

2021 Ways and Means Presentation



Commission

The PUC includes three Commissioners who are appointed by the Governor, confirmed by the Oregon Senate, and serve four-year staggered terms.

Chair Megan Decker

1st Term: April 1, 2017 – March 31, 2021

2nd Term: April 1, 2021 – March 31, 2025



Commissioner Letha Tawney

1st Term: June 18, 2018 – May 31, 2020

2nd Term: June 1, 2020 - May 31, 2024

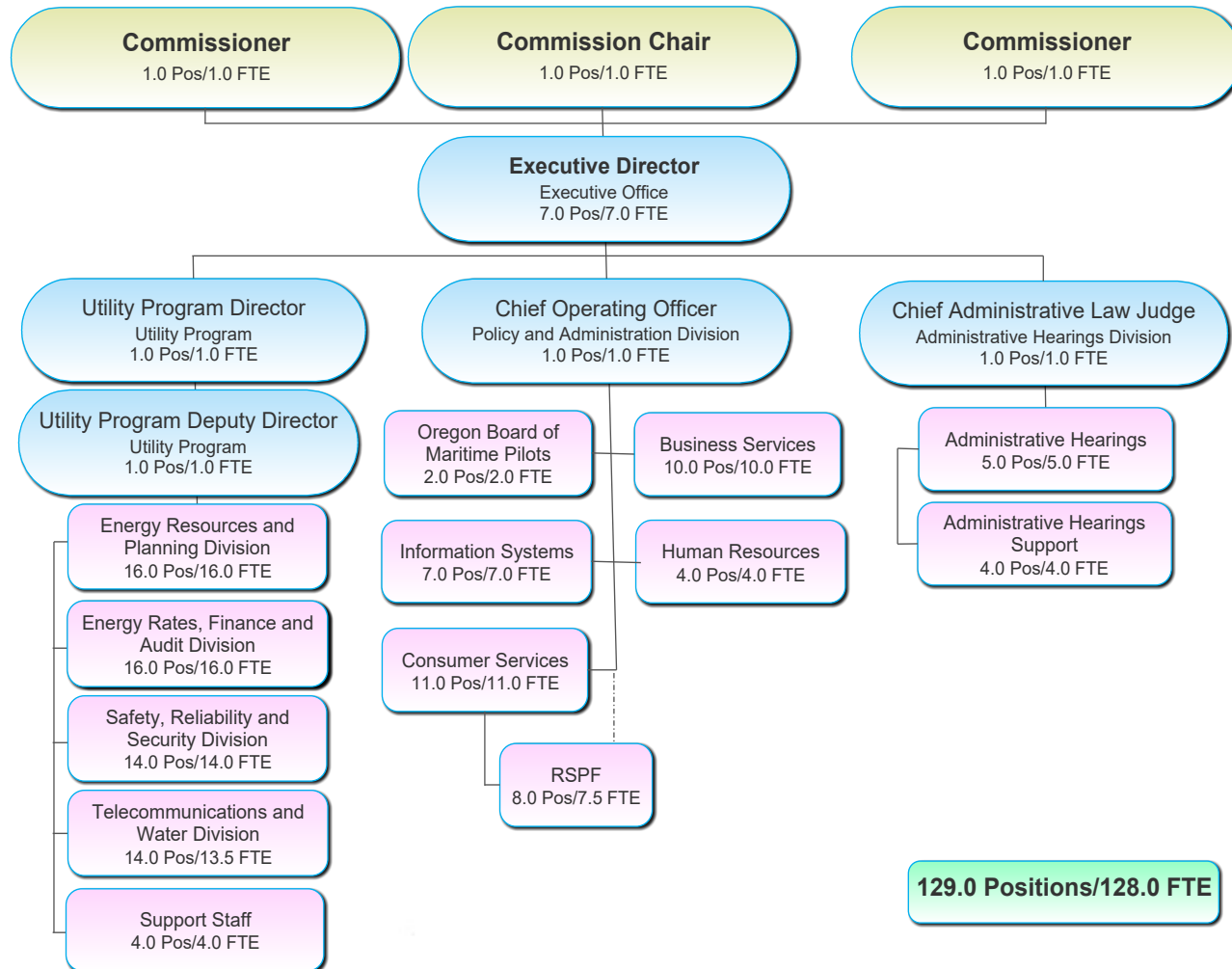


Commissioner Mark Thompson

1st Term: December 1, 2019 – November 30, 2023



PUC Organization

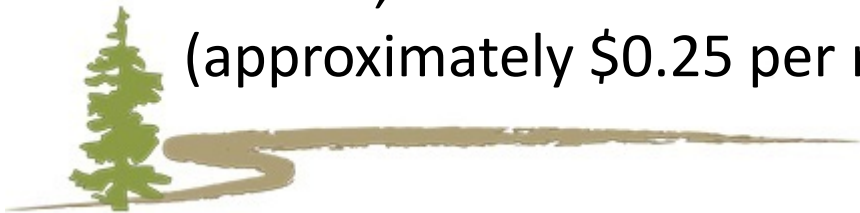


Mission Statement

We ensure Oregon utility customers have access to safe, reliable, and high quality services at just and reasonable rates. We do so through robust and thorough analysis and independent decision-making conducted in an open and fair process.

The PUC receives no General or Lottery funds.

Commission utility regulation responsibilities are funded through a per month charge on regulated natural gas, electric, telecommunication, and water utility bills (approximately \$0.25 per residential bill).



Responsibilities

- Set utility rates for homes and businesses. Ensure rates are just and reasonable.
- Set and enforce price and service rules, and service quality standards, to protect customers.
- Oversee investor-owned energy utility companies' planning through Integrated Resource Plans (IRPs), which evaluate needs and options for meeting them using a “least-cost, least-risk” combination of energy resources and demand reduction.
 - Also oversee other utility planning, including for electric vehicles and distribution system improvements.
- Approve a wide variety of utility transactions, including mergers.



Responsibilities

- Resolve customer complaints about their utilities.
- Manage the Oregon Universal Service Fund 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. In 2020 (SB 1603), up to \$5 million dollars per year of this amount was earmarked to Broadband service beginning in 2021.
- Set and enforce rules for fair competition in energy and telecommunications.



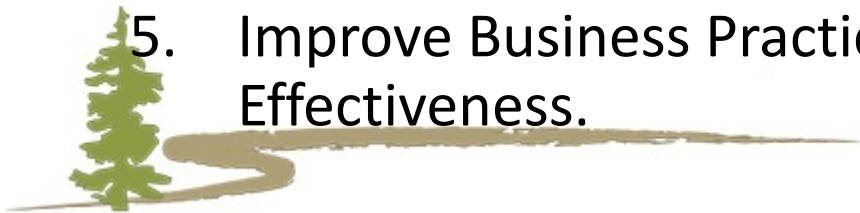
Responsibilities

- Review operational safety of pipelines, power lines, transformer stations, and energy facilities. (PUC authority in this area extends to consumer-owned utilities.)
 - Engage with regulated energy providers concerning wildfire, seismic and cybersecurity preparedness.
- Administer the Residential Service Protection Fund.
- Oversee Energy Trust of Oregon acquisition of energy efficiency on behalf of PacifiCorp, PGE, NW Natural, Avista, and Cascade, primarily through a competitive process.



