

1                   **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2                                 STATE OF OKLAHOMA

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

4   HOUSE BILL 1860

                               By: Osborn (Leslie) of the  
   House

5   and

6   Fields of the Senate

7  
8  
9   AS INTRODUCED

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

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

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

21                 Section 180.11 A. The Corporation Commission is hereby  
22                 authorized to assess a fee upon each public utility to provide  
23                 adequate funding to the Public Utility Division of the Corporation  
24                 Commission and to include Two Hundred Thousand Dollars (\$200,000.00)  
                               annually to the Office of the Attorney General for use by the Public

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

18

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

21

22

23

24

25