Oregon Public Utility Commission

2013-2015
Ways & Means Presentation
Supplemental Information

OPUC Statutory Authority

The PUC's authority comes from several chapters of state law.

- Oregon Revised Statute Chapter 756 sets out the agency's general powers:
  - Grants the Commission authority to "represent the customers of any electric and natural gas utility, telecommunications utility, water utility and the public generally in all controversies respecting rates, valuations, service and all matters of which the Commission has jurisdiction."
  - Authorizes the Commission to set rates and determine the terms and conditions of service.
  - Authorizes the Commission to investigate the management and records of regulated utilities, investigate complaints and take other actions to protect customers.
  - Gives the Commission the responsibility to "balance the interests of the utility investor and the consumer in establishing fair and reasonable rates."

OPUC Statutory Authority

- ORS Chapters 757 and 758 set out laws for energy and water regulation.
- ORS Chapter 759 sets out laws for telecommunication regulation.
- Oregon Administrative Rules Chapter 860 includes the rules the PUC uses to carry out its responsibilities. These rules deal with all aspects of regulation, including rate filing procedures, safety standards, and customer complaint procedures.
- Other applicable statutes are found in ORS Chapters 259, 290, 447, 469, 613, and 772.

HB 4131 and HB 2020 Actions

- Reduced supervisory count from 25 to 16
  - Utility Program: Fifteen supervisors to nine supervisors
  - Policy & Administration: Eight supervisors to five supervisors
  - Administrative Hearings Division: One supervisor
  - Commission Chair
- Moved from a span of control of 1:4 to 1:7.19, meeting 2015 goals.
- HB 2020 – Reclassified one OPA3 from managerial non-supervisory to classified.

Budget Drivers (Other Funds Limited)

- Personal Services (Salaries and OPE)
  - 57% of total budget
- RSPF Professional Services (OTRS Contract)
  - 13.6% of total budget
- RSPF Program Services (OTAP Support & TDAP Devices)
  - 9% of total budget
- DOJ Attorney Fees
  - 5.7% of total budget
- Facilities and Rent
  - 3.0% of budget

Budget Reductions

- Complied with recent Administrative Restrictions.
- Increased scrutiny on all purchases.
- Reduced and consolidated administrative support to fund program personnel.
- Successfully met all mission requirements while being under budget by approximately 10%.

Agency Changes/Program Delivery

- Recent reorganization to meet industry challenges.
- Introduction of the Economist 4 position to respond to highly complex industry economic modeling and complicated technology issues.
- Introduction of an electronic document management system to ensure proper retention and reproduction of documents.
- Improvements to the Commission's e-filing system to simplify filings and improve transparency.
- Improved and expanded RSPF databases to ensure high standards of program accuracy.

Information Technology & Capital Projects

- No PUC Information Technology or Capital Construction Projects
- DAS plans to perform building repairs and modifications to the PUC Building (Siding, Glazing, HVAC, Insulation, Fire Protection).
- During Building Repairs the PUC will be temporarily relocated for approximately 12 months.

Utility Program

- The Utility Program serves approximately 1,396,500 customers of investor-owned electric utilities; 760,886 customers of investor-owned natural gas utilities; 1,151,639 customers of incumbent local exchange carriers (telecommunications); and approximately 25,000 customers of investor-owned and associated water/wastewater companies.
- The Utility Program receives no General funds or Lottery funds.

Utility Program

- **Consumer Services Section**
  - The Consumer Services Section responds to questions from consumers about utility service and assists in resolving consumer complaints. In 2011, Consumer Services staff received 14,299 recorded consumer contacts, or 1,192 per month on average (a contact may involve multiple issues). Recorded contacts are inquiries that require research, analysis, processing or some resolution by staff. In 2011, Consumer Services averaged one public contact every 8.3 minutes.

Utility Program

- **Challenges**
  - Retention and recruitment of highly qualified staff. In the past 21 months, eight Utility personnel have left the OPUC, five to regulated utilities, one to a regional transmission operator, and two to other Regulatory Commissions. Pay was an issue in seven of the departures.
    - Top Utility Analyst 3 pay is 15-20% below mid range point for comparable positions at utilities.
    - 2-year turnover rate = 37%
  - Increased and specialized work load due to emerging energy and telecommunications issues and state and federal requirements.

2011 – 2013 Accomplishments

- Completed general rate cases for Avista Utilities, Idaho Power, Pacific Power, and NW Natural.
- Completed annual purchased gas adjustments for NW Natural, Cascade Utilities, and Avista Utilities, resulting in lower rates for most gas customers in Oregon.
- Completed annual power costs adjustments for Pacific Power, Portland General Electric, and Idaho Power to better align rates with actual costs of power.
- Completed extensive reviews of electric and natural gas utility resource plans, and requests for proposals for electric generating resources.
- Completed general rate cases for ten water utilities and six investigations on water service matters.
- Conducted numerous investigations to address ways to reduce utility resource cost and risk.