2021-23 Strategic Plan

1. Scrutinize Utility Costs and Performance to Ensure Utilities Charge Fair Rates for High Quality Service.
2. Maintain and Enhance Safety, Reliability, and Resiliency of Utility Services.
3. Promote Consumer Benefits from Policy, Market, and Technology Changes.
4. Inform and Influence Utility Sector Solutions That Create Value for All.
5. Improve Business Practices and Organizational Effectiveness.



Performance Measures

The PUC has 16 Key Performance Measures, which include:

- Maintain electricity rates that are lower than the national average.
- 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.

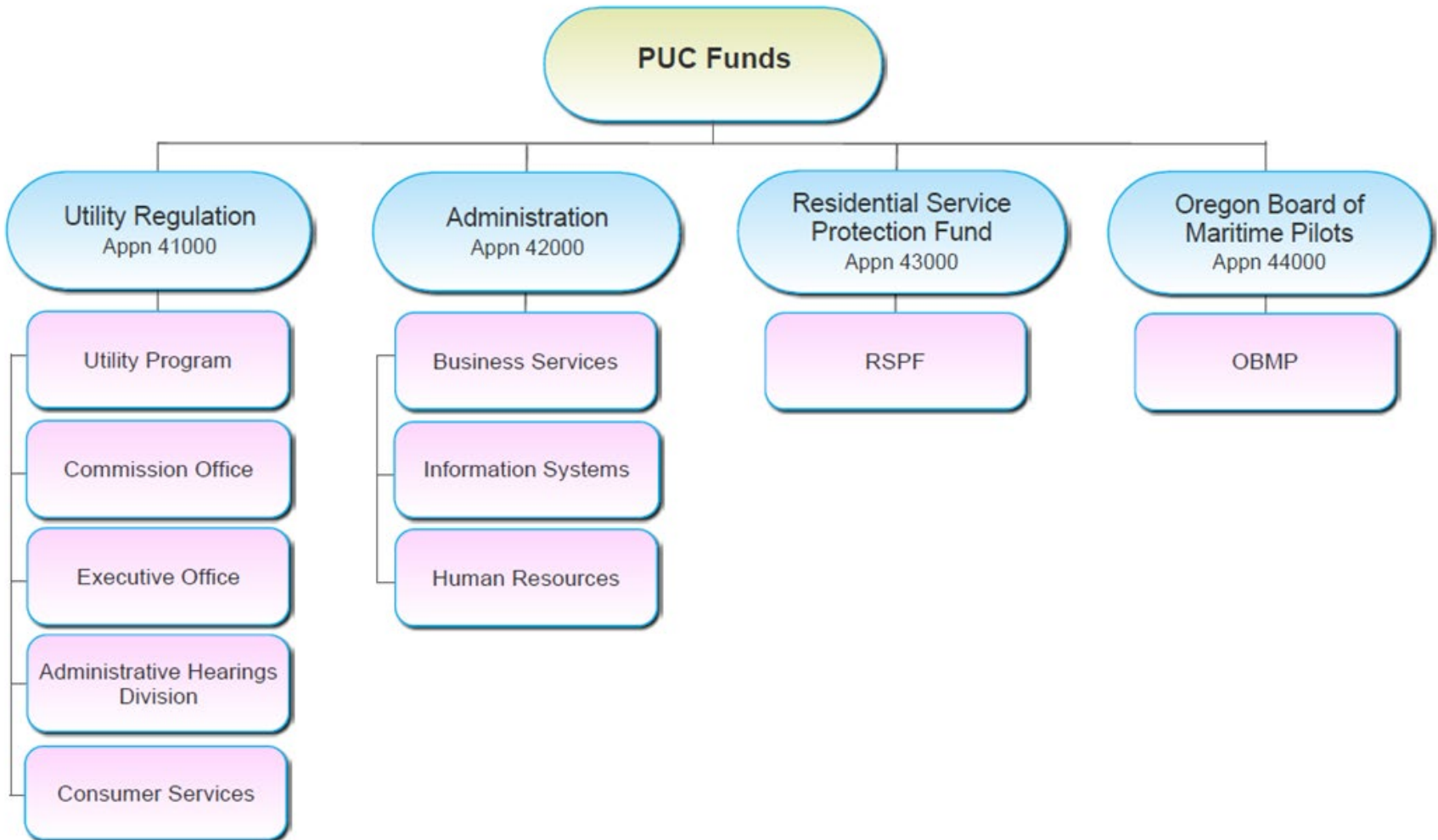


Performance Measures

- Promote utility pricing that encourages the efficient use of water and energy.
- Investigate customer complaints and issue complaint orders in a timely fashion.
- Maintain a high level of agency customer service.
- Successfully inform target populations about special telecommunications programs.
- Maintain effective Energy Trust performance.



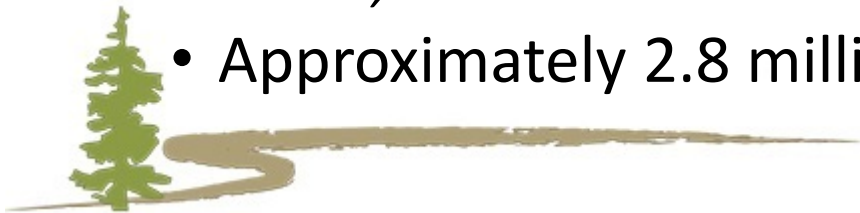
PUC Budget or Funding Structure



Utility Regulation Utility Program

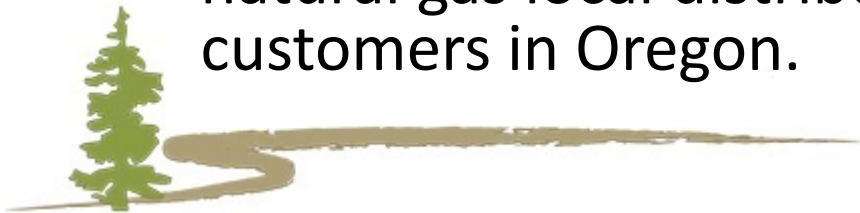
The OPUC regulates:

- Three private or investor-owned electric utilities (PGE, PacifiCorp, and Idaho Power)
 - *1,505,111 customers*
- Three private natural gas utilities (NW Natural, Avista, and Cascade Natural Gas)
 - *825,569 customers*
- About 180 telecommunications companies
 - *454,650 access lines (~11% decrease from 2018)*
- About 87 small water utilities
 - *35,000 customers*
- Approximately 2.8 million customers total



Utility Regulation Utility Program

- Total revenue collected by investor-owned utilities (IOUs) is approximately \$4 billion per year.
- IOU electric utilities account for 61.9 percent of electricity sold and 74 percent of electric customers in Oregon.
 - Customer-owned utilities and Electricity Service Suppliers represent the remainder.
- IOU natural gas utilities account for 100 percent of natural gas local distribution company sales and customers in Oregon.



