

Rate Setting at the Public Utility Commission

Senate Interim Committee
on Energy and Climate

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Rate Setting at the Public Utility Commission

- Background
 - PUC Overview
- Rate Regulation Basics
 - Process Steps
- Public Participation
 - General Public
 - Intervenor Funding for Groups representing customers

PUC Overview

Economic regulator of investor-owned utilities

- Electric – PGE, PacifiCorp, and Idaho Power
- Natural Gas – NW Natural, Cascade, and Avista
- Select telecom and small water companies

Must consider and approve all changes to tariffed utility rates

Quasi-judicial and policy functions

3 full-time Commissioners – 142 FTE

Our **mission** is to ensure Oregonians have access to **safe, reliable and fairly priced** utility services that advance **state policy** and promote the **public interest**.

We use an **inclusive process** to evaluate differing viewpoints and visions of the public interest and arrive at **balanced, well-reasoned, independent decisions** supported by fact and law.

Process: Rate Cases are Contested Cases

- Trial-like processes which resolve disputed issues of fact, law, and policy
- ORS 756.500 through 756.558, Administrative Procedures Act (ORS 183.310 et seq.) and OAR 860-001-0300 through 860-001-0720
- Address rights and privileges of parties
- Decisions must be based on evidentiary record
 - *Ex parte* restrictions apply
 - May be appealed to court
- Rate Cases, Complaint cases, policy cases as designated by the Commission



Major Contested Cases: What to Expect (1 of 2)

Prehearing conference

- Set the schedule, ID the parties

Testimony

- Present evidence on facts or policy

Public Comment Hearing

- Commission hears from the public on Rate Issues

Hearing

- Lawyers, ALJ, and Commissioners question some witnesses (Attorney needed to fully participate)



Briefing

- Written argument explaining why party's position should prevail

Oral Argument

- Largely, but not exclusively, legal argument on issues

Final Decision

- Commission reviews and weighs all of the above
- Issues written decision

Major Contested Cases:
What to Expect
(2 of 2)



About PUC Staff

- Staff Working Rate Cases & Power Costs:
 - Accountants
 - Financial Analysts
 - Economists
 - Engineers
 - Among others
- Paired with Attorney from DOJ

PUC Staff Role

- Staff:
 - Analyze Utility filings
 - Request more information
 - Submit, defend written testimony
 - Review all testimony, assess for reasonableness
 - Develop settlement positions
- Attorneys working with Staff:
 - Cross examine witnesses
 - Submit legal briefs
 - Make oral arguments

