

SENATE BILL REPORT

SB 5656

As of February 13, 2001

Title: An act relating to public service companies.

Brief Description: Classifying public service companies for the purpose of payment of regulatory fees.

Sponsors: Senators T. Sheldon, Finkbeiner and Fairley; by request of Utilities & Transportation Commission.

Brief History:

Committee Activity: Economic Development & Telecommunications: 2/14/01.

SENATE COMMITTEE ON ECONOMIC DEVELOPMENT & TELECOMMUNICATIONS

Staff: William Bridges (786-7424)

Background: Companies regulated by the Washington Utilities and Transportation Commission (WUTC) pay the cost of regulation through fees based on a percentage of each company's gross annual operating revenue. The fee must be at least \$1 and no more than 0.2 percent of gross operating revenue. Late payments require a 2 percent late fee.

Fee rates must reflect the reasonable cost of regulating companies that are in the same class. Electric, gas, water, telecommunications, and irrigation companies are in the same class, called class one. Therefore, each industry in class one pays the same fee rate regardless of the amount of regulatory work each industry may require.

According to the WUTC, the cost of regulating telecommunications companies has increased since the mid-1990s, due in part to new duties related to inter-company disputes. This means the fee rate for the telecommunications companies no longer reflects the reasonable cost of regulating that industry.

Summary of Bill: Telecommunications companies are removed from class one and become class two companies. The fee for class two companies must be at least \$100 and no more than 0.3 percent of a company's gross operating revenue.

The maximum rate for class one companies (electric, gas, water, and irrigation) remains 0.2 percent but the minimum fee is \$100 rather than \$1.

Late payments require a 10 percent late fee.

The commission may establish fees for specific transactions or filings. Amounts collected from these fees are considered when setting the fee rate for companies in each class.

Appropriation: None.

Fiscal Note: Available.

Effective Date: Ninety days after adjournment of session in which bill is passed.