



# 2025-2027 PUC Budget Presentation

Reference Materials

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# Agency Mission, Goals, & 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 0.45 percent.

More information about the PUC is available on the [PUC's website](#), including the PUC's [2025-2027 Governor's Recommended Budget](#).

On average, the Commission's regulatory oversight costs consumers of regulated utilities about 56 cents per month on each natural gas and electric bills.

- 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.

## Agency Goals

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

Short-Term Objectives

- 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.

#### 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

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

#### Short-Term Objectives

- 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

#### 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

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

#### Short-Term Objectives

- 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)

#### 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

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

#### Short-Term Objectives

- 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

#### 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

### **Goal #5:    **Improve Business Practices and Organizational Effectiveness****

#### Short-Term Objectives

- 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

#### 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

## Historical Context

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.
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.
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.
1907	The Railroad Commission was created with an elected three-member board.
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.
1915 – 1919	The Railroad Commission was renamed the Public Service Commission of Oregon.
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	HB 3615 gave the Governor the authority to appoint the Commission Chair.

More Information can be found on the PUC’s website:

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

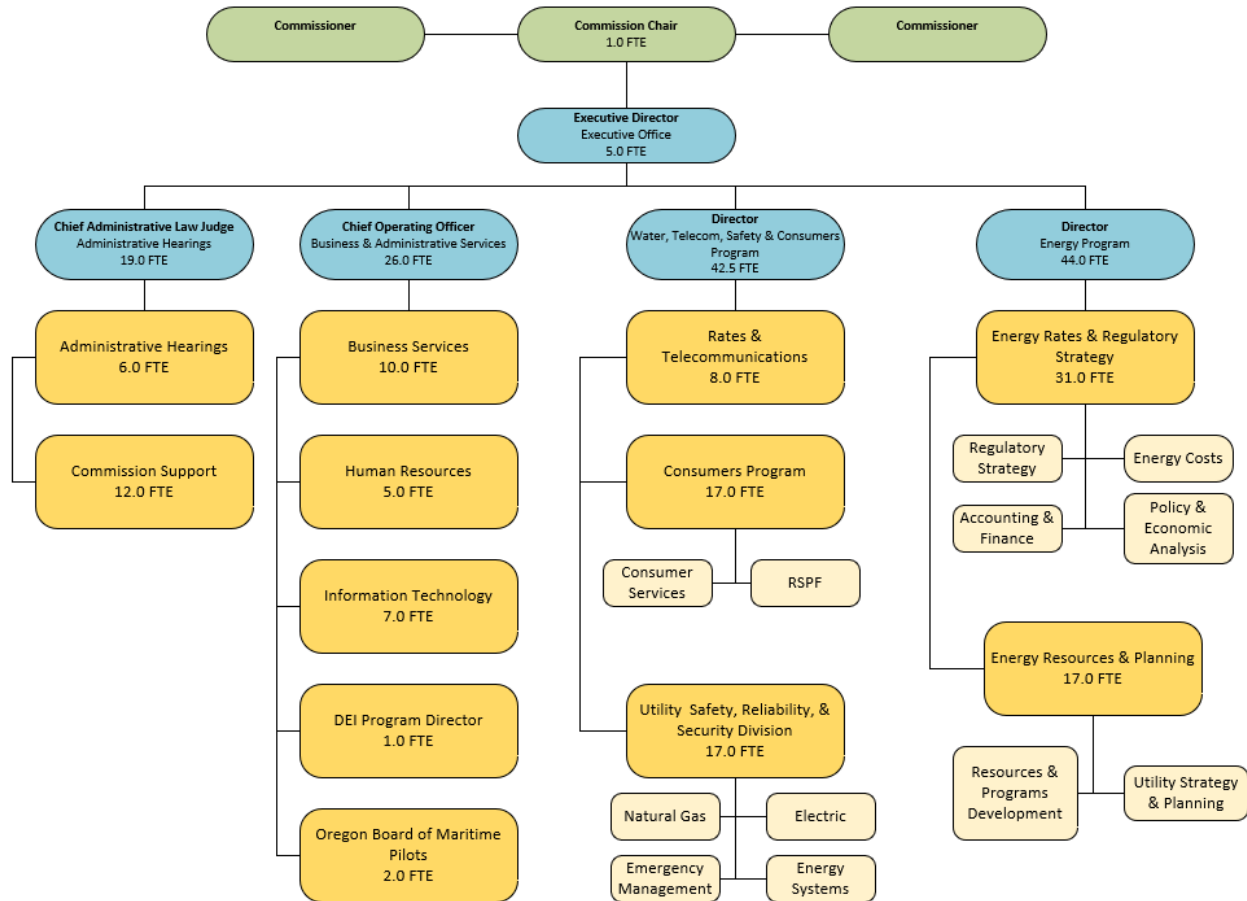
<https://www.oregon.gov/puc/about-us/Pages/History.aspx>

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

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

# High-Level Summary of Agency Programs, Services, & Organizational Structure

## 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](#).

### **Executive Office- led by the Executive Director**

The Executive Office includes the PUC Executive Director, Legislative Affairs Director, Direct of Public Information Officer, and Commission Advisors. 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. The Executive Office is funded by Utility Regulation Fund.

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

### **Energy Program – led by the Energy Program Director**

The Energy Program has 44 FTE overall and consists of the **Energy Rates & Regulatory Strategy Division** and the **Energy Resources & Planning Division**. The Energy Program is funded by Utility Regulation Fund and is a new division that was created in FY24 during an agency reorganization of the previous Utility Program.

- Energy Rates & Regulatory Strategy Division
  - o Consists of four units, the Energy Costs, Policy & Economic Analysis, Accounting & Finance, and Regulatory Strategy Units.
  - o These four units work together to ensure just, reasonable, and equitable electric and natural gas rates, fair cost allocation, and strategic policy implementation. Collectively, these units provide financial oversight, economic analysis and serve as lead technical and policy experts to ensure utilities are delivering affordability, reliability, resilience, and community benefits.
    - The Energy Costs Unit evaluates utility energy costs to ensure fair cost projections for fuel and market purchases and accurate recovery of actual expenditures, while the Accounting & Finance Unit assesses utility recovery of prudent capital investments and reasonable operational costs to align utility financial health with customer service quality.
    - The Policy & Economic Analysis Unit provides technical expertise on market trends, rate design, and economic modeling to align regulatory decisions with state energy goals.

- The Regulatory Strategy unit develops frameworks for emerging energy policies, ensuring regulatory processes adapt to evolving industry and policy changes.
- Energy Resources & Planning Division (ERP)
  - Consists of two units, Resource & Programs Development and Utility Strategy & Planning.
  - These units work together to ensure utility investment planning balances cost, risk, and policy goals. Together, these units drive utility resources, infrastructure, and customer programs that balance affordability, reliability, and community benefits, as Oregon's transitions to a cleaner, more equitable, and efficient energy system.
    - The Resource & Programs Development unit focuses on customer-facing programs, promoting energy efficiency, demand response, and renewable energy adoption while overseeing the Energy Trust of Oregon's initiatives to ensure cost-effective benefits for utility customers.
    - The Utility Strategy & Planning unit oversees system-wide resource planning, guiding utilities in making long-term investment decisions that align with state decarbonization and greenhouse gas reduction goals. This unit ensures that utilities follow least-cost, least-risk principles when procuring new energy resources and managing infrastructure investments.

