

**PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: February 25, 2020**

**REGULAR**   X   **CONSENT**        **EFFECTIVE DATE**       March 1, 2020      

**DATE:** February 14, 2020

**TO:** Public Utility Commission

**FROM:** Mihyeon Seo

**THROUGH:** Michael Dougherty and Imee Anderson **SIGNED**

**SUBJECT:** OREGON PUBLIC UTILITY COMMISSION STAFF:  
(Docket No. UM 1012) Requests an order to establish the annual fee level for electric, gas, water, and wastewater utilities at 0.35 percent.

**STAFF RECOMMENDATION:**

Staff recommends that the Public Utility Commission of Oregon (Commission) issue an order setting the annual fee rate at thirty-five hundredths of one percent (0.35 percent) of 2019 gross operating revenues for electric, natural gas, water, and wastewater utilities.

**DISCUSSION:**

Issue

Whether the Commission should set the annual fee rate paid by electric, natural gas, water, and wastewater utilities to 0.35 percent of gross operating revenues.

Applicable Rule or Law

Pursuant to ORS 756.310, OAR 860-021-0033, OAR 860-021-0034, OAR 860-036-0095, and OAR 860-037-0095, each electric, gas, water, and wastewater public utility is required to 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

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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 must be paid no later than 5:00 p.m. April 1 of the year after the calendar year upon which the fee is based. The fee payable shall not exceed forty-five hundredths of one percent (0.45 percent) of the Oregon gross revenue during the prior calendar year. ORS 756.310(3).

### Analysis

Each year, the fee level is set based on gross operating revenues of utilities for the previous calendar year. Senate Bill 68 enacted in 2019 allows the Commission to set the annual fee to a percentage amount not to exceed forty-five hundredths of one percent (0.45 percent) of the provider's gross revenue. To ensure adequate funding for the Commission, Staff recommends that the fee level should be increased to a blended rate of thirty-five hundredths of one percent (0.35 percent) of 2019 gross operating revenues for electric, natural gas, water, and wastewater utilities. Because the effected date of Senate Bill 68 was July 1, 2019, the blended rate was calculated from a rate of three-tenths of one percent (0.3 percent) for the first 6 months of 2019, and a rate of four-tenths of one percent (0.4 percent) for the next 6 months of 2019.

The estimated expenditures for April 1, 2020 through March 31, 2021 are approximately \$1.8 million less than anticipated revenues. This estimates include potential costs for 2020 Senate Bill 1530. The Commission's reserve balance is currently projected to be about \$3.4 million on April 1, 2020. Commission Staff will continue to be prudent with expenditures.

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**Estimated Fee Collection as of April 1, 2020**

Natural Gas (at 3.5 mills)	\$ 2,940,660
Water and Wastewater (at 3.5 mills)	\$ 72,375
Electric (at 3.5 mills)	\$ 12,476,166
Telecommunications (at 3.0 mills, UM 940)	\$ 1,450,784
<b>Total Estimated Fee Collection</b>	<b>\$ 16,939,985</b>
Additional Estimated Revenues (From Federal Gas Pipeline Grant, RSPF, and Miscellaneous)	\$ 2,270,264
<b>Total Collection and Revenues</b>	<b>\$ 19,210,249</b>

**Estimated Expenditures for Utility Regulation**

April 1, 2020 through March 31, 2021 (includes Utility Program and Policy & Administration)	<b>\$ (17,414,640)</b>
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Estimated expenditures are below projected revenue by \$1,795,609.

Conclusion

Based on Staff's analysis, the annual fee rate should be set to thirty-five hundredths of one percent to ensure adequate funding for the Commission.

**PROPOSED COMMISSION MOTION:**

The Commission issue an order setting the annual fee assessment rate at thirty-five hundredths of one percent (0.35 percent) for 2020 for electric, natural gas, water, and wastewater utilities.