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AGENCY MISSION, GOALS, AND HISTORICAL CONTEXT

Mission Statement

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 to arrive at balanced, well-reasoned, and independent decisions supported by fact and law.

The PUC receives no General or Lottery funds. The agency is funded primarily through a Utility Gross Operating Revenue Fee of up to 0.45 percent assessed on a utility's annual gross operating revenue. Our current year annual fee assessment rate is 0.43 percent.

More information about PUC is on the website:

<https://www.oregon.gov/puc/about-us/Pages/default.aspx>

On average, the Commission's regulatory oversight costs consumers of regulated utilities about 37 cents per month on each natural gas, electric, telecommunications, and water bill.

- Set utility rates for homes and businesses. Ensure rates are just and reasonable.
- Set and enforce price and service rules to protect customers.
- Ensure that investor-owned energy utility companies file Integrated Resource Plans (IRP). The IRP presents a utility's current plan to meet the future energy and capacity needs of its customers through a "least-cost, least-risk" combination of energy generation and demand reduction.
- Approve a wide variety of utility transactions, including mergers.
- Set and enforce service quality standards.
- Resolve customer complaints about their utilities.
- Manage the Oregon Universal Service Fund (OUSF) to provide high-cost funding support to local exchange carriers serving rural areas. Based on revenue, up to \$28 million is targeted to support basic telephone service.
- Set and enforce rules for fair competition in energy and telecommunications.
- Ensure pipeline, power lines, transformer stations, and energy facilities operate safely. (Commission authority in this area extends to consumer-owned utilities.)
- Administer the Residential Service Protection Fund.
- Ensure the Energy Trust of Oregon (ETO) acquires energy efficiency on behalf of PacifiCorp, PGE, NW Natural, Avista, and Cascade primarily through a competitive process.
- Oversight of regulated energy providers concerning seismic and cybersecurity preparedness.

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Agency Goals

Goal 1: Use Regulatory Tools Effectively to Balance Interests and Ensure Utility Service is Reliable, Affordable, and Advances the Public Interest

Long-Term Objectives

- Independently and professionally review utility costs, practices, and performance to set fair rates for Oregon’s rate-regulated utilities
- Provide direction and incentives for utilities to operate efficiently, meet consumers’ needs, and advance the public interest at the lowest reasonable cost and risk
- Encourage competition that benefits customers and serves the public interest
- Perform regulatory oversight through a process that encourages meaningful participation from diverse perspectives and equitably balances interests of customers and communities, utilities, and other stakeholders

Short-Term Objectives (2023-2025)

- Streamline regulatory processes and increase, reallocate, and reprioritize resources to ensure agency personnel can responsibly scrutinize utility filings, including significant, complex dockets (e.g., general rate proceedings, annual power cost reviews, integrated resource plans, requests to acquire resources, multi-state allocation proceedings) and routine regulatory filings
- Incorporate significant recent legislative direction (e.g., HB 2021, HB 2475, HB 3141) and increased scope of responsibility from the rapid energy transition by adapting planning oversight and ratemaking to consider climate change, community benefits, equity, and environmental justice, providing intervenor funding, and other new issues, including by evaluating performance-based regulation and other appropriate regulatory reforms
- Involve new stakeholders and adapt regulatory processes to promote greater inclusion and encourage collaboration toward robust solutions
- Improve equitable terms and conditions for utility service by adopting new methods to address energy burden and equitably distribute benefits of energy transition.

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Goal 2: Promote Safety, Reliability, and Resiliency of Utility Services

Long-Term Objectives

- Promote safety, reliability, and resiliency of utility infrastructure and operations by enforcing safety and service rules, and establishing regulatory requirements and incentives for utility planning and performance to address emerging risks
- Maintain shared responsibility for the Oregon Emergency Support Functions 2 and 12 by facilitating connections between governmental emergency support structures and the utility sector

Short-Term Objectives (2023-2025)

- Modernize agency's safety audit and enforcement program to produce accessible data and actionable information about safety and resiliency performance metrics of greatest concern to Oregonians
- Expand engineering and risk-focused analysis capabilities and redundancy for emergency support function
- Mature the Commission's planning oversight for utility wildfire mitigation plans and establish resiliency guidelines for Clean Energy Plans, with a long-term view to an all-hazards approach to seismic, cyber, wildfire, and other emerging risks
- Actively contribute to and integrate national, regional, state, and local efforts to improve the overall resiliency and reliability of the utility system through initiatives such as the Oregon Wildfire Electric Collaborative, the Western Resource Adequacy Program, and the Oregon Energy Security Plan

Goal 3: Guide Integration of New Technology, Customer Offerings, and Market Mechanisms to Benefit Consumers

Long-Term Objectives

- Maintain awareness of changes in industry, markets, technology, and regulatory best practices that may benefit consumers
- Encourage adoption of new technologies, programs, and practices that deliver improved consumer value and advance the public interest
- Ensure that customers have access to options that integrate appropriately into the utility system, advance the public interest, and do not adversely impact other utility customers or communities

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Short-Term Objectives (2023-2025)

- Mature regulatory treatment of distribution- and demand-side opportunities to promote customer, system, and societal benefits (distributed system planning, interconnection, electric vehicles, storage and microgrids, rate design, community choice, demand response, and energy efficiency)
- Inform design of new regional electricity market structures to promote benefits for Oregon consumers
- Participate in efforts to leverage new federal funding opportunities to advance new technology and customer options in energy and broadband
- Maintain awareness of potential for significant advances in clean energy technology (offshore wind, wave, RNG, green hydrogen)

Goal 4: Inform and Influence Utility Sector Solutions that Create Value for All

Long-Term Objectives

- Serve as a trusted resource to federal, tribal, state, and local leaders on matters related to utility services and energy, telecommunications, and water policies
- Advance the interests of Oregon utility customers, including traditionally underrepresented stakeholders, in consideration of emerging policy issues at the state, regional, and federal level
- Seek leadership opportunities to influence appropriate federal and regional utility-related proceedings with significant potential to benefit Oregon utility customers
- Collaborate with other utility commissions, state agencies, and regulatory organizations to maintain awareness of emerging issues and advocate for outcomes that benefit all Oregonians

Short-Term Objectives (2023-2025)

- Continue to develop Commission leadership role in regional and national forums, particularly to advance regional market coordination needed to achieve state climate policies
- Continue to develop strong, constructive relationships with state legislature, state agencies, and local governments to better understand and help achieve state and local government public policy goals
- Engage new stakeholder groups, particularly those advancing equity issues and representing environmental justice communities, by strengthening relationships, learning about their perspectives, and helping to develop capacity to participate in Commission proceedings including through intervenor funding

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Goal 5: Improve Business Practices and Organizational Effectiveness

Long-Term Objectives

- Support agency decision-making through continuous improvement in open, fair, and inclusive processes
- Adapt our skills, our organization, and our regulatory processes and tools to meet continual evolution in our industry and policy context
- Recruit and retain employees with needed skills and expertise, informed by agency needs and diversity, equity, and inclusion objectives
- Foster a work environment that encourages alignment of individual goals with the agency's mission, values, and needs
- Manage customer funding of agency operations prudently and with integrity
- Work together as a multi-disciplinary and cross-sectional team, committed to overall organizational success

Short-Term Objectives (2023-2025)

- Increase resources to assist with employee recruiting, retention, and mentoring and training
- Critically examine business practices and resource allocation, seeking opportunities to streamline efforts and focus resources on the most critical agency needs
- Improve agency's infrastructure and capabilities for managing data and information
- Enhance agency's capability to host hybrid in-person/remote meetings
- Develop and implement internal-facing diversity, equity, and inclusion program

Historical Context:

July 5, 1843 – the first act regulating a “public utility” enacted by the then “Provincial Government,” six years before the Territorial Government was established. This included regulating mills and millers.

October 19, 1876—the first instance in Oregon history of the regulation of a utility by a commission at the recommendation of Governor L.F. Grover and enacted by the Legislature. It was designed to effectively regulate the activities of the Locks Company.

October 10, 1898—the Board of Railroad Commissioners was abolished, leaving the responsibility of accepting annual reports from regulated entities to be completed by the Secretary of State's Office.

February 19, 1907—The Railroad Commission was created with an elected three-member board.

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November 29, 1912—The Railroad Commission’s jurisdiction was extended to include utilities and transportation regulation with the addition of the “Public Utility Act of 1911.” This act was the first place in Oregon history to mention the regulation of telephone service.

July 1, 1915—February 28, 1931—the Railroad Commission was renamed the Public Service Commission of Oregon.

March 1, 1931—The Commission dropped from three members to one and the name was changed to the Public Utilities Commissioner, which was appointed by the governor.

1986—Oregon voters approved a ballot measure changing the office back to a three-person, Governor-appointed Commission and changing the name to the Public Utility Commission of Oregon.

1995 —Congress deregulated much of the transportation industry. The regulation of motor transportation and rail safety was transferred to the Oregon Department of Transportation.

1999 —House Bill 3615 gave the Governor the authority to appoint the Commission Chair.

More information can be found on the website:

<https://www.oregon.gov/puc/about-us/Pages/default.aspx>

<https://www.oregon.gov/puc/about-us/Pages/History.aspx>

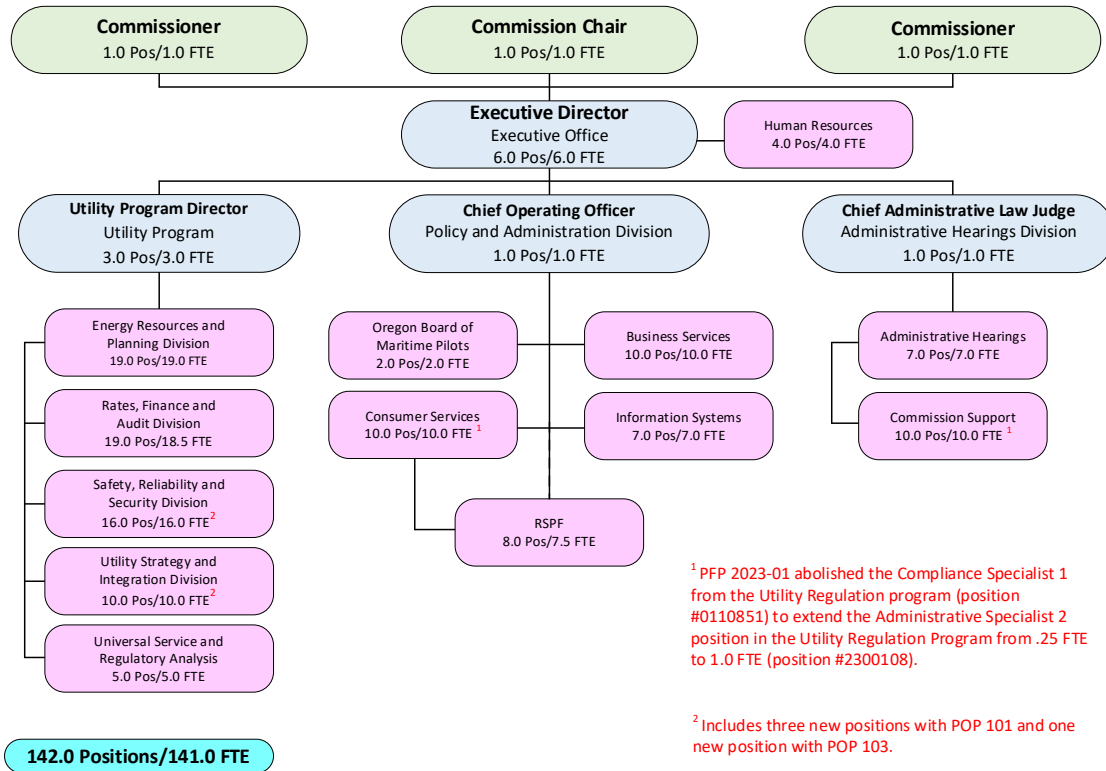
<https://www.oregon.gov/puc/about-us/Documents/History-Timeline.pdf>

<https://www.oregon.gov/puc/forms/Forms%20and%20Reports/Strategic-Plan.pdf>

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HIGH-LEVEL SUMMARY OF AGENCY PROGRAMS, SERVICES, AND ORGANIZATIONAL STRUCTURE, INCLUDING ORGANIZATIONAL CHARTS, AS WELL AS ANY PROPOSED ORGANIZATIONAL CHANGES.

