

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: April 3, 2001

REGULAR AGENDA ___ **CONSENT AGENDA** X **EFFECTIVE DATE** N/A _____

DATE: March 27, 2001

TO: Phil Nyegaard through Lee Sparling and Ed Busch

FROM: Judy Johnson

SUBJECT: Docket AR 407, Update Rules to Reflect the Most Current Code of Federal Regulations

SUMMARY RECOMMENDATION:

I recommend the Commission initiate a rulemaking proceeding to revise the attached Oregon Administrative Rules (OARs) for electric, natural gas, and steam heat utilities. The attached changes would update references to the Code of Federal Regulations (CFR) to the most current edition, April 1, 2001.

DISCUSSION:

- 1.OAR 860-021-0015 – This revision updates the reference for record retention of dispute resolution material from OAR 860-028-0010 to OAR 860-027-0120 (see Item 6 below) and incorporates wording changes, which are housekeeping in nature (see Item 7 below).
- 2.OAR 860-027-0045 – This change updates the reference used for the Uniform System of accounts, for electric utilities, from November 30, 1991 to April 1, 2001. This change keeps the Commission's requirements current with the Federal Energy Regulatory Commission (FERC).
- 3.OAR 860-027-0055 – This change updates the reference used for the Uniform System of accounts, for gas utilities, from November 30, 1991 to April 1, 2001. This change keeps the Commission's requirements current with the FERC requirements.
- 4.OAR 860-027-0065 – This change updates the reference used for the Uniform System of accounts, for steam heat utilities, from January 31, 1938 to April 1, 2001. This change keeps the Commission's requirements current with the FERC requirements. The Commission does not currently regulate any steam heat utilities;

however, it does have statutory authority to regulate such utilities and the rules should reflect more current references.

5.OAR 860-027-0120 – These changes concern the preservation and destruction of records for electric, gas, and steam heat utilities. The changes are listed below:

- a. There is a change in the record retention requirements cite from a 1985 National Association of Regulatory Utility Commissioners (NARUC) document to the April 1, 2001 edition of the 18 CFR for electric and gas utilities. The NARUC manual has not been updated since 1985, at which time it closely matched the retention requirements of the FERC. In 2000, the FERC undertook a massive revamping of its record retention requirements, which took effect on January 1, 2001, and was published in its April 1, 2001 edition of the 18 Code of Federal Regulations.
- b. The proposed rule contains one exception to the new record retention requirements – the minute books of stockholders', directors', and directors' committee meetings will be retained for twenty-five years instead of the five years recommended in the new FERC rules. Staff believes planning horizons for many projects may span more than five years and it may be important to review the minutes for the entire span of time. The old requirement called for these records to be retained fifty years.
- c. There is a change in the record retention requirements cite from a 1936 Regulations to Govern the Preservation and Destruction of Records of Classes A, B, and C Steam Heat Utilities document to the April 1, 2001 edition of the 18 CFR for steam heat utilities.

6.OAR 860-027-0120 has been renumbered from 860-028-0010. The Commission Safety staff is in the process of consolidating all safety rules into Division 28. The records retention rule has been moved from Division 28 to Division 27 (Budgets, Finance, Accounting, and Annual Reports) to accommodate this future change.

7. There have been additional wording changes in each of the rules, which are housekeeping in nature, to make them consistent with rule changes the Commission is considering in Docket AR 400.

By adopting the April 1, 2001 edition of the 18 CFR, the Commission will enable the utilities it regulates to have one set of record retention requirements to meet instead of two, as they currently do. For instance, PGE had some questions about the record retention requirements for nuclear records using the requirements from the NARUC manual. After reviewing the matter, I discovered the new CFR requirements simply defer all nuclear record retention requirements to the Nuclear Regulatory Commission (NRC). This creates requirements that are simpler and more cost-effective, and the utilities will not have to comply with multiple and conflicting rules.

Phil Nyegaard
March 27, 2001
Page 3

The Commission staff in Safety, Financial Analysis, Affiliated Interests, and Electric and Natural Gas have thoroughly reviewed the proposed changes in record retention requirements. The only exception to the proposed requirements is noted in 5(b) above.

