

Public Utility Commission

	2017-19 Actual	2019-21 Legislatively Adopted	2019-21 Legislatively Approved *	2021-23 Current Service Level	2021-23 Governor's Budget
Other Funds	40,169,387	49,252,175	54,803,877	55,492,607	55,132,523
Other Funds (NL)	61,898,461	54,312,163	54,312,163	45,945,047	45,945,047
Federal Funds	686,647	1,025,117	1,074,677	1,180,926	1,174,921
Total Funds	102,754,495	104,589,455	110,190,717	102,618,580	102,252,491
Positions	124	130	130	129	129
FTE	122.63	127.75	127.75	128.00	128.00

* Includes Emergency Board and administrative actions through January 2021.

Program Description

The Public Utility Commission of Oregon (PUC) regulates rates and services offered by private Oregon electric and natural gas utilities, telecommunications companies, and water companies. The PUC works to ensure consumers receive safe and reliable utility services at fair and reasonable rates, while allowing regulated companies the opportunity to earn an adequate return on their investment. The three-member commission is appointed by the Governor and subject to Senate confirmation. The Commission provides administrative and budget support to the Oregon Board of Maritime Pilots, an independent occupational licensing and regulatory agency for state maritime pilots; its mission is to protect public health, safety, and welfare by ensuring only qualified persons are licensed to pilot vessels.

CSL Summary and Issues

The PUC is funded almost entirely by Other Funds derived from fees assessed on regulated entities. The Commission also receives Federal Funds from the U.S. Department of Transportation for the Natural Gas Pipeline Safety Program. The budget includes an increase in fees paid by utilities on gross operating revenue that is used to adjust the Oregon Telephone Assistance Program (OTAP) discount from \$3.50 to \$10.00 for eligible low-income Oregonians. The 2021-23 current service level (CSL) budget of \$102.6 million is \$7.6 million less than the 2019-21 legislatively approved budget. The CSL budget includes standard inflation adjustments, as well as increases for Attorney General fees and state government service charges.

The reason the CSL is significantly lower than the 2019-21 legislatively approved budget is an adjustment to anticipated Nonlimited expenditures. The Utility Gross Operating Revenue Fee that is collected by the PUC and distributed to telecommunication carriers in parts of

Oregon where providing telephone service is costly is generating less revenue to the decline in landlines. As these are pass-through funds, PUC's revenue and expenditures are declining but with no impact on PUC operations.

The PUC provides administrative services to the Oregon Board of Maritime Pilots. The Board of Maritime Pilots is funded by license fees paid by the pilot and the 2021-23 budget of \$865,320 Other Funds provides for the current service level including two positions (2.0 FTE).

Policy Issues

The significant change in the OTAP subsidy is due the fact that the Federal Communications Commission lifeline program has changed its subsidy program and now only offers subsidies for broadband internet services. As of December 1, 2021, eligible low-income Oregonians paying for phone services would have only received the OTAP \$3.50 discount rather than the benefit of \$12.75 that they had been receiving. The Governor's Budget includes a package to bring the benefit to \$10.00 for eligible participants.

An error in the printing of the budget bill changed the Other Funds amount from \$33.5 to \$3.5 million. That adjustment will be corrected during the work session on the bill.

An information technology project to upgrade the docketing system was approved in 2017-19. In the time since the project was approved the costs have increased and the agency may need additional Other Funds limitation to complete the project.