

ORDINANCE No. 187717

Amend Utility License Law to include direct access electric services and establish minimum penalties for certain violations. (Ordinance; amend Code Sections 7.14.040 and 7.14.110)

The City of Portland ordains:

Section 1. The Council finds:

1. In 2002, the Oregon legislature amended state law to allow large commercial businesses to buy electricity directly from alternative electric suppliers (“ES”), rather than exclusively from regulated electric utilities. The option of receiving market-based services from an ES is called Direct Access. Commercial customers similarly have access to natural gas services from third party providers. There are several Direct Access suppliers currently providing services to commercial customers within Portland. The City’s Utility License Law does not currently address the provision of services by Direct Access suppliers as constituting operating as a utility within the Code definitions. Thus, revenues associated with Direct Access sales within Portland are not captured through utility license fees.
2. The cities of Hillsboro and Prineville previously amended their city codes to address direct access services provided to customers within their city limits. Staff recommends that the Council amend the City Code to provide tax parity among competitive providers of services operating within the City.
3. The Utility License Law addresses the assessment of civil penalties for violations of the code based upon a percentage of a utility’s gross revenues. Amending the Utility License Law to require a minimum penalty of \$500 or 2% of gross revenue would provide a more efficient and appropriate administrative approach. The Utility License Law should also be revised to conform to the notice provisions in the Business License Law regarding notice of potential assessment of civil penalties.

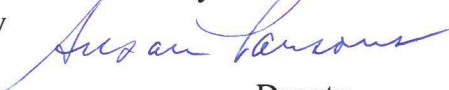
NOW, THEREFORE, the Council directs:

- a. Chapter 7.14, Utility License Law, is amended as set forth in Exhibit A attached to this ordinance.

Passed by the Council: MAY 04 2016

Mayor Charlie Hales
Prepared by: MBH/BW
Date Prepared: April 8, 2016

Mary Hull Caballero
Auditor of the City of Portland

By 
Deputy

414452

Agenda No.

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Title

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INTRODUCED BY Commissioner/Auditor: Mayor Hales	CLERK USE: DATE FILED <u>APR 19 2016</u>
COMMISSIONER APPROVAL Mayor—Finance and Administration - Hales	Mary Hull Caballero Auditor of the City of Portland By: <u>[Signature]</u> Deputy
Position 1/Utilities - Fritz	
Position 2/Works - Fish	
Position 3/Affairs - Saltzman	
Position 4/Safety - Novick	
BUREAU APPROVAL Bureau: OMF/BRFS, Revenue CAO: Fred Miller CFO, Bureau Head: Kenneth L. Rust Division Head: Thomas W. Lannom	
Prepared by: MBH Date Prepared: April 8, 2016	ACTION TAKEN: APR 27 2016 PASSED TO SECOND READING MAY 04 2016 9:30 A.M.
Impact Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/>	
Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
City Auditor Office Approval: required for Code Ordinances	
City Attorney Approval: required for contract, code, easement, franchise, comp plan, charter	
Council Meeting Date April 27, 2016	

AGENDA
TIME CERTAIN <input type="checkbox"/> Start time: _____ Total amount of time needed: _____ (for presentation, testimony and discussion)
CONSENT <input type="checkbox"/>
REGULAR <input checked="" type="checkbox"/> Total amount of time needed: 5 minutes (for presentation, testimony and discussion)

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:	
	YEAS	NAYS
1. Fritz	✓	
2. Fish	_____	
3. Saltzman	✓	
4. Novick	✓	
Hales	✓	