Utility Regulation

Utility Regulation includes:

Utility Program

Commission Office

Executive Office

Administrative Hearings Division

Consumer Services (reports administratively to the Chief Operating Officer).

This budgetary organization is a change from previous budgets as Public Utility Commission Exception Request 860-01 moves the Commission Office, the Executive Office, Consumer Services, and Administrative Hearings Division from Administration Fund to the Utility Regulation Fund in order to separate program costs from administrative costs.



Utility Regulation Utility Program

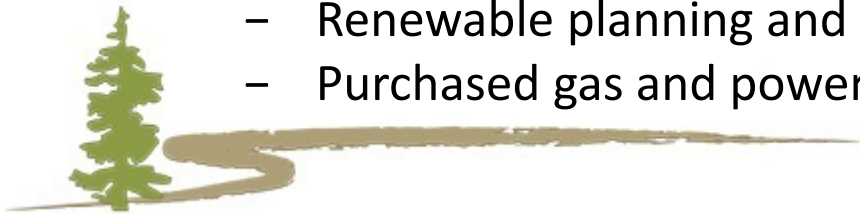
- Utility Program – 63 FTE
 - Energy
 - Energy Resources and Planning (ERP)
 - Energy Rates, Finance, and Audit (ERFA)
 - Telecom and Water
 - Service Quality, Rates, and Water
 - Competitive Issues and Universal Service
 - Utility Safety, Reliability, and Security
 - Strategy Integration



Utility Regulation Utility Program

The Utility Program is the technical and analytical arm of the PUC. The Utility Program provides financial, accounting, engineering, policy, and economics-oriented analysis in review of wide variety of utility matters, among them:

- Utility plant operations and capital improvements
- Energy Planning
- Utility and telecommunications services
- Cost of capital
- Property and other transactions (mergers, financing, affiliated interests, special contracts)
- Electric and telecommunications competition
- Renewable planning and adjustment clauses
- Purchased gas and power costs



Utility Regulation Utility Program

The PUC oversees 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. PUC oversight includes:

- Yearly performance measures
- Grant agreement that describes Energy Trust obligations
- Quarterly and annual reports to PUC
- Regular management coordination meetings between Energy Trust and PUC
- Reviewing yearly budget and action plan
- Management audit every five years
- Financial statement audits every year



Utility Regulation Commission and Executive Office

Commission Office / Agency Leadership

- Three Commissioners, and seven FTE Executive Office.
- The Executive Director is responsible for overall Commission organizational performance and operations.
 - Reports to the Commission Chair and directs and supervises the agency's three top-level executives, including the Utility Program Director, Chief Administrative Law Judge, and Chief Operating Officer.
 - Responsible for ensuring agency resources, processes, and culture align with Commission goals, values, and initiatives. Oversees and integrates the work of agency divisions to fulfill Commission mandates, to implement strategic goals and meet operational objectives.



Utility Regulation

Administrative Hearings Division

- The Administrative Hearings Division (AHD) is an independent division that reports to the Executive Director - 13 FTE.
 - PUC has its own Administrative Law Judges (ALJs) due to uniqueness of utility regulation. PUC is exempt from use of ALJs in Office of Administrative Hearings.
- Cases range from highly complex rate cases, investigations, and rulemaking to more straightforward consumer complaints.



Utility Regulation Consumer Services

- Reports administratively to the Chief Operating Officer and includes 11 FTE.
- Investigates and resolves consumer complaints.
- Assists consumers in their disputes with regulated utilities and certain non-regulated companies, like wireless and broadband providers.
- Administers the Emergency Medical Certificates (EMC) program.
 - Helps protect at-risk consumers from utility service disconnection if their physician certifies that the loss of utility service could pose a danger to the life of the customer.



Residential Service Protection Fund

- RSPF supports the state's public policy that all Oregonians have access to adequate and affordable telephone service. It consists of four programs and 7.5 FTE:
 - Oregon Telephone Assistance Program (OTAP)
 - Oregon Telecommunications Relay Service (OTRS)
 - Telecommunications Devices Access Program (TDAP)
 - Emergency Medical Certificates Program (Handled by Consumer Services)
- Estimated surcharge for AY23 is \$0.12 (Statutory maximum is \$0.35)

Residential Service Protection Fund

RSPF serves:

- **OTAP / Lifeline** – Approximately 62,000 Oregonians served.
- **TDAP** – Approximately 7,500 Oregonians served.
- **OTRS** – Operates 24 hours a day, approximately 4,071 calls monthly.
- **EMC** – 5,900 disconnection contacts from utilities for medical certificate holders (non-payments and non-compliance with time-payment arrangements) in 2019.



Administration

(formerly Policy and Administration)

- Administration – 22 FTE
 - Chief Operating Officer
 - Business Services
 - Human Resources (includes training)
 - Information Systems
- Residential Service Protection Fund (RSPF) – 7.5 FTE
- Board of Maritime Pilots – 2 FTE
 - Established in 1846 to promote safe shipping



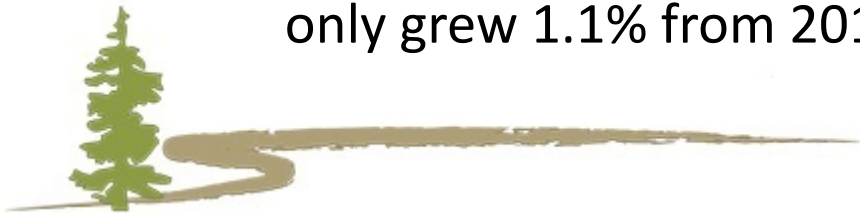
Budget Drivers

- Personnel and Other Personnel Expenses – 65.9% of Limited Funds budget.
 - Tight labor market and competition for analysts drives recruitment and retention costs up.
- OTAP Payments/TDAP Equipment – 9.8% of Budget
- OTRS (Oregon Relay) Payments – 7.6% of Budget
- Attorney General Expenses – 6.8% of Budget
- Rent – 3.7% of Budget
- Other Services and Supplies (including IT and state agency assessments) – 6.2% of Budget



Budget Risks - Revenue

- ***Decrease in revenue due to COVID-19***
 - Estimated utility revenues between 2020 and 2022 were decreased by 6.4%, lower than January 2020 estimates.
- ***Lower natural gas prices equal smaller growth in revenue***
 - Lower natural gas prices are good for customers. Natural gas customers only grew 0.2% from 2018 to 2019.
- ***Slow growth in electric revenue***
 - Energy conservation, distributed generation, lower natural gas prices, and lower energy market prices keep customer prices from increasing at higher levels. Electricity customers only grew 1.1% from 2018 to 2019.



