

A circular inset on the left side of the slide shows a photograph of several high-voltage power transmission towers. The towers are silhouetted against a bright orange and yellow sunset sky. The sun is low on the horizon, creating a strong glow. The sky transitions from orange near the horizon to a clear blue at the top. The towers are interconnected by a network of power lines.

# Public Utility Commission – Role in Utility Regulation

House Committee on Climate, Energy and  
Environment

Nolan Moser, Executive Director  
January 23, 2025

# Utility Regulation at the Public Utility Commission

- Background
  - PUC Overview
  - Who the PUC regulates
  - PUC Authority
- Processes and Roles
  - Types of Dockets
  - Types of Processes
  - Role of Staff and ALJs
- Regulatory Example – Rate Case
  - Content and Process for Rate Case
  - Recent Results
  - Expanding Role

# PUC Overview and Funding

3 full-time Commissioners – 142 FTE

Must consider and approve all changes to tariffed utility rates

Quasi-judicial and policy functions

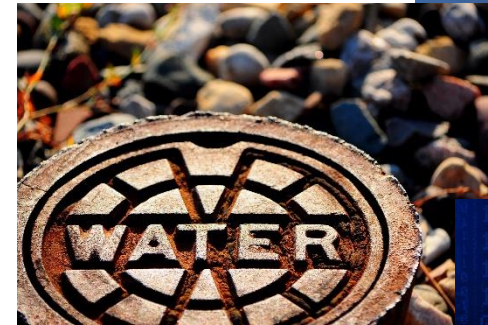
Funded by fee on utilities, .45 % of gross operating revenues

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 and arrive at **balanced, well-reasoned, independent decisions** supported by fact and law.

# Who does the PUC regulate?

- Electric, Natural Gas, Water, and Telecommunications utilities that are investor owned, for rate regulated services.
- PUC does not regulate rates of municipal utilities, and of non-rate regulated services, such as cell phone plans, etc.
  - Rates of municipal or co-op utilities regulated by elected officials or elected board members.



# PUC Authority – Background

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- As monopoly providers of essential services, public utilities are subject to government control over entry, service, and rates
- Although subject to regulation, public utilities remain private enterprises with protected rights
- The PUC sets rates that balance the interests of the utility and its customers
  - To protect customers, the rates must be just and reasonable
  - To protect the financial health of the utility, the rates must provide sufficient revenue for operating expenses and the capital costs of the business
- If rates do not afford sufficient compensation, it may be argued that the State has taken utility property without paying just compensation
- The Commission listens to stakeholders and experts, then makes decisions about these issues



# Commission Support

- **Commission Staff**
  - Make recommendations, work with utilities and stakeholders
  - Provide expert analysis of utility proposals and filing
- **Administrative Hearings Division**
  - Support for the decision-making process



# Categories of Dockets the PUC Reviews

The PUC evaluates regulated utility filings in three major categories.

## Rates

- General Rates Cases
- Annual Cost Adjustments

## Planning

- Integrated Resource Plans
- Clean Energy Plans
- Wildfire Mitigation Plans
- Distribution System Plans

## Programs

- Net Metering
- Community Solar
- Energy Efficiency
- PURPA
- Demand Response
- EV Charging

# How the PUC makes Decisions

The PUC makes decisions and implements policy in 3 primary ways

## Contested Cases

- Quasi-judicial action
- Trial-like process to resolve disputed issues of fact, law, and policy
- Decisions must be based on evidentiary record
- Ex parte restrictions apply
- May be appealed to court

## Rulemakings

- Staff-led process, to collect stakeholder input
- PUC must give notice and allow public comment
- Subject to Open Meetings Law
- Results in rules that subject utilities, others to specific binding and ongoing requirements

## Other-Than Contested Cases

- Decisions as part of regular public meeting agenda
- No formal evidentiary record
- Subject to Open Meetings Law



# Participants in PUC Decision-making

- Regulated Utilities
- Citizens' Utility Board (CUB)
- Environmental Organizations
- Trade Associations and Customer Representatives
- Energy Developers and Organizations
- Community Organizations and Low-Income Groups
- Regional Experts

# HB 2475 Justice Funding

## Groups Representing

- Interests of low-income communities
- Interests of environmental justice customers, including communities of color, communities experiencing lower income, tribal communities, rural communities, coastal communities, communities with limited infrastructure and other communities traditionally underrepresented in public processes and adversely harmed by environmental and health hazards, including but not limited to seniors, youth and persons with disabilities

## Funding/Dockets/Matters

- \$500,000 available annually
- Based on agreements between recipient groups and utilities
- Non-complaint contested cases, rulemakings, and non-contested dockets that affect the applicable utility, and its low-income residential customers and environmental justice communities are eligible for funding
- Named, non-docketed Commission led processes addressing issues that affect the applicable utility and its low-income residential customers or relevant communities



# About PUC Staff

- Staff are:
  - Accountants
  - Financial Analysts
  - Economists
  - Engineers
  - Policy Experts
- Often Paired with Attorney from DOJ

