

# PUC's Role in Vegetation Management

## About the PUC

The Oregon Public Utility Commission (PUC) regulates investor-owned electric and natural gas utilities, telephone providers (landline only), and select water utilities. The PUC does not regulate cellphone or internet service providers.

As an economic regulator of investor-owned utilities, the PUC's primary role is to decide what rates a utility may charge customers. The PUC reviews whether the utility has sufficient revenue to pay for reasonable costs to operate and maintain its system in a safe manner. This includes costs for proper infrastructure, vegetation management, and facility maintenance.

#### Vegetation Management



Management of vegetation around power lines, utility poles, and substations is a critical part of system maintenance for an electric utility. A successful vegetation management program can help ensure reliability and reduce risk.

All electric utilities in Oregon are subject to the PUC vegetation management rules and any probable violations are documented so the utility can quickly correct them. The PUC annually evaluates the vegetation management programs across the state for the investor-owned electric utilities (PGE, Pacific Power, and Idaho Power) for compliance with PUC

regulations. Additionally, on a 3-year cycle, the PUC inspects vegetation as part of the National Electrical Safety Code (NESC) inspection for consumer-owned utilities. NESC is a minimum standard in Oregon for installation, operation, and maintenance of electric utility and communication lines.

The proactive vegetation management audit program was established to address reliability issues and public safety during the day-to-day operations of the system. The audits monitor utility performance, work with the utility line crews to improve training and identify emerging issues, and gather information about overall performance to inform the rate setting process. This annual audit approach supports accountability that the utilities are dedicating ongoing attention and resources to manage safety risks.

Oregon and California are the only states with specific vegetation clearance minimums around utility infrastructure. In addition, Oregon is the only known state that currently has commission staff proactively audit utility vegetation management programs, rather than respond only to complaints.

#### **Vegetation Management Rules**

These rules require utilities to trim trees, clear around poles and lines, and to manage the vegetation in the utility's right-of-way around their equipment. The PUC's rules <u>do not</u> address the challenges of identifying and removing dead or dangerous trees outside the utility's right-of-way. View <u>OAR 860-024-0016</u> for minimum vegetation clearance requirements.

The minimum clearances required in Oregon's rules are based on 'reasonably anticipated' operating conditions. In an extreme storm event vegetation could move extensively, so compliance with the vegetation standards may not fully avoid outages experienced by customers. Utilities are required to manage their vegetation management programs to ensure safe and reliable service, which could require exceeding the minimum standards. Additionally vegetation outside the utility's right-of-way might cause an outage during a weather event.

#### **Impacts for Audit Findings**

The PUC can review the conduct of a utility and exclude costs from customer rates if those costs are related to unsafe or unreasonable actions, whether or not there were specific safety rules governing the situation. Utility costs that are not included in customer rates must be covered by utility shareholders— i.e., taken out of the utility's profits.

### PUC's Role in Utility Vegetation Management Spending

During the ratemaking process, the PUC sets customer rates that allow a utility the opportunity to earn enough to pay for reasonable costs for vegetation management. These amounts are set based on forward-looking estimates and information provided by the utility and stakeholders. The PUC, however, does not set the company's budget for vegetation management. The company determines the level of expenditures year-to-year based on its performance and the need they see for vegetation management to comply with standards and provide safe and reliable service. These amounts may exceed those amounts estimated in the ratemaking process. The PUC's ongoing audits allow the utility and the PUC to identify issues with the vegetation management program, regardless of what the utility chooses to spend year-to-year.

#### Reporting a Possible Vegetation Violation

Please report any concerns with vegetation to your electric utility service provider. Below is the contact information for the investor-owned utilities regulated by the PUC:

- Portland General Electric 800-542-8818
- Pacific Power 888-221-7070
- Idaho Power 800-488-6151