

# Enrolled Senate Bill 83

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre-session filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Governor Kate Brown for Public Utility Commission)

CHAPTER .....

## AN ACT

Relating to administrative procedures of the agency that regulates utilities; creating new provisions; and amending ORS 183.315, 756.450, 756.610, 757.110, 757.495, 758.020, 758.035, 758.425, 758.445, 759.390 and 759.455.

### Be It Enacted by the People of the State of Oregon:

**SECTION 1.** ORS 183.315 is amended to read:

183.315. (1) The provisions of ORS 183.410, 183.415, 183.417, 183.425, 183.440, 183.450, 183.452, 183.458, 183.460, 183.470 and 183.480 do not apply to local government boundary commissions created pursuant to ORS 199.430, the Department of Revenue, State Accident Insurance Fund Corporation, Department of Consumer and Business Services with respect to its functions under ORS chapters 654 and 656, State Board of Parole and Post-Prison Supervision, Psychiatric Security Review Board or Oregon Health Authority with respect to its functions under ORS 161.315 to 161.351.

(2) This chapter does not apply with respect to actions of the Governor authorized under ORS chapter 240 and ORS 396.125 or actions of the Adjutant General authorized under ORS 396.160 (14).

(3) The provisions of ORS 183.410, 183.415, 183.417, 183.425, 183.440, 183.450, 183.452, 183.458 and 183.460 do not apply to the Employment Appeals Board or the Employment Department.

(4) The Employment Department shall be exempt from the provisions of this chapter to the extent that a formal finding of the United States Secretary of Labor is made that such provision conflicts with the terms of the federal law, acceptance of which by the state is a condition precedent to continued certification by the United States Secretary of Labor of the state's law.

(5) The provisions of ORS 183.415 to 183.430, 183.440 to 183.460, 183.470 to 183.485 and 183.490 to 183.500 do not apply to orders issued to persons who:

(a) Have been committed pursuant to ORS 137.124 to the custody of the Department of Corrections or are otherwise confined in a Department of Corrections facility; or

(b) Seek to visit an inmate confined in a Department of Corrections facility.

(6) ORS 183.410, 183.415, 183.417, 183.425, 183.440, 183.450, 183.460, 183.470 and 183.482 (3) do not apply to the Public Utility Commission. *[Notwithstanding ORS 183.480 and except as provided in ORS 757.495 and 759.390, only a party to a hearing before the Public Utility Commission is entitled to seek judicial review of an order of the commission.]* **Except as provided in ORS 774.180, judicial review of an order issued by the commission in a contested case may be sought only by a party to the contested case.**

(7) The provisions of this chapter do not apply to the suspension, cancellation or termination of an apprenticeship or training agreement under ORS 660.060.

(8) The provisions of ORS 183.413 to 183.497 do not apply to administrative proceedings conducted under rules adopted by the Secretary of State under ORS 246.190.

**SECTION 2.** ORS 756.450 is amended to read:

756.450. On petition of any interested person, the Public Utility Commission may issue a declaratory ruling with respect to the applicability to any person, property, or state of facts of any rule or statute enforceable by the commission. A declaratory ruling is binding between the commission and the petitioner on the state of facts alleged, unless it is modified, remanded or set aside by a court. However, the commission may review the ruling and modify or set it aside if requested by the petitioner or other party to the proceeding. Binding rulings [*provided by*] **issued under** this section are subject to judicial review as orders [*in contested cases*] in the manner provided by ORS 756.610.

**SECTION 3.** ORS 756.610 is amended to read:

756.610. (1)(a) Except as provided in subsections (2) and (3) of this section, final orders of the Public Utility Commission are subject to judicial review as orders [*in contested cases*] under the provisions of ORS 183.480 to 183.497.

**(b) Binding rulings issued under ORS 756.450 are subject to review in the Court of Appeals in the manner provided in ORS 183.480 for the review of orders in contested cases.**

(2) ORS 183.482 (3) does not apply to judicial review of an order of the Public Utility Commission. At any time after filing a petition for judicial review of a final order of the commission **in a contested case**, the petitioner may apply to the Court of Appeals for a stay of the order until the final disposition of the appeal. The court may grant a stay for cause shown. As a condition of granting a stay, the court may require a bond or other security, or impose such other conditions as the court deems appropriate. A stay may be granted only after notice to the commission and opportunity for hearing. Any bond required by the court must be executed in favor of the commission for the benefit of interested persons, and may be enforced by the commission or by any interested person.

