

STATE OF OKLAHOMA

1st Session of the 56th Legislature (2017)

COMMITTEE SUBSTITUTE
FOR

HOUSE BILL NO. 1860

By: Osborn (Leslie)

COMMITTEE SUBSTITUTE

An Act relating to utility regulation; amending 17 O.S. 2011, Section 180.11, as amended by Section 60, Chapter 304, O.S.L. 2012 (17 O.S. Supp. 2016, Section 180.11), which relates to assessments; providing for effect of budgetary limits; providing an effective date; and declaring an emergency.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 17 O.S. 2011, Section 180.11, as amended by Section 60, Chapter 304, O.S.L. 2012 (17 O.S. Supp. 2016, Section 180.11), is amended to read as follows:

Section 180.11 A. The Corporation Commission is hereby authorized to assess a fee upon each public utility to provide adequate funding to the Public Utility Division of the Corporation Commission for the regulation of public utilities in this state and for providing for timely and expeditious reviews and completion of

1 rate cases, and increased responsiveness to the needs of consumers
2 and the regulated community.

3 B. 1. The assessment authorized by this section may, after
4 excluding the amount allocated to interexchange telecommunications
5 companies, resellers, pay phone service providers and operator
6 service providers in paragraph 2 of this subsection, be borne by the
7 affected public utilities as follows:

8 a. one-half (1/2) shall be allocated based on that
9 proportion which the total regulated Oklahoma
10 jurisdictional gross operating revenues of each public
11 utility bear to the total regulated Oklahoma
12 jurisdictional gross operating revenues of all public
13 utilities, and

14 b. one-half (1/2) shall be allocated based on that
15 proportion which the total number of regulated
16 Oklahoma jurisdictional customers of each public
17 utility bears to the total number of regulated
18 Oklahoma jurisdictional customers of all public
19 utilities.

20 2. For interexchange telecommunications companies, resellers,
21 pay phone service providers and operator service providers, the
22 allocation may be based on the total regulated Oklahoma
23 jurisdictional gross operating revenues that each interexchange
24 telecommunications company, reseller or operator service provider

1 bears in proportion to the total regulated Oklahoma jurisdictional
2 gross operating revenue of all public utilities as applied to the
3 total amount of the assessment to be collected from all public
4 utilities for each year.

5 C. Any assessment levied pursuant to this section shall be
6 recoverable as an operating expense to the public utility and shall
7 be included in a utility's base rates or basic monthly service
8 charge. The Corporation Commission shall take such action necessary
9 to ensure recovery of the assessment by a public utility during the
10 period for which it is levied.

11 D. The Corporation Commission may provide that each public
12 utility shall pay any assessment levied pursuant to this section on
13 a quarterly basis. Notice of the annual assessment shall be sent by
14 certified mail, return receipt requested, to each public utility.
15 Each public utility shall pay the amount assessed to the Commission
16 for deposit to the Public Utility Regulation Revolving Fund created
17 in subsection E of this section. A public utility may, at its
18 discretion, pay its annual assessment prior to the due date of the
19 quarterly payments.

20 E. Any assessment collected by the Commission pursuant to this
21 section shall be deposited in the Public Utility Regulation
22 Revolving Fund hereby created. The fund shall be a continuing fund
23 not subject to fiscal year limitations and shall consist of the
24 monies received by the Commission from any assessment levied

1 pursuant to the provisions of this section. All monies accruing to
2 the credit of the fund are hereby appropriated and may be budgeted
3 and expended by the Commission to pay the costs, both direct and
4 indirect, of the Public Utilities Division incurred to regulate
5 public utilities. Expenditures from said fund shall be made upon
6 warrants issued by the State Treasurer against claims filed as
7 prescribed by law with the Director of the Office of Management and
8 Enterprise Services for approval and payment.

9 F. The Legislature shall establish budgetary limits for the
10 Public Utility Division of the Corporation Commission. Any
11 assessment levied pursuant to this section shall not exceed the
12 amount of the budgetary limits and indirect costs for related
13 support functions established by the Legislature for any fiscal
14 year. Budgetary limits will stay in effect until superseded by
15 further action of the Legislature.

16 G. For purposes of this section, "public utility" means:

17 1. A public utility as defined by Section 151 of this title,
18 excluding those companies encompassed by paragraph (d) of Section
19 151 of this title;

20 2. Any telephone or telecommunications company subject to
21 Section 131 et seq. of this title, including interexchange
22 telecommunications companies or such other telecommunications
23 companies as defined by OCC Rule OAC 165:55-1-4, resellers as
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1 defined by OCC Rule OAC 165:56-1-4 and operator service providers as
2 defined by OCC Rule OAC 165:57-1-4; and

3 3. Any association or cooperative corporation doing business
4 under the Rural Electric Cooperative Act except for generation and
5 transmission associations or cooperative corporations, or
6 transmission associations or cooperative corporations.

7 H. It is the intention of the Legislature that this entire
8 section is an amendment to and alteration of Sections 18 through 34,
9 inclusive, of Article IX of the Constitution of the State of
10 Oklahoma, as authorized by Section 35 of Article IX of said
11 Constitution.

12 SECTION 2. This act shall become effective July 1, 2017.

13 SECTION 3. It being immediately necessary for the preservation
14 of the public peace, health or safety, an emergency is hereby
15 declared to exist, by reason whereof this act shall take effect and
16 be in full force from and after its passage and approval.

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