

DECISION MEMORANDUM

TO: COMMISSIONER KJELLANDER
COMMISSIONER RAPPER
COMMISSIONER REDFORD
COMMISSION SECRETARY
LEGAL
WORKING FILE

FROM: MARIA BARRATT-RILEY, FISCAL OFFICER

DATE: April 7, 2016

RE: CALCULATING THE 2016 REGULATORY FEE ASSESSMENTS FOR PUBLIC UTILITIES, and RAILROADS; CASE NOS. F-2016-1 and F-2016-2.

HB 548 and HB 575 appropriated a total of \$6,327,000 to the Commission for Fiscal Year (FY) 2017. The total appropriation includes \$5,902,700 from fees assessed on public utilities and railroads; \$324,300 for federal grants; and \$100,000 for indirect funds. Attachment 1 shows the calculations to arrive at the amounts to be collected. Attachment 2 shows the calculations to arrive at the assessment for utilities and railroads, respectively.

1. Utility Assessment. The utilities have a carry-over balance of \$562,500 for FY 2015 expenditures, as well as a one-time adjustment of \$1,000,000. The calculated assessment for public utilities for Fiscal Year 2017 is \$4,275,100 (\$5,837,600 less \$1,562,500).

For Calendar Year (CY) 2015, Title 61 and Title 62 utilities reported gross intrastate operating revenues of approximately \$2,277,958,000.00. This is a reported revenue increase of approximately \$11.5 million (less than 1%) from the prior year. The proportionate share for each utility's regulatory fee is to be assessed at .1877% (.001877) of each utility's gross intrastate operating revenue. Pursuant to Idaho Code §61-1004(2) and 61-1004(4) the maximum fee payable shall not exceed three-tenths (3/10) of one percent (1%) of the gross operating revenues derived from the intrastate utility business of each such public utility, and the minimum regulatory fee assessed is no less than \$50.00

2. Railroad Assessment. The railroads have a carry-over balance of \$6,300 from FY 2015 expenditures. The calculated assessment for railroads for FY 2017 is \$58,800.

For CY 2015 the railroads reported gross intrastate operating revenues of approximately \$26,325,000. This is an increase of approximately \$2.8 million (12%) from the prior year. Accordingly, the proportionate share for each railroad's fee is to be assessed at .2234% (.002234) of each railroad's gross intrastate operating revenues. Pursuant to Idaho Code §61-1004(1) and 61-1004(4) the maximum fee payable shall not exceed one percent (1%) of the

gross operating revenues derived from the intrastate utility business of each railroad corporation and the minimum regulatory fee assessed shall be no less than \$50.00.

3. Pipeline Assessment. Idaho Code § 61-1004 authorizes the Commission to assess each pipeline corporation a regulatory fee to recover the Commission's actual time and expense devoted to the safety supervision and regulation of each pipeline corporation. In no case shall the fee be less than \$50.00. Last year, the Commission approved fiscal's procedure for monthly recovery of these actual expenditures.

COMMISSION DECISION

1. Does the Commission agree with the Staffs calculation of the regulatory assessment for the utilities of \$4,275,100 and for railroads of \$58,800?
2. Does the Commission agree with the Staffs calculation of the regulatory assessment rate for the utilities of .1877% (.001877)?
3. Does the Commission agree with the Staffs calculation of the regulatory assessment rate for the railroads .2234% (.002234)?



Maria Barratt-Riley
Fiscal Officer

Attachment 1

**IDAHO PUBLIC UTILITIES COMMISSION
CALCULATION OF 2016 ASSESSMENT**
For Fiscal Year 2017
(amounts are in dollars)

	Federal	Indirect	Railroad	Utilities	Total
Total FY 2017 Appropriation	324,300	100,000	65,100	5,837,600	6,327,000
Adjustments:					
Subtract FY 2015 year end savings (net expenses- assessed revenues)			(6,300.00)	(562,500.00)	(568,800.00)
Free Fund Adjustment				(1,000,000.00)	(1,000,000.00)
<i>Subtotal: FY 2017 Funding Target Adjustments</i>			(6,300.00)	(1,562,500.00)	(1,568,800.00)
Total FY 2017 Regulatory Programs	324,300	100,000	58,800.00	4,275,100.00	4,758,200.00

Attachment 2

Apportionment Factor (%)
Calculation of 2016 Assessment for FY 2017

Assessments	Railroad	Utilities	Totals
2016 Calculated Total for FY 2017	58,800.00	4,275,100.00	4,333,900.00
2015 Actual Assessment for FY2016	143,000.00	5,623,500.00	5,766,500.00
Change from prior year	(84,200.00)	(1,348,400.00)	(1,432,600.00)
percent increase/(decrease) from last year	-58.88%	-23.98%	

Gross Intrastate Revenues(GIOR)			
Reported Gross Intrastate Revenues for CY2015	26,324,893.71	2,277,958,157.73	2,304,283,051.44
Reported Gross Intrastate Revenues for CY2014	23,508,879.50	2,266,423,848.25	2,289,932,727.75
Change from prior year	2,816,014.21	11,534,309.48	14,350,323.69
percent increase/(decrease) from last year	11.98%	0.51%	

Apportionment Factor Calculation			
2016 Calculated Assessment Rate for FY 2017	0.002234	0.001877	
2015 Assessment Rate for FY 2016	0.006083	0.002481	
Change from prior year	(0.003849)	(0.000604)	
percent increase/(decrease -) over last years factor	-63.28%	-24.35%	

Maximum Percentage Allowed by Law	1.0%	0.3%
Maximum Percent Express as a decimal	0.010000	0.003000