# About PUC Staff, cont.

- Staff:
  - Analyze Utility filings
  - Request more information
  - Develop public meeting memos
  - Develop draft rules
  - Complete reports and analysis
  - Submit, defend written testimony
  - Review all testimony, assess for reasonableness
  - Develop settlement positions
- Attorneys working with Staff:
  - Ensure legal sufficiency of rules and memos
  - Cross examine witnesses
  - Submit legal briefs
  - Make oral arguments

## Roles of the Safety Division

Safety Division leverages two primary roles to advance wildfire readiness, response and resilience

- 1) Safety authority related to overhead utility assets
- 2) Emergency support function when either state emergency agencies or utilities are activated responding to emergencies

- Wildfire-Related Activities Include:
  - Inspecting electric utility infrastructure and rights of way
  - Reviewing IOU wildfire mitigation plans
  - Coordinating with utilities, communities, and other gov't agencies during wildfire season and weather events
  - Hosting Oregon Wildfire & Electric Collaborative events

# About ALJs

- Lawyers/Judges with experience in Administrative Law, Utilities Regulation
- Operate under delegated authority from the Commission
- Responsible for managing Contested Case, other case process
  - Schedules
  - Parties
  - Motions
  - Resolve evidentiary issues
  - Draft orders
  - Manage decision process

# Example of PUC Role: Ratemaking

## General Rate Case

- Evaluates a utility's business costs
- Utility may file at any time
- PUC conducts a year-long contested case investigation
- Staff and other parties evaluate components of utility projected costs
  - Labor
  - Materials
  - Capital costs
  - Prudence of investments
- PUC determines a revenue requirement and rate of return for the utility