Agency Reporting Structure



Organizational Structure:

The Commission Office- led by the Commission Chair. The Commission has three Commissioners who are appointed by the Governor to staggered four-year terms. The Governor appoints the Commission Chair, who serves as the administrative head and prescribes internal policies and procedures for governing the agency. The Commissioners do not specialize in any specific area of the Commission’s regulatory program; all three participate in all areas and make decisions as a body, based on the record in individual cases. The Commission Office is funded by Utility Regulation Fund. More information about each commissioner on the website: <https://www.oregon.gov/puc/about-us/Pages/Commissioners.aspx> .

Executive Office- led by the Executive Director. The Executive Office includes the PUC Executive Director, Direct of Policy, Diversity Equity Inclusion Program Director, Commission Advisors, Policy Analysts, Public Information Officer, and Human Resources. Coordinates engagement with the legislature and ensures legislative directives are implemented. Ensures coordination between Utility Program personnel, Administrative Hearings Division, and Commission Office to ensure Commissioners are well informed and supported in decision-

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making, while preventing any ex parte issues. The Executive Office is funded by Utility Regulation Fund.

The Commission has three organizational divisions:

1. Utility Division – led by the Utility Program Director. The Utility Division consists of Energy Resources and Planning (19 FTE), Rates, Finance, and Audit (19 FTE), Safety Reliability and Security (16 FTE), Oregon Universal Service and Regulatory Analysis (5 FTE), and Utility Strategy and Integration (10 FTE). This division is funded by Utility Regulation Fund.

The Utility Division is the technical and analytical arm of the PUC that consists of professional staff who analyzes all utility filings, helps build a factual record in contested case proceedings, investigates, and recommends policy options, inspects utility facilities, and undertakes many other activities needed for the Commission to carry out its mission and serve ratepayers.

2. Administration Division – led by the Chief Operating Officer. The Administration Division consists of Business Services (10 FTE), Information Systems (7 FTE), Consumer Services (10 FTE), Residential Service Protection Fund (7.5 FTE), and the Oregon Board of Maritime Pilots (2 FTE). The Chief Operating Officer is responsible for managerial and supervisory oversight of Business Services, Information Systems, Consumer Services, Residential Service Protection Fund, and Oregon Board of Maritime Pilots.

The administrative functions like **Business Services, Information Systems and Human Resources** support the efforts and program needs for the Commission Office, Executive Office, Utility Program, Administrative Hearings, RSPF, and OBMP to ensure these critical divisions receive the necessary support in terms of staffing or recruitment, training, budget, procurement, accounting, and information systems technology.

The administrative functions are funded by Administration Fund. The RSPF and OBMP sections are funded by their respective RSPF and OBMP funds. The Consumer Services section is funded by Utility Regulation Fund.

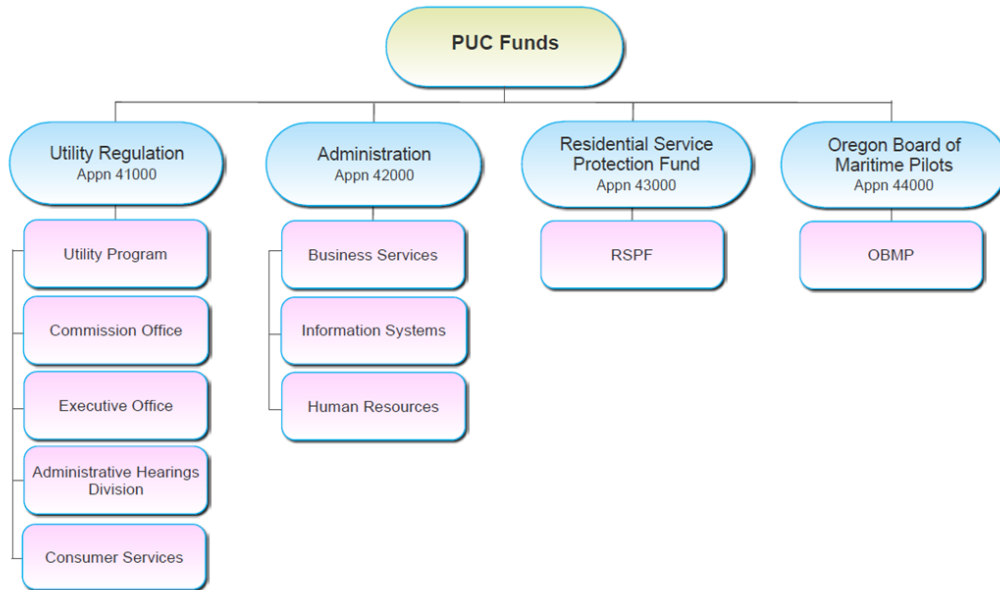
3. Administrative Hearings Division – led by the Chief Administrative Law Judge.

The **Administrative Hearings** is comprised of one Chief Administrative Law Judge, six Administrative Law Judges (ALJs). AHD also houses the administrative support team, which serves other parts of the agency. The administrative support team consists of the Administrative Support Manager, who supervises four legal support staff and five support staffers serving the utility division and the executive office. AHD's primary function is to conduct legal proceedings brought under the Commission's jurisdiction and provide support functions for other divisions. AHD also conducts ratemaking proceedings for the Oregon Board of Maritime Pilots (OBMP). The Commission is exempt from use of ALJs in Office of Administrative

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Hearings. Cases range from highly complex rate cases and investigations to more straightforward consumer complaints. This division is funded by Utility Regulation Fund.

Budget Structure



Utility Regulation Fund supports the program costs of the Utility Program, Commission Office, Executive Office, Administrative Hearings, and Consumer Services.

Administration Fund supports the administrative costs of the Business Services, Information Systems and Human Resources.

Residential Service Protection Fund supports the costs of the four program areas in RSPF section:

- Oregon Telephone Assistance Program (OTAP)
- Oregon Telecommunications Relay Service (OTRS)
- Telecommunication Devices Access Program (TDAP)
- Emergency Medical Certificates Program (EMC)

Oregon Board of Maritime Pilots Fund supports the program costs of the Oregon Board of Maritime Pilots.

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OVERVIEW OF AGENCY PERFORMANCE AND OUTCOME MEASURES, HOW MEASURES ARE USED BY THE AGENCY, AND PROGRESS TOWARD ACHIEVING GOALS.

There are approximately 2.8 million customers of utilities regulated by the Commission. Total revenue collected by Oregon investor-owned utilities is approximately \$4 billion per year. Investor-owned electric utilities (Portland General Electric, PacifiCorp, and Idaho Power) account for 62.7 percent of electricity sold in the state and serve 74 percent of electric customers in Oregon.

Residential customers of investor-owned electric utilities consume on average 9,804 kilowatt hours of electricity per year. Residential customers of investor-owned natural gas companies (NW Natural, Cascade Natural Gas, and Avista) consume on average 619 therms per year.

The Commission's Performance Measures include:

- Promote efficient use of water resources. The Commission has been effective in encouraging non-metered systems to install meters and providing timely recovery of such costs.
- Maintain electricity rates that are lower than the national average. The lower rates for Oregon Investor-Owned Utilities residential customers are largely due to the region's retention of federal hydropower or system benefits and other hydro-electric resources. The Commission authorizes utilities to include only prudently incurred costs in rates.
- Acquire low-cost energy conservation effectively and efficiently. Prevent personal injury to electricity and natural gas customers and industry workers.
- Maintain a healthy level of competition in the telecommunications and electricity industries.
- Promote utility pricing that encourages the efficient use of water and energy.
- Investigate customer complaints and issue complaint orders in a timely fashion. The Commission instituted a heightened emphasis on timely resolution of cases. Changes in internal processes and business practices resulted to more priority and expedited resolution of consumer complaints.
- Maintain a high level of agency customer service. It is important to note that Commission staff must often deliver news that the customer does not wish to hear when their allegations are not supported by the evidence, and when the utility has acted correctly. Maintaining satisfaction ratings above 80 percent despite regularly delivering unpleasant news to customers can be very difficult. However, even if a customer does not experience the outcome they sought, the Commission can always be professional, courteous, and helpful.
- Maintain effective Energy Trust performance. The Commission develops annual performance metrics for Energy Trust. The performance metrics cover savings goals, leveled cost targets, benefit cost ratios, renewable generation, administrative costs, customer

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satisfaction, and market transformation. Energy Trust met all fifteen of the Commission's performance measures.

- The Commission continues to achieve its goal of providing TDAP services to the senior and aging population of Oregon. The steady upward trend is likely attributed to the aging baby boom population with acquired disabilities, ongoing outreach efforts, and the array of specialized telephone equipment designed to meet various needs of senior citizens.

More information can be found on the website:

<https://www.oregon.gov/puc/forms/Forms%20and%20Reports/APPR-PUC.pdf>

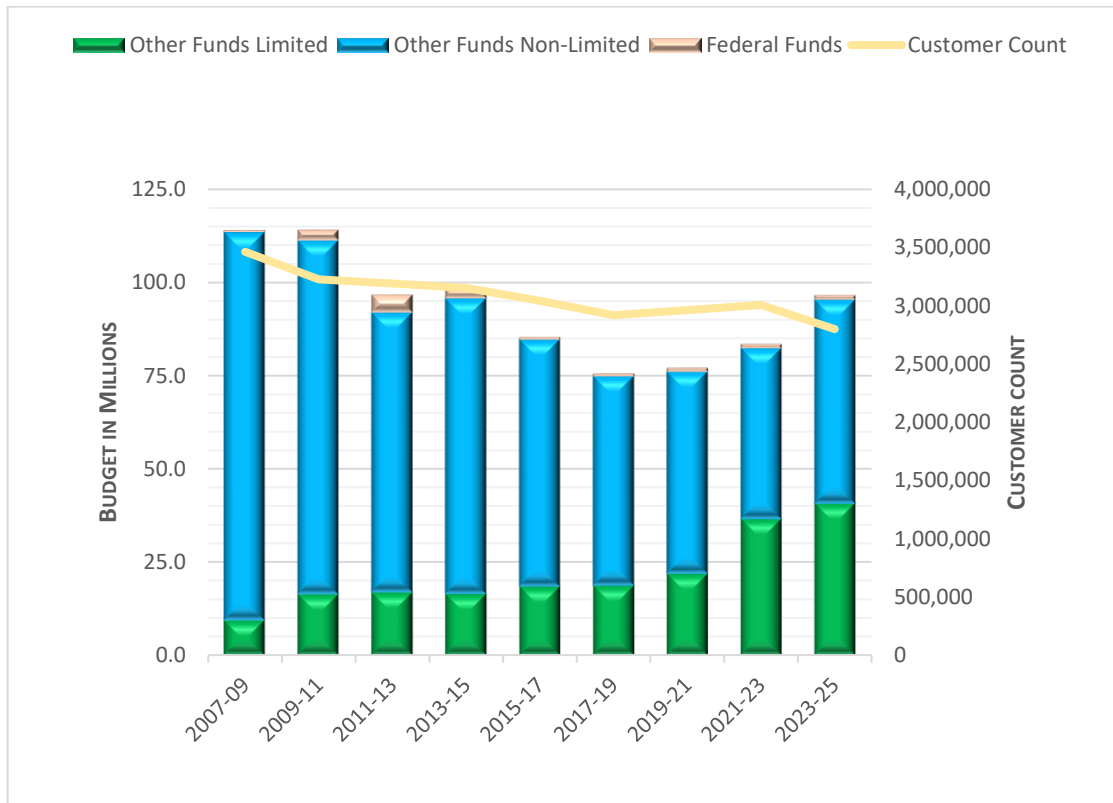
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SUMMARY OF PROGRAMS, CLIENTS, NUMBERS SERVED, AND KEY PARTNERS.

The Commission has four funds supporting various program areas and functions:

1) Utility Regulation – SCR # 86000-001 / Appn 41000

The 2023-2025 program funding request for Utility Regulation is **\$54,829,960** Other Funds Non-Limited, **\$40,640,717** Other Funds Limited, and **\$1,213,146** Federal Funds.



The Commission regulates:

- Three private or investor-owned electric utilities (PGE, PacifiCorp, and Idaho Power)
 - 1,542,108 customers
- Three private natural gas utilities (NW Natural, Avista, and Cascade Natural Gas)
 - 869,324 customers
- About 323 telecommunications companies
 - 395,972 customers
- About 86 small water utilities
 - 33,923 customers

Approximately 2.8 million customers total.