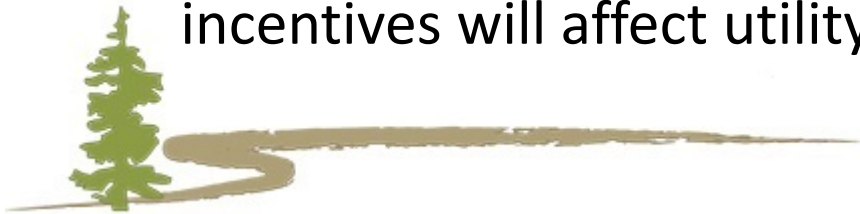
Environmental Factors

- COVID-19 has resulted in:
 - Higher arrearage balances for residential and commercial customers.
 - The PUC approved a stipulated agreement between IOUs and stakeholders to use approximately \$39 million in customer funds to address balances of customers in arrears due to COVID-19.
 - Reduced commercial and industrial energy usage.
- The uneven regional economic recovery is creating increased demand for utility service assistance programs.
- Oregon's population will continue to grow. The growth translates directly into greater demand for utility services, although the nature of utility services consumers seek is changing.



Environmental Factors

- Energy markets are undergoing rapid changes as telecommunications and technology advances are integrated with the electric grid.
- Distributed generation (solar photovoltaic, micro turbines, fuel cells, micro grids, energy storage) are increasing the complexity of utility operations and customer expectations.
 - Increased energy utility customer demands concerning options for “green tariffs” that offer more renewable power.
- Emerging, changing, and uncertain federal and state laws and rules concerning greenhouse gas emissions, energy development, and energy consumption, as well as tax incentives will affect utility operations.



Environmental Factors

- Heightened concerns about the risks posed by wildfire, cyber-attacks and major earthquakes on utility facilities.
- The need for utilities to invest in capital projects to meet the growing demand of customers, changes in technology, emerging risks, and federal and state mandates.
- These changes are raising fundamental issues about long-standing regulatory concepts that will require considerable regulatory policy analysis and adaptation at the Commission.



Environmental Factors

- Continued decrease in telephone landline use due to cellular telephones, Voice over Internet Protocol (VoIP), and internet usage such as Teams.
- Federal laws and rules promoting development of broadband as well as fundamental changes to universal service funding.



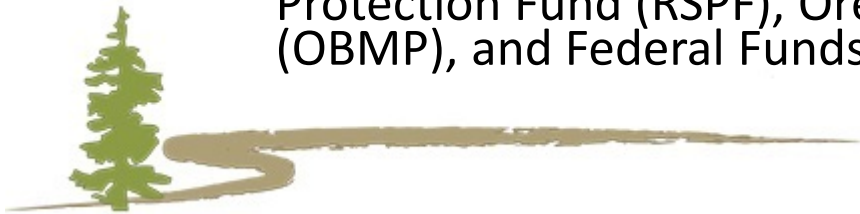
Major Changes in the Agency

- New Commissioner in AY21- Mark Thompson.
- Created Executive Director position to coordinate activities between three divisions (Utility, AHD, and P&A).
- Created Policy Director position to coordinate legislative matters and other stakeholder activities.
- Created Diversity, Equity, and Inclusion (DEI) Director position to develop our Diversity, Equity and Inclusion Program and engage new stakeholders.



Other Funds-Limited Restructuring

- 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.
- **Administration Fund** supports the administrative costs of Chief Operating Officer, Business Services, Information Technology and Human Resources.
 - Currently, PUC's administrative costs (excluding State Government Service Charge) are less than **10%** of total limited funds that would also include Residential Service Protection Fund (RSPF), Oregon Board of Maritime Pilots (OBMP), and Federal Funds.



Policy Option Package 101

Adjust Oregon Telephone Assistance Program (OTAP) Discount

- Adjust (OTAP) discount from \$3.50 to \$10.00 for eligible low-income households.
- The OTAP discount supplements the Federal Communications Commission's (FCC's) Lifeline benefit of \$9.25. The FCC is phasing out the Lifeline discount for phone service from \$9.25 to \$0. Effective December 1, 2021, eligible low-income Oregonians will only receive the OTAP discount of \$3.50 as opposed to a combined benefit of \$12.75. An OTAP discount of \$10.00 will offset an 80 percent loss.
- The FCC also established minimum service standards for broadband internet access service, which is excluding eligible low-income Oregonians. An OTAP discount of \$10.00 assists eligible low-income Oregonians with the cost of broadband internet access service.
- The 2017 Oregon Legislature established a 26 percent OTAP participation rate for the Public Utility Commission to attain by January 1, 2023. This policy option package will facilitate retention and promote participation.

Policy Option Package 102

\$321,972 E-filing / E-discovery ongoing costs in 2021-23

- E-Filing / E-Discovery project includes the purchase of a Software as a Service (SaaS) solution that will replace the agency's 20-year-old legacy docketing system and the current cumbersome software-as-service E-Discovery product (Huddle).
 - The estimated annual licensing, subscription, and support fee included in 2021-23 POP 102 is \$116,370 per year; \$232,740 for the biennium.
- Based on the contract timeline, an additional amount of \$73,900 is also included in this POP to cover the Pilot Phase, Go-Live, and Post Go-Live Support that will likely not be completed during the 2019-2021 Biennium.
 - A 5% contingency of \$15,332 is added to the 2021-2023 POP amount.



Policy Option Package 102

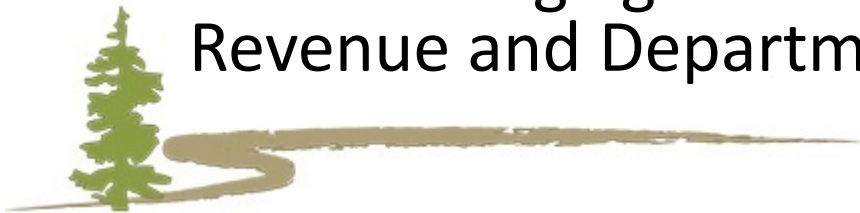
\$321,972 E-filing / E-discovery ongoing costs in 2021-23

- The E-Filing / E-Discovery project will provide a modern, friendly, consistent, and improved user interface allowing for ease of use.
- The solution will accommodate secure electronic records management for protected information and voluminous documents. Currently in large cases, utilities and parties must send multiple emails with documents attached for our system to handle voluminous documents.
 - The solution will allow for an integrated eDiscovery solution including electronic sharing of protected information. Currently, confidential information must be sent by mail.
- A 2019-21 Limitation increase for the one-time cost of customization, configuration, and data migration costs (\$510,925 total) was approved in December 2020 E-Board.

