

1 **SENATE FLOOR VERSION**

2 April 12, 2017

3 **AS AMENDED**

4 ENGROSSED HOUSE
5 BILL NO. 1860

6 By: Osborn (Leslie) of the
7 House

8 and

9 Fields of the Senate

10 **[utility regulation - assessments - budgetary limits**
11 **- effective date -**

12 **emergency]**

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

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

17 Section 180.11 A. The Corporation Commission is hereby
18 authorized to assess a fee upon each public utility to provide
19 adequate funding to the Public Utility Division of the Corporation
20 Commission for the regulation of public utilities in this state and
21 for providing for timely and expeditious reviews and completion of
22 rate cases, and increased responsiveness to the needs of consumers
23 and the regulated community.

24 B. 1. The assessment authorized by this section may, after
excluding the amount allocated to interexchange telecommunications

1 companies, resellers, pay phone service providers and operator
2 service providers in paragraph 2 of this subsection, be borne by the
3 affected public utilities as follows:

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

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

16 2. For interexchange telecommunications companies, resellers,
17 pay phone service providers and operator service providers, the
18 allocation may be based on the total regulated Oklahoma
19 jurisdictional gross operating revenues that each interexchange
20 telecommunications company, reseller or operator service provider
21 bears in proportion to the total regulated Oklahoma jurisdictional
22 gross operating revenue of all public utilities as applied to the
23 total amount of the assessment to be collected from all public
24 utilities for each year.

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

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

16 E. Any assessment collected by the Commission pursuant to this
17 section shall be deposited in the Public Utility Regulation
18 Revolving Fund hereby created. The fund shall be a continuing fund
19 not subject to fiscal year limitations and shall consist of the
20 monies received by the Commission from any assessment levied
21 pursuant to the provisions of this section. All monies accruing to
22 the credit of the fund are hereby appropriated and may be budgeted
23 and expended by the Commission to pay the costs, both direct and
24 indirect, of the Public Utilities Division incurred to regulate

1 public utilities. Expenditures from said fund shall be made upon
2 warrants issued by the State Treasurer against claims filed as
3 prescribed by law with the Director of the Office of Management and
4 Enterprise Services for approval and payment.

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

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

13 1. A public utility as defined by Section 151 of this title,
14 excluding those companies encompassed by paragraph (d) of Section
15 151 of this title;

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

22 3. Any association or cooperative corporation doing business
23 under the Rural Electric Cooperative Act except for generation and
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1 transmission associations or cooperative corporations, or
2 transmission associations or cooperative corporations.

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

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

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

13 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS
14 April 12, 2017 - DO PASS AS AMENDED
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