2011 – 2013 Accomplishments

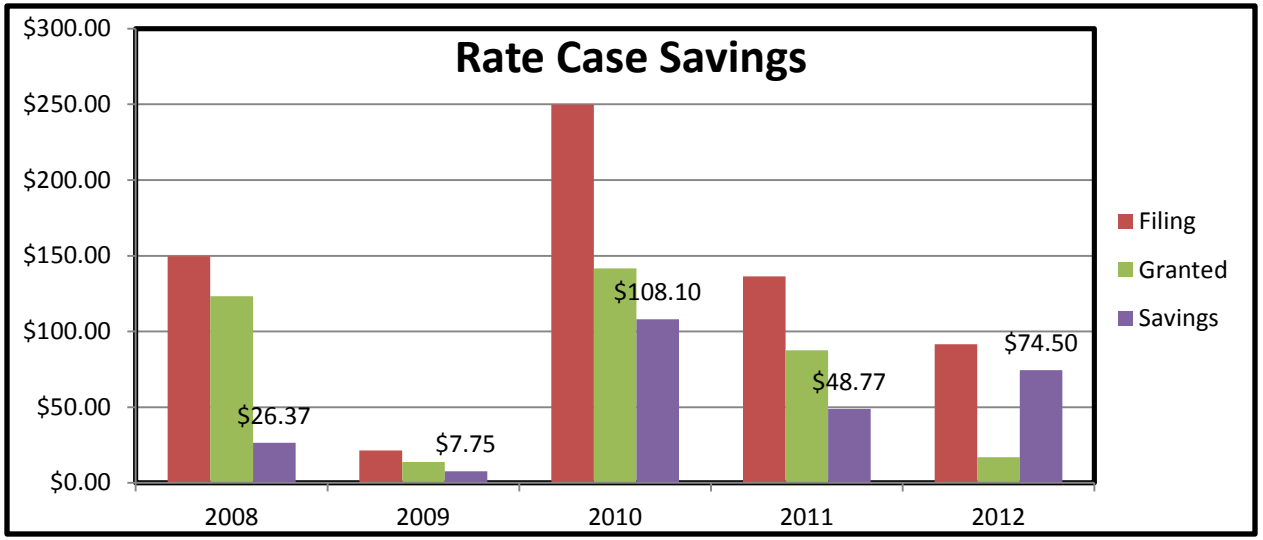
- Ensured electric utilities' compliance with the Commission rules implementing Oregon's renewable portfolio standards, including filings for establishing implementation plans, alternative compliance payments, and timely recovery of prudently incurred costs.
- For each electric utility and alternative electricity supplier, implemented Oregon's greenhouse gas emissions standard and developed estimated rate impacts for electric and natural gas companies to meet 2020 goals.
- Completed investigations and adopted regulatory policies related to Electric Vehicles, Smart Grid, and pricing.
- Reviewed action plans, budgets, and performance measures for Energy Trust (ETO) activities, and improved the alignment between ETO planning and the utility resource planning process.

2011 – 2013 Accomplishments

- Established a pilot program to demonstrate the use and effectiveness of "Solar Feed-in Rates" and payments for electricity delivered from solar photovoltaic (PV) energy systems within Portland General Electric, Pacific Power, and Idaho Power service territories.
- Actively participated in select panel to craft regional multi-billion dollar settlement for the sharing of low-cost federal hydro power among the publicly and privately owned utilities.
- Authorized NW Natural to enter into a joint venture to develop gas fields to provide customers price savings and stability over 30-year term of the agreement.
- Implemented surcharges for funding costs of removing Klamath River dams in compliance with state law. Collaborated with the Oregon State Treasury (OST) and the Fund Trustee to transfer $30 million of Klamath Dam Removal Funds' (Fund) existing balances into OST's Oregon Intermediate Term Pool investment funds.

Utility Program

- Historical Rate Case Analysis Results (Customer Savings)



- Recent Telecommunications Merger Results
  - Staff proposed over 50 merger conditions for each merger that protected and benefited Oregon customers.
  - Staff and other parties negotiated company commitments of $70 million in broadband infrastructure investments in Oregon.

Residential Service Protection Fund 2011 – 2013 Accomplishments

- Successfully loaned $1 million legislatively approved dollars worth of speech generating devices to qualifying speech-impaired Oregonians through the Telecommunication Devices Access Program (TDAP). As a result, received 2011 Distinguished Service Award from the Oregon Speech-Language and Hearing Association.
- Deployed secure web-based database application that enables telecommunications providers to report RSPF surcharge data and render payments online. The accounting system aids the Compliance Specialist in tracking RSPF surcharge revenue ($4 to 6 million/year) and expenditures as well as enforcement activities.

Board of Maritime Pilots
2011 – 2013 Accomplishments

- Licensing
  - 6 Examinations
  - 6 Upgrades
  - 53 Licenses
- Rates
  - 6 Tariff adjustments
  - 1 Transportation Oversight Committee recommendation for annual adjustments to the tariff for transportation expenses.
- Safety
  - 3 Renewed contract service for independent investigations
  - 4 Incident Reports