**Water, Telecom, Safety, & Consumers Program – led by the Water, Telecom, Safety, & Consumers Program Director**

The Water, Telecom, Safety, & Consumers Program has 42.5 FTE overall and consists of the **Rates & Telecommunications Unit**, the **Utility Safety, Reliability, & Security Division**, and the **Consumers Program**, which oversees the **Consumer Services Unit** and the **Residential Service Protection Fund (RSPF) Unit**. The Water, Telecom, Safety, & Consumers Program is funded by Utility Regulation Fund and is a new division that was created in FY24 during an agency reorganization of the previous Utility Program. The RSPF Unit is funded by the RSPF Fund.

- Rates & Telecommunications Unit
  - Oversees rate regulation for water and telecommunication services, ensuring fair pricing and financial oversight. It conducts economic analysis to balance utility cost recovery with consumer affordability. The unit also monitors telecommunications providers to maintain service quality and regulatory compliance.
- Utility, Safety, Reliability, & Security Division
  - Ensures the safe and resilient operation of Oregon's utility infrastructure. It oversees compliance with safety codes, reviews utility wildfire mitigation plans, and coordinates emergency response efforts. The division also works on cybersecurity and infrastructure protection to minimize risks to the energy grid.
- Consumers Program
  - Consumer Services
    - Assists the public with utility-related concerns, handling complaints, disputes, and inquiries. It ensures compliance with consumer protection regulations and processes emergency medical exemptions to prevent

service disconnections for vulnerable Oregonians. The unit also tracks complaint trends to identify emerging regulatory issues.

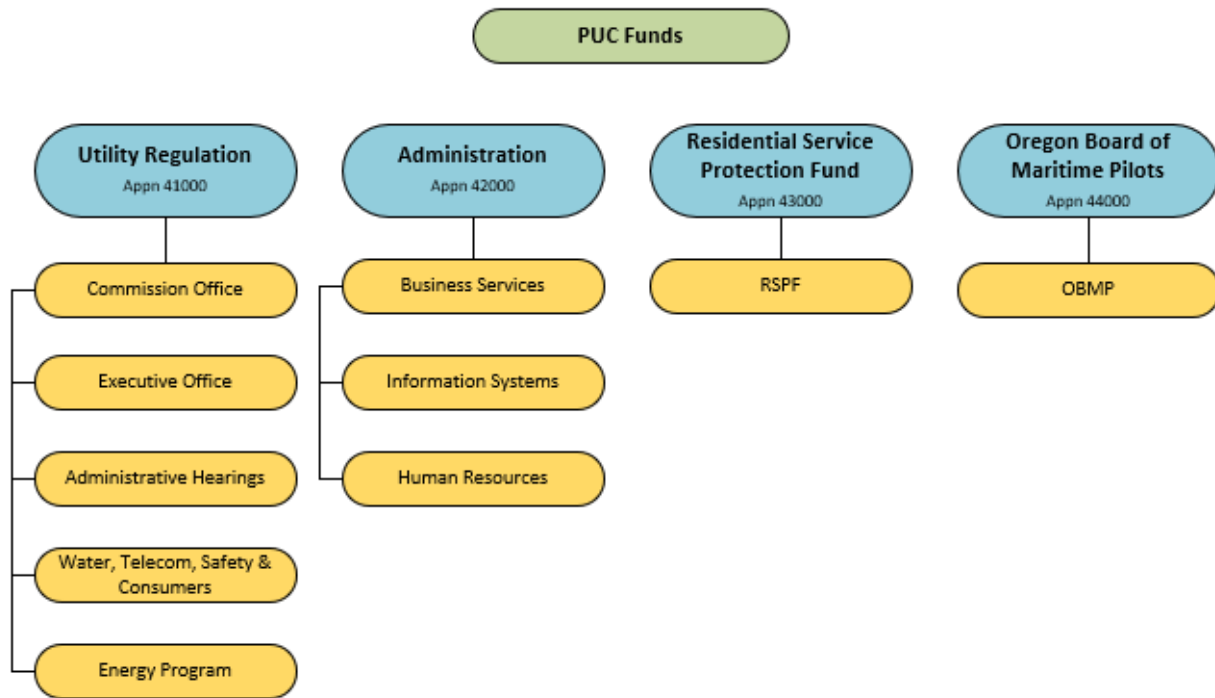
- RSPF
  - Administers programs that provide telecommunications access to low-income and disabled Oregonians. It offers phone and broadband assistance, specialized devices for individuals with disabilities, and relay services for those with hearing or speech impairments. The unit also works to modernize systems and improve services delivery to better meet consumer needs.

### **Business & Administrative Services Division – led by the Chief Operating Officer**

The Business & Administrative Services Division has 26 FTE overall and consists of the **Business Services Unit**, the **Human Resources Unit**, the **Information Systems Unit**, the **DEI Program Director**, and the **Oregon Board of Maritime Pilots (OBMP)**. The Business & Administrative Services Division is funded by the Administration Fund, however, OBMP is funding by the OBMP Fund.

Business Services, Information Systems and Human Resources support the efforts and program needs for the Commission Office, Executive Office, Energy Program, Water, Telecom, Safety, & Consumers 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 DEI Program Director leads the agency's diversity, equity, and inclusion initiatives. The role includes engaging underrepresented communities, ensuring equitable access to PUC decision-making processes, and implementing training programs to enhance DEI awareness among staff. Additionally, the DEI Program Director collaborates with internal and external stakeholders to integrate equity considerations into regulatory policies, agency operations, and workforce development efforts.

# Budget Structure

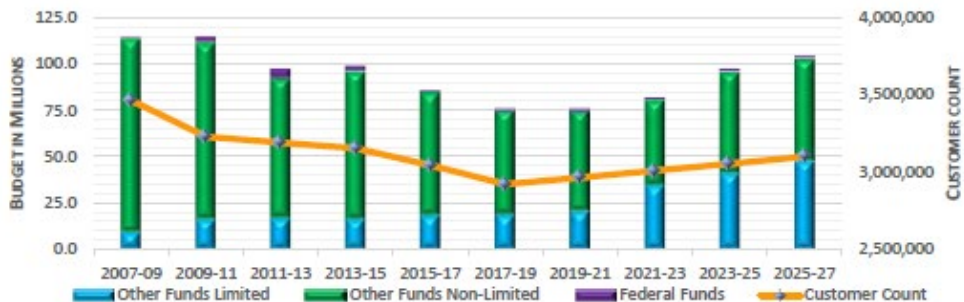


The PUC has four funds supporting various program areas and functions:

**1. Utility Regulation – SCR #86000-001 / Appn 4100**

The 2025-2027 program funding request for Utility Regulation is \$54,834,396 Other Funds Non-Limited, \$47,755,437 Other Funds Limited, and \$1,510,497 Federal Funds.