Cost Containment

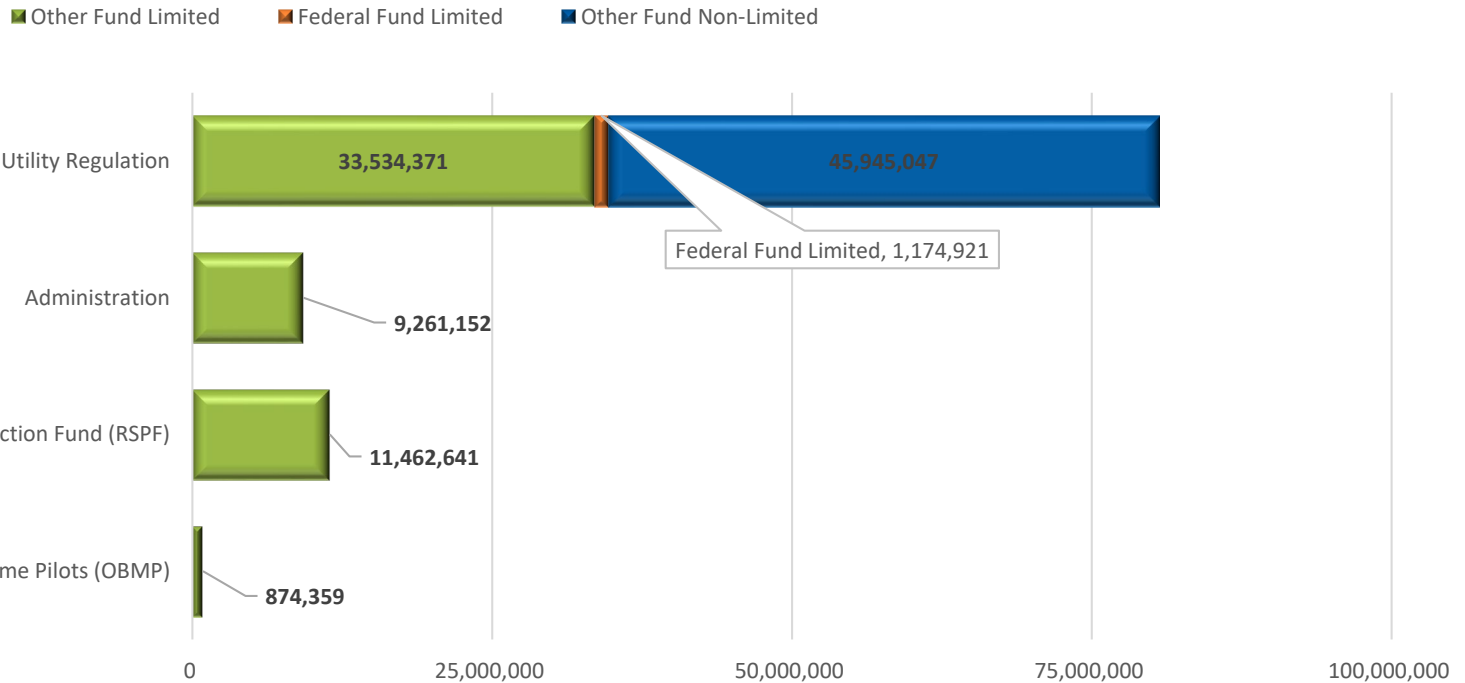
Budget management actions of PUC:

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



Budget Overview

Other Fund and Federal Fund Disbursements
Total Disbursements all Programs
\$102,252,491

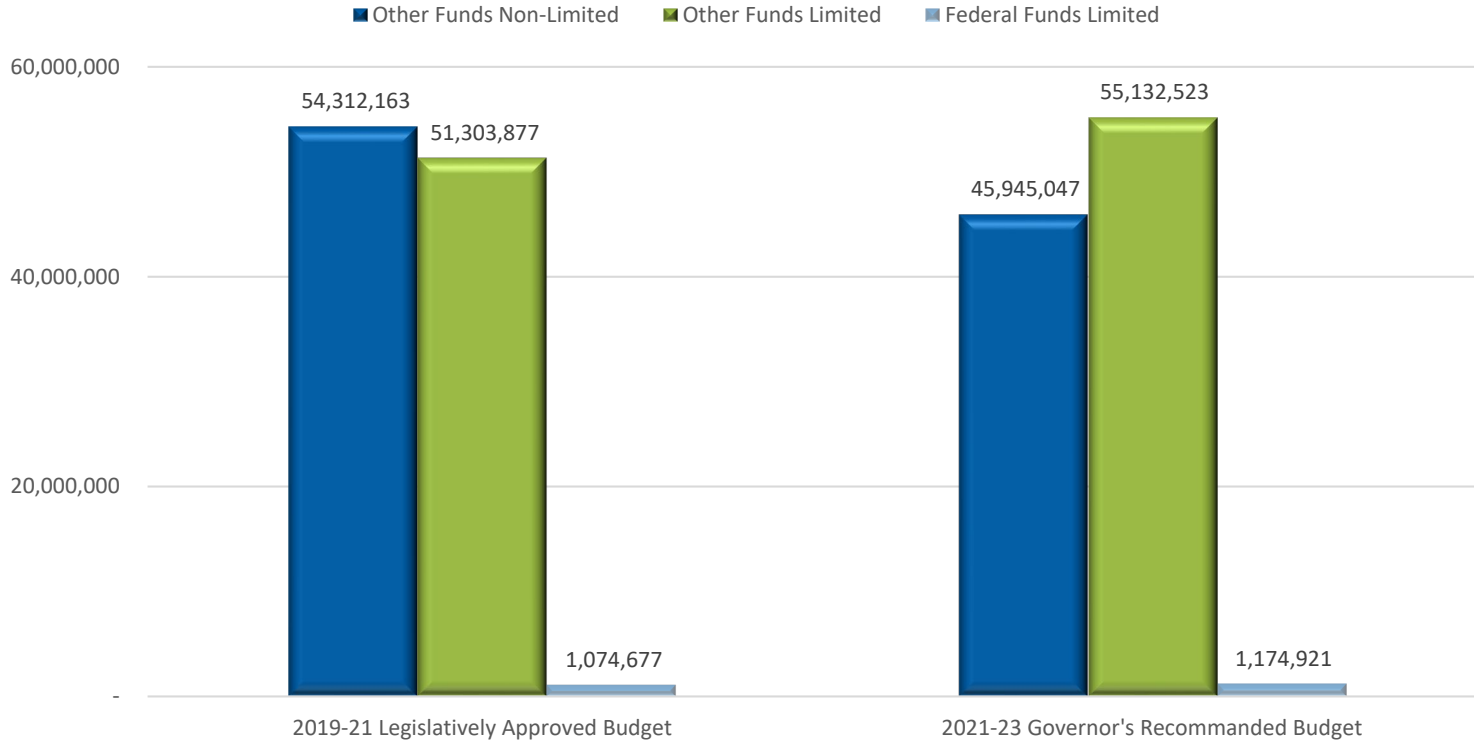


Other Funds Non-Limited are mandated by statute (ORS 759.425) that requires the PUC to establish and administer the Oregon Universal Service Fund (OUSF) and collect funds from all retail telecommunications providers for service sold in Oregon and pass those funds on to telecommunications providers in high-cost areas.

The PUC receives no General or Lottery funds. PUC utility regulation responsibilities are funded through a per month charge on regulated natural gas, electric, telecommunication, and water utility bills (approximately \$0.25 per residential bill).

