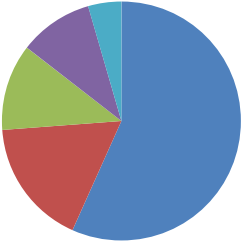


PUBLIC UTILITY COMMISSION

The Public Utility Commission is responsible for regulating the rates and services offered by private Oregon electric and natural gas utilities, telecommunications companies, and water companies, in an effort to ensure safety and reliability for consumers while promoting the development of competitive markets. PUC does not regulate cable companies or wireless telecommunications providers. PUC also provides budget and administrative services for the Board of Maritime Pilots, which licenses and prescribes training for pilots, sets rates for pilotage services, and investigates maritime incidents.

PUBLIC UTILITY COMMISSION	2009-11 Actuals	2011-13 Leg. Approved	2013-15 Current Service Level	2013-15 Governor's Budget	2013-15 Co-Chairs' Budget (1.0)	% Change 2011-13 LAB to 2013-15 CSL
Other Funds	36,597,114	39,556,887	40,587,906	39,892,306	0	2.6%
Other Funds Nonlimited	83,060,443	75,120,603	79,271,977	79,271,977	0	5.5%
Federal Funds	2,222,486	4,813,925	2,351,193	2,444,367	0	-51.2%
TOTAL FUNDS	\$121,880,043	\$119,491,415	\$122,211,076	\$121,608,650	\$0	2.3%
Positions	133	132	129	130	0	-2.3%
FTE	129.08	128.75	126.75	127.75	0.00	-1.6%

Major Revenues	Budget Environment	Comparison by Fund Type										
<ul style="list-style-type: none"> • PUC is entirely supported by Other Funds and Federal Funds. • Utility Fee revenues are collected from three investor-owned utilities, about 80 regulated water utilities, and about 440 telecommunications utilities. The fees are, are assessed annually and are limited by statute to .00025 of gross revenues. <ul style="list-style-type: none"> • The current rate is .00025, and is expected to generate \$26.85 million for 2013-15. • Federal Natural Gas Pipeline Safety Program Funds are expected to amount to \$840,000 in 2013-15, and must be matched with Utility Revenue fees. • Remaining ARRA grant funds dating from 2009-11 total \$1.6 million and will be 	<ul style="list-style-type: none"> • Population growth translates into additional demand for utility services. • Many utilities are at the point of needing to invest in capital projects (transmission and generation facilities) to meet growing demand, state and federal mandates, and to utilize new technologies. • Oregonians are eschewing land line telecommunications in favor of cellular and Voice Over Internet Protocol technologies. • The PUC appoints the board of directors of the Energy Trust of Oregon, which was created to carry out energy conservation and renewable energy generation projects with funds collected through the 3% public purpose charge on PGE and PUC customers. 	<div style="text-align: center;"> <p>PUBLIC UTILITY COMMISSION</p> <table border="1"> <caption>Revenue Data from Chart (Millions of Dollars)</caption> <thead> <tr> <th>Year</th> <th>Total Revenue</th> </tr> </thead> <tbody> <tr> <td>2009-11</td> <td>\$119.7</td> </tr> <tr> <td>2011-13</td> <td>\$114.7</td> </tr> <tr> <td>2013-15</td> <td>\$119.9</td> </tr> <tr> <td>2013-15 GB</td> <td>\$119.2</td> </tr> </tbody> </table> </div>	Year	Total Revenue	2009-11	\$119.7	2011-13	\$114.7	2013-15	\$119.9	2013-15 GB	\$119.2
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Major Revenues	Budget Environment	Comparison by Fund Type										
<p>expended in 2013-15.</p> <ul style="list-style-type: none"> The Oregon Universal Service Fund is budgeted as OF-Nonlimited. These funds are collected from regulated telecommunications utilities and are passed through to defray the cost of basic service in areas of the state where costs are high. OUSF funds are expected to total \$79.4 million in 2013-15. The Board of Maritime Pilots is funded entirely with licensing fees of pilots. The parties to rate proceedings are assessed fees by the Board for the cost of rate hearings. 	<p>Public Purpose Charge funds are distributed as follows:</p> <div data-bbox="751 298 1331 727" style="border: 1px solid black; padding: 10px;"> <p style="text-align: center;">Public Purpose Charge</p>  <table border="0" style="margin-left: auto; margin-right: 0;"> <tr> <td style="width: 15px; height: 10px; background-color: #4F81BD; border: 1px solid black;"></td> <td>Conservation</td> </tr> <tr> <td style="width: 15px; height: 10px; background-color: #C43A3A; border: 1px solid black;"></td> <td>Renewables</td> </tr> <tr> <td style="width: 15px; height: 10px; background-color: #92D050; border: 1px solid black;"></td> <td>Low Income Weatherization</td> </tr> <tr> <td style="width: 15px; height: 10px; background-color: #6A329F; border: 1px solid black;"></td> <td>School Energy</td> </tr> <tr> <td style="width: 15px; height: 10px; background-color: #46B8D0; border: 1px solid black;"></td> <td>Low-income Housing</td> </tr> </table> </div> <p>PUC projects a total of \$171.5 million in public purpose charge receipts for the 2013-15 biennium.</p>		Conservation		Renewables		Low Income Weatherization		School Energy		Low-income Housing	
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MAJOR CHALLENGES AND DECISION POINTS

<ol style="list-style-type: none"> 1. The implications of the Governor’s 10 Year Plan for Energy on PUC is not entirely clear at this time. 2. PUC requested one policy option package to provide 1.00 FTE and attendant services and supplies to address additional gas pipeline safety requirements driven by federal law. (Total: \$73,999 OF; \$110,597 FF). 3. Technical adjustments in package 060 align expenditures to shifts of personnel between agency divisions made during the interim. 4. The Governor’s budget includes unidentified reductions related to state agency assessments for the Department of Administrative Services and the Office of Administrative Hearings, a reduction related to the PERS employer rate, and additional PERS related reductions which assume legislative action. 5. PUC has a legislative concept to allow the commission to define “low income customer” by administrative rule for purposes of participation in the Oregon Telephone Assistance Program; the current definition is in statute. 	
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