STAFF RECOMMENDATION:

I recommend the Commission initiate a rulemaking proceeding to revise the attached Oregon Administrative Rules (OARs) for electric, natural gas, and steam heat utilities.

Attachments

860-021-0015

Dispute Resolution

(1) When a dispute occurs between a customer or applicant and an **energy or large telecommunications** utility about any bill, charge, or service, the utility shall thoroughly investigate the matter and promptly report the results of its investigation to the customer or applicant. Each **energy or large telecommunications** utility shall prepare a written record showing the name and address of the customer or applicant involved, the date and character of the dispute, and the disposition of the matter. The **energy or large telecommunications** utility shall retain records of the dispute pursuant to OAR-~~860-028-0010~~ **860-027-0120**.

(2) The **energy or large telecommunications** utility shall inform the customer or applicant of the right to supervisory review of any dispute, including but not limited to, establishment of credit and termination of service. If a dispute is not resolved, the **energy or large telecommunications** utility shall notify the customer or applicant of the Commission's dispute resolution procedure and its toll-free telephone number.

(3) A customer or applicant may request the Commission's assistance in resolving the dispute by contacting the Commission's Consumer Services Division at 1-800-522-2404; TDD 1-800-648-3458; or at 550 Capitol Street NE Suite 215, Salem, Oregon 97301-2551. The Commission shall notify the **energy or large telecommunications** utility upon receipt of such a request.

(4) The Commission's Consumer Services Division shall assist the complainant and the **energy or large telecommunications** utility in an effort to reach an informal resolution of the dispute.

(5) If a registered dispute cannot be resolved informally, the Commission's Consumer Services Division shall advise the complainant of the right to file a formal written complaint with the Commission. The complaint shall state the facts of the dispute and the relief requested. The **energy or large telecommunications** utility shall answer the complaint within 15 days of service of the complaint. The matter shall then be set for expedited hearing. A hearing may be held on less than ten days' notice when good cause is shown.

(6) Pending resolution of the dispute, the complainant's obligation to pay undisputed amounts continues.

(7) A customer or applicant who has a registered dispute or formal complaint pending with the Commission shall be entitled to continued or restored service provided:

(a) Service was not terminated for theft of service or failure to establish credit;

(b) A bona fide dispute exists in which the facts asserted by the customer or applicant entitle the customer or applicant to service;

(c) When termination is based on nonpayment, the customer or applicant makes adequate arrangement to avoid future loss to the **energy or large telecommunications** utility, such as prepaying estimated monthly utility charges; and

(d) The customer or applicant diligently pursues conflict resolution under the Commission's rules.

(8) If the conditions in section (7) of this rule are not satisfied, the energy or large telecommunications utility has no obligation to provide continued service. An energy or large telecommunications utility discontinuing service because of a failure to meet the conditions of subsections (7)(c) or (7)(d) of this rule shall give the customer five-day notice served in the same manner as provided by OAR 860-021-0405 or OAR 860-021-0505, whichever applies, except the notice need only describe the defect in performance, the date and time when utility service will terminate, and the toll-free number of the Commission's Consumer Services Division. In deciding whether the conditions are met, the energy or large telecommunications utility shall consult with the Commission's Consumer Services Division. A customer or applicant who has filed a formal complaint, the energy or large telecommunications utility, or the Commission's Consumer Services Division may ask the Commission for a hearing to decide if the conditions are met. Unless extraordinary circumstances exist, the hearing will be conducted by telephone conference within three business days from the date requested. Notice of hearing will be given to the customer, the energy or large telecommunications utility, and the Commission's Consumer Services Division at least 12 hours before the date and time of the hearing. Notice is effective when given in person, by telephone, or in writing delivered to the party's last known address. Mailed notice is effective two days after deposit in the U.S. mail, excluding Sundays and holidays.

