

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 56th Legislature (2017)

4 COMMITTEE SUBSTITUTE
5 FOR
6 HOUSE BILL NO. 1860

By: Osborn (Leslie) of the
House

and

Fields of the Senate

11 COMMITTEE SUBSTITUTE

12 An Act relating to utility regulation; amending 17
13 O.S. 2011, Section 180.11, as amended by Section 60,
14 Chapter 304, O.S.L. 2012 (17 O.S. Supp. 2016, Section
15 180.11), which relates to assessments; providing for
16 effect of budgetary limits; providing an effective
17 date; and declaring an emergency.

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

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

22 Section 180.11 A. The Corporation Commission is hereby
23 authorized to assess a fee upon each public utility to provide
24 adequate funding to the Public Utility Division of the Corporation

1 Commission for the regulation of public utilities in this state and
2 for providing for timely and expeditious reviews and completion of
3 rate cases, and increased responsiveness to the needs of consumers
4 and the regulated community.

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

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

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

22 2. For interexchange telecommunications companies, resellers,
23 pay phone service providers and operator service providers, the
24 allocation may be based on the total regulated Oklahoma

1 jurisdictional gross operating revenues that each interexchange
2 telecommunications company, reseller or operator service provider
3 bears in proportion to the total regulated Oklahoma jurisdictional
4 gross operating revenue of all public utilities as applied to the
5 total amount of the assessment to be collected from all public
6 utilities for each year.

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

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

22 E. Any assessment collected by the Commission pursuant to this
23 section shall be deposited in the Public Utility Regulation
24 Revolving Fund hereby created. The fund shall be a continuing fund

1 not subject to fiscal year limitations and shall consist of the
2 monies received by the Commission from any assessment levied
3 pursuant to the provisions of this section. All monies accruing to
4 the credit of the fund are hereby appropriated and may be budgeted
5 and expended by the Commission to pay the costs, both direct and
6 indirect, of the Public Utilities Division incurred to regulate
7 public utilities. Expenditures from said fund shall be made upon
8 warrants issued by the State Treasurer against claims filed as
9 prescribed by law with the Director of the Office of Management and
10 Enterprise Services for approval and payment.

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

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

19 1. A public utility as defined by Section 151 of this title,
20 excluding those companies encompassed by paragraph (d) of Section
21 151 of this title;

22 2. Any telephone or telecommunications company subject to
23 Section 131 et seq. of this title, including interexchange
24 telecommunications companies or such other telecommunications

1 companies as defined by OCC Rule OAC 165:55-1-4, resellers as
2 defined by OCC Rule OAC 165:56-1-4 and operator service providers as
3 defined by OCC Rule OAC 165:57-1-4; and

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

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

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

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

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19 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET, dated
20 02/21/2017 - DO PASS, As Amended and Coauthored.
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