(3) An order of the Public Utility Commission related to the petition for a certificate of public convenience and necessity under ORS 758.015, where the petitioner also seeks approval from the Energy Facility Siting Council for the proposed transmission line, is subject to judicial review as provided in ORS 758.017.

**SECTION 4.** ORS 757.110 is amended to read:

757.110. (1) Any finding and order made and entered by the Public Utility Commission under ORS 757.105 or 757.107 shall have the effect of prohibiting any unapproved or rejected expenditure from being recognized as an operating expense or capital expenditure in any rate valuation proceeding or in any proceeding or hearing unless and until the propriety thereof has been established to the satisfaction of the commission. Any such finding and order shall remain in full force and effect, unless and until it is modified or set aside by the commission or is set aside, modified or remanded in a proceeding for judicial review of an order [*in a contested case*] in the manner provided by ORS 756.610.

(2) Nothing in ORS 757.105 or 757.107 prevents the commission from at any time making and filing orders rejecting imprudent and unwise expenditures or payments. Such orders when so made shall be in full force and effect, and the public utility shall not have the right to make such expenditures or payments found to be imprudent or unwise until the order has been modified or set aside by the commission or is set aside, modified or remanded in a proceeding for judicial review of an order [*in a contested case*] in the manner provided by ORS 756.610.

**SECTION 5.** ORS 757.495 is amended to read:

757.495. (1) When any public utility doing business in this state enters into any contract to make any payment, directly or indirectly, to any person or corporation having an affiliated interest, for service, advice, auditing, accounting, sponsoring, engineering, managing, operating, financing, legal or other services, or enter any charges therefor on its books, which shall be recognized as an operating expense or capital expenditure in any rate valuation or any other hearing or proceeding, the contract shall be filed with the Public Utility Commission within 90 days of execution of the con-

tract. The contract shall be deemed to be executed on the date the parties sign a written contract or on the date the parties begin to transact business under the contract, whichever date is earlier.

(2) When any public utility doing business in this state enters into any contract, oral or written, with any person or corporation having an affiliated interest relating to the construction, operation, maintenance, leasing or use of the property of such public utility in Oregon, or the purchase of property, materials or supplies, which shall be recognized as the basis of an operating expense or capital expenditure in any rate valuation or any other hearing or proceeding, the contract shall be filed with the commission within 90 days of execution of the contract. The contract shall be deemed to be executed on the date the parties sign a written contract or on the date the parties begin to transact business under the contract, whichever date is earlier.

(3) When any such contract has been submitted to the commission, the commission promptly shall examine and investigate the contract. If, after such investigation, the commission determines that the contract is fair and reasonable and not contrary to the public interest, the commission shall enter findings and an order to this effect and serve a copy thereof upon the public utility, whereupon any expenses and capital expenditures incurred by the public utility under the contract may be recognized in any rate valuation or other hearing or proceeding. If, after such investigation, the commission determines that the contract is not fair and reasonable in all its terms and is contrary to the public interest, the commission shall enter findings and an order accordingly and serve a copy thereof upon the public utility, and, except as provided in subsection (4) of this section, it shall be unlawful to recognize the contract for the purposes specified in this section.

(4) When any such contract has been filed with the commission within 90 days of execution and the commission has not entered an order disapproving the contract under subsection (3) of this section, the commission may not base its refusal to recognize any expenses or capital expenditures incurred under the contract in any rate valuation or other hearing or proceeding solely on the basis that such contract has not been approved under subsection (3) of this section.

(5) No public utility shall issue notes or lend its funds or give credit on its books or otherwise to any person or corporation having an affiliated interest, either directly or indirectly, without the approval of the commission.

(6) The action of the commission with respect to all the matters described in this section when submitted to the commission shall be by findings and an order to be entered within 90 days after the matter has been submitted to the commission for consideration, and the findings and order of the commission with respect to any of such matters shall be and remain in full force and effect, unless and until set aside, modified or remanded in a proceeding for judicial review of an order [*in a contested case*] in the manner provided by ORS 756.610. [*The public utility, or any other person or corporation affected by any such findings and order, may seek judicial review in the manner provided by ORS 756.610.*]

**SECTION 6.** ORS 758.020 is amended to read:

758.020. (1) The county court, board of county commissioners or the Department of Transportation, when designating the location where poles or other aboveground facilities described in ORS 758.010 may be placed on a road or highway which fronts on the ocean or on a river or other body of water and the water frontage of the highway is being developed or maintained for its scenic or recreational value, may require all lines to occupy the opposite side of the right of way, if such joint occupancy can be maintained without undue impairment of service or damage to public life and property.