Stat. Auth.: ORS Ch. 183, 756, 757 & 759

Stats. Implemented: ORS 756.040, 756.500 & 756.512

Hist.: PUC 164, f. 4-18-74. ef. 5-11-74 (Order No. 74-307); PUC 5-1983, f. 5-31-83, ef. 6-1-83 (Order No. 83-284); PUC 12-1983, f. & ef. 10-7-83 (Order No. 83-623); PUC 1-1985, f. & ef. 2-1-85 (Order No. 85-075); PUC 4-1985, f. & ef. 4-22-85 (Order No. 85-350); PUC 5-1987, f. & ef. 7-2-87 (Order No. 87-723); PUC 16-1990, f. 9-28-90, cert. ef. 10-1-90 (Order No. 90-1105); PUC 11-1998, f. & ef. 5-7-98 (Order No. 98-188); PUC 8-1999, f. & ef. 10-18-99 (Order No. 99-632)

860-027-0045

Uniform System of Accounts for Electric Utilities — —Major and Nonmajor

(1) The Uniform System of Accounts prescribed for Public Utilities and Licensees, ~~by the Federal Energy Regulatory Commission, February 12, 1985, as amended through November 30, 1991, Part 101, Chapter 1, 18 Code of Federal Regulations (April 1, 2001, edition)~~ is hereby adopted and prescribed by the Commission for each electric utility.

(2) ~~All~~Each electric-~~utilities~~ utility having multistate operations shall maintain records in such detail that the cost of property located in and business done in Oregon in accordance with geographic boundaries can be readily ascertained.

(3) ~~All~~Each electric-~~utilities~~ utility having multistate operations shall file annually with the Commission, on or before April 1 of the ensuing year, ~~their~~ its Oregon allocated results of

operations for the calendar year reported, on the basis of allocation methods acceptable to the Commission.

[Publications: The publication(s) referred to or incorporated by reference in this rule are available from the office of the Public Utility Commission.]

Stat. Auth.: ORS Ch. 183, 756 & 757

Stats. Implemented: ORS 756.105, 757.120, 757.125 & 757.135

Hist.: PUC 164, f. 4-18-74, ef. 5-11-74 (Order No. 74-307); PUC 5-1985, f. & ef. 4-24-85 (Order No. 85-355); PUC 5-1992, f. & ef. 2-14-92 (Order No. 92-246); PUC 9-2001, f. & cert. ef. 3-21-01 (Order No. 01-248)

860-027-0055

Uniform System of Accounts for Gas Utilities – Major and Nonmajor

(1) The Uniform System of Accounts prescribed for Natural Gas Companies, ~~by the Federal Energy Regulatory Commission, February 12, 1985, as amended through November 30, 1991, Part 201, Chapter 1, 18 Code of Federal Regulations (April 1, 2001, edition)~~ is hereby adopted and prescribed by the Commission **for each gas utility**.

(2) ~~All~~**Each** gas ~~utilities~~ **utility** having multistate operations shall maintain records in such detail that the cost of property located in and business done in Oregon can be readily ascertained.

(3) ~~All~~**Each** gas ~~utilities~~ **utility** having multistate operations shall file annually with the Commission, on or before April 1 of the ensuing year, ~~their~~ **its** Oregon allocated results of operations for the calendar year reported, on the basis of allocation methods acceptable to the Commission.

[Publications: The publication(s) referred to or incorporated by reference in this rule are available from the office of the Public Utility Commission.]

Stat. Auth.: ORS Ch. 183, 756 & 757

Stats. Implemented: ORS 756.105, 757.120, 757.125 & 757.135

Hist.: PUC 164, f. 4-18-74, ef. 5-11-74 (Order No. 74-307); PUC 5-1985, f. & ef. 4-24-85 (Order No. 85-355); PUC 5-1992, f. & ef. 2-14-92 (Order No. 92-246); PUC 9-2001, f. & cert. ef. 3-21-01 (Order No. 01-248)

860-027-0065

Uniform System of Accounts for Steam Heat Utilities – Class A, B, and C

The Uniform System of Accounts for ~~Steam Heat Utilities, January 1, 1938, copies of which are on file with the Secretary of State, Public Utilities and Licensees, Part 101, Chapter 1, 18 Code of Federal Regulations (April 1, 2001, edition)~~ is hereby adopted and

prescribed by the Commission for ~~all Class A, B, and C Steam Heat Utilities~~ each steam heat utility.