**Total Funds Budget Over Time**



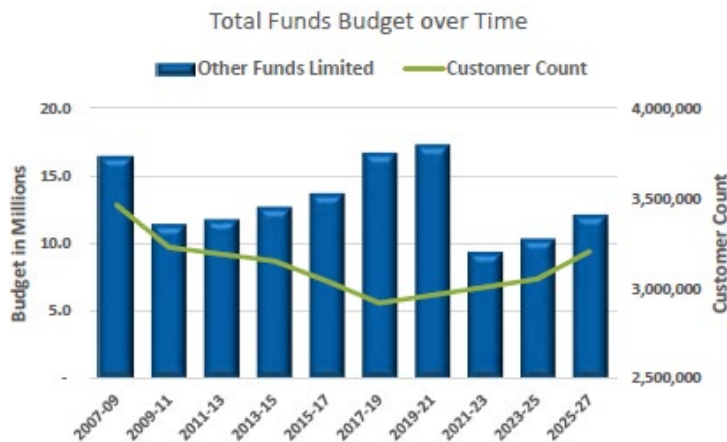
Utility Regulation consists of the Commission Office, the Executive Office that is responsible for agency policy and communications, the Administrative Hearings Division, the Energy Program, and the Water, Telecom, Safety, & Consumers Program.

The Utility Regulation divisions are a crucial piece of the state's regulatory framework. Its independent and comprehensive oversight of regulated utilities helps ensure that Oregonians have access to safe, reliable, and reasonably priced utility services. By monitoring utilities performance, scrutinizing their costs, and requiring that they meet

customer needs through “least-cost, least-risk” resources, the Utility Regulation divisions plays a vital role in enhancing the quality of life for all Oregonians. As the utility landscape continues to evolve, the Utility Regulation divisions efforts will remain crucial in meeting the challenges and opportunities of the future.

**2. Administration – SCR #86000-004 / Appn 42000**

The 2025-2027 funding request for Administration is \$12,109,535 – Other Funds Limited. Approximately 62 percent of funding is attributable to personal services. The three largest charges under services and supplies are facilities rent, state government service charges, and professional services.



The Administration Program, which is led by the Chief Operating Officer, provides a comprehensive group of essential administrative services to support agency programs and operations. It encompasses four sections: Business Services, Information Systems, Human Resources, and the DEI Program Director. The Oregon Board of Maritime Pilots (OBMP) staff report to the Chief Operating Officer for administrative purposes only.

The Administration Division provides the essential framework that allows the Commission to focus on its core regulatory functions. It ensures that the Commission runs smoothly, follows proper procedures, and drives internal policy and procedures – all of which are critical for achieving the Commission’s goals of ensuring safe, reliable, and affordable utilities for Oregonians.

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

The 2025-2027 funding request for RSPF is \$12,698,515 is necessary to continue to support the state’s public policy that all Oregonians with low incomes or disabilities have access to adequate and affordable telephone service and to support broadband internet access.



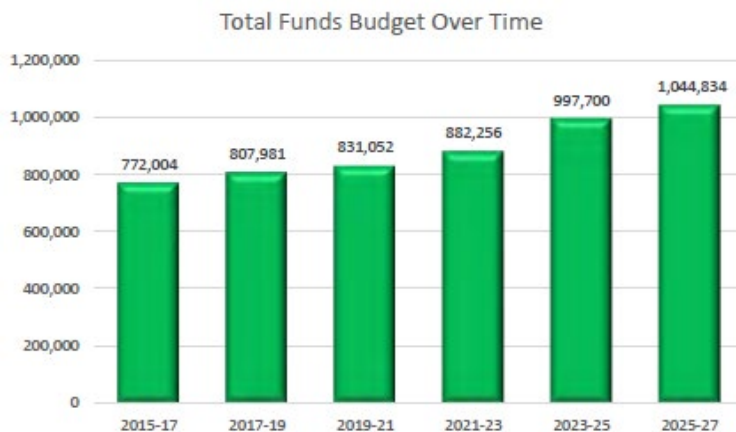
The five RSPF programs support the state’s public policy that all Oregonians, including those with low incomes or disabilities, have access to adequate and affordable telephone service and to support broadband internet access.

1. Oregon Telecommunications Relay Service (Oregon Relay)
2. Telecommunication Devices Access Program (TDAP)
3. Oregon Telephone Assistance Program (OTAP)
4. Communication Facilitator Program
5. Emergency Medical Certificates (EMC)

Access to affordable and adequate telephone and broadband internet service is essential to full participation in modern life. The RSPF programs are vital to reducing socioeconomic disparities for Oregonians with low incomes or disabilities. It promotes equitable and inclusive access to education, healthcare, government, information, all of which are critical for full participation in modern life.

