Seventy-Eighth Oregon Legislative Assembly - 2015 Regular Session **MEASURE: SB 329**
STAFF MEASURE SUMMARY
Senate Committee On Business and Transportation

Fiscal: Fiscal impact issued
Revenue: No Revenue Impact

Action Date: 03/25/15
Action: Do Pass And Refer To Ways And Means By Prior Reference.
Meeting Dates: 02/25, 03/25
Vote:
Yeas: 4 - Beyer, Girod, Monroe, Riley
Exc: 1 - Thomsen
Prepared By: James LaBar, Committee Administrator

WHAT THE MEASURE DOES:
Increases annual fee imposed on public utilities and telecommunications providers, from a maximum of 0.25 percent of a utility's gross operating revenue to a maximum of 0.30 percent, for purposes of defraying costs of Public Utility Commission. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Budget considerations at the Public Utility Commission
- Economic factors, including decreasing use of telephone landlines and rising energy efficiency and conservation
- Timing for fees increasing and budget projections

EFFECT OF COMMITTEE AMENDMENT:
No amendment.

BACKGROUND:
The Public Utility Commission (PUC) has indicated that there is a need to increase fees to maintain the PUC's Utility Program and Policy & Administration (P&A) Division's current level of operations. The fee change proposed by Senate Bill 329 increases the average cost per residential customer per bill from $0.17 to $0.20. With the exception of 2010 (0.15 percent), the annual utility fee has been set at 0.25 percent since 1997. The increase in fee is driven by two factors: 1) Loss of telephone landlines, resulting in a corresponding decrease in revenue (telephone landlines have decreased from 1.26 million in 2009 to approximately 1.0 million in 2014); and 2) Effective energy efficiency and conservation measures that have slowed the growth of energy utility revenue.

For 2015-2017, budgeted expenditures for the Utility Program and P&A are $4.6 million greater than forecasted revenue. Major program expenses are personnel, other personnel expenses (i.e., PERS, benefits and employment taxes), Attorney General fees and rent. Currently, PUC is using its balance of funds to account for the differences of revenue and expenditures. The Commission estimates that, if the fee change does not occur, it will exhaust its balance during the 2019-2021 biennium.