

Oregon

Kate Brown, Governor

Public Utility Commission

From the Desk of Representative Paul Holvey

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February 26, 2018

KC Lewis Oregon House of Representatives 900 Court St. NE, H-295 Salem, Oregon 97301

Re: Oregon Public Utility Commission's Role in Implementing HB 4155

Dear KC Lewis:

This letter is in response to your office's request for a letter from the Oregon Public Utility Commission (PUC or agency) explaining what the PUC's role will be in the implementation of HB 4155. The PUC takes no position on HB 4155. This letter is only intended to convey the PUC's general understanding of the requirements of the PUC set forth in the current draft of HB 4155.

HB 4155 calls for the PUC to develop rules and make determinations on select topics listed in the bill. HB 4155 does not require the PUC to impose utility-style rate and service regulation on broadband providers.

The PUC has expertise and processes in place to develop rules and make determinations. The PUC routinely conducts rulemakings and contested cases. It makes determinations in complex matters involving natural gas, electricity, telecommunications, and water industries. The agency draws on the combined expertise of its staff, administrative hearings division, and industry and customer advocates to make fair and supportable decisions. PUC staff have a variety of technical and economic expertise. The PUC's administrative law judges are independent of its staff and work to ensure that a full and fair inquiry is made in cases before the agency. The agency also contracts with the Department of Justice on certain matters.

Section 3(2) of HB 4155 provides discretion to the PUC to order how it will implement its responsibilities under the bill. **The agency understands that this discretion will allow the Commission to implement this bill in a least-cost fashion.** For example, the PUC might conduct rulemakings and make the determinations assigned to it in response to petitions or complaints based on actual disputes. As a practical matter, this means that apart from exercising its discretion under Section 3(2), the PUC's earliest step may be the rulemaking about the form of public disclosures under Section 1(5)(b).

The PUC understands primary responsibility under HB 4155 will lie with public bodies themselves, during the contracting process, to ensure their contracting partners meet or attest that they meet requirements of HB 4155. HB 4155 does not specify a role for the PUC in this

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public contracting process. The bill does not require the PUC to pre-clear public contracts or broadband providers or otherwise keep a list of preferred or approved providers.

Based on the above understanding, the PUC believes it will be able to implement responsibilities assigned to it by the bill with little or no additional cost. The PUC is confident that the Legislature will work diligently to address issues should implementation of the bill turn out to be more burdensome than envisioned or if questions later arise regarding the sufficiency of authority conferred on the PUC to obtain the information necessary for the agency to make determinations that are specified in the current draft of the bill.

Lisa Hardie Chair