(2) If the owners of such lines are unable to agree on the terms and conditions of joint occupancy, such department, court or board shall request the Public Utility Commission to determine the practicability of such joint occupancy and the effect thereof upon adequate and safe service by the prospective joint occupants, the location of the lines, and, if found to be practicable, to fix and prescribe the terms and conditions pursuant to which joint occupancy shall be accomplished. Before making or entering an order, such commission shall hold a hearing and make findings in accordance with ORS 756.500 to 756.610. The order of the commission is subject to judicial review [*as an order in a contested case*] in the manner provided by ORS 756.610. In fixing terms and conditions pursuant

to which joint occupancy shall be accomplished, the Public Utility Commission shall require the installation by each occupant of standards, devices and equipment reasonably necessary to protect the equipment of the other occupants from damage and the public from injury arising from such joint occupancy.

(3) The right of any public utility, telecommunications utility or transmission company to construct, maintain and operate on a public highway poles or fixtures is contingent on compliance with reasonable requirements established by the Department of Transportation, county courts, boards of county commissioners or the Public Utility Commission under authority of this section and ORS 758.010. Such rights are likewise contingent and conditioned on all facilities, equipment and installations being constructed and maintained in strict conformance with modern and approved standards.

**SECTION 7.** ORS 758.035 is amended to read:

758.035. (1) Every public utility, telecommunications utility, person, association or corporation having conduits, subways, street railway tracks, poles or other equipment on, over or under any street or highway shall for a reasonable compensation permit the use of the same by any public utility or telecommunications utility whenever public convenience or necessity requires such use and such use will not result in irreparable injury to the owner or other users of such equipment nor in any substantial detriment to the service to be rendered by such owners or other users.

(2) In case of failure to agree upon such use or the conditions or compensation for such use, any public utility, telecommunications utility, person, association or corporation interested may apply to the Public Utility Commission, and if after investigation the commission ascertains that public convenience or necessity requires such use and that it would not result in irreparable injury to the owner or other users of such equipment, the commission shall by order direct that such use be permitted and prescribe reasonable conditions and compensation for such joint use.

(3) The use so ordered shall be permitted and the prescribed conditions and compensation shall be the lawful conditions and compensation to be observed, followed and paid. The order of the commission is subject to judicial review [*as an order in a contested case*] in the manner provided by ORS 756.610. The order may be modified by the commission upon application of any interested party or upon the commission's own motion. All public utilities and telecommunications utilities shall afford all reasonable facilities and make all necessary regulations for the interchange of business, or traffic carried or their product between them, when ordered by the commission so to do.

**SECTION 8.** ORS 758.425 is amended to read:

758.425. (1) On the basis of the applicant's filing or, if there is a hearing, on the record made at the hearing held pursuant to ORS 758.420, the Public Utility Commission shall enter an order either approving or disapproving the contract as filed, together with any appropriate findings of the facts supporting such order.

(2) An order of the commission under this section is subject to judicial review [*as an order in a contested case*] in the manner provided by ORS 756.610.

(3) If the commission approves a contract and a petition for judicial review is not filed, the contract shall be deemed to be valid and enforceable for all purposes from the date on which the right to file a petition for judicial review expires.

**SECTION 9.** ORS 758.445 is amended to read:

758.445. An order of the Public Utility Commission under ORS 758.440 is subject to judicial review [*as an order in a contested case*] in the manner provided by ORS 756.610. If a petition for judicial review is not filed within the specified time, the order shall thereafter be valid and enforceable for the purposes herein specified from the date on which the right to file a petition for judicial review expires.

**SECTION 10.** ORS 759.390 is amended to read:

759.390. (1) As used in this section, "affiliated interest" with a telecommunications utility means:

(a) Every person owning or holding directly or indirectly five percent or more of the voting securities of the telecommunications utility.

(b) Every person in any chain of successive ownership of five percent or more of the voting securities of the telecommunications utility.