**4. Oregon Board of Maritime Pilots – SCR #86000-005 / Appn 44000**

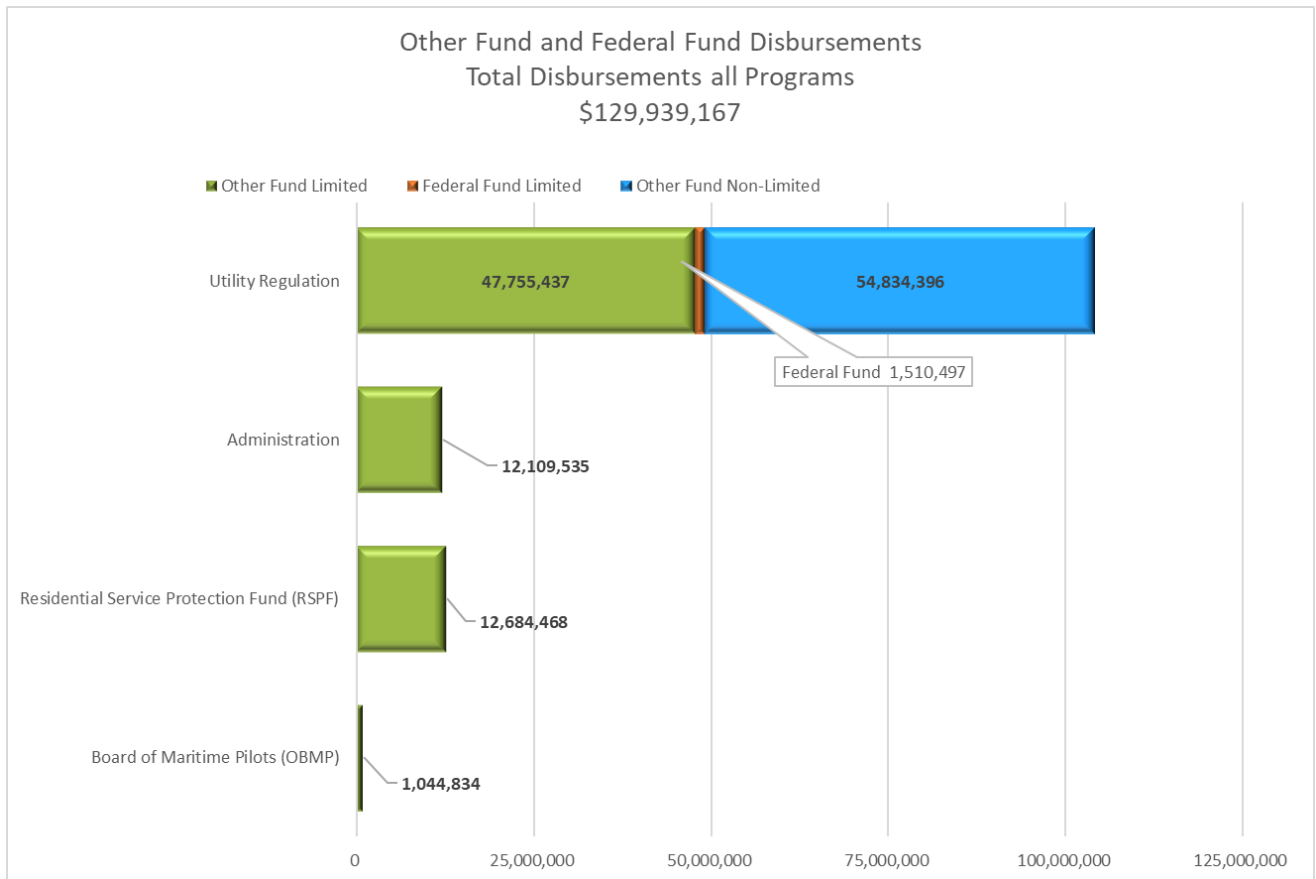
The 2025-2027 funding request for OBMP is \$1,044,834 – Other Funds Limited. Funding will enable to OBMP to continue to carry out its statutory licensing requirements and to ensure safe and efficient navigation.



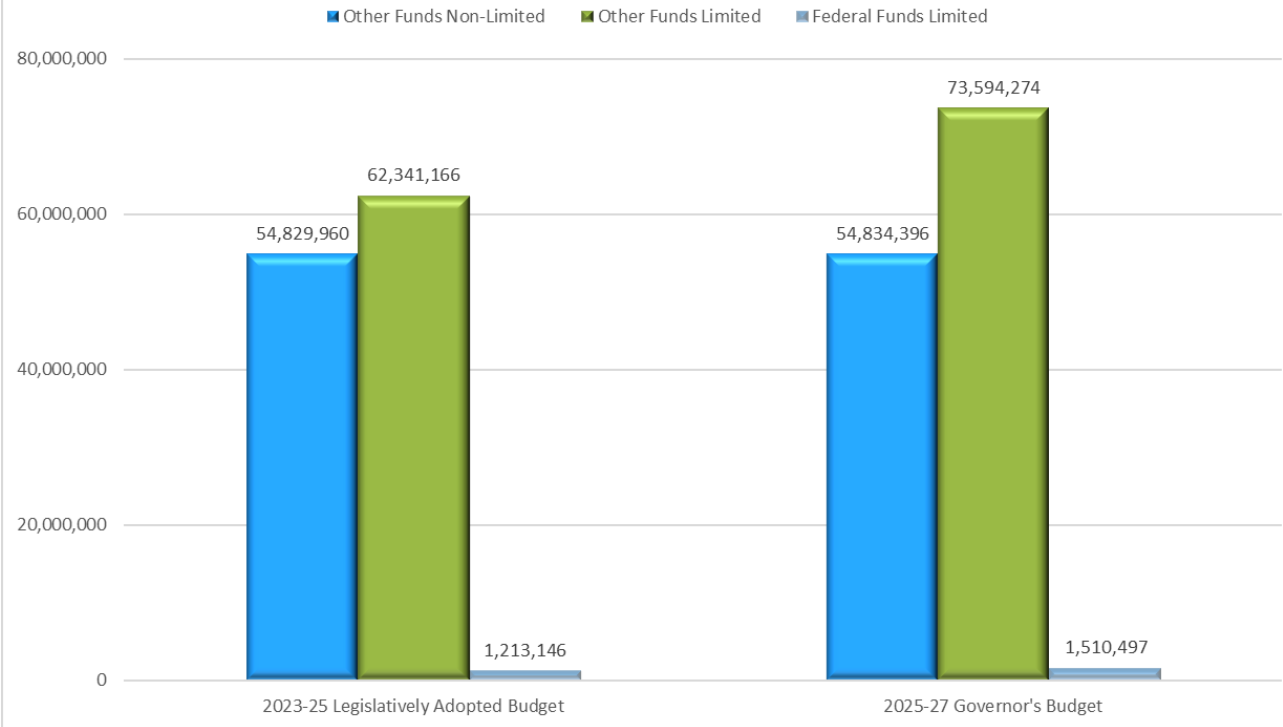
The OBMP carries out its statutorily required functions to ensure highly qualified and competent pilots navigate large ships in our waters. Our maritime pilots’ skill navigating ships safely in our ports is crucial to the safety of and efficiency of our maritime system; without safe navigation of ships, both domestic and international trade would grind to a halt. The importance of pilots is often overlooked because they safely navigate ships through our waters every day of the year. The tragedy in Baltimore highlighted how important state licensed pilots are. The quick reaction of the pilots helped close the bridge down and save lives. In another event this May, a state pilot in Charleston expertly navigated a large container ship through a bridge and safely out of port after the engine over sped. Ensuring the competence of state pilots is a critical regulatory function that underpins maritime safety, environmental protection, and our economy.

