

# HOUSE BILL REPORT

## HB 1356

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**As Passed House:**

March 11, 2003

**Title:** An act relating to updating utilities and transportation commission regulatory fees.

**Brief Description:** Updating utilities and transportation commission regulatory fees.

**Sponsors:** By Representatives Dunshee, Sommers, DeBolt and Alexander; by request of Utilities & Transportation Commission.

**Brief History:**

**Committee Activity:**

Appropriations: 2/4/03, 2/13/03 [DP].

**Floor Activity:**

Passed House: 3/11/03, 89-0.

**Brief Summary of Bill**

- Eliminates statutory minimum fees that the Washington Utilities and Transportation Committee (WUTC) charges regulated companies.
- Allows the WUTC rulemaking authority to set minimum fees for regulated companies (not to exceed \$100).
- Allows the WUTC rulemaking authority to waive part or all of the minimum fees.

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### HOUSE COMMITTEE ON APPROPRIATIONS

**Majority Report:** Do pass. Signed by 26 members: Representatives Sommers, Chair; Fromhold, Vice Chair; Sehlin, Ranking Minority Member; Pearson, Assistant Ranking Minority Member; Alexander, Buck, Clements, Cody, Conway, Cox, DeBolt, Dunshee, Grant, Hunter, Kagi, Kenney, Kessler, Linville, McDonald, McIntire, Miloscia, Pflug, Ruderman, Schual-Berke, Sump and Talcott.

**Staff:** Amy Skei (786-7140).

**Background:**

Companies regulated by the Washington Utilities and Transportation Commission (WUTC) pay the cost of regulation through annual fees. Fees are based on a percentage of each company's gross annual operating revenue from intrastate operations. The minimum fee amounts are set in statute. The WUTC may adjust the fee rates as a part of its rate setting process but may not exceed the maximum rates set in statute.

The fee rates vary by category of company:

- For public utility, telecommunications, and certain transportation companies regulated by the WUTC, the fee is limited to a maximum of one-tenth of 1 percent on the first \$50,000 plus two-tenths of 1 percent on any amount over \$50,000. No fee may be less than \$1.
- For auto transportation companies, the fee is limited to a maximum of two-fifths of 1 percent. No fee may be less than \$2.50.
- For commercial ferry companies, the fee is limited to a maximum of two-fifths of 1 percent. No fee may be less than \$5.
- For solid waste collection companies, the fee is limited to a maximum of 1 percent. No fee may be less than \$1.

The amount collected from the fees must reflect the reasonable cost of regulating the companies. The WUTC may not waive minimum fees set out in statute.

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**Summary of Bill:**

The bill removes the statutorily set minimum fees that the WUTC must charge regulated companies. The WUTC receives rulemaking authority to set minimum fees charged to regulated companies in the range of \$0 to \$100. The WUTC also receives rulemaking authority to waive part or all of the minimum fees.

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of session in which bill is passed.

**Testimony For:** The current minimum fees were set in statute 65 years ago. The WUTC would like to avoid returning to the Legislature to raise minimum fees for another 65 years. Both the WUTC and the companies it regulates would prefer not to have to

process such tiny checks. This bill is not intended as a revenue generating item. The maximum revenue it could generate would be \$23,000. Instead, the WUTC would prefer to have the ability to exempt companies from paying fees below a certain level and get out of the business of processing these checks.

**Testimony Against:** None.

**Testified:** Beth Redfield, Washington Utilities and Transportation Commission.