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The Utility Regulation includes the following five operational areas:

- A) **Utility Program** – 72.5 FTE. The Utility Program is the technical and analytical arm of the Public Utility Commission. The Utility Program provides financial, accounting, engineering, and economics-oriented analysis in review of:
- Utility plant operations
 - Capital and infrastructure improvements
 - Utility and telecommunications services
 - Utility property transactions
 - Cost of capital (debt and equity)
 - Property and other transactions
 - Telecommunications competition
 - Purchased gas and power costs.

The Utility Program reviews and recommends adjustments to the utility's proposed costs, reviews utility's Integrated Resource Plans (IRPs) and Requests for Proposals (RFPs) for major resource acquisitions and conducts rulemakings and proceedings to develop regulatory policy and implement legislative policy programs.

The Utility Program is organized by industry and key distinct functions. These organizational units are:

- Energy Resources and Planning Division
<https://www.oregon.gov/puc/utilities/Pages/Energy-Electric-Natural-Gas.aspx>
- Rates, Finance, and Audit Division
<https://www.oregon.gov/puc/utilities/Pages/Energy-Electric-Natural-Gas.aspx>
- Universal Service and Regulatory Analysis (Telecommunications)
<https://www.oregon.gov/puc/utilities/Pages/Telecom-Reporting-Requirements.aspx>
- Utility Safety, Reliability, and Security Division
<https://www.oregon.gov/puc/safety/Pages/SafetyHome.aspx>
- Utility Strategy & Integration Division

The Utility Program ensures safe operation of natural gas pipelines through participation of Pipeline Safety Program Grant which is 60 percent funded by US. Department of Transportation, Pipeline and Hazardous Materials Safety Administration. The 2023-2025 funding request for Federal Fund is **\$1,213,146**. More information about Gas Pipeline Safety Program on the website: <https://www.oregon.gov/puc/safety/Pages/Gas-Pipeline-Safety.aspx>

The Utility Program oversees the administration of the Oregon Universal Service Fund (OUSF). The 2023-2025 funding request for OUSF is **\$54,829,960**. The OUSF provides payments to eligible telecommunications carriers to keep the price of basic service reasonable in areas of the state where costs are high. These non-limited funds are a pass-through and are not used to fund Utility Regulation operations. The OUSF is funded by a surcharge of 6 percent on intrastate retail revenues, which is billed to the customers of all certificated telecommunication carriers.

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Only eligible telecommunication carriers approved by the Commission receive distributions from the fund. Beginning in January 2021, VoIP and cell phone customers are required to pay the surcharge, which allowed the surcharge to be lowered for all customers. To receive money from the fund, a company has to become an eligible carrier, which requires the company to meet a number of service commitments throughout a service area on reasonable terms.

More information about OUSF on the website:

<https://www.oregon.gov/puc/utilities/Pages/OUSF.aspx>

The Utility Program provides oversight to the Energy Trust of Oregon to ensure that it generates effective results in terms of conservation savings and renewable resource development and that it does so efficiently. More information on the website:

<https://www.oregon.gov/puc/utilities/Pages/Energy-Efficiency.aspx>

B) Executive Office – 6 FTE. The Executive Office includes the Commission Executive Director, Policy Director, DEI (Diversity, Equity, and Inclusion) Program Director, Commission Advisors, and Public Information Officer. Major program duties include, but are not limited to, the following:

- Responsible for overall Commission organizational performance and operations. Delivers leadership and direction to ensure agency resources, processes, and culture are aligned with Commission goals and initiatives.
- Oversees, coordinates, and as appropriate integrates the work of agency divisions to fulfill Commission mandates, to implement strategic goals, and to meet operational objectives.
- Coordinates engagement with the legislature and ensures legislative directives are implemented
- Ensures coordination between Utility Program personnel, Administrative Hearings Division, and Commission Office to ensure Commissioners are well informed and supported in decision-making, while preventing any ex parte issues.
- Works with a wide group of stakeholders to implement legislation, administrative rules, processes, and procedures.
- Support the Commission to set regulatory policy to ensure that customers of regulated utilities receive adequate service at fair and reasonable rates in a changing regulatory environment.
- Works in collaboration with the Commissioners and the Utility Program to engage with the Governor, the Northwest Power and Conservation Council, the Oregon Department of Energy, the Legislature, federal agencies (Bonneville Power Administration, Federal Communications Commission, Federal Energy Regulatory Commission) and regional entities (e.g., Western Power Pool, NorthernGrid, California Independent System Operator, Southwest Power Pool), and other state agencies on matters affecting energy and telecommunications.

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C) **Commission Office** – 3 FTE. The Commission has three Commissioners who are appointed by the Governor to staggered four-year terms. The Commission Office establishes policies for the agency and the regulated utilities and make the final decisions on utility rate and service matters under the Commission’s jurisdiction. The Commission must consider the effects of competition, the demand for services, and resolve many complex issues facing utilities in a changing market. Commissioners encourage participation by the public and stakeholders on these and other issues at their public meetings and in contested dockets.

D) **Administrative Hearings Division** – 18 FTE. The Administrative Hearings Division (AHD) is an independent division in the agency that reports directly to the Executive Director. AHD’s primary function is to conduct legal proceedings brought under the Commission’s jurisdiction and provide support functions for other divisions. AHD also conducts ratemaking proceedings for the Oregon Board of Maritime Pilots (OBMP).

AHD is comprised of one Chief Administrative Law Judge and six Administrative Law Judges (ALJs). AHD also houses the administrative support team, which serves other parts of the agency. The administrative support team consists of the Administrative Support Manager, who supervises four legal support staff and five support staffers serving the utility division and the executive office.

The Commission is exempt from use of ALJs in Office of Administrative Hearings. Cases range from highly complex rate cases and investigations to more straightforward consumer complaints.

E) **Consumer Services** – 10 FTE. Consumer Services reports to the Chief Operating Officer for administrative reporting purposes. It is funded through Utility Regulation Fund due to its direct program delivery.

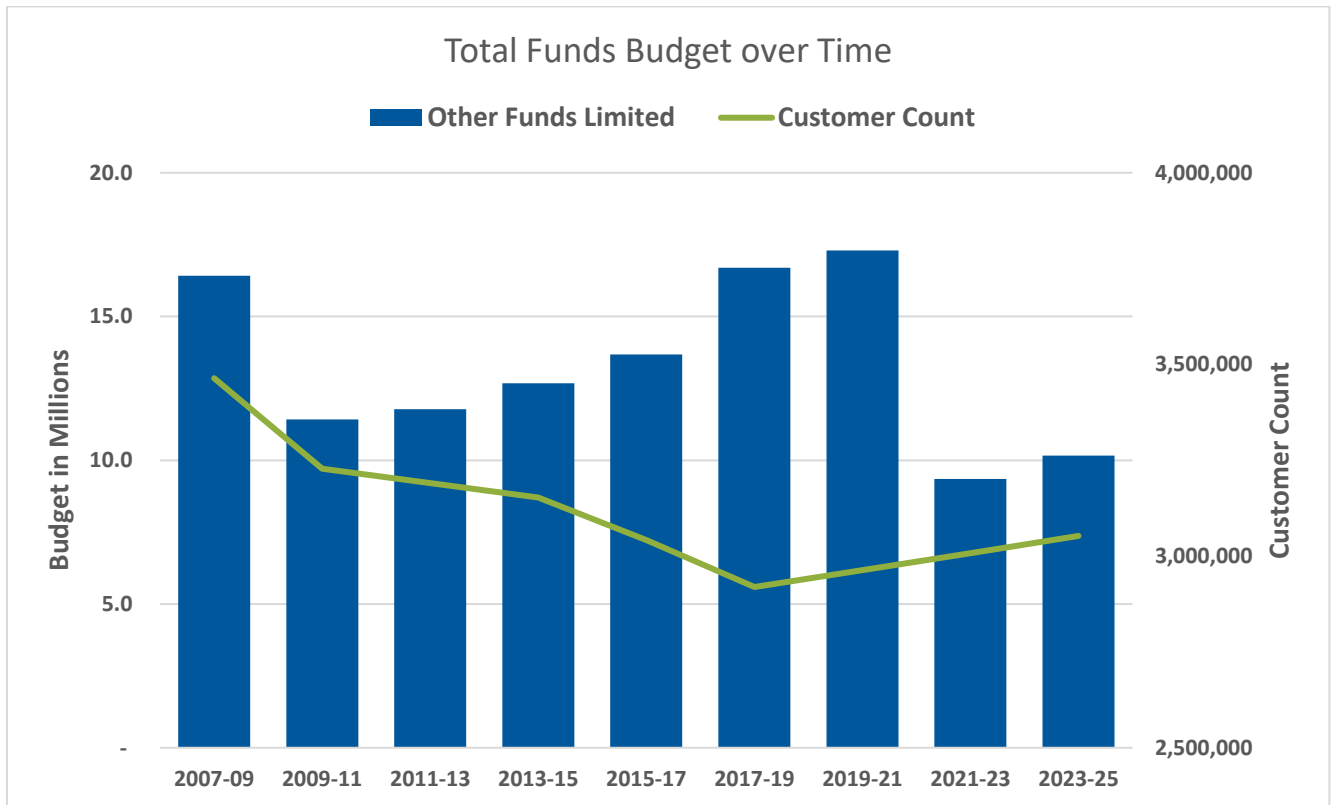
The Consumer Services Section provides a valuable public service by responding to questions from consumers about the utility industry and resolving consumer complaints. In 2021, Consumer Services staff received 7,087 recorded consumer contacts, or 591 per month on average. A single contact often involves multiple issues. Recorded contacts are inquiries, which often require research, analysis, processing, and some resolution by staff.

More information on the website: <https://www.oregon.gov/puc/Pages/Consumer-Information-Center.aspx>

2) Administration - SCR # 86000-004 / Appn 42000

The 2023-2025 funding request for Administration is **\$10,166,585** – Other Funds Limited. Approximately 62 percent of funding is attributable to personal services. The three largest charges under services and supplies are state government service charges, facilities rent, and professional services.

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The Administration Program provides a comprehensive group of essential administrative services to support agency programs and operations. It encompasses three sections:

- A) **Business Services** – 10 FTE. Business Services’ accounting and budgeting staff refine collection of detailed accounting and reporting systems to ensure current management reporting needs are met. The Business Services section includes accounting functions, procurement and contracting, payroll coordination and reconciliation, budgeting services, revenue fee collection, inventory and surplus, risk management and safety, facilities, parking, travel services, mail and copy services.

- B) **Human Resources** – 4 FTE. Human Resources provides personnel services to the agency, including advising management and staff on employee relations matters, conducting recruitment processes to effectively hire and retain competent employees, representing and committing the agency in personnel-related actions, monitoring employee training and coordinating all agency training activities, providing reception services, and maintaining agency policies and procedures

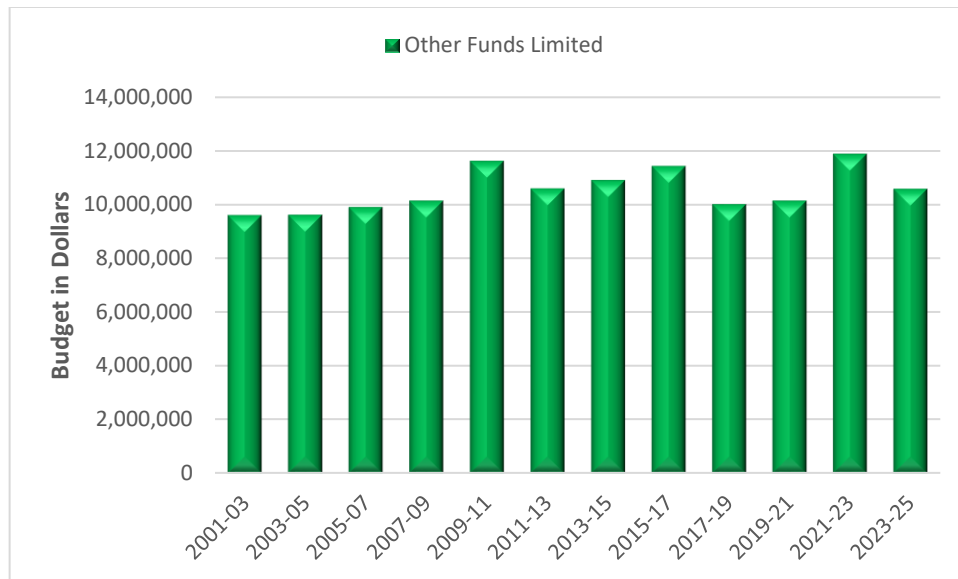
- C) **Information Systems** – 7 FTE. Information Systems provides Information Technology (IT) support, computer hardware and software services, web services, email services, cloud services, telecommunications services, database services, data communications services,

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internet access services, Continuity of Operations Plan (COOP) Coordination, disaster recovery planning, and network security services.

