

ORDER NO. 12 067

ENTERED MAR 01 2012

**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 2012**

Under 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 2012 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 2011.

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, 2012, 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, 2012.

At its Public Meeting on February 28, 2012, the Commission adopted Staff's Recommendation, which is attached as Appendix A and incorporated by reference.

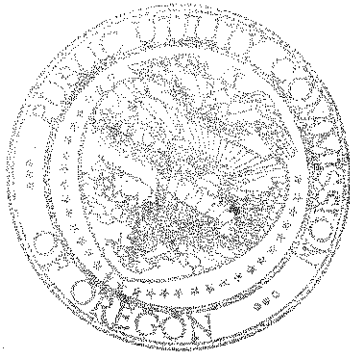
**ORDER**

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, 2012, 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 2011. 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 01 2012

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.

**PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: February 28, 2012**

REGULAR \_\_\_\_\_ CONSENT  X  EFFECTIVE DATE  March 1, 2012

DATE: February 16, 2012

TO: Public Utility Commission

FROM: Michael Dougherty, <sup>MG</sup> Vinnie Malkasian, and Maury Galbraith

THROUGH: <sup>MG</sup> Bryan Conway

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 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 of 2011 gross operating revenues 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.

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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 be maintained at 2.5 mills of 2011 gross operating revenues for electric, natural gas, water, and wastewater utilities. Because estimated expenditures for April 1, 2012 through March 31, 2013 are approximately \$546 thousand higher than anticipated revenues, the Commission will need to draw on its reserve balance which is projected at about \$6 million on April 1, 2012.

#### **Estimated Fee Collection as of April 1, 2012**

Natural Gas (@2.5 mills)	\$2,507,327
Water & Wastewater (@2.5 mills)	35,800
Electric <sup>1</sup> (@2.5 mills)	8,105,978
<i>Telecommunications</i>	<u>\$1,168,500</u>
<b>Total Estimated Fee Collection</b>	<b>\$11,817,605</b>
<b>Additional Estimated Revenues</b>	<u><b>\$756,600</b></u>
(From Federal Gas Pipeline, RSPF, and Misc.)	
<b>Total Collection &amp; Revenues</b>	<b>\$12,574,205</b>

**Estimated Expenditures for Utility Regulation** **\$13,120,475**  
April 1, 2012 through March 31, 2013

#### **PROPOSED COMMISSION MOTION:**

The Commission issue an order setting the annual fee assessment rate at 2.5 mills for 2012 for electric, natural gas, water, and wastewater utilities.

UM 1012 Annual Fee Memo

<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 2011, the PUC received \$32,192. Approximately 40 percent of one analyst's time was dedicated to public purpose and Energy Trust of Oregon issues.