(c) Every corporation five percent or more of whose voting securities are owned by any person owning five percent or more of the voting securities of the telecommunications utility or by any person in any chain of successive ownership of five percent or more of the voting securities of the telecommunications utility.

(d) Every individual who is an officer or director of the telecommunications utility or of any person in any chain of successive ownership of five percent or more of the voting securities of the telecommunications utility.

(e) Every corporation that has two or more officers or two or more directors in common with the telecommunications utility.

(f) Every entity, five percent or more of which is directly or indirectly owned by a telecommunications utility.

(g) Every person that the Public Utility Commission determines as a matter of fact, after investigation and hearing, actually is exercising any substantial influence over the policies and actions of the telecommunications utility, even though the influence is not based upon stockholdings, stockholders, directors or officers to the extent specified in this section.

(h) Every person that the commission determines as a matter of fact, after investigation and hearing, actually is exercising such substantial influence over the policies and actions of the telecommunications utility in conjunction with one or more other persons with whom they are related by ownership or blood or by action in concert that together they are affiliated with the telecommunications utility within the meaning of this section even though no one of them alone is so affiliated.

(2) When any telecommunications utility doing business in this state, except a telecommunications carrier that has elected to be subject to ORS 759.405 and 759.410, enters into any contract to make any payment, directly or indirectly, to any person having an affiliated interest, for service, advice, auditing, accounting, sponsoring, engineering, managing, operating, financing, legal or other services, or enters any charge on the books of the utility, and the contract is to be recognized as an operating expense or capital expenditure in any rate valuation or any other hearing or proceeding, the contract shall be filed with the commission within 90 days of execution of the contract. The contract shall be deemed to be executed on the date the parties sign a written contract or on the date the parties begin to transact business under the contract, whichever date is earlier.

(3) When any telecommunications utility doing business in this state enters into any contract, oral or written, with any person having an affiliated interest relating to the construction, operation, maintenance, leasing or use of the property of the telecommunications utility in Oregon, or the purchase of property, materials or supplies that is to be recognized as the basis of an operating expense or capital expenditure in any rate valuation or any other hearing or proceeding, the contract shall be filed with the commission within 90 days of execution of the contract. The contract shall be deemed to be executed on the date the parties sign a written contract or on the date the parties begin to transact business under the contract, whichever date is earlier.

(4) The commission promptly shall examine and investigate any contract submitted to the commission under subsection (2) or (3) of this section. If, after the investigation, the commission determines that it is fair and reasonable and not contrary to the public interest, the commission shall enter findings and order approving the contract and serve a copy of the findings and order upon the telecommunications utility. Following the commission's determination of fairness and reasonableness, any expenses and capital expenditures incurred by the telecommunications utility under the contract may be recognized in any rate valuation or other hearing or proceeding. If, after the investigation, the commission determines that the contract is not fair and reasonable in all its terms and is contrary to the public interest, the commission shall enter findings and order disapproving the contract and serve a copy of the findings and order upon the telecommunications utility. Except as provided in subsection (5) of this section, it is unlawful to recognize a disapproved contract for the purposes specified in this section.

(5) When any contract described in subsection (2) or (3) of this section has been filed with the commission within 90 days of execution and the commission has not entered an order disapproving the contract under subsection (4) of this section, the commission may not base its refusal to recognize any expenses or capital expenditures incurred under the contract in any rate valuation or other hearing or proceeding solely on the basis that the contract has not been approved under subsection (4) of this section.

(6) A telecommunications utility may not issue notes or loan its funds or give credit on its books or otherwise to any person having an affiliated interest, either directly or indirectly, without the approval of the commission.

(7) The action of the commission with respect to all the matters described in this section shall be by findings and order to be entered within 90 days after the matter has been submitted to the commission for consideration. [*The telecommunications utility, or any other person affected by any findings and order of the commission under this section, may seek judicial review of the order of the commission.*] An order of the commission under this section is subject to judicial review [*as an order in a contested case*] in the manner provided by ORS 756.610.

(8) This section applies only to transactions in which the telecommunications utility's Oregon intrastate expenditure to the affiliate is more than \$100,000.

**SECTION 11.** ORS 759.455 is amended to read:

759.455. (1) Unless exempt from compliance under section 251(f) of the federal Telecommunications Act of 1996 (47 U.S.C. 251(f)), a telecommunications utility shall not:

(a) Discriminate against another provider of retail telecommunications services by unreasonably refusing or delaying access to the telecommunications utility's local exchange services.