## Summary of the Governor’s Budget

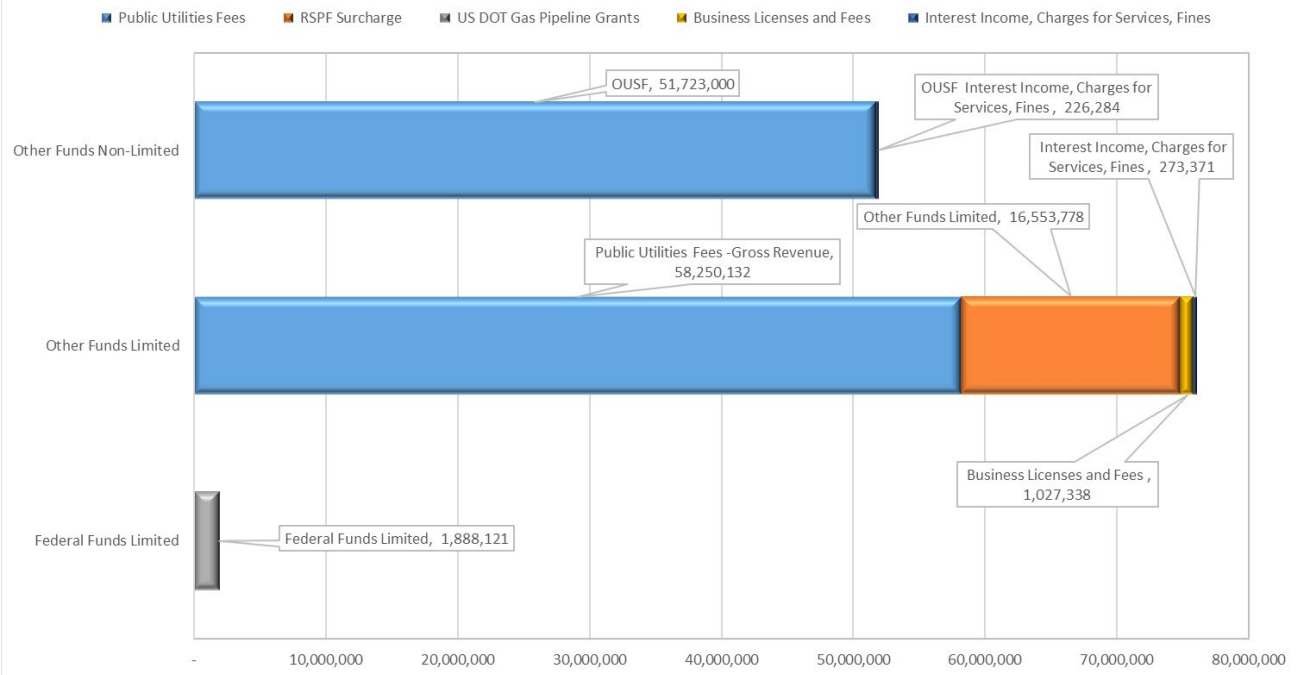
The PUC’s [2025-2027 Governor’s Recommended Budget](#) provides a detailed narrative of the agency’s GRB. In summary, the graphics provided below detail the funding disbursements across all programs as well as a comparison of expenditures by fund across the 2023-2025 biennium compared to the requested budget for the 2025-2027 biennium.



### Comparison of Biennial Expenditures by Fund



### Sources of 2025-2027 Agency Revenues Total Revenue All Programs \$129,942,024





## Overview of PUC Performance & Outcome Measures

There are approximately 3.3 million customers of utilities regulated by the Commission. Total revenue collected by Oregon investor-owned utilities is approximately \$5.6 billion per year. Investor-owned electric utilities (Portland General Electric (PGE), PacifiCorp, and Idaho Power) account for 60 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 10,320 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 PUC's Key Performance Measures (KPMs) 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, Commission staff are always 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 satisfaction, and market transformation.
- 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.

**No requested changes to Key Performance Measures (KPMs) for 2025-2027.**

## **KPM #2: Price of Electricity**

- Average price of electricity for residential users from Oregon Investor-Owned Utilities as a percent of the national average price
- The PUC met the target
  - The reporting year 2024 performance was below the target of 92%. Oregon’s average residential electric price increased from 12.36 cents/kWh in reporting year 2023 to 14.16 cents/kWh in reporting year 2024.
  - The national average residential electric price increased from 15.12 cents/kWh in 2023 to 15.98 cents/kWh in reporting year 2024.

## **KPM #8: Evidentiary Record**

- Percent of Consumer Complaint Orders issued within 30 days of close of evidentiary record
- The PUC met its target
  - The PUC had three consumer complaints in 2023 that were adjudicated by the Commission
  - An order was issued fulling resolving each case before the close of the evidentiary

## **KPM #11: Complaint Investigation**

- Percent of complaint investigation cases open 50 days or less.
- The PUC fell slightly short of its target
  - Since 2022, the number of investigations increased from 1,970 to 2,350
  - Consumer complaints are expected to rise as dissatisfaction with multiple price increases drives concerns about the quality and cost of the services provide by utility

For more information regarding the PUC’s Key Performance Measures, please review the PUC’s [2024 Annual Performance Progress Report](#).

# Changes to the PUC’s Budget or Operations

## Major Changes in the PUC

### **Significant changes in the past two years:**

AY23 – New Chief Operating Officer, Mandy Standiford

AY23 – New Chief Financial Officer, Barbara Seaman

FY24 – New Commissioner, Les Perkins

FY24 – New Executive Director, Nolan Moser

FY24 – Utility Program reorganization

Created the Energy Program and the Water, Telecom, Safety, & Consumers Program

AY25 – New Commissioner, Karin Powers

**Upcoming:**

AY25 – New Legislative Affairs Director, TBD

AY25 – Departure of Commission Chair, Megan Decker; new Commission Chair is TBD

## 2023-25 Agency Overview

The PUC has several significant operational responsibilities, ensuring safe, reliable, and affordable utility services while implementing state policies. The agency oversees rate-setting, utility safety, energy resource planning, and consumer protection, while also implementing policies related to clean energy, wildfire mitigation, and telecommunications access. It plays a key role in financial oversight, emergency response coordination, and public engagement, ensuring transparency and accountability in utility operations.

In recent year, the PUC has strengthened wildfire prevention efforts, increasing oversight of utility wildfire mitigation plans and requiring utilities to adopt risk-reduction strategies. It has advanced clean energy policies and expanding customer energy programs to support efficiency and renewable energy adoption. Additionally, the agency has improved public engagement and transparency, making regulatory processes more accessible while maintaining strong financial management and operational efficiency.

To support its mission, the PUC continues to modernize its operations by investing in IT infrastructure, streamlining regulatory processes, and engaging DEI initiatives. It has been recognized by DAS with Gold Star Accounting Awards for fiscal responsibility and risk management. Through these, and many other, efforts, the PUC remains focused on ensuring affordable, resilient, and sustainable utility services for all Oregonians.

## Budget Legislation Necessary to Implement the Governor’s Budget Proposals

None.

## Proposed Policy Legislation

### **HB 2370**

Proposes to increase the revenue fee cap from 0.45% to 0.55% of the utility’s gross operating revenue derived within the state.

- Applies to energy and water utilities.
- Separate provisions governing the assessment of telecommunications providers would remain unchanged.

**SB 843**

Proposes to amend ORS 757.365 to eliminate the requirement for the PUC to submit biennial reports to the Legislative Assembly on a Volumetric Incentive Rates (VIR) pilot program.

- The program has been fully subscribed since 2015 and is closed to participants.

**SB 845**

Proposes to create additional authority allowing the Commission to order the transfer, sale, or reagency of a water company after sufficient notice, opportunity for the presentation of evidence, and following specific findings from the Commission.

- The concept would also clarify the circumstances under which the Commission could appoint a regent to manage a water company.
- Other states have the authority, upon failure of all other avenues for ensuring safe and adequate water services, to compel the sale of a water company.
- Illinois, Pennsylvania, Hawaii, and Virginia all have some type of authority in place allowing their respective utility commissions to take actions to force a sale of a water company consistently failing to serve customers.