Rate Case Example - PacifiCorp Filings: General Rate Case & TAM / Power Costs

General Rate Case (GRC) Docket No. UE 433

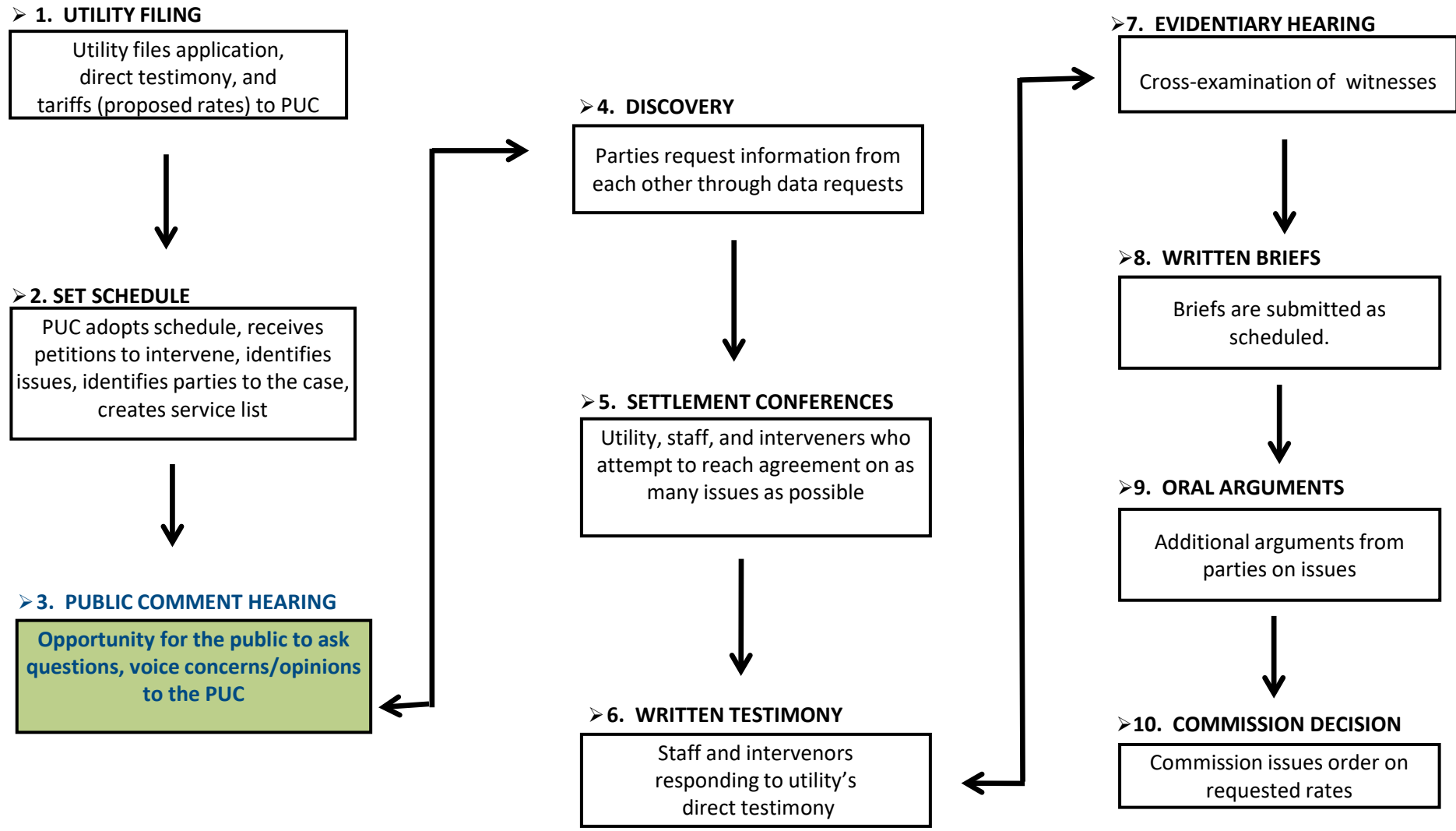
- Cost recovery for:
 - Operations and Maintenance (O&M)
 - Building New Plant
 - Upgrading Existing Facilities
 - Insurance
 - Administrative and General (A&G)

Transition Adjustment Mechanism (TAM) Docket No. UE 434

- Pass thru power costs to customers
- Costs of buying:
 - Natural gas fuel for power plants
 - Electricity on wholesale market

Rate Case - Process

Public comment can be submitted at any time



Contested Case Public Comment Opportunities – General Public

- Public Comment Hearing
 - Virtual Meetings
 - Presentation from Commission Staff, ALJ
 - Opportunity for any member of the public to provide comment on the record
 - Spanish Translation Provided
- Written Comments
 - Can be submitted any time
 - Will be periodically summarized by Staff, submitted with Staff Testimony



What is traditional Intervenor Funding?

- Financial support to engage in PUC processes
- Accessible through rules for groups representing broad customer classes
- Examples – Residential Customers (CUB), Industrial and Commercial Customers (AWEC)



- Representing low-income residential customers
- Representing environmental justice community customers
- \$500,000 available annually
- Based on agreements between recipient groups and utilities
- Agreements negotiated and memorialized in final rules

Justice Funding: New funding available for organizations



Questions?

For follow-up questions, please contact
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