3) Residential Service Protection – SCR # 86000-003 / Appn 43000

The 2023-2025 funding request for Residential Service Protection Fund (RSPF) is **\$10,581,591**. RSPF supports the state’s public policy that all Oregonians have access to adequate and affordable telephone service. Estimated surcharge for AY25 is \$0.03 (Statutory maximum is \$0.35). More information about RSPF on the website: <https://www.oregon.gov/puc/Pages/RSPF.aspx>



The RSPF supports four programs and 7.5 FTE:

A) Oregon Telephone Assistance Program (OTAP). OTAP provides eligible low-income customers with a monthly discount of up to \$15.25 on phone services or \$19.25 for broadband internet access service with participating landline or wireless companies. More Information about OTAP on the website: <https://www.oregon.gov/puc/Pages/Oregon-Lifeline.aspx>

- Approximately 49,000 Oregonians are served (2021).

B) Oregon Telecommunications Relay Service (OTRS). As required by the Americans with Disabilities Act of 1990, Oregon Relay is a free 24-hour statewide service that allows Oregonians who are deaf, hard of hearing, deaf-blind, or have a speech disability to place and receive calls through specially trained operators. Oregon Relay also includes captioned telephone service, which allows persons with some residual hearing to read the captions of what the other party to the conversation is saying on a captioned telephone display. More information about Oregon Relay on the website: <https://www.oregonrelay.com/what-is-relay>

- Operates 24 hours a day, approximately 2,934 calls monthly (2021).

C) Telecommunications Devices Access Program (TDAP). As determined by the appropriate certifying authority, the Telecommunication Devices Access Program (TDAP) loans specialized

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telephone equipment to Oregonians who have a loss in hearing, speech, mobility, cognition, or vision. More information about TDAP on the website:

[https://www.oregon.gov/puc/Pages/Telecommunication-Devices-Access-Program-\(TDAP\).aspx](https://www.oregon.gov/puc/Pages/Telecommunication-Devices-Access-Program-(TDAP).aspx)

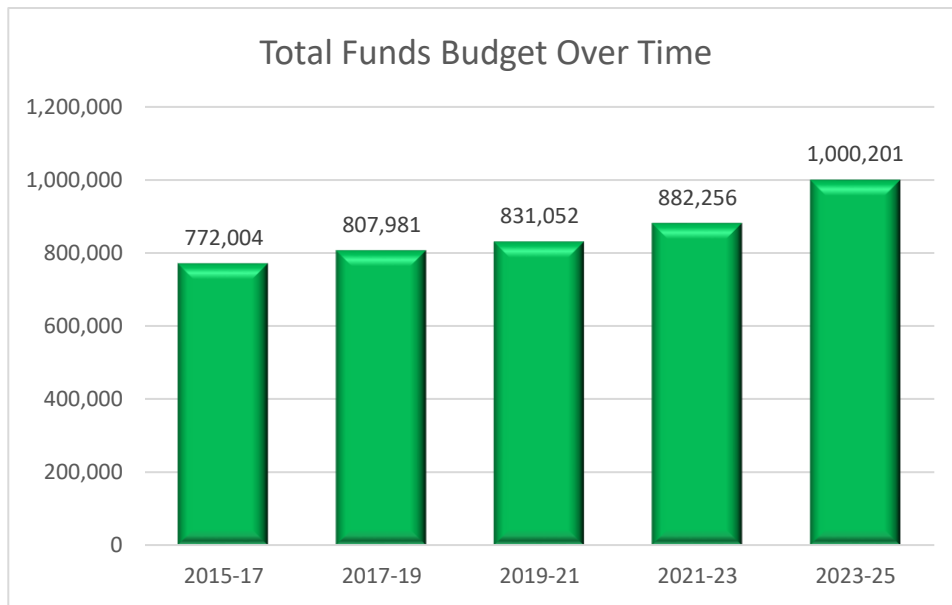
- Approximately 4,300 Oregonians are served (2021).

D) Emergency Medical Certificates Program (EMC). EMC allows customers of the Commission-regulated telecommunications, electric or natural gas, to enter into extended time payment arrangements to stop disconnection of service for qualified medical conditions.

- In 2020, Oregon’s six regulated energy utilities notified the Commission that they had sent disconnect notices to approximately 10 EMC participants, fewer than 10 percent of which proceeded to actual disconnection. The disconnection moratorium eliminated disconnections and subsequent notices as of March 2020 to August 2021. In July 2021, Order 21-236 extended the disconnection moratorium for all customers on a medical certificate until October 2022.

4) Board of Maritime Pilots – SCR # 86000-005 / Appn 44000

The 2023-25 program funding request for Board of Maritime Pilots is **\$1,000,201**. The Oregon Board of Maritime Pilots (OBMP) is an agency that exists within the Oregon Public Utility Commission for budget and administrative purposes only. OBMP’s mission is to promote public safety by assuring that only well-qualified persons are licensed to pilot vessels entering and leaving Oregon’s ports. OBMP is staffed by two employees, an Executive Director, and an Administrator. The Board consists of three public members, three pilot members, and three shipping industry members, are appointed by the Governor and approved by the Senate. OBMP is funded by the license fees paid by pilots as well as a board operations fee charged to each vessel using the services of a licensee. The OBMP receives no General funds or Lottery funds.



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Oregon Board of Maritime Pilots – 2 FTE. The Board works with stakeholders from pilot organizations, steamship operators, and ports to address a variety of issues arising from delivery of pilotage services to service rate expenses. More information about OBMP on the website:

<https://www.oregon.gov/puc/bmp/Pages/About-Us.aspx>

OBMP has four programs:

- A) Pilot Trainee and Pilot Apprentice Selection & Training
- B) Incident Investigations – The Board investigates any incident that occurs while a licensee or trainee is providing pilotage service to a vessel.
- C) License Administration - The Board sets the criteria for issuing new and the renewal of licenses.
- D) Ratemaking Proceedings – The Board regulates the amount that pilots may charge for their services and publishes tariffs. No licensee may demand any greater, lesser, or different compensation for piloting a vessel upon any of the pilotage grounds than is allowed by law.

OBMP took the following actions concerning licensing and rates in 2021:

- 55 license renewals.
- Three license upgrades.
- Two license examinations.
- Seven tariff adjustments.

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MAJOR AGENCY CHANGES, BUDGET DRIVERS, RISKS, AND INFORMATION TECHNOLOGY PROJECTS AFFECTING THE 2023-25 BUDGET, SUCH AS CASELOADS, FEES, REVENUE CHANGES, COST PER CASE ISSUES, NEW INVESTMENTS, ETC.

Budget Drivers

PUC

- Personnel and Other Personnel Expenses – 66.0% of Limited Funds budget.
 - Tight labor market and competition for analysts drives recruitment and retention costs up.
- OTAP Payments/TDAP Equipment – 9.1% of Budget
- OTRS (Oregon Relay) Payments – 4.4% of Budget
- Attorney General Expenses – 7.6% of Budget
- Rent – 3.5% of Budget
- Other Services and Supplies (including IT and state agency assessments) – 9.3% of Budget

OBMP

- Personnel and Other Personnel Expenses – 70.3% of budget
- Attorney General Expenses – 16.7% of budget
- Professional Services – 4% of budget
- Rent – 3.5% of budget
- Other Services and Supplies (including IT and state agency assessments) – 5.4% of budget

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IMPORTANT CHANGES TO THE AGENCY'S BUDGET AND/OR OPERATIONS IN THE PAST 6 YEARS, BROKEN DOWN BY BIENNIA, WITH AN EMPHASIS ON PROGRAMS INITIATED IN 2021-23.

Major Changes in the Agency

Significant changes in the past six years:

- AY19 - Established and hired Executive Director position to coordinate activities between three divisions (Utility, AHD, and P&A).
- AY19 - Established and hired Policy Director position to coordinate legislative matters and other stakeholder activities.
- AY21 - New Commissioner - Mark Thompson.
- AY21 – Established the Utility Strategy and Integration Division.
- AY21 - Established and hired Diversity, Equity, and Inclusion (DEI) Director position to develop our Diversity, Equity and Inclusion Program and engage new stakeholders.
- AY21 – Established and hired an Energy Justice Program Manager position in the Utility Program to lead and coordinate the agency's energy justice strategy and policy implementation across utility dockets and initiatives.

Other Funds – Limited Restructuring

Significant changes in the past six years:

- The costs of Executive Office, Commission Office, Administrative Hearings and Consumer Services were moved **from Administration Fund to Utility Regulation Fund** to have a transparent picture of actual division of regulatory program costs and administrative costs. (AY21)
- **Administration Fund** supports the administrative costs of Chief Operating Officer, Business Services, Information Technology and Human Resources. (AY21)
 - Currently, the Commission's administrative costs (excluding State Government Service Charge) are less than **14%** of total limited funds that would also include Residential Service Protection Fund (RSPF), Oregon Board of Maritime Pilots (OBMP), and Federal Funds.

COVID-19 resulted in:

- Higher arrearage balances for residential and commercial customers.
 - The Commission approved a stipulated agreement between energy IOUs and stakeholders to use approximately \$39 million in customer funds to address balances of customers in arrears due to COVID-19.
 - The Commission approved additional funds for PGE, NW Natural, and Cascade Natural Gas to accelerate decreases in customer arrearages.
- Reduced commercial and industrial energy usage.

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- Heightened awareness of inequities in energy utility burdens on customers.
 - *POPs 102 and 103 will support necessary contracting and personnel to achieve the requirements and goals concerning customer arrearages and addressing inequities in energy utility burdens on customers.*

Low Income

HB 2475 (2021) allowed the Commission to approve differential rates for low-income customers of IOU energy utilities. The Commission approved interim low-income rates for PacifiCorp, PGE, NW Natural, Avista, and Cascade Natural Gas. An investigation into long-term implementation of this authority has been initiated.

- *POPs 102 and 103 will support necessary contracting and personnel to achieve the requirements and goals concerning differential rates, customer arrearages, and equity initiatives in the clean energy plan.*

Wildfire Prevention and Mitigation

- The Commission actions include:
 - Meet requirements of the Governor's Executive Order 20-04 and requirements of SB 762 (2021).
 - Formed the Oregon Wildfire Electric Collaborative (OWEC) in 2020.
 - Opened a wildfire rulemaking (AR 638) and adopted rules for IOUs on wildfire mitigation and prevention.
 - Responsible for the review and approval of wildfire protection plans for Oregon's three investor-owned electric utilities.
 - Engaged IOUs and stakeholders to determine proper ratemaking concerning wildfires.
 - Serves as a resource to the Wildfire Programs Advisory Council.
 - *POP 101 and POP 102 will contribute funding for personnel and contracting to fulfill the requirements and goals of wildfire prevention and mitigation.*

Clean Energy Policies

- New state and federal statutes and regulation have increased the scope of the Commission's responsibilities concerning clean energy.
- The 2021 Oregon Legislative Assembly passed important legislation directly or indirectly affecting the work of the Commission. 2021 Legislation includes Clean Energy (2021-HB 2021), Differential Energy Burden (2021-HB 2475), changes in the public purpose charge (2021-HB 3141), and Transportation Electrification (2021-HB 2165/HB 3055).

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- Federal and regional planning initiatives have also resulted in additional work to the agency.
- Supplementary contracting is likewise required to ensure consistent and efficient analysis of IOUs clean energy plans and associated resource procurement activities.
 - *POP 102 and POP 103 will contribute funding for personnel and any necessary contracting to fulfill the requirements and goals of clean energy policies.*

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BUDGET LEGISLATION NECESSARY TO IMPLEMENT THE GOVERNOR'S BUDGET PROPOSALS FOR THE AGENCY.

None.

PROPOSED POLICY LEGISLATION

HB 3160 proposes to update several areas of statute under Chapters ORS 757 and ORS 758 to reflect current practices and ensure proper notice of various utility actions. These minor, non-substantive changes will modernize regulatory processes:

- ORS 757.215 - Codifies existing practices and eliminates the need for serial suspensions of tariff filings for PUC review.
- ORS 757.240 - Makes changes that reflect the use of modern technology and ensures greater public access to notices and information on rates and charges filed by public utilities at the PUC.
- ORS 757.511 - Makes changes that reflect the use of modern technology and ensures greater public access to notices and information on rates and charges filed by public utilities at the PUC.
- ORS 758.302 - Ensures more effective notice to affected customers when a water utility applies to the PUC for exclusive service territory designation for the water utility. The concept ensures that notice is provided to all customers of record and that the notice contains the proposed area to be served and general rate impacts to existing customers.
- ORS 758.420 - Ensures that contracts filed with the PUC for allocation of territories and customers include a copy of the notice with information on the area subject to the application and the rates impacts to any existing customers and adds an option for hearings to be held virtually.
- ORS 758.435 - Ensures that applications filed with the PUC for utility service in a territory currently not served by someone providing similar services include a copy of the notice given to the customers that describes the service area to be allocated and the potential rate impacts and adds an option for hearings to be held virtually.

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HB 3161 proposes to streamline, amend, and eliminate outdated reporting practices in the RPS under ORS 469A.075 and ORS 469A.170, and modify how reporting is conducted by eligible investor-owned electric utilities and energy service suppliers to be compliant with the RPS.

- The bill proposes eliminating the requirement for these utilities to file separate RPS implementation plans every two years and replaces it with a requirement for them to describe their plans to meet the RPS as part of their Clean Energy Plan development mandate under HB 2021, Section 4 (2021).
- ORS 469A.075 would be amended to allow the Commission to adopt rules that would combine requirements for meeting the RPS and development of CEPs in HB 2021(2021),

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SUMMARY OF LONG-TERM VACANCY INFORMATION REQUESTED BY LFO, INCLUDING NUMBER OF VACANCIES, RELATED BUDGET BY FUND SOURCE, AND LENGTH OF TIME VACANT.

Long Term Vacancy

DCR	Pos No	Position Class Comp	Position Title	Pos Type	GF Fund Split	LF Fund Split	OF Fund Split	FF Fund Split	FTE	2023-25 OF PS Total	2023-25 Total Bien PS BUDGET	Vacant Date	Position eliminate d in GRB? Y/N	Reason for vacancy
86000-001-10-00-00000	0000459	UA C1157 AP 6977	UTILITY AND ENERGY ANALYST 3	PF	0.00	0.00	1.00	0.00	1.00	250,634	250,634	3/31/2021	N/A	Failed recruitments - Interviews scheduled for 1/12. Hope to fill position in Feb. 2023
86000-001-10-00-00000	0700830	UA C1157 AP 6977	UTILITY AND ENERGY ANALYST 3	PF	0.00	0.00	1.00	0.00	1.00	250,634	250,634	9/17/2021	N/A	Position filled. Sean Mayo started 1/9/2023
86000-001-10-00-00000	0000703	UA C1156 AP 5768	UTILITY AND ENERGY ANALYST 2	PP	0.00	0.00	0.50	0.00	0.50	107,041	107,041	7/9/2019	N/A	Eliminating position for use in PFP 2023-2 (pending)
86000-001-10-00-00000	1900103	MMN X0873 AP 7630	OPERATIONS & POLICY ANALYST 4	PF	0.00	0.00	1.00	0.00	1.00	270,375	270,375	7/1/2021	N/A	Duties for position has not been developed to-date. Position needs established by PD development and classification approval from DAS.
86000-001-10-00-00000	2300101	UA C1157 AP 6977	UTILITY AND ENERGY ANALYST 3	PF	0.00	0.00	1.00	0.00	1.00	250,634	250,634	7/1/2021	N/A	Classification review in-progress with PUC HR for DAS classification approval.
86000-001-10-00-00000	2300109	UA C1157 AP 6977	UTILITY AND ENERGY ANALYST 3	PF	0.00	0.00	1.00	0.00	1.00	250,634	250,634	7/1/2021	N/A	Previously PP, will be PF in AY25(POP 103). Difficulty recruiting due to PT status.
					Pos	GF	LF	OF	FF	FTE	OF	AF		
					6	0.00	0.00	5.50	0.00		1,379,95	1,379,952		
										5.50		2		

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ACTIONS THE AGENCY IS TAKING OR PLANS TO TAKE TO CREATE SAVINGS, CONTAIN COSTS, IMPROVE SERVICES, OR CREATE OTHER EFFICIENCIES WITHOUT AFFECTING SERVICES.

Budget management actions of Commission for cost containment:

- Reduction in administrative personnel
- Reduction of RSPF professional services
- Vacancy savings
- Administrative savings including technology
- Deferral of IT purchases
- Cost control in Attorney General expenditures
- Data sharing agreements with Department of Revenue and Department of Human Services

POP 101 – Power Systems Expertise and Resources

a. Purpose

Commission Staff are increasingly required to make recommendations on highly technical issues related to transmission and distribution system costs, risks, and assets. The need for expertise ranges from engineering-focused analysis (power flow and optimization modeling, knowledge of engineering codes, reliability and risk analysis, grid solutions) to asset management, risk management, resiliency analysis and prudence review for large and small utility investments. Staff is also lacking in expertise related to evolving grid technology and the region's complex transmission planning, siting, procurement, and rate-setting/cost-allocation framework.

b. How Achieved

Through additional staff, the Commission will be able to provide subject matter expertise and analysis for power systems issues within planning, policy, and ratemaking dockets or lead power systems-focused dockets and special projects to ensure consistent and efficient analysis. Additional resources will provide analysis for:

- Interconnection policy, waivers, and disputes
- Investment planning and procurement (under increasing system constraints)
- Power cost filings and rate cases (including performance metrics) and
- Risk analysis, system hardening and operational resiliency strategies, and other programs and activities

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c. Staffing Impact

This Policy Option Package increases FTE by three personnel. As a result of legislative initiatives, augmented staff is necessary to meet increased workload and intensified complexity of workload.

- 1 FTE Public Utilities Manager 2 - electrical or power systems program management skills and transmission planning and assets management expertise
- 1 FTE Utility Analyst 3 (UA3) - electrical or power systems engineer with experience working with power flow models, transmission planning, hosting capacity or interconnection analysis
- 1 FTE Utility Analyst 3 (UA3) - economist, engineer, or policy expert with experience on regional transmission planning, FERC policy, or transmission assets management

d. Quantifying Results

As a result of this POP, the Commission will continue to have sufficient staff and expertise to achieve our mission, obligations, and timelines.

e. Revenue Source

Utility gross operating revenue fees for utility positions and services and supplies. ***No general or lottery funds are used.***

f. Fiscal Impact Summary

As reflected in the following table, the 2023-2025 fiscal impact of this POP is \$814,287 Total personal services for new positions were calculated at step 3 for the biennium.

	Utility Regulation
Personal Services (PS)	\$771,643
Services and Supplies (SS) – General One-time and Recurring	\$42,644
Total	\$814,287

POP 102 – Increase in Professional Services

a. Purpose

Policy Option Package 102 requests an increase of \$400,000 in agency Professional Services. New state and federal statutes and regulation have increased the scope of the Commission’s responsibilities.

The 2021 Oregon Legislative Assembly passed important legislation directly or indirectly affecting the work of the Commission. 2021 Legislation includes Wildfire Mitigation (2021-SB

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762), Clean Energy (2021-HB 2021), Differential Energy Burden (2021-HB 2475), changes in the public purpose charge (2021-HB 3141), and Transportation Electrification (2021-HB 2165/HB 3055).

This legislation—much of which is built on Governor Brown’s Executive Order 20-04 to mitigate the impacts of climate change—create a new clean electricity standard for Oregon utilities, address the increasing wildfire risk with new prevention and mitigation measures, expand the Commission’s authority to create rate classifications, enhance Oregon’s efforts to support the adoption of alternative-fuel vehicles, and extend the public purpose charge (PPC) and modernized its use to fund energy conservation and renewable projects in the state.

Federal and regional planning initiatives have also resulted in additional work to the agency. Supplementary contracting is likewise required to ensure consistent and efficient analysis related to:

- Administrative price setting (Resource Value of Solar, Public Utility Regulatory Policies Act, Demand Side Management, storage pilots and programs)
- Dynamic, modern rate designs (e.g., electric vehicle charging rates)
- Customer-driven system investments (e.g., line extension/interconnection upgrades)
- Demand Energy Response program design and oversight
- Transportation Electrification programs and investments
- Planning dockets with new and complex investment options, and
- Prudence review and performance metrics for new, risky, and complex investments and expenses (e.g., Renewable Natural Gas)

Additionally, as a result of inflationary pressures and new requirements placed on regulated utilities, staff is frequently reviewing four or five general rate cases and multiple power costs cases simultaneously. Certain subjects (Cybersecurity, financial derivatives, interconnection modernization, performance-based regulation, modeling, and valuation, other) are beyond staff’s current expertise.

Currently in the 2021-2023 biennium, the Commission has needed to supplement staffing with professional services to ensure timely completion of various projects including Capacity Valuation studies, Integrated Resource Planning, Expertise Witness needs, and Environmental Justice Equity Metrics for Energy Trust of Oregon as part of HB 3141.

b. How Achieved

Increase Professional Services budget by \$400,000 to contract subject matter professionals to assist and augment the Commission in fulfilling its mission.

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c. Staffing Impact

No impact to staffing levels. Professional Services will help relieve stress on Commissioners, Administrative Law Judges, and staff and provide the necessary expertise to assist the Commission in fulfilling its mission.

d. Quantifying Results

As a result of this POP, Commission will continue to have sufficient expertise to achieve our mission, obligations, and timelines.

e. Revenue Source

Utility gross operating revenue fees for utility increased professional services. ***No general or lottery funds are used.***

f. Fiscal Impact Summary

	Utility Regulation
Services and Supplies (SS) – Professional Services	\$400,000
Total	\$400,000

POP 103 – Reclassification of Four Positions from Limited Duration and Part-time to Permanent Full-time Positions (HB2021) and Establishing a New Position

a. Purpose

The purpose of POP 103 is to request that four Utility Analyst 3 positions created from HB2021 (2021) be re-classified into permanent full-time positions and that a new permanent full-time Utility Analyst 2 position be established.

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The following positions will be re-classed or created:

Bill	Position	Position Number	Original Designation	Requested Designation
HB2021	Utility Analyst 3	2500.105 (Previously 2300.103)	Limited Duration Full-Time	Permanent Full-Time
HB2021	Utility Analyst 3	2500.106 (Previously 2300.104)	Limited Duration Full-Time	Permanent Full-Time
HB2021	Utility Analyst 3	2500.107 (Previously 2300.105)	Limited Duration Full-Time	Permanent Full-Time
HB2021	Utility Analyst 3	2300.109	Permanent Part-Time	Permanent Full-Time
Establish with POP 103	Utility Analyst 2	NEW	N/A	Permanent Full-Time

This request is based on two foundational reasons:

1. The amount and scope of work in HB 2021 and the clean energy transition is challenging and critical to Oregon. This important work will not stop when the biennium ends, and these positions will be needed to fulfill the agency responsibilities concerning clean energy into the future. In addition to direct impacts from HB 2021’s utility clean electricity targets, industry and policy changes have increased the complexity and scope of the Commission’s responsibility for setting compensation frameworks for customer and third-party resources. Moreover, the Commission has a significant role in overseeing natural gas utilities’ response to decarbonization pressures, including the Department of Environmental Quality’s (DEQ’s) Climate Protection Program.
2. It is difficult, if not impossible, to recruit these positions as Limited Duration and Part-time. The demand for expertise in energy analytical fields is great, and the supply of qualified personnel is scarce.

HB 2021 requires retail electricity providers to reduce greenhouse gas emissions associated with electricity sold to Oregon consumers to:

- 80 percent below baseline emissions levels by 2030
- 90 percent below baseline emissions levels by 2035, and
- 100 percent below baseline emissions levels by 2040

The Commission may also, in furtherance of these targets, apply a performance incentive for early compliance with one or more of the clean energy targets.

The Commission will need to address many issues to prepare to the filing of Clean Energy Plans by Portland General Electric (PGE) and PacifiCorp, and the reporting of information by Energy

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Service Suppliers (ESSs). For investor-owned utilities (IOUs), the Commission will need to adapt guidelines or adopt rules as necessary to allow the utilities to incorporate Clean Energy Plans into the existing Integrated Resource Plans processes, as well as begin work to incorporate clean energy targets into utility planning and procurement activities already underway.

For PacifiCorp, the Commission will also need to establish specialized rules or guidelines to adapt the multi-state IRP to include a focus on Oregon-only emissions or establish processes for submittal and review of ancillary plans (Section 4(3)(b)).

Other activities focused on Clean Energy Plans filed by IOUs; the Commission will need to:

- Adopt resiliency guidelines and standards for the utilities to use when including the risk-based examination of resiliency opportunities in their clean energy plans required by Section 4(4)(c)
- Determine what additional factors, beyond those cited in Section 5(2)(f) that must be evaluated before acknowledging a Clean Energy Plan
- Establish a process for PGE and PacifiCorp to contemporaneously recover the costs for work associated with the Community Benefits and Impacts Advisory Groups and the development of biennial reports (Section 6)

For the ESSs, the Commission will need to:

- Adopt rules to govern reporting processes and requirements
- Determine what additional factors, in addition to those cited in Section 5(3)(c) that must be reported by an ESS
- Adopt rules to comply with amendments to ORS 757.649 in Section 25 to require an ESS to publicly disclose a summary of the aggregated energy supply mix and associated emissions of the power sources that serve the direct access consumers

In addition to preparing for Clean Energy Plans and ESS reporting, the Commission may need to address other policy changes that affect existing areas of Commission responsibility or encourage new Commission ratemaking policy considerations.

In all of these areas, the Commission has encountered significantly increased stakeholder engagement and corresponding requests for increased Commission facilitation and process.

Incentives for Early Compliance:

Section 12 of HB 2021 may prompt utilities or stakeholders to ask the Commission to investigate whether performance incentives should be offered to electric companies for early compliance with the clean energy targets. Such an investigation will require legal and ratemaking policy analysis (including the Commission's ability, if any, to provide incentives to ESSs.)

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Interaction with other state/regional policies and market activities:

The Commission will need to monitor and track how the carbon accounting and attribution policies will interact with other state and regional policies, as well as market activities. These include programs involving Renewable Energy Credits such as Renewable Portfolio Standards, voluntary products and green tariffs, renewable Public Utility Regulatory Policy Act rates, and Low-Carbon Fuel Standards/Clean Fuels Program, where claims about the renewable and emissions reductions attributes of energy may be made by someone other than the utility that claims the emissions reductions attributes under this program or may potentially be double-counted. Other regional activities, including possible interplay with Washington's Clean Energy Transition Act, will need to be tracked.

Avoided Cost Updates and expanded Energy Valuation Responsibilities:

Under Section 8(4)(a), the Commission must initiate a process for both PGE and PacifiCorp to update avoided costs calculated under ORS 758.525 to ensure they accurately reflect the characteristics of generators that contribute to compliance with the clean energy targets.

More broadly, the Commission's historic focus primarily on utilities' actions has shifted to an energy system in which customers, communities, and third parties take more significant energy actions. The Commission is responsible for deciding how they are compensated for their contributions, and expectations for the Commission to perform this role have expanded further in both scope and complexity. There are many more resources being brought to the utility system (flexible transportation electrification charging, batteries, and community green tariffs) and they have more complex attributes. Adding to the complexity is a direction to the Commission to value benefits not traditionally modeled in energy analysis (Greenhouse Gases, community benefits).

Natural Gas Utilities' Decarbonization Oversight:

DEQ's recently adopted Climate Protection Program, prompted by Governor's Executive Order 20-04, requires natural gas utilities to reduce emissions steadily, beginning in 2022. This is a major shift in the regulatory landscape to which the Commission must adapt through significant new initiatives including those described in the Commission Staff's Draft Natural Gas Fact-finding Report, issued on April 15, 2022.

b. How Achieved

By using the newly reclassified staff, the Commission will be better positioned to meet the requirements of HB 2021, as stated above, and respond to significantly increased responsibilities associated with energy industry transitions and decarbonization imperatives, including the Governor's Executive Order 20-04.

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c. Staffing Impact

- Re-class: 3 FTE Utility Analyst 3s (UA3) reclassified from Limited Duration Full-time to Permanent Full-time positions
- Re-class: 1 FTE UA3 reclassified from a Permanent Part-time to a Permanent Full-time Utility Analyst 3 (UA3) position, and
- Establish: 1 FTE Permanent Full-time Utility Analyst 2 (UA2)

d. Quantifying Results

As a result of this POP, the Commission will be better positioned to achieve our mission, obligations, and timelines for the clean energy transition as mandated by the Oregon Legislature and by industry change occurring in response to climate mitigation policies.

e. Revenue Source

Utility gross operating revenue fees for utility positions and services and supplies. **No general or lottery funds are used.**

f. Fiscal Impact Summary

As reflected in the following table, the 2023-2025 fiscal impact of this POP is **\$1,190,936**. Total personal services for new positions were calculated at step 3 for the biennium.

	Utility Regulation
Personal Services (PS)	\$1,153,961
Services and Supplies (SS) – General One-time and Recurring	\$36,975
Total	\$1,190,936

POP 104 – Activity and Dockets System Maintenance Costs

a. Purpose

The Commission’s Activity and Dockets System (ADS) project will be completed August/September 2022. This project has annual costs associated with the number of users, and maintenance and services costs. The amount outlined in Package 090 of HB5032 (2021) will not sufficiently cover these ongoing annual fees. The amount of users will increase as a result of increased participation in Commission dockets; and an additional \$4,200 per year is required due to custom configuration based on added requirements.

Additionally, with the organizational structure change in AY 23 moving Hearings Division from Administration Fund to Utility Regulation Fund, the budget for the annual costs associated with this project also needs to be moved to Utility Regulation Fund.

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In PKG 090 HB5032 (2021), the Commission was assigned \$232,740 for on-going costs associated with the E-Discovery project. With the end of the project in sight, the actual annual costs have been updated and show that the Commission will incur \$262,442 per biennium for expenses directly related to this project. When both amounts are adjusted at a 4.2% inflation rate, the HB5032 (2021), is adjusted to \$242,515 and the actual costs inflate to \$273,465. This results in a shortfall of \$30,950 in needed budget for Comp Source Group 4315, IT-Professional Services.

b. How Achieved

Increase IT- Professional Services budget by \$30,950 to ensure sufficient limitation to fund annual maintenance costs for ADS. ADS is core to the Commission’s mission.

c. Staffing Impact

No impact to staffing levels. These funds will pay for IT-Professional Services.

d. Quantifying Results

As a result of this POP, the Commission will continue to have sufficient funds for annual maintenance and service costs of ADS.

e. Revenue Source

Utility gross operating revenue fees for utility increased professional services. ***No general or lottery funds are used.***

f. Fiscal Impact Summary

	Utility Regulation
Services and Supplies (SS) – Reoccurring Expenses	\$30,950
Total	\$30,950

POP 105 -In-State Travel

a. Purpose

The Commission’s Utility Regulation section regularly has in-state travel needs that cannot be replaced by virtual calls or meetings. The nature of the in-state travel is to investigate and inspect utility-related sites, such as gas pipelines, electric transmission and distribution systems, and other infrastructure, for safety and compliance with federal and state regulations, including those related to wildfire risks. Utility safety staff conducts inspections and audit of utility

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companies. Their tasks cannot be fully fulfilled via online or working remotely. The need to travel and do inspections in facilities are required to occur even during and after the pandemic.

b. How Achieved

Through appropriate in-state travel budget, the Commission will be able to send utility safety staff to job sites for scheduled and unscheduled job sites. This assures that any safety concerns can be identified and addressed.

c. Staffing Impact

There will not be a staffing impact as a result of this POP.

d. Quantifying Results

As a result of this POP, the Commission will continue to have sufficient travel budget to achieve our mission, obligations, and timelines.

e. Revenue Source

Utility gross operating revenue fees for utility positions and services and supplies. ***No general or lottery funds are used.***

f. Fiscal Impact Summary

As reflected in the following table, the 2023-2025 fiscal impact of this POP is \$43,404 total Services and Supplies.

	Utility Regulation
Services and Supplies (SS) – In-State Travel	\$43,404
Total	\$43,404

POP 106 – Out-of-State Travel

a. Purpose

New state and federal statutes and policies have significantly increased the scope of the Commission’s responsibilities. This increased scope includes Wildfire Mitigation (2021-SB 762), Clean Energy (2021-HB 2021), Differential Energy Burden (2021-HB 2475), changes in the public purpose charge (2021-HB 3141), Transportation Electrification (2021-HB 2165/HB 3055), and increased west-wide activity regarding regional transmission, organized electricity market and resource adequacy initiatives. Each of these items affect the regulatory approach that the Commission implements for investor-owned energy utilities in the state. In order to effectively

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implement this new legislation and policy, the Commission will need to undertake significant new activities, as well as modify existing work.

These demands will increase out-of-state travel for Commissioners and staff as we work to gain insights into and conduct necessary coordination and engagement with national and regional partners on these topics. Examples of this participation include: attending meetings where regional transmission planning and electricity market alternative are being discussed, including the regulatory oversight for such processes; conferencing with counterparts from other states through organized activities to further the Commission's knowledge about emerging resources that will be required to meet new clean energy requirements in Oregon; and representing Oregon consumers' and other stakeholders' views and interests in conversations about the structures that will govern clean energy and equity-focused transitions in the energy industry. These regional and national organizations include, among others: National Association of Regulatory Utility Commissioners, Committee on Regional Electric Power Cooperation, Western Interstate Energy Board, Northwest & Intermountain Power Producers Coalition, California Integrated System Operator, Western Power Pool, Southwest Power Pool, and Oregon Offshore Wind Task Force. Commission staff will also have to provide technical and policy expertise to many of the regional and national organizations; and will need to travel to obtain the very specific and unique training for these initiatives that is not offered in Oregon.

b. How Achieved

Through appropriate out-of-state travel budget, the Commission will be able to allow Commissioners and Commission staff to attend out-of-state events to receive and provide training regarding the widening scope of the Commission's responsibility to the public.

c. Staffing Impact

There will not be a staffing impact as a result of this POP.

d. Quantifying Results

As a result of this POP, the Commission will continue to have sufficient travel budget to achieve our mission, obligations, and timelines.

e. Revenue Source

Utility gross operating revenue fees for utility positions and services and supplies. ***No general or lottery funds are used.***

2023-25 PUC GB Presentation Reference Document

f. Fiscal Impact Summary

As reflected in the following table, the 2023-2025 fiscal impact of this POP is \$10,480 total Services and Supplies.

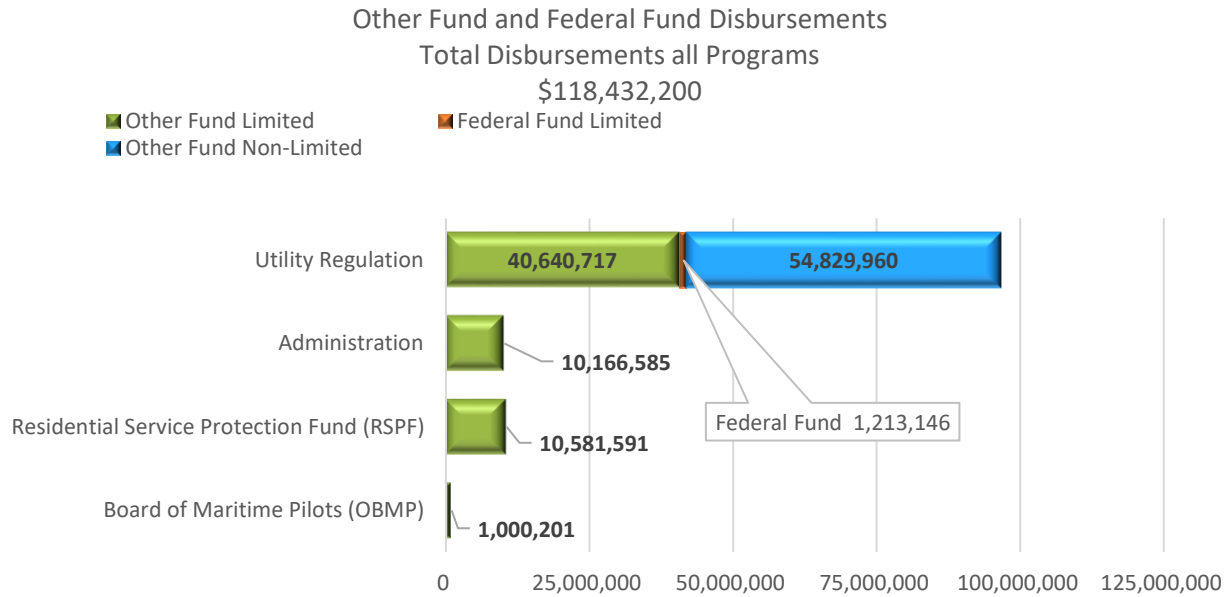
	Utility Regulation
Services and Supplies (SS) – Out-of-State Travel	<i>\$10,480</i>
Total	<i>\$10,480</i>

2023-25 PUC GB Presentation Reference Document

SUMMARY OF THE GOVERNOR’S BUDGET BY FUND SOURCE, POLICY OPTION PACKAGE, REDUCTIONS, AND OTHER MAJOR CHANGES.