## Summary of Long-Term Vacancy Information

Position Title	Pos Type	GF Fund Split	LF Fund Split	OF Fund Split	FF Fund Split	FTE	2025-27 GF PS Total	2025-27 LF PS Total	2025-27 OF PS Total	2025-27 FF PS Total	2025-27 Total Bien PS BUDGET	Vacant Date	Position eliminated in GRB? Y/N	Reason for vacancy
Public Service Representative 3	PF			1.00		1.00			164,899		164,899	9/14/2022	N	Filled, new employee starts 1/13/2025
Utility And Energy Analyst 3	PF			1.00		1.00			287,834		287,834	7/1/2023	N	Position is being held open for organizational review
<b>TOTAL</b>		0.00	0.00	2.00	0.00	2.00	0	0	452,733	0	452,733			

The PUC has two positions on the long-term vacancy list. The first, a Public Service Representative 3 (PSR3) has now been filled and is no longer vacant as of January 13, 2025. The second position, a Utility Analyst 3 (UA3) is being held open to fund the Energy Program Director position. The PUC is in the process of getting the position permanently financed and will use this UA3 position for partial funding.

## Budget Management Actions

**Efforts to increase efficiency and effectiveness within the agency:**

- Streamlined Processes
  - o Simplified regulatory filing procedures to reduce administrative costs
  - o Prioritizing resources on critical functions
  - o Enhanced partnerships with utilities to reduce compliance burdens.
- Modernization Initiatives

- Transition from legacy docketing system to modern platforms for increased reliability, reduced administrative burden, and ease of access for interested parties
- Identifying ways to expand data collection and analysis for targeted regulatory activity
- Budget Discipline
  - Efforts to balance agency revenues and expenditures.
  - Use of vacancy and other savings
  - Reassignment of resources and positions to help meet growing workload
  - Deferral of information technology purchases outside of the docketing system upgrade
  - Implementing internal audits in the next biennium (risk assessment)
  - Reallocation of resources to high-priority regulatory needs.

Effective August 1, 2024, our main Staff-led regulatory function was reorganized. For about two years we experimented with a regulatory structure divided into three teams, all separately reporting to the Executive Director. Following the August 1<sup>st</sup> change, all energy (electric and natural gas) rate and policy responsibilities will rest in one group, rather than having elements in three divisions.

Consistent with our new structure, one strategic leader manages our agency’s energy regulatory work as Director of the Energy Program. This new program consists of two divisions—one focused on Energy Rates and Regulatory Strategies, and a second responsible for Energy Resources and Planning. A separate Water, Telecom, Safety, and Consumers Program was also created.

Combining our energy rates and policy work in one team will provide the opportunity for Staff to act strategically and adjust in a coordinated manner to a changing energy regulatory landscape. Oregon’s energy system, and the economics, risks and opportunities underlying it, is changing rapidly. Our agency needed to be prepared to approach this landscape with a high-functioning team that is aligned, with a well-managed and empowered Staff, to achieve essential legislative and state policy goals while centering the customer experience and impacts on customer rates. In practice, this meant integrating rate impact considerations and affordability in our policy and planning work, as well as considering state policy achievement in rate matters. Our new structure will allow Staff to stay integrated and strategically focused on core goals.

The results of this change have been manifested in our work over the preceding 6 months. Staff’s approach to the 2024 rate cases was more strategic, and effective, in advancing consumer interests. Stakeholders report to us improved communication and coordination in our electric and gas regulatory functions. Finally, work satisfaction amongst our team members, retention and turnover, and management practices have all improved significantly in the groups impacted by the reorganization.

## Policy Options Packages (POPs)

The PUC has requested several Policy Option Packages (POPs) for the 2025-2027 biennium to address critical operational and regulatory needs. These proposals focus on expanding oversight, modernizing infrastructure, and strengthening consumer protections. A key priority is wildfire mitigation, with increased auditing and compliance measure to ensure utilities effectively

implement risk-reduction strategies. Additionally, the PUC is requesting funding to support clean energy initiatives, professional services, and regulatory enhancements to align with evolving state policies and legislative mandates.

The PUC is also seeking IT infrastructure investments, particularly the replacement of its docketing system to improve efficiency in handling regulatory filings and proceedings. The Residential Service Protection Fund (RSPF) requires additional resources to modernize its database system, ensuring better service delivery for low-income and disabled Oregonians. Other proposals include realigning staff funding for accuracy and expanding consumer engagement efforts to enhance public participation in regulatory decision making.

These POPs reflect the PUC's commitment to safety, reliability, and affordability. By securing necessary funding and staffing, the PUC aims to meet its expanding regulatory responsibilities, strengthen consumer protections, and support the state's energy goals.

### **POP 101 – Utility Regulation Annual Fee Cap Adjustment**

The Oregon Public Utility Commission (PUC) seeks to increase the statutory revenue fee cap that the PUC may impose on public utilities to fund its operations. This POP will ensure that the PUC has funds available to effectuate POPs 102, 105, and 106 and continue to operate under increasing costs outside of the PUC's control, such as state government service charges and personnel costs associated with pay equity increases and cost of living adjustments.

The PUC has submitted LC 0452 to increase the revenue fee cap from 0.45% to 0.55% of the utility's gross operating revenue derived within the state. This applies to energy and water utilities; separate provisions governing the assessment of telecommunications providers would remain unchanged.

- The new cap would give the PUC the ability to collect an additional **\$12,419,842** from energy utilities over the 2026-27 biennium.
- The PUC will only assess an amount that will match revenues to expenses.
- Flexibility in the revenue cap will allow the PUC to adjust to increases workload or new legislative mandates.
- The need for this increase is driven by several factors, that include:
- The PUC's work and scope continue to expand beyond the PUC's core ratemaking functions. There is an increased scope and complexity from the effects of technology innovation, clean energy policies and environmental directives, changes in regional market structures, new products and services, cybersecurity issues, seismic and wildfire resiliency, and more.

If the PUC were to maintain its current cap of 0.45% and not receive funding for any of the 2025-27 biennium POPs, the PUC would exceed its operating costs by 2027. The PUC's modified CSL for its Other Funds, Ltd. Utility Regulation and Admin programs is \$57,771,833 and the requested POPs would increase our service level to \$59,642,050 for the 2025-27 biennium, a 3.2% increase.

### **POP 102 – Records Management; Activity and Dockets System Maintenance**

The Oregon Public Utility Commission (PUC) seeks an additional **\$68,811** in IT Professional Services to meet annual funding requirements needed for the PUC to complete the replacement of its records management system.

The PUC processes tens of thousands of documents through the Biz Apps system. The PUC has been working for several years to replace the ageing Biz Apps program, whose underlying software is no longer supported by Microsoft.

The replacement system project – Activity and Dockets System (ADS) will be completed during the AY27 biennium.

The current service level budget for the ADS on-going costs is \$281,621, \$68,811 short of the actual expected budgetary need of \$350,432.

