

Secretary of State  
**NOTICE OF PROPOSED RULEMAKING HEARING\***  
A Statement of Need and Fiscal Impact accompanies this form

**FILED**  
5-26-15 1:05 PM  
ARCHIVES DIVISION  
SECRETARY OF STATE

Public Utility Commission of Oregon

Agency and Division

Administrative Rules Chapter Number

860

Diane Davis

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Rules Coordinator

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Address

**RULE CAPTION**

In the Matter of Depreciation Study Requirements for Energy Utilