

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: February 24, 2009**

REGULAR _____ **CONSENT** X **EFFECTIVE DATE** _____ **N/A** _____

DATE: February 9, 2009

TO: Public Utility Commission

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

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 2008 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 a 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

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 2008 for electric, natural gas, water, and wastewater utilities.

Estimated Fee Collection

Natural Gas (@2.5 mills)	\$3,070,300
Water & Wastewater (@2.5 mills)	35,100
Electric ¹ (@2.5 mills)	8,282,100
<i>Telecommunications</i>	<i>\$2,436,100</i>

(Fee level set at 2.5 mills at September 23, 2008 Public Meeting)

Total Estimated Fee Collection	\$13,823,600
Additional Estimated Revenues	\$624,828
(From Federal Gas Pipeline, RSPF, and Misc.)	
Total Collections and Revenues as of April 1, 2009	\$14,448,428
Estimated Expenditures for Utility Regulation	\$13,224,725
April 1, 2009 through March 31, 2010	

PROPOSED COMMISSION MOTION:

The Commission issue an order setting the annual fee assessment rate at 2.5 mills for 2008 for electric, natural gas, water, and wastewater utilities.

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 2008, the PUC received \$26,862. Approximately 30 percent of one analyst's time was dedicated to public purpose and Energy Trust of Oregon issues.