#### **POP 104 – Broader Auditing of Utility Wildfire Mitigation Actions**

The Oregon Public Utility Commission (PUC) seeks **\$1,189,242** to increase oversight of in-field actions, records verification, and office and field exercises. The heightened focus would rely on four new staff positions that would perform wildfire mitigation plan data analysis for risk reduction; confirm deployment of programs consistent with plans, evaluate costs versus risks reduction, verify accurate, timely completion of utility’s wildfire mitigation programs and summarize results for utility providers. One position would serve as a lead worker over the wildfire auditing program.

#### **POP 105 – Increased Professional Services**

The Oregon Public Utility Commission (PUC) seeks **\$400,000** to help meet the PUC’s increased and expanded scope and complexity of duties under new state and federal laws, and regional energy initiatives. Additionally, inflationary pressures and new requirements placed on regulated utilities have simultaneously created increased PUC review of general rate case filings and multiple power cost cases.

Often, the PUC’s work addresses emerging policy and technical issues that require specialized expertise beyond the agency’s current capabilities and the ability to hire consultants to supplement staffing has allowed the PUC to deliver comprehensive projects in a timely manner.

#### **POP 106 – Increase PUC Communication Services**

The Oregon Public Utility Commission (PUC) seeks **\$278,320** to add an addition member to our communications team. This position would assist with media inquiries, internal and external communications, developing materials and managing the agencies social media presence – to enhance information flow, transparency, and public trust.

Building a communications team allows for targeted outreach to a more diverse audience of stakeholders, including rural communities and vulnerable populations.

The PUC’s current communication team consists of one FTE who is responsible for both internal and external agency communications. Given the increase in public interest in the work of the PUC as well as the growing complexity of the utility issues that come before the agency, the current workload demand has far exceeded the capacity of a single staff member. An additional member would be able to assist in communications with interested parties, increase the agency’s digital

presence and transparency, increase agency public engagement, and assist in crisis management to ensure accurate information is disseminated both internally and externally.

### **POP 109 – Residential Service Protection Fund Database Replacement**

The Oregon Public Utility Commission (PUC) seeks **\$1,668,949** to allow the PUC to develop a database to support its provision of benefits to qualifying Oregonians with low incomes or disabilities. This would replace a system developed in 1999 that is obsolete and no longer supported by Microsoft.

The RSPF program will have a new customer relationship management tool that automates processes and enhances delivery of services and products. The new program will create efficiencies and eliminate many manual processes.

## Reduction Options

For the 10% reduction options, the PUC has outlined several agency reduction options for the 2025-2027 biennium, which, if implemented, would significantly impact its regulatory functions and service delivery. The reduction options primarily focused on reducing discretionary spending while minimizing impacts on core regulatory functions. The proposed agency-wide reduction includes cuts to Services & Supplies, affecting areas such as travel, training, office expenses, professional services, and employee development. This reduction would limit the PUC's ability to conduct fieldwork, train staff, and participate in in-person engagement with stakeholders. These reductions could hinder the PUC's ability to adapt to regulatory changes and effectively oversee utility operations at its current pace.

The proposed reductions to the Oregon Universal Service Fund (OUSF) and the Oregon Telephone Assistance Program (OTAP) would reduce financial support for telecommunications providers in high-cost areas and limit subsidies for low-income households. This could increase service costs for rural and underserved communities, making access to essential communication services more difficult. Additionally, the potential elimination of staff positions, particularly Utility Analyst 3 (UA3) and Economist positions, could weaken the PUC's ability to conduct in-depth reviews of utility rate cases and resource planning.

Furthermore, reductions to the legal services provided by the Department of Justice may limit the PUC's ability to manage complex regulatory proceedings, potentially delaying rate cases and policy decisions. Additionally, scaling back IT modernization efforts, including replacement of outdated data management systems, could reduce efficiency in processing regulatory filings and impact public transparency initiatives. These proposed reductions present challenges to the PUC's ability to effectively carry out its mission, ensuring that utility services remain safe, reliable, and affordable for Oregonians.

## Audits

There were no audits under [ORS 297.070](#) performed by the Secretary of State or an external audit firm in the 2023-2025 biennium.



# 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 2025-2027 biennium.

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

The PUC actual supervisory ratio as of September 30, 2024 is **1:5**.

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

**147 total personnel;** 22 supervisors and 125 non-supervisors

## **The agency has a current actual supervisory ratio of:**

**1:5.68, rounds to 1:6**

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, 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 as of 2023. Updated numbers regarding how many of the approximately 2,840 staff are supervisors was not available.**
- 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:

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

## Summary of Proposed IT Projects

The PUC is advancing several IT projects for the 2025-2027 biennium to enhance operational efficiency, improve transparency, and modernize legacy systems. A primary focus is the modernization of legacy applications, ensuring that regulatory and utility services processes align with evolving needs while maintaining security, reliability, and accessibility. This includes a replacement for the outdated BizApps docketing system, which is critical for regulatory filings and case management. The PUC processes tens of thousands of documents through the Biz Apps system. The PUC has been working for several years to replace the ageing Biz Apps program, whose underlying software is no longer supported by Microsoft. The replacement system project – Activity and Dockets System (ADS) will be completed during the AY27 biennium.

Additionally, the PUC is working with the RSPF Program Manager to develop a database to support RSPF's provision of benefits to qualifying Oregonians with low incomes or disabilities. This would replace a system developed in 1999 that is obsolete and no longer supported by Microsoft. The RSPF program will have a new customer relationship management tool that automates processes and enhances delivery of services and products. The new program will create efficiencies and eliminate many manual processes.

## Summary of Proposed Capital Construction Projects

The PUC does not have any proposed capital construction projects for the 2027-2027 biennium.

## Program Prioritization (107BF23)

Please see Attachment 1: Program Prioritization

## Other Funds & ARPA Ending Balance Forms

There are no ARPA funds. Please see Attachment 2: Other Funds Ending Balance Form.

# Attachment 1: Program Prioritization

Program Prioritization for 2025-2027

Agency Name: Oregon Public Utility Commission																					
2025-27 Biennium																			Agency Number: 86000		
Program 1																					
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																				
5	1	Administration	Administrative program encompassing the Chief Operating Officer, Business Services, Information Systems, and Human Resources		4			12,109,535				\$ 12,109,535	24	24.00	N	Y	C, S	ORS 756	Regulation of investor-owned energy and water utilities, telecommunication utilities, and water associations	POP 102, Activity and Dockets System Maintenance Costs: The ongoing costs associated with the PUC AD system is going to exceed allocated costs by \$68,811 per biennium. The PUC is asking for this difference to appropriately pay for the ongoing costs.	
												\$ -									
								12,109,535				\$ 12,109,535	24	24.00							

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.