Budget Overview – All Funds

Comparison of Biennial Expenditures by Fund



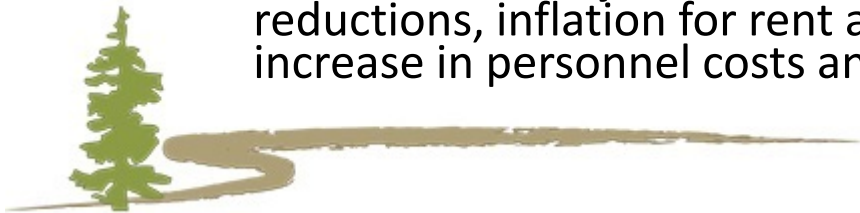
Budget Overview – All Funds

- **Decrease in Other Funds Non-Limited by \$8.4 million**

Other Funds Non-Limited represents the Oregon Universal Service Fund (OUSF), a pass-through fund. Contributions are based on a maximum 6.0% surcharge (currently set at 5.0%) of Intrastate Retail Telecommunication revenues.

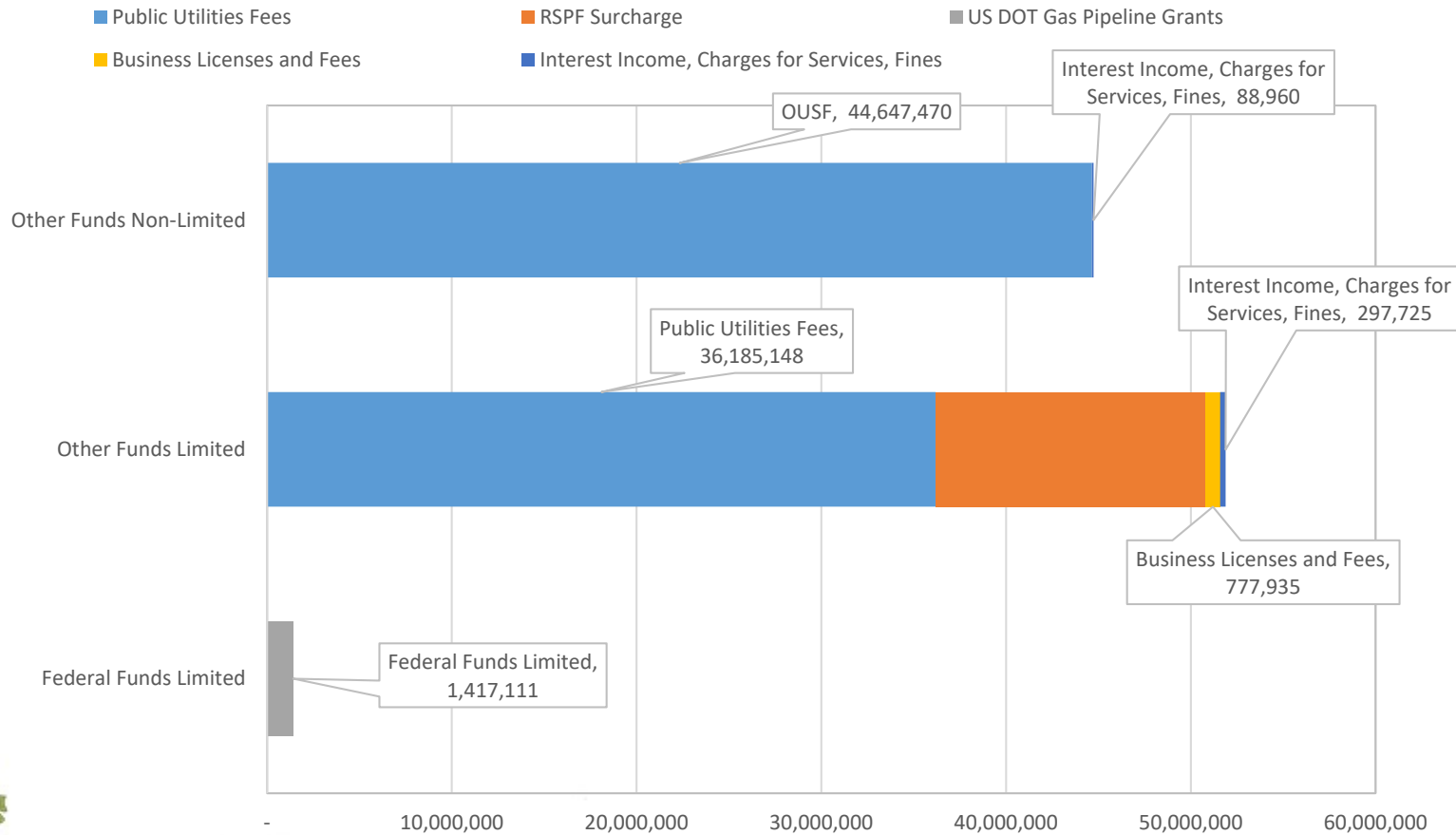
Wireline revenue is forecasted to decline by 6.8% per annum, which would result in the decrease of non-limited funds. Senate Bill 1603 passed in the 2020 special session, expanded the contribution base to include interconnected VoIP and Wireless providers (starting Jan. 1, 2021). This change will help increase the fund to meet both broadband and wireline requirements.
- **Increase in Other Funds Limited by \$3.8 million**

Other Funds Limited consists of Utility Regulation Fund, Administration Fund, RSPF and OBMP. The increase is due to the POP 101 for RSPF \$1.2 million, POP 102 for E-discovery project \$322,000, net adjustments in DAS assessments and statewide reductions, inflation for rent and professional services, and a net increase in personnel costs and other payroll costs.



Budget Revenue

Sources of 2021-2023 Agency Revenues
Total Revenue All Programs
\$98,034,989



Oregon Board of Maritime Pilots

- The Board of Maritime Pilots (OBMP) helps protect public health, safety, and welfare by ensuring that only highly-qualified and well-trained persons are licensed to pilot vessels.
- Pilots are essential to Oregon's maritime commerce, directing the transit of vessels calling on the ports of Coos Bay, Yaquina Bay, Astoria, Kalama, Longview, Vancouver, Pasco, and Portland.
- “Other funded” agency staffed with 2 FTE.