(b) Discriminate against another provider of retail telecommunications services by providing access to required facilities on terms or conditions less favorable than those the telecommunications utility provides to itself and its affiliates. A telecommunications facility, feature or function is a required facility if:

(A) Access to a proprietary facility, feature or function is necessary; and

(B) Failure to provide access to the facility, feature or function would impair a telecommunications carrier seeking access from providing the services the carrier is seeking to provide.

(c) Unreasonably degrade or impair the speed, quality or efficiency of access or any other service, product or facility provided to another provider of telecommunications services.

(d) Fail to disclose in a timely and uniform manner, upon reasonable request and pursuant to a protective agreement concerning proprietary information, all information reasonably necessary for the design of network interface equipment, services or software that will meet the specifications of the telecommunications utility's local exchange network.

(e) Unreasonably refuse or delay interconnections or provide inferior interconnections to another provider of telecommunications services.

(f) Use basic exchange services rates, directly or indirectly, to subsidize or offset the cost of other products or services offered by the telecommunications utility.

(g) Discriminate in favor of itself or an affiliate in the provision and pricing of, or extension of credit for, any telephone service.

(h) Fail to provide a service, product or facility in accordance with applicable contracts, and tariffs and rules of the Public Utility Commission.

(i) Impose unreasonable or discriminatory restrictions on network elements or the resale of its services, except that:

(A) The telecommunications utility may require that residential service not be resold as a different class of service; and

(B) The commission may prohibit the resale of services the commission has approved for provision to a not-for-profit entity at rates below those offered to the general public.

(j) Provide telephone service to a person acting as a telecommunications provider if the commission has ordered the telecommunications utility to discontinue telephone service to the person.

(2) A complaint alleging a violation of subsection (1) of this section shall be heard by the Public Utility Commission or, at the commission's discretion, by an Administrative Law Judge designated by the commission. A hearing under this subsection shall be conducted in an expedited manner consistent with the following:

(a) The complaint shall be served upon the telecommunications carrier and filed with the commission.

(b) An answer or other responsive pleading to the complaint shall be filed with the commission not more than 10 days after receipt of the complaint. Copies of the answer or responsive pleading shall be served upon the complainant and upon the commission.

(c) A prehearing conference shall be held not later than 15 days after the complaint is filed. Hearing on the complaint shall commence not later than 30 days after the complaint is filed. Within 45 days after the complaint is filed, the commission shall either prepare a final decision or approve as final the decision of the Administrative Law Judge. The final decision shall be issued as an order of the commission in the manner provided under ORS 756.558.

(3) If the commission or Administrative Law Judge finds that a violation of this section has occurred, the commission shall, within five business days, order the telecommunications utility to remedy the violation within a specified period of time. The commission may prescribe specific action to be taken by the utility, including but not limited to submitting a plan for preventing future violations. If the violation continues beyond the time period specified in the commission's order, the commission on its own motion or upon the motion of an interested party may seek penalties as provided in ORS 759.990 or otherwise may seek enforcement under ORS 756.160 or 756.180, or both.

(4) Total annual penalties imposed on a telecommunications utility under this section and ORS 759.450 shall not exceed two percent of the utility's gross intrastate revenue from the sale of telecommunications services for the year preceding the year in which the violation occurred.

(5) An order of the commission under this section is subject to judicial review [*as an order in a contested case*] in the manner provided by ORS 756.610.

(6) The Court of Appeals shall give proceedings **brought before the court** under this section priority over all other matters before the court.

**SECTION 12. The amendments to ORS 183.315, 756.450, 756.610, 757.110, 757.495, 758.020, 758.035, 758.425, 758.445, 759.390 and 759.455 by sections 1 to 11 of this 2017 Act apply to administrative procedures pending on or commencing on or after the effective date of this 2017 Act.**

---

**Passed by Senate March 13, 2017**

.....  
Lori L. Brocker, Secretary of Senate

.....  
Peter Courtney, President of Senate

**Passed by House June 1, 2017**

.....  
Tina Kotek, Speaker of House

**Received by Governor:**

.....M,....., 2017

**Approved:**

.....M,....., 2017

.....  
Kate Brown, Governor

**Filed in Office of Secretary of State:**

.....M,....., 2017

.....  
Dennis Richardson, Secretary of State