

Representative Dixon M. Pitcher proposes the following substitute bill:

PUBLIC UTILITY REGULATORY RESTRICTED ACCOUNT

AMENDMENTS

2017 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Dixon M. Pitcher

Senate Sponsor: Brian E. Shiozawa

LONG TITLE

General Description:

This bill creates a restricted account within the General Fund.

Highlighted Provisions:

This bill:

- ▶ creates a restricted account known as the Public Utility Regulatory Restricted Account in the Department of Commerce;
- ▶ provides that the Department of Commerce shall deposit special regulation fees into the Public Utility Regulatory Restricted Account;
- ▶ provides that funds in the Public Utility Regulatory Restricted Account may be used to fund the Division of Public Utilities, the Office of Consumer Services, and the Public Service Commission;
- ▶ designates appropriations from the Public Utility Regulatory Restricted Account as nonlapsing; and
- ▶ transfers public utility regulatory fees designated as nonlapsing into the Public Utility Regulatory Restricted Account.

Money Appropriated in this Bill:

None



26 **Other Special Clauses:**

27 This bill provides a special effective date.

28 **Utah Code Sections Affected:**

29 AMENDS:

30 **54-5-1.5**, as last amended by Laws of Utah 2009, Chapter 183

31 **63J-1-602.3**, as last amended by Laws of Utah 2016, Chapters 52 and 271

32 **Uncodified Material Affected:**

33 ENACTS UNCODIFIED MATERIAL



35 *Be it enacted by the Legislature of the state of Utah:*

36 Section 1. Section **54-5-1.5** is amended to read:

37 **54-5-1.5. Special regulation fee -- Supplemental Levy Committee -- Supplemental**
38 **fee -- Fee for electrical cooperatives.**

39 (1) (a) A special fee to defray the cost of regulation is imposed upon all public utilities
40 subject to the jurisdiction of the Public Service Commission.

41 (b) The special fee is in addition to any charge now assessed, levied, or required by
42 law.

43 (2) (a) The executive director of the Department of Commerce shall determine the
44 special fee for the Department of Commerce.

45 (b) The chair of the Public Service Commission shall determine the special fee for the
46 Public Service Commission.

47 (c) The fee shall be assessed as a uniform percentage of the gross operating revenue for
48 the preceding calendar year derived from each public utility's business and operations during
49 that period within this state, excluding income derived from interstate business. Gross
50 operating revenue shall not include income to a wholesale electric cooperative derived from the
51 sale of power to a rural electric cooperative which resells that power within the state.

52 (3) (a) The executive director of the Department of Commerce shall notify each public
53 utility subject to the provisions of this chapter of the amount of the fee.

54 (b) The fee is due and payable on or before July 1 of each year.

55 (4) (a) There is created a restricted account within the General Fund known as the
56 Public Utility Regulatory Restricted Account.

57 (b) Notwithstanding Subsection 13-1-2(3)(c), the Department of Commerce shall
58 deposit a fee assessed under this section into the Public Utility Regulatory Restricted Account.

59 (c) Within appropriations by the Legislature:

60 (i) the Department of Commerce may use the funds in the Public Utility Regulatory
61 Restricted Account to administer:

62 (A) the Division of Public Utilities; and

63 (B) the Office of Consumer Services; and

64 (ii) the Public Service Commission may use the funds in the Public Utility Regulatory
65 Restricted Account to administer the Public Service Commission.

66 ~~[(4)]~~ (5) (a) ~~[It is the intent of the]~~ The Legislature intends that the public utilities
67 provide all of the funds for the administration, support, and maintenance of:

68 (i) the Public Service Commission;

69 (ii) state agencies within the Department of Commerce involved in the regulation of
70 public utilities; and

71 (iii) expenditures by the attorney general for utility regulation.

72 (b) Notwithstanding Subsection ~~[(4)]~~ (5)(a), the fee imposed by Subsection (1) shall
73 not exceed the greater of:

74 (i) (A) for a public utility other than an electrical cooperative, .3% of the public utility's
75 gross operating revenues for the preceding calendar year; or

76 (B) for an electrical cooperative, .15% of the electrical cooperative's gross operating
77 revenues for the preceding calendar year; or

78 (ii) \$50.

79 ~~[(5)]~~ (6) (a) There is created a Supplemental Levy Committee to levy additional
80 assessments on public utilities when unanticipated costs of regulation occur in any fiscal year.

81 (b) The Supplemental Levy Committee shall consist of:

82 (i) one member selected by the executive director of the Department of Commerce;

83 (ii) one member selected by the chairman of the Public Service Commission;

84 (iii) two members selected by the three public utilities that paid the largest percent of
85 the current regulatory fee; and

86 (iv) one member selected by the four appointed members.

87 (c) (i) The members of the Supplemental Levy Committee shall be selected within 10

88 working days after the executive director of the Department of Commerce gives written notice
89 to the Public Service Commission and the public utilities that a supplemental levy committee is
90 needed.

91 (ii) If the members of the Supplemental Levy Committee have not been appointed
92 within the time prescribed, the governor shall appoint the members of the Supplemental Levy
93 Committee.

94 (d) (i) During any state fiscal year, the Supplemental Levy Committee, by a majority
95 vote and subject to audit by the state auditor, may impose a supplemental fee on the regulated
96 utilities for the purpose of defraying any increased cost of regulation.