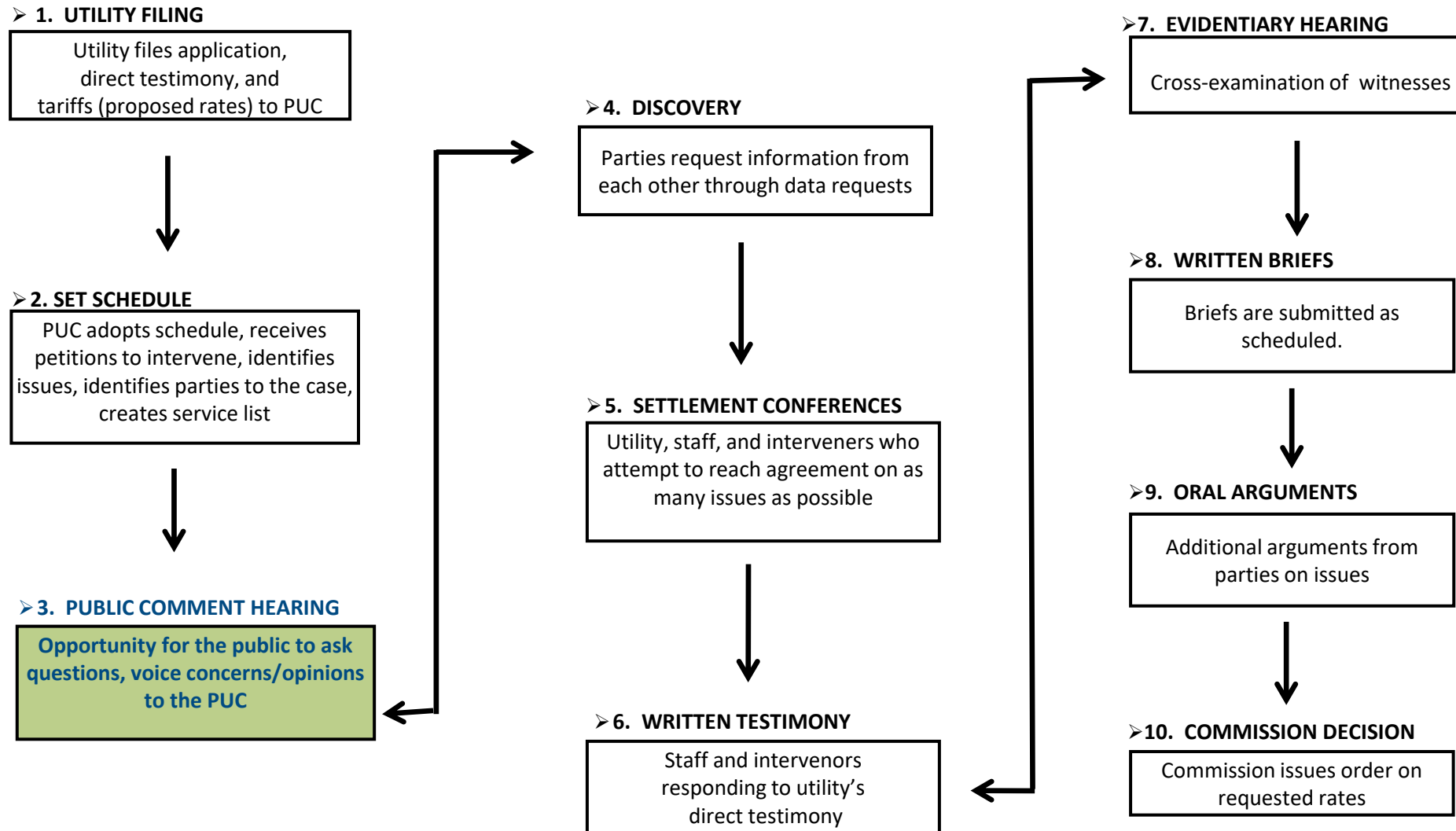
## Annual Cost Adjustments

- Used for some non-capital costs
  - No profit mark-up
  - Incentives to control costs
- Reflect changes in actual prices paid by the utility
  - Wholesale electricity
  - Natural gas
- High variability costs



# Rate Case – Example Process

Public comment can be submitted at any time



# General Rate Revision Requests and Approvals

Utility	Requested Rate Change	Approved Rate Change	Effective Date
PGE	4.8%	1.8%	January 1, 2019
PacifiCorp	6.0%	-1.6%	January 1, 2022
PGE	2.9%	0.5%	May 9, 2022
PacifiCorp	6.8%	3.9%	January 1, 2023
PGE	9.5%	7.3%	January 1, 2024
Idaho Power	19.3%	12%	October 15, 2024
Northwest Nat.	16.7%	9.98%	November 1, 2024
PacifiCorp	17.9%	8.5%	January 1, 2025
PGE	7.4%	3.3 %	January 1, 2025

# Evolving PUC Role

- Climate Policy
- Wildfire
- Equity and Energy Burden

# Additional PUC Resources

- PUC Docket Information

- <https://apps.puc.state.or.us/edocketsSearch/>
- <https://www.oregon.gov/puc/news-events/Pages/default.aspx>

## Upcoming Events

Public Meeting	Feb 4, 2025 - 09:30 AM
Special Public Meeting UM 2345 PAC Continual Progress Towards House Bill 2021 Compliance Oral Argument	Feb 4, 2025 - 01:30 PM
Special Public Meeting UM 2207 PAC; UM 2208 PGE; UM 2209 Idaho Power, Wildfire Mitigation Planning and Community Outreach Commission Workshop	Feb 6, 2025 - 09:30 AM <a href="#">Agenda</a>
Special Public Meeting UG 519 Avista Request for a General Rate Revision Public Comment Hearing	Feb 11, 2025 - 06:00 PM
Special Public Meeting PCN 6 Certificate of Public Convenience and Necessity Oral Argument	Feb 13, 2025 - 09:30 AM
Public Meeting	Feb 18, 2025 - 01:30 PM
Special Public Meeting Vegetation Management Evolution Hearing	Feb 20, 2025 - 09:30 AM
Public Meeting	Mar 4, 2025 - 09:30 AM
Public Meeting	Mar 18, 2025 - 09:30 AM
Public Meeting	Apr 1, 2025 - 09:30 AM
Public Meeting	Apr 15, 2025 - 09:30 AM
Public Meeting	Apr 29, 2025 - 09:30 AM

## Search Archives:

Enter Keywords here

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[Agenda](#) | [Minutes](#)

## Events Archive

2025 2024 2023 2022 2021 2020 2019 2018 2017 2016 2015

Public Meeting	Dec 31, 2024 - 09:40 AM	00h 06m <a href="#">Agenda</a> <a href="#">Minutes</a> <a href="#">Video</a>
UM 2000 - Phase 2 Proposal Modelling Exploration Workshop	Dec 20, 2024 - 01:00 PM	02h 23m <a href="#">Video</a>
Public Meeting	Dec 19, 2024 - 09:30 AM	00h 25m <a href="#">Agenda</a> <a href="#">Minutes</a> <a href="#">Video</a>
UM 2348 - Staff Investigation of IRP and RFP modernization Workshop #2	Dec 18, 2024 - 01:00 PM	01h 49m <a href="#">Video</a>

- Training Resources

- <https://www.oregon.gov/puc/news-events/Pages/Trainings.aspx>

## Recorded Training Sessions - Available Online

[UG 490 Intervenor Training](#) (Feb. 2024)

[Support for those new to PUC processes](#) (Sept. 2023 session)

[Decision Making Process, Issues Addressed by the PUC, Current/Upcoming Dockets](#) (May 31, 2023 session)

[Climate Change and Utility Investment](#)

[Wildfire and Public Safety -- Focus on Wildfire-Related Issues and Dockets](#)

[Low Income Ratemaking and Access to Services](#)

- [Roles and Responsibilities of the PUC](#) - PowerPoint Slides
- [Low-Income Issues at the PUC](#) - PowerPoint Slides
- [Intervenor Funding: Access to funding and next steps for rules](#) -- PowerPoint Slides

[Remote Hearings - Best practices and expectations](#)

[Public Meetings -- What to expect and how to comment](#)

[Rulemaking - What to expect, phases, how to comment](#)

# Questions?

For follow-up questions, please contact  
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