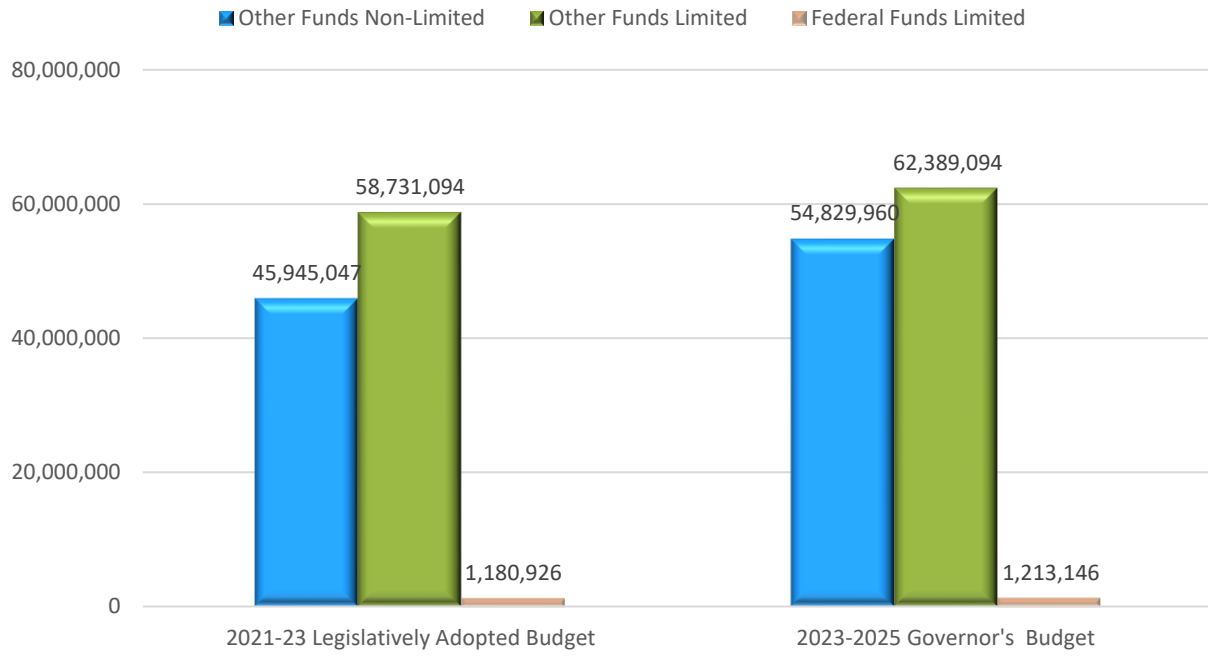
2023-25 Governor’s Budget for Oregon Public Utility Commission. Link to the PUC’s Governor’s Budget published on the website will be provided when available.

Other Funds- Limited	\$ 21,748,377
Utility Regulation	\$ 40,640,717
Administration	\$10,166,585
Residential Service Protection Fund	\$ 10,581,591
Board of Maritime Pilots	\$ 1,000,201
Other Funds- non-Limited – Oregon Universal Service Fund	\$ 54,829,960
Federal Funds – Limited- Pipeline Safety Program	\$ 1,213,146
Total	\$118,432,200



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Comparison of Biennial Expenditures by Fund



2023-25 PUC GB Presentation Reference Document

REQUESTED CHANGES TO KPMs OR ANY KPM THAT THE AGENCY IS NOT ACHIEVING.

There are no requested changes to the KPMs for 2023.

KPM that the agency is not achieving:

- KPM #9 - Oregon Telephone Assistance Program – Percentage of Supplemental Nutrition Assistance Program (SNAP) recipients participating in the Oregon Telephone Assistance Program.

Factors affecting the OTAP participation rate among SNAP households include, but is not limited to, the following:

- Number of SNAP households that have service with a participating provider,
- Outreach and education efforts of participating providers,
- SNAP households subscribe to service from non-participating providers, e.g., Comcast, Verizon Wireless,
- The subsidized service offering does not meet household's needs,
- FCC regulations governing minimum service standards limit customer choice, or
- Greater subsidy under the FCC's Affordable Connectivity Program

HB 4092 (2022) requires a study to:

- Determine if expanding or increasing OTAP to support adequate and reasonable access to broadband Internet access service, and
- Identify barriers faced by residential customers with low-income to obtaining broadband internet access service.

The study results may be a catalyst to change KPM #9 in 2023.

2023-25 PUC GB Presentation Reference Document

RESULTS OF, AND AGENCY RESPONSES TO, ALL AUDITS ON THE AGENCY CONDUCTED BY THE SECRETARY OF STATE UNDER ORS 297.070 DURING THE CURRENT BIENNIUM AND/OR AN EXTERNAL AUDIT FIRM

There were no audits under ORS 297.070 performed by the Secretary of State or an external audit firm in the current biennium.

2023-25 PUC GB Presentation Reference Document

DESCRIPTION OF HOW RECENT CHANGES TO AGENCY BUDGET AND/OR MANAGEMENT FLEXIBILITY AFFECTED AGENCY OPERATIONS.

No recent budget or organizational structure change that would affect agency operations.

2023-25 PUC GB Presentation Reference Document

[SUPERVISORY SPAN OF CONTROL REPORT FROM THE DEPARTMENT OF ADMINISTRATIVE SERVICES,
CHIEF HUMAN RESOURCES OFFICE, FOR AGENCIES WITH MORE THAN 100 EMPLOYEES LOCATED
AT: \[HTTPS://WWW.OREGON.GOV/DAS/HR/PAGES/SPAN.ASPX\]\(https://www.oregon.gov/das/hr/pages/span.aspx\)](https://www.oregon.gov/das/hr/pages/span.aspx)

Maximum Supervisory Ratio Report

Proposed Maximum Supervisory Ratio

In accordance with the requirements of ORS 291.227, the PUC presents this report to the Joint Ways and Means Committee regarding the agency's Maximum Supervisory Ratio for the 2023-2025 biennium.

Supervisory Ratio for the last quarter of the 2021-2023 biennium

The PUC actual supervisory ratio as of May 3, 2022 is **1:5**.

The PUC actual supervisory ratio is calculated using the following calculation:

135 total personnel; 22 supervisors and 113 non-supervisors

21 total supervisors = 18 employees in a supervisory role plus 4 supervisor vacancies – 1 Agency Head

113 total non-supervisors = 104 employees in a non-supervisory role plus 9 non-supervisory vacancies

The agency has a current actual supervisory ratio of:

1:5 = 113 non-supervisors / 21 total supervisors. Rounds to 1:5.

PUC is a non-union agency and no union notification is required for this change in maximum supervisory ratio.

The PUC has been authorized by the Department of Administrative Services to have an Agency Maximum Supervisor Ratio 1:5 because of the following factors:

- Complexity of PUC's duties; and
- Industry best practices and standards

Complexity of PUC's Duties

The PUC's mission is to ensure Oregon utility customers have access to safe, reliable, and fairly priced utility services that advance legislative priorities and promote the public interest in utility regulation.

The PUC evaluates competing viewpoints and visions of the public interest to arrive at balanced, independent decisions that are supported by fact, law, and process.

The agency's work impacts almost every citizen of the state. Investor-owned utilities currently receive approximately \$4 billion in revenues annually from 2.8 million Oregon consumers. The PUC sets utility rates and terms of service through broad legislative powers delegated from the legislature and must balance the interests and rights of multiple organizations and individuals representing divergent and conflicting business, consumer, and public interests. PUC decisions on individual issues may be in excess of \$100 million in annual revenues paid by Oregon consumers.

In addition to its traditional and core ratemaking function, the PUC's work has expanded in scope and complexity given the significant, revolutionary, and ongoing change in the energy and communications industries. The effects of technology innovation, clean energy policies, changes in market structures,

2023-25 PUC GB Presentation Reference Document

shifts in government jurisdiction, development of new products and services, issues concerning cybersecurity, seismic and wildfire resiliency, and new environmental directives, are all having a profound impact on the work of the agency.

To meet its ever-increasing statutory mandates and policy directives, the PUC requires a highly educated and trained cadre of economists, accountants, engineers, attorneys, and financial and policy analysts, as well as strong a strong management team to lead these numerous and specialized work teams. The PUC proceedings generally involve significant public process and engagement, independent expert analysis, and present novel questions of law, and require the development of, or application of, significant issues of public policy. Cases often require an extended procedural schedule, multiple rounds of pre-filed testimony or comment, and the analysis of conflicting expert witness testimony on complex and technical subjects with heightened agency and public interest awareness.

Industry Best Practices and Standards

PUC's maximum supervisory ratio is well within best practices and standards as our ratio is in a range of other utility regulatory commissions in the western United States and regulatory departments of the state's two largest electric utilities as demonstrated below:

Oregon Electric Utilities

- Portland General Electric – **1:5**
- Pacific Power – **1:8**

State Regulatory Commissions

- Colorado – **1:4**
- Idaho – **1:3**
- Montana – **1:3**
- Nevada – **1:4**
- Washington – **1:5**
- Wyoming – **1:4**

Succession Planning

The PUC's maximum supervisory ratio is consistent with best practices for succession planning. The Secretary of State's audit, *"Department of Administrative Services Should Enhance Succession Planning to Address Workforce Risks and Challenges,"* includes the following key findings number two and three:

1. The lack of a succession planning framework increases workforce risks, such as not developing or retaining knowledgeable and skilled employees to perform critical functions.
2. These risks are exacerbated by demographic and economic trends, including increasing retirement rates, and a lack of formal succession planning processes within state agencies.

2023-25 PUC GB Presentation Reference Document

SUMMARY OF PROPOSED INFORMATION TECHNOLOGY PROJECTS.

There are no proposed information technology projects for PUC.

2023-25 PUC GB Presentation Reference Document

SUMMARY OF PROPOSED CAPITAL CONSTRUCTION PROJECTS.

There are no proposed capital construction projects for PUC.

2023-25 PUC GB Presentation Reference Document

PROGRAM PRIORITIZATION FOR 2023-25 (FORM 107BF23).

2023-25 Program Prioritization

Program Prioritization for 2023-25																					
Agency Name: Oregon Public Utility Commission															Agency Number: 86000						
2023-25 Biennium																					
Program 1																					
Program/Division Priorities for 2023-25 Biennium																					
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Priority (ranked with highest priority first)	Agency Initials	Program or Activity Initials	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program Activity Code	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL Included in Agency Request	
Agcy	Prgrm/Div																				
5	1	Administration	Administrative program encompassing the Chief Operating Officer, Business Services, Information Systems, and Human Resources	4					10,316,913				\$ 10,316,913	22	22.00	N	Y	C, S	ORS 756	Regulation of investor-owned energy and water utilities, telecommunication utilities, and water associations	POP 104, Activity and Dockets System Maintenance Costs: The ongoing costs associated with the PUC AD system is going to exceed allocated costs by \$30,950 per biennium. The PUC is asking for this difference to appropriately pay for the ongoing costs.
													\$								
									10,316,913				\$ 10,316,913	22	22.00						

7. Primary Purpose Program/Activity Exists

- 1 Civil Justice
- 2 Community Development
- 3 Consumer Protection
- 4 Administrative Function
- 5 Criminal Justice
- 6 Economic Development
- 7 Education & Skill Development
- 8 Emergency Services
- 9 Environmental Protection
- 10 Public Health
- 11 Recreation, Heritage, or Cultural
- 12 Social Support

19. Legal Requirement Code

- C Constitutional
- D Debt Service
- FM Federal - Mandatory
- FO Federal - Optional (once you choose to participate, certain requirements exist)
- S Statutory

Within each Program/Division area, prioritize each Budget Program Unit (Activities) by detail budget level in ORBITS

Document criteria used to prioritize activities:
To document statutory requirements.