97 (ii) The supplemental fee imposed upon the utilities shall equal a percentage of their
98 gross operating revenue for the preceding calendar year.

99 (iii) The aggregate of all fees, including any supplemental fees assessed, shall not
100 exceed .3% of the gross operating revenue of the utilities assessed for the preceding calendar
101 year.

102 (iv) Payment of the supplemental fee is due within 30 days after receipt of the
103 assessment.

104 (v) The utility may, within 10 days after receipt of assessment, request a hearing before
105 the Public Service Commission if it questions the need for, or the reasonableness of, the
106 supplemental fee.

107 (e) (i) Any supplemental fee collected to defray the cost of regulation shall be
108 transferred to the state treasurer as a departmental collection according to the provisions of
109 Section 63J-1-104.

110 (ii) Supplemental fees are excess collections, credited according to the procedures of
111 Section 63J-1-104.

112 (iii) Charges billed to the Department of Commerce by any other state department,
113 institution, or agency for services rendered in connection with regulation of a utility shall be
114 credited by the state treasurer from the special or supplemental fees collected to the
115 appropriations account of the entity providing that service according to the procedures provided
116 in Title 63J, Chapter 1, Budgetary Procedures Act.

117 [~~6~~] (7) (a) For purposes of this section, "electrical cooperative" means:

118 (i) a distribution electrical cooperative; or

119 (ii) a wholesale electrical cooperative.

120 (b) Subject to Subsection [~~(6)~~] (7)(c), if the regulation of one or more electrical
121 cooperatives causes unanticipated costs of regulation in a fiscal year, the commission may
122 impose a supplemental fee on the one or more electrical cooperatives in this state responsible
123 for the increased cost of regulation.

124 (c) The aggregate of all fees imposed under this section on an electrical cooperative in
125 a calendar year shall not exceed the greater of:

126 (i) .3% of the electrical cooperative's gross operating revenues for the preceding
127 calendar year; or

128 (ii) \$50.

129 Section 2. Section **63J-1-602.3** is amended to read:

130 **63J-1-602.3. List of nonlapsing funds and accounts -- Title 46 through Title 60.**

131 (1) The Utah Law Enforcement Memorial Support Restricted Account created in
132 Section [53-1-120](#).

133 (2) Funding for the Search and Rescue Financial Assistance Program, as provided in
134 Section [53-2a-1102](#).

135 (3) Appropriations made to the Division of Emergency Management from the State
136 Disaster Recovery Restricted Account, as provided in Section [53-2a-603](#).

137 (4) Appropriations made to the Department of Public Safety from the Department of
138 Public Safety Restricted Account, as provided in Section [53-3-106](#).

139 (5) Appropriations to the Motorcycle Rider Education Program, as provided in Section
140 [53-3-905](#).

141 (6) Appropriations from the Utah Highway Patrol Aero Bureau Restricted Account
142 created in Section [53-8-303](#).

143 (7) Appropriations from the DNA Specimen Restricted Account created in Section
144 [53-10-407](#).

145 (8) The Canine Body Armor Restricted Account created in Section [53-16-201](#).

146 (9) The School Readiness Restricted Account created in Section [53A-1b-104](#).

147 (10) Appropriations to the State Board of Education, as provided in Section
148 [53A-17a-105](#).

149 (11) Money received by the Utah State Office of Rehabilitation for the sale of certain

150 products or services, as provided in Section [35A-13-202](#).

151 (12) Certain funds appropriated from the General Fund to the State Board of Regents
152 for teacher preparation programs, as provided in Section [53B-6-104](#).

153 (13) Funding for the Medical Education Program administered by the Medical
154 Education Council, as provided in Section [53B-24-202](#).

155 (14) A certain portion of money collected for administrative costs under the School
156 Institutional Trust Lands Management Act, as provided under Section [53C-3-202](#).

157 (15) Appropriations from the Public Utility Regulatory Restricted Account created in
158 Section [54-5-1.5](#).

159 [~~15~~] (16) Certain surcharges on residential and business telephone numbers imposed
160 by the Public Service Commission, as provided in Section [54-8b-10](#).

161 [~~16~~] (17) Certain fines collected by the Division of Occupational and Professional
162 Licensing for violation of unlawful or unprofessional conduct that are used for education and
163 enforcement purposes, as provided in Section [58-17b-505](#).

164 [~~17~~] (18) Certain fines collected by the Division of Occupational and Professional
165 Licensing for use in education and enforcement of the Security Personnel Licensing Act, as
166 provided in Section [58-63-103](#).

167 [~~18~~] (19) Appropriations from the Relative Value Study Restricted Account created
168 in Section [59-9-105](#).

169 [~~19~~] (20) The Cigarette Tax Restricted Account created in Section [59-14-204](#).

170 Section 3. **Legislative intent.**

171 The Legislature intends that:

172 (1) public utility regulatory fee balances designated as nonlapsing at the close of fiscal
173 year 2017 for the Division of Public Utilities, the Office of Consumer Services, and the Public
174 Service Commission be transferred to the newly created Public Utility Regulatory Restricted
175 Account; and

176 (2) the Division of Finance transfer any fees assessed under Section [54-5-1.5](#) that are
177 recorded as revenue in fiscal year 2018 in the Commerce Service Fund to the newly created
178 Public Utility Regulatory Restricted Account.

179 Section 4. **Effective date.**

180 This bill takes effect on July 1, 2017.