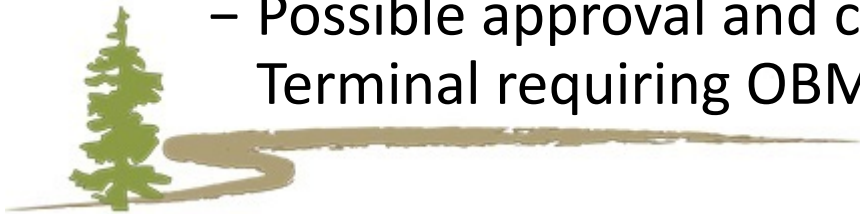
OBMP Budget Drivers

- Personnel and Other Personnel Expenses – 69.9% of budget
- Attorney General Expenses – 17% of budget
- Professional Services – 4% of budget
- Rent – 3.9% of budget
- Other Services and Supplies (including IT and state agency assessments) – 5.2% of budget



OBMP Budget Risks

- Increased attorney fees resulting from
 - Proposed Pilotage Tariff review program
 - Medical Oversight program
 - Updated Ethics and Public Meetings procedures
- Columbia River Traffic
 - Possible Washington State ecology rules on Columbia River oil transport requiring OBMP staff support
- Coos Bay Traffic
 - Possible approval and construction of Coos Bay LNG Terminal requiring OBMP staff support



Environmental Factors

OBMP

- Increased oversight and scrutiny of Maritime Pilot operations as the Columbia and Coos Bay systems evaluate the marine transportation of coal, liquefied natural gas (LNG), and methanol through Oregon waters.
- Low numbers of vessel calls in Coos Bay and Yaquina Bay make training of new pilots and maintenance of safe pilot boats difficult, both practically and financially.
- On January 1, 2020, ships at sea must burn ultra-low sulfur fuel with no more than 0.5% sulfur. This new change will alter maintenance schedules due to the change in fuel viscosity and could lead to increased machinery failures.



Environmental Factors OBMP

- Travel restrictions due to the pandemic have resulted in more than 400,000 mariners worldwide being extended past their normal contract end. This creates increased fatigue and stress leading to lower performing and less safely crewed ships calling in our waters.
- Travel restrictions and cancellations of in person courses have made Continued Professional Development for pilots extremely challenging. While rules are in place to waive these requirements, in the long term it is critical to maintain professional competency.



Proposed Legislation

There is no proposed legislation.



Ten Percent Reduction Options

1. Services and Supplies - \$876,872
2. OTAP Payments - \$1,050,230
3. Personnel - \$3,469,065



Vacancy Report

Job Profile	Detail Cross Reference (Source - Budget System)	Position Worker Type (Source - Budget System)	Position Time Type (Source - Budget System)	Budget Authorization Number (Source - Budget System)	PPDB Position Number	Estimated Hire Date	Position Open Reason	Open or Future Job Requisition	Length (In Months)
Principal Executive/Manager F - SR35 - Exempt	86000-001-10-00-00000	Permanent	Full-Time	505040	0000218	1/1/2021	Change Job		9
Utility And Energy Analyst 3 - SR31 - Exempt	86000-001-10-00-00000	Permanent	Full-Time	819000	0300822	4/1/2021	Termination		
Public Service Representative 3 - SR15 - Non Exempt	86000-003-72-00-00000	Permanent	Part-Time	708000	0000803		Change Job		10
Principal Executive/Manager E - SR33 - Exempt	86000-001-10-00-00000	Permanent	Full-Time	506250	0000470	7/1/2021	Termination		7
Utility And Energy Analyst 3 - SR31 - Exempt	86000-001-10-00-00000	Permanent	Full-Time	505670	0000288	1/1/2021	Change Job	REQ-51171 Electrical Engineer (Utility and Energy Analyst 3) (Open)	3
Principal Executive/Manager F - SR35 - Exempt	86000-001-10-00-00000	Permanent	Full-Time	505960	0000415	1/1/2021	Termination		17
Information Systems Specialist 4 - SR25 - Non Exempt	86000-004-01-00-00000	Permanent	Full-Time	507240	0000642	2/1/2021	Termination	REQ-54081 Help Desk Analyst – Information Systems Specialist 4 (Open)	1

As of January 2021

Vacancy Report

Job Profile	Detail Cross Reference (Source - Budget System)	Position Worker Type (Source - Budget System)	Position Time Type (Source - Budget System)	Budget Authorization Number (Source - Budget System)	PPDB Position Number	Estimated Hire Date	Position Open Reason	Open or Future Job Requisition	Length (In Months)
Utility And Energy Analyst 3 - SR31 - Exempt	86000-001-10-00-00000	Permanent	Full-Time	505310	0000247	2/1/2021	Termination	REQ-54383 Senior Energy Policy Analyst - Utility And Energy Analyst 3 (Open)	1
Utility And Energy Analyst 3 - SR31 - Exempt	86000-001-10-00-00000	Permanent	Full-Time	505600	0000280	1/1/2021	Termination	REQ-50939 Senior Telecommunications and Water Analyst - Utility And Energy Analyst 3 (Open)	3
Utility And Energy Analyst 2 - SR28 - Exempt	86000-001-10-00-00000	Permanent	Full-Time	504330	0000146	3/1/2021	Change Job		2
Utility And Energy Analyst 2 - SR28 - Exempt	86000-001-10-00-00000	Permanent	Full-Time	507340	0000706	3/1/2021	Change Job		1
Utility And Energy Analyst 2 - SR28 - Exempt	86000-001-10-00-00000	Permanent	Full-Time	505390	0000256		Change Job	REQ-54376 Junior Economist/Statistician - Utility And Energy Analyst 2 (Open)	1
Utility And Energy Analyst 2 - SR28 - Exempt	86000-001-10-00-00000	Permanent	Part-Time	507310	0000703	3/1/2021	Change Job		17
Operations & Policy Analyst 4 - SR32 - Exempt	86000-001-10-00-00000	Permanent	Full-Time	1337050	1900103	6/1/2021	Create Position: Pending Budget Approval		16

As of January 2021

Pandemic/Coronavirus Relief Fund

June 2020 Emergency Board

- Established an Other Funds expenditure limitation of \$3,500,000 that the Department of Administrative Services received from the federal Coronavirus Relief Fund and transferred to the Public Utility Commission's Residential Service Protection Fund- Oregon Telephone Assistance Program (OTAP) to provide a greater discount on telephone or broadband services for eligible low-income households affected by the pandemic.
- OTAP subsidizes about 62,000 eligible low-income Oregonians. The Coronavirus Relief Fund increases the OTAP subsidy from \$12.75 to \$21.25 monthly starting July 2020 with the aim of providing additional financial relief for low-income households.
- The federal funding package signed on December 28, 2020 included a provision that extended the deadline for CARES act spending. DAS is currently working with DOJ on the process for extending state agreements. For state purposes, the extension cannot go beyond June 30, 2021 due to budgeting constraints and limitation issues. POP 101 discount of \$10 will offset decreasing FCC assistance and loss of Coronavirus Relief Funds
 - This 2019-21 action has no effect on the 2021-23 budget.



2021 Ways and Mean Presentation

Questions?



Budget Appendix

SoS Audit Results

There were no audits by SOS in the current biennium.



Budget Appendix

Supervisory Span of Control

The PUC actual supervisory ratio of 1:5 is calculated using the following calculation:

129 total personnel; 21 supervisors and 108 non-supervisors.