2023-25 PUC GB Presentation Reference Document

Program Prioritization for 2023-25																							
2023-25 Biennium										Agency Number: 86000													
Program 2																							
Program/Division Priorities for 2023-25 Biennium																							
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22		
Priority (ranked with highest priority first)	Agency Initia	Program of Activity Initia	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program/Activity Code	GF	IF	OF	IL/OF	FF	IL/FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL Included in Agency Request			
Agcy	Prgr/ Div																						
1	2	Utility Regulation	Regulation of Private Electric and Natural Gas Utilities, Telecommunications, and Water Utilities	1, 2, 3, 4, 5, 6, 7, 8, 11, 12, 15a, 15b, 15c, 15d, 15e	3, 4, 6			40,839,567	5,439,290			\$ 95,689,527		110	109.50	N	Y	C, S	ORS 757, 758, and 759, 469 and 469A	Regulation of investor-owned energy and water utilities, telecommunication utilities, and water associations, Oregon statutes, and FCC, FERC and NERC regulations	<p>POP 301, Power Systems Expertise and Resources: The primary purpose of the package is to improve the PUC's technical knowledge and authority in costs, risks, and assets in relation to power transmission and distribution. The PUC plans on achieving this with establishing 3 new permanent full-time positions (Public Utilities Manager 2, and 2 UAs).</p> <p>POP 302, Increase in Professional Services: The PUC is requesting \$480k in additional professional services budget to meet the expectations of recently passed legislation, including SB 62(2023), HB 2023(2023), HB 2025(2023), HB 3141(2023), and HB 2165(2023).</p> <p>POP 303, Reclassification of Positions from Limited Duration and Part-time to Permanent Full-time Positions: HB 2023 adjusts 310 positions created by HB 2021 (2021) into full-time permanent roles. The PUC needs these positions to be permanent to meet the scope of work and responsibilities outlined in HB 2021.</p> <p>POP 305, In-State Travel: The PUC's in-state travel budget need to be re-budgeted according to pre-COVID levels, by \$43,884 for the FY25 Biennium. The PUC primarily uses in-state travel for mandatory safety inspections, which can't be replaced by virtual alternatives.</p> <p>POP 306, Out-of-State Travel: The PUC's commissioners and staff will need to increase their out-of-state travel to attend national and international conferences to educate themselves to keep up with the ever-increasing scope of PUC's responsibilities. The increase in travel will require a calculated increase of \$10,880 for the FY25 biennium.</p>		
								40,839,567	5,439,290			\$ 95,689,527		110	109.50								

- 7. Primary Purpose Program/Activity Code**

 1. Civil Justice
 2. Community Development
 3. Consumer Protection
 4. Administrative Function
 5. Criminal Justice
 6. Economic Development
 7. Education & Skill Development
 8. Emergency Services
 9. Environmental Protection
 10. Public Health
 11. Recreation, Heritage, or Cultural
 12. Social Support

18. Legal Requirement Code

 - C. Constitutional
 - D. Debt Service
 - FM. Federal - Mandatory
 - FO. Federal - Optional (once you choose to participate, certain requirements exist)
 - S. Statutory

Within each Program/Division area, prioritize each Budget Program Unit (Activities) by detail budget level in ORBIT5.

Document criteria used to prioritize activities:

To document statutory requirements.

2023-25 PUC GB Presentation Reference Document

Program Prioritization for 2023-25

Agency Name: Oregon Public Utility Commission														Agency Number: 86000									
2023-25 Biennium																							
Program 3																							
Program/Division Priorities for 2021-23 Biennium																							
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22		
Priority (ranked with highest priority first)	Agency Initials	Program or Activity Initials	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program-Activity Code	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL Included in Agency Request			
Agcy	Prgm/Div																						
2	2	Utility Regulation	Pipeline Safety	Safe and reliable operation of 10,000 miles of natural gas pipeline	6	3						1,213,146											
												\$ 1,213,146											
												1,213,146											
												\$ 1,213,146											
												1,213,146											
												\$ 1,213,146											
												1,213,146											

7. Primary Purpose Program/Activity Exists

- 1 Civil Justice
- 2 Community Development
- 3 Consumer Protection
- 4 Administrative Function
- 5 Criminal Justice
- 6 Economic Development
- 7 Education & Skill Development
- 8 Emergency Services
- 9 Environmental Protection
- 10 Public Health
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- 12 Social Support

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- FO Federal - Optional (once you choose to participate, certain requirements exist)
- S Statutory

Within each Program/Division area, prioritize each Budget Program Unit (Activities) by detail budget level in ORBITS

Document criteria used to prioritize activities:

To document statutory requirements.

2023-25 PUC GB Presentation Reference Document

Program Prioritization for 2023-25																					
Agency Name: Oregon Public Utility Commission																					
2023-25 Biennium																			Agency Number: 86000		
Program 4																					
Program/Division Priorities for 2021-23 Biennium																					
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Priority (ranked with highest priority first)	Agency Initials	Program or Activity Initials	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program- Activity Code	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL Included in Agency Request	
Agcy	Prgm/ Div																				
3	3	Residential Service Protection Fund	TDAP/ OTRS	Telephone assistive device program for Deaf and disable and Oregon telecommunication Relay System	10	12			see OTAP below			\$	-	see OTAP below		N	N	S	ORS 290 and 759	ORS 290 and American Disability Act	No proposed program changes.
												\$									
												\$									
												\$		0	0.00						

7. Primary Purpose Program/Activity Exists

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- 5 Criminal Justice
- 6 Economic Development
- 7 Education & Skill Development
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- 12 Social Support

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- FO Federal - Optional (once you choose to participate, certain requirements exist)
- S Statutory

Within each Program/Division area, prioritize each Budget Program Unit (Activities) by detail budget level in ORBITS

Document criteria used to prioritize activities:

To document statutory requirements.

2023-25 PUC GB Presentation Reference Document

Program Prioritization for 2023-25

Agency Name Oregon Public Utility Commission																							
2023-25 Biennium															Agency Number: 86000								
Program 5																							
Program/Division Priorities for 2021-23 Biennium																							
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22		
Priority (ranked with highest priority first)	Agency Initials	Program or Activity Initials	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program-Activity Code	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL included in Agency Request			
Agcy	Prgm/Div																						
4	3	Residential Service Protection Fund	OTAP	Low income telephone subsidy program	9	12						10,589,606	\$ 10,589,606	8	7.50	N	Y	S	ORS 290 and 759	ORS 290 and Federal Universal Service Fund Lifeline requirements	Reduction of professional services by \$2,000,000 due to declining OTAP disbursements. (pkg 070)		
												\$ 10,589,606	-	-									
												\$ 10,589,606	-	-									

7. Primary Purpose Program/Activity Exists

- 1 Civil Justice
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Within each Program/Division area, prioritize each Budget Program Unit (Activities) by detail budget level in ORBITS

Document criteria used to prioritize activities:

To document statutory requirements.

2023-25 PUC GB Presentation Reference Document

Program Prioritization for 2023-25																					
Agency Name: Oregon Public Utility Commission																					
2023-25 Biennium												Agency Number: 86000									
Program 6																					
Program/Division Priorities for 2021-23 Biennium																					
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Priority (ranked with highest priority first)	Agency Initials	Program or Activity Initials	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program- Activity Code	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What Is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL Included in Agency Request	
6	4	Board of Maritime Pilots	OBMP	Establish license requirements for pilots, qualify applicants and select trainees and apprentices. Provide for license examinations and issue licenses. Investigate maritime incidents.	13, 14	3, 6		1,008,414				\$ 1,008,414		21	2.00	N	N	C, S	ORS 776, 777, 778, 780 and 783	Oregon statutes and United States Coast Guard regulations	No proposed program changes
								1,008,414				\$ 1,008,414		21	2.00						

7. Primary Purpose Program/Activity Exists

- 1 Civil Justice
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Within each Program/Division area, prioritize each Budget Program Unit (Activities)
by detail budget level in ORBITS

Document criteria used to prioritize activities:

To document statutory requirements.

2023-25 PUC GB Presentation Reference Document

OTHER FUNDS AND ARPA ENDING BALANCE FORMS.

Other Funds Ending Balance Form. There are no ARPA funds

Other Fund Type	Program Area (SCR)	Treasury Fund #/Name	Category/Description	Constitutional and/or Statutory reference	2021-23 Ending Balance		2023-25 Ending Balance		Comments
					In LAB	Revised	In CSL	Revised	
Limited	86000-001-00-00000, 86000-004-00-00-00000	00401 Utility Regulation	Operations Utility Regulation and Policy & Administration	ORS 756.305	4,714,245	21,492,412	18,876,685	20,613,448	<p>Annual Gross Revenue Fees are collected in April and must pay expenditures for the following twelve months.</p> <p>The AY23 LAB ending balanced is low due to a low revenue estimate, which stemmed from COVID uncertainty at the time of calculation.</p> <p>The revised projected ending balance for 2021-2023 is estimated to cover 11 months of operating expenditures.</p> <p>The higher ending balance variance for the current biennium can also be attributed to low personnel costs, associated with retirements and hiring difficulties.</p> <p>The PUC has taken steps to increase the hire rate and retention.</p> <p>When evaluating previous ending balances, the revised values follow an appropriate pattern.</p>

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Non-Limited	86000-001-00-00-00000	00955 Oregon Universal Service Fund	Operations	ORS 759.425 (6)	3,629,118	14,196,111	4,125,593	13,897,378	<p>The higher AY23 ending balance is due to a timing issue of when revenues/contribution were received.</p> <p>About \$6.8 million of contributions that were supposed to be included in AY19 were recorded for AY21; this caused the AY19 ending balance/AY21 beginning balance to be lower than it was supposed to be.</p> <p>The AY23 revised ending balance of \$14.2 million, is "normal" for what the balance for OUSF should be.</p> <p>When developing the AY25 balance, the beginning balance was underestimated, the revised balance of \$13.9 million is more accurate to what the ending balance should be.</p>
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Limited	86000-003-00-00-00000	00415 Residential Service Protection Fund	Operations	ORS 759.687	1,673,445	4,353,993	(286,619)	(967,265)	<p>The discrepancy between the AY23 LAB and revised ending balances has been caused a few factors: received funds from an unexpected legal settlement (\$1,210,174 received in FY 2020 and 2021), and reductions in phone companies taking advantage of OTAP reimbursements, resulting in lower cash out-flow in AY21 and AY23.</p> <p>To remedy the dichotomy of unexpectedly high revenue and the reduction in expenditure, the PUC had a \$2 million expenditure reduction approved at the ARB step.</p> <p>This reduction is not reflected in AY25 CSL numbers, as reduction options are introduced after CSL audits are finalized, during the ARB process. This reduces the RSPF budget to a level that better matches need.</p> <p>Additionally, the RSPF programs cash balance should not exceed 6 months of operating costs; the AY23 and AY25 reduction in revenues, in comparison to past budgets, will bring the cash balance within the 6-month operating cost threshold. Once the expenditure reduction option is accounted for, the revised ending balance would be \$1.02 million, which is within the 6 month of operating cash requirement</p>
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Limited	86000-005-00-00-00000	01215, 00401 Board of Maritime Pilots	Operations, Other (Deposit Liability)	ORS 776.365, 776.540	122,219	291,296	57,009	80,232	<p>Estimated ending balance will be about 7 months of expenditures.</p> <p>The higher ending balance variance in 2021-23 is attributed to a low number of incident investigations, low Attorney General costs, and minimal professional services costs incurred in AY 23.</p>
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