[Publications: The publication(s) referred to or incorporated by reference in this rule are available from the office of the Public Utility Commission.]

Stat. Auth.: ORS Ch. 183, 756 & 757

Stats. Implemented: ORS 756.105, 757.120, 757.125 & 757.135

Hist.: PUC 164, f. 4-18-74, ef. 5-11-74 (Order 74-307); PUC 9-2001, f. & cert. ef. 3-21-01 (Order No. 01-248)

860-027-0120

Preservation and Destruction of Records

(1) Electric ~~and Gas~~ Utilities. The ~~Regulations to Govern the Preservation of Records of Electric, Gas and Water Utilities, April 1974, revised May 1985, published by the NARUC, a copy of which is on file with the Secretary of State, Preservation of Records of Public Utilities and Licensees, Part 125, Chapter 1, 18 Code of Federal Regulations (April 1, 2001, edition)~~ is hereby adopted and prescribed by the Commission for ~~all each electric and gas utilities~~ utility with the following exceptions: Corporate and General, Organizational documents – An electric utility shall retain minute books of stockholders', directors', and directors' committee meetings for twenty-five years.

~~—(a) Operations and Maintenance, Production—Gas. Utilities shall retain royalty records for six years;~~

~~(b) Operations and Maintenance, Records of Auxiliary and Other Operations. Utilities shall retain records of operations other than utility operations for the same periods as prescribed for similar records pertaining to utility operations;~~

~~(c) Operations and Maintenance, Transmission, and Distribution—Gas. Utilities shall retain records of meter tests until the superseding test but not less than two years or as may be necessary to comply with service rules regarding refunds on fast meters;~~

~~(d) Revenue Accounting and Collecting. Utilities shall retain contracts and card files or other records thereof with customers for utility service for one year after the expiration or cancellation of the agreement.~~

(2) Gas Utilities. The Preservation of Records of Public Utilities and Licensees, Part 225, Chapter 1, 18 Code of Federal Regulations (April 1, 2001, edition) is hereby adopted and prescribed by the Commission for each gas utility with the following exception: Corporate and General, Organizational documents – A gas utility shall retain minute books of stockholders', directors', and directors' committee meetings for twenty-five years.

(23) Steam Heat Utilities. The ~~Regulations to Govern the Preservation and Destruction of Records of Classes A, B, and C Electric, Water, Gas and Steam Heat Utilities, 1936, copies of which are on file with the Secretary of State, Preservation of Records of Public Utilities and Licensees, Part 125, Chapter 1, 18 Code of Federal Regulations (April 1, 2001, edition)~~ is hereby adopted and prescribed by the Commission for ~~all~~ each steam heat utilities ~~utility with the following exception: Corporate and General, Organizational documents – A steam heat utility shall retain minute books of stockholders', directors', and directors' committee meetings for twenty-five years.~~

(34) ~~Large T~~ Telecommunications Utilities. The Regulations to Govern the Preservation of Records of Communication Common Carriers, Part 42, 47 Code of Federal Regulations Chapter 1 (October 1, 1998, Edition) is hereby adopted and prescribed by the Commission for ~~all~~ each ~~large~~ telecommunications ~~utilities~~ utility.

[Publications: The publication(s) referred to or incorporated by reference in this rule are available from the office of the Public Utility Commission.]

Stat. Auth.: ORS Ch. 183, 756, 757 & 759

Stats. Implemented: ORS 756.040 & 756.105

Hist.: PUC 164, f. 4-18-74, ef. 5-11-74 (Order No. 74-307); PUC 12-1985, f. & ef. 8-20-85 (Order No. 85-751); PUC 15-1986, f. & ef. 11-10-86 (Order No. 86-1144); PUC 1-1998, f. & ef. 1-12-98 (Order No. 98-016); PUC 8-2000, f. & ef. 5-26-00 (Order No. 00-262);

Renumbered from 860-028-0010

860-028-0010

[ED. NOTE: Former OAR 860-028-0010 was renumbered to 860-027-0120.]