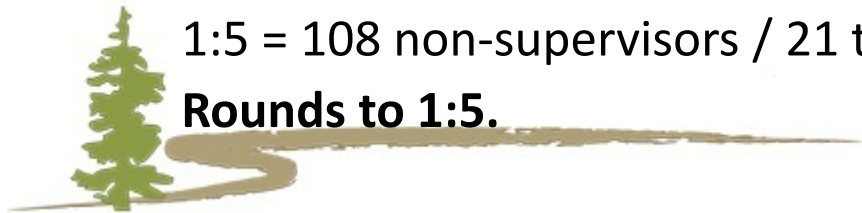
21 total supervisors = 22 employees in a supervisory role – 1 Agency Head

108 total non-supervisors = 93 employees in a non-supervisory role plus 15 non-supervisory vacancies

The agency has a current actual supervisory ratio of:

1:5 = 108 non-supervisors / 21 total supervisors.

Rounds to 1:5.

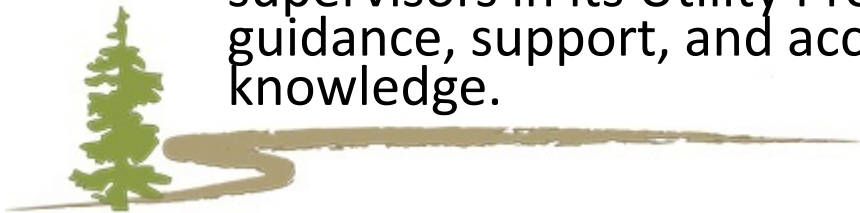


Budget Appendix

Supervisory Span of Control

Complexity of PUC Duties

- Traditionally, the core work of PUC was economic regulation; however, changes in the energy and telecommunications landscape has required PUC to become state's experts in emerging energy and telecommunications policy.
- The energy and telecommunications industries are experiencing significant, revolutionary, and ongoing change. The effects of technology innovation, changes in market structures, shifts in government jurisdiction, development of new products and services, issues concerning cybersecurity and resiliency, broadband availability, and new environmental directives, are all having a profound impact on these industry sectors.
- As a result, the PUC needs additional and exceptional supervisors in its Utility Program to ensure staff has proper guidance, support, and access to technical and operational knowledge.



Budget Appendix

Supervisory Span of Control

Industry Best Practices

PUC's maximum supervisory ratio is well within best practices and standards as our ratio is in the range of 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 (as of June 22, 2018)

Portland General Electric – 1:5

Pacific Power – 1:8

State Regulatory Commissions

Colorado – 1:4

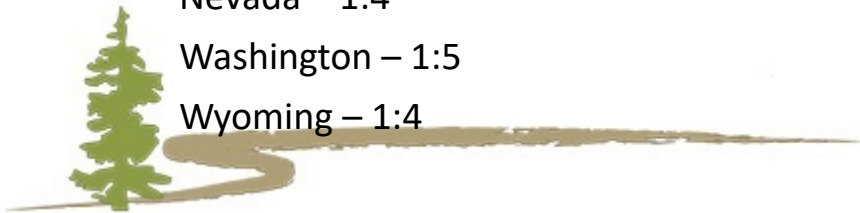
Idaho – 1:3

Montana – 1:3

Nevada – 1:4

Washington – 1:5

Wyoming – 1:4



Budget Appendix

Technology and Capital Construction Projects

None



Budget Appendix

Others Funds Ending Balance Form

UPDATED OTHER FUNDS ENDING BALANCES FOR THE 2019-21 & 2021-23 BIENNIA

Agency: Public Utility Commission
Contact Person (Name & Phone #): Michael Dougherty 971-273-9201

(a) Other Fund Type	(b) Program Area (SCR)	(c) Treasury Fund #/Name	(d) Category/Description	(e) Constitutional and/or Statutory reference	(f) 2019-21 Ending Balance		(h) 2021-23 Ending Balance		(i) Comments
					In LAB	Revised	In CSL	Revised	
Limited	86000-001-00-00-00000, 86000-004-00-00-00000	00401 Utility Regulation	Operations Utility Regulation and Policy & Administration	ORS 756.305	17,271,816	14,634,584	10,538,999	11,649,674	Annual Gross Revenue Fees are collected in April and must pay expenditures for the following twelve months. The currently projected ending balance for 2019-21 is estimated to cover 10 months of operating expenditures. The lower ending balance variance for the current biennium is due to the anticipated impact of COVID-19, a reduction on electric and natural gas fee collection amounts in 2021. Also the expenditure amount got increased by \$585K for the e-filing/e-discovery system modernization, as approved in December 2020 E-board.
Non-Limited	86000-001-00-00-00000	00955 Oregon Universal Service Fund	Operations	ORS 759.425 (6)	1,967,505	4,821,932	3,629,118	3,629,118	The higher ending balance variance is due to revenue forecast got increased by SB1603 passed in the 2020 special session that made substantial changes to the DUSF. Capped the surcharge rate at 6% and both Wireless and VoIP revenues are subject to the fee. The current surcharge rate is 5% as of January 1st, 2020. Updated estimates for disbursement were reduced by \$2 million from the AY21 LAB.
Limited	86000-003-00-00-00000	00415 Residential Service Protection Fund	Operations	ORS 759.687	806,643	2,852,090	327,740	1,206,190	The ending balance for 2019-21 is estimated at 6 months of expenditures. The RSPF assessment is currently expected to be set at fourteen (14) cents for the calendar year starting January 1, 2021. The higher ending balance variance in 2019-21 is due to Oregon Telephone Assistance Program (OTAP) reimbursements being below the expenditure projection in the AY21 LAB. Expenditures are expected to increase again starting January 2021 due to a planned increase of the reimbursement amount to paying subscribers. Also, RSPF received \$788K returned payments from a Telecom provider who had wrongfully claimed reimbursements which significantly contributed to the drop in OTAP reimbursements. POP#101 was approved for RSPF in AY23. The primary purpose of this POP#101 is to adjust the Oregon Telephone Assistance Program (OTAP) discount from \$3.50 to \$10.00 for eligible low-income households that subscribe to phone or broadband internet access service.
Limited	86000-005-00-00-00000	01215, 00401 Board of Maritime Pilots	Operations, Other (Deposit Liability)	ORS 776.365, 776.540	127,505	219,738	124,506	144,116	Estimated ending balance will be about 7 months of expenditures. The higher ending balance variance in 2019-21 is due to 4 months savings from the vacant OPA4 position, a low number of incident investigations, and low Attorney general costs incurred in AY 21.

Objective: Provide updated Other Funds ending balance information for potential use in the development of the 2021-23 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 2019-21 Legislatively Approved Budget. If this changed from previous structures, please note the change in Comments (Column (i)).

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 (i)), 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 2019-21 Legislatively Approved Budget and the 2019-21 Current Service Level at the Agency Request Budget level.

Columns (g) and (i):

Provide updated ending balances based on revised expenditure patterns or revenue trends. Do not include adjustments for reduction options that have been submitted unless the options have already been implemented as part of the 2019-21 General Fund approved budget or otherwise incorporated in the 2019-21 LAB. The revised column (i) can be used for the balances included in the Governor's budget if available at the time of submittal. Provide a description of revisions in Comments (Column (i)).

Column (j): **Please note any reasons for significant changes in balances previously reported during the 2019 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.