

STATE OF OKLAHOMA

1st Session of the 56th Legislature (2017)

SUBCOMMITTEE RECOMMENDATION  
FOR

HOUSE BILL NO. 1860

By: Osborn (Leslie)

SUBCOMMITTEE RECOMMENDATION

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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