Program Prioritization for 2025-2027

Program Prioritization for 2025-2027																					
Agency Name: Oregon Public Utility Commission														Agency Number: 86000							
2025-27 Biennium																					
Program 2																					
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																				
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			47,755,437	54,834,396			\$ 102,589,833	113	113.00	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 101: Required POP that covers the Utility fee assessment rate increase Legislative concept. PUC is proposing raising annual fee cap on electric, water, and gas provider revenues from 0.45% to 0.55%.</p> <p>POP 104: This POP would increase the resources available for the increased oversight the PUC has in relation to wildfire mitigation efforts. It would expand the wildfire mitigation program by expanding the wildfire mitigation auditing efforts. It adds 3 new UA3's and 1 new OPA4 (acts as lead for wildfire auditing program). Adds \$1,174,262 of PS costs and \$14,980 of position associated S&amp;S costs. Only affects OFL.</p> <p>POP 105: Adds additional 400k OFL to the professional services S&amp;S budget to cover additional contracting needs associated with widening scope of PUC's responsibilities.</p> <p>POP 106: Adds a new PAS2 to assist with increasing communications workload. Adds \$274,575 PS costs and \$3,745 position associated S&amp;S costs. Only affects OFL.</p> <p>POP 108: Adjusts FF/OF split for two positions, as a technical adjustment(net zero effect between FFL and OFL). For FFL, net change is a reduction of \$66,156 of PS limitation.</p>	
												\$ -									
								47,755,437	54,834,396			\$ 102,589,833	113	113.00							

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.

Program Prioritization for 2025-2027

Agency Name: Oregon Public Utility Commission																					
2025-27 Biennium										Agency Number: 86000											
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					1,510,497	\$ 1,510,497	0	0.00	N	Y	C, S	ORS 757 and 758	Responsible for pipeline safety in Oregon through Oregon statutes and Federal Pipeline and Hazardous Material Safety Administration CFRs	POP 108: Adjusts FF/OF split for two positions, as a technical adjustment(net zero effect between FF and OF). For FFL, net change is an additional \$66,156 of PS limitation.	
												\$ -									
										1,510,497		\$ 1,510,497	0	0.00							

- 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.

Program Prioritization for 2025-2027

<b>Agency Name:</b> Oregon Public Utility Commission																									
<b>2025-27 Biennium</b>																			<b>Agency Number: 86000</b>						
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**
- 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:**



Program Prioritization for 2025-2027

Agency Name Oregon Public Utility Commission																					
2025-27 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			12,684,468				\$ 12,684,468	7	6.50	N	Y	S	ORS 290 and 759	ORS 290 and Federal Universal Service Fund Lifeline requirements	POP 109: Adds \$1.54 million for one-time implementation, and \$124k of reoccurring S&S budget to cover the establishment of a replacment database system for the program. (\$1.67 million total for AY27)	
												\$ -									
								12,684,468				\$ 12,684,468	7	6.50							

7. Primary Purpose Program/Activity Exists

- 1 Civil Justice
- 2 Community Development
- 3 Consumer Protection
- 4 Administrative Function
- 5 Criminal Justice
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- 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.

Program Prioritization for 2025-2027

Agency Name: Oregon Public Utility Commission																					
2025-27 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	
Agcy	Prgm/ Div																				
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			1,044,834				\$ 1,044,834	2	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	
												\$ -									
								1,044,834				\$ 1,044,834	2	2.00							

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.

# Attachment 2: Other Funds Ending Balance Form

Oregon Public Utility Commission 2025-27 Biennium				Contact Person (Name & Phone #): Robert Fredrick (503)-580-8578					
Updated Other Funds Ending Balances for the 2023-25 and 2025-27 Bienna									
(a)	(b)	(c)	(d)	(e)	(f)		(g)		(i)
Other Fund Type	Program Area (SCR)	Treasury Fund #/Name	Category/Description	Constitutional and/or statutory reference	2023-25 Ending Balance		2025-27 Ending Balance		Comments
					In LAB	Revised	In CSL	Revised	
Non Limited	86000-001-00-00-00000	6100	Oregon Universal Service Fund	SB5534 Section 3	4,125,593	13,098,445	10,213,333	10,213,333	
Limited	86000-001-00-00-00000	4100	Utility Regulation	SB5534 Section 1.1	16,442,203	33,569,620	37,524,702	35,479,890	This balance reflects an assumptions that the PUC would be charging the max fee rate of 0.45% for the 2025-2027 revenue years. The fee may be lower, depending on the revenues reported by utility providers that are subject to the fees and the actual forecasted expenditure needs of the PUC. Based on current forecasted utility provider trends and PUC cash needs, the fee was set at 0.45%. The Utility program collects the bulk of it's revenues from end of March through the end of April. The cash balance for the end of biennium reflects cash that is needed to cover 12-15 months operating cash for the Utility and Admin programs; 9 months of that cash will be used to pay for regular operations from June through March of the next year, plus 3-5 months of safety cash. The PUC determines the fee at the beginning of Februray; at this time, the PUC is still determining the fee for the 2025 calendar year. The CSL balance reflects estimates based on the max rate of 0.45%, but it may be lower based on the analysis completed in Februrary.
Limited	86000-003-00-00-00000	4720	Residential Service Protection Fund	SB5534 Section 1.2	1,723,292	1,584,243	4,223,800	2,569,354	
Limited	86000-004-00-00-00000	2000	Administration	SB5534 Section 1.3	352,106	138,546	207,357	159,030	
Limited	86000-005-00-00-00000	4400	Oregon Board of Maritime Pilots	SB5534 Section 1.4	67,723	132,174	89,093	104,278	

**Objective:** Provide updated Other Funds ending balance information for potential use in the development of the 2025-27 legislatively adopted budget.

**Instructions:**

Column (a): Select one of the following: Limited, Nonlimited, Capital Improvement, Capital Construction, Debt Service, or Debt Service Nonlimited.

Column (b): Select the appropriate Summary Cross Reference number and name from those included in the 2023-25 legislatively approved budget. If this changed from previous structures, please note the change in Comments (Column (j)).

Column (c): Select the appropriate, statutorily established Treasury Fund name and account number where fund balance resides. If the official fund or account name is different than the commonly used reference, please include the working title of the fund or account in Column (j).

Column (d): Select one of the following: Operations, Trust Fund, Grant Fund, Investment Pool, Loan Program, or Other. If "Other", please specify. If "Operations", in Comments (Column (j)), specify the number of months the reserve covers, the methodology used to determine the reserve amount, and the minimum need for cash flow purposes.

Column (e): List the Constitutional, Federal, or Statutory references that establishes or limits the use of the funds.

Columns (f) and (h): Use the appropriate, audited amount from the 2023-25 legislatively approved budget and the 2025-27 current service level at Governor's Budget.

Columns (g) and (i): Provide updated ending balances based on revised expenditure patterns or revenue trends. The revised column (i) should assume 2025-27 current service level expenditures, considering the updated 2023-25 ending balance and any updated 2025-27 revenue projections. Do not include adjustments for reduction options that have been submitted. Provide a description of revisions in Comments (Column (j)).

Column (j): **Please note any reasons for significant changes in balances previously reported during the 2023 session.**

Additional Materials: If the revised ending balances (Columns (g) or (i)) reflect a variance greater than 5% or \$50,000 from the amounts included in the LAB (Columns (f) or (h)), attach supporting memo or spreadsheet to detail the revised forecast.