

**PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: March 7, 2006**

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

**DATE:** February 23, 2006

**TO:** Public Utility Commission

**FROM:** Rick Willis, Vikie Bailey-Goggins, and Judy Johnson

**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 sets the utility fee rate for each electric utility based on kilowatt-hours delivered to retail electric customers in 2005.

**STAFF RECOMMENDATION:**

Staff recommends that the Commission issue an order setting the annual fee at 2.5 mills for 2005 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 2005, at 0.1734 mills for Portland General Electric Company, 0.1799 for PacifiCorp, and 0.1257 for Idaho Power Company. This rate is the same as 2004.

**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, and OAR 860-036-0095, Annual Fees Payable to the Commission by a Water 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.

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 pm 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 2005 for natural gas, water, and wastewater utilities.

Fee Collection on Electric Utilities:

In addition, pursuant to OAR 860-021-0033, Annual Fees Payable to the Commission by an Electric Utility, each regulated electric utility shall pay a calculated fee derived from a rate applied to kilowatt-hours delivered to retail electric customers during 2005. The calculated average fee rate for the electric utilities this collection year is 0.1747 mills per kWh. This rate is adjusted by company-specific ratios to determine each utility's fee rate.

The rates for electric utilities for 2005 should be set at 0.1734 for Portland General Electric Company, 0.1799 for PacifiCorp, and 0.1257 for Idaho Power Company. The average fee payable for each electric company shall not exceed eighteen-hundredths of one mill per kilowatt-hour.

**Revenues and MWh During 2005**

**Estimated Fee Collection**

Natural Gas (@2.5 mills)	\$ 2,593,400
Water & Wastewater (@2.5 mills)	26,200
Electric Utility Fee <sup>1</sup>	5,712,800
<i>Telecommunications</i>	<i>\$ 2,700,000</i>

(Fee level set at 2.5 mills at October 11, 2005 Public Meeting)

**Total Estimated Fee Collection** **\$10,738,100**

**Additional Estimated Revenues** **\$619,700**

(from RSPF, Misc., and Federal Gas Pipeline)

**Total Collections due April 1, 2006** **\$11,357,800**

**Estimated Expenditures for Utility Regulation** **\$11,713,458**

April 1, 2006 through March 31, 2007

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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 2005, the PUC received \$19,288. Approximately 35 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 annual fee assessment rate at 2.5 mills for 2005 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 2005, at 0.1734 mills for Portland General Electric Company, 0.1799 mills for PacifiCorp, and 0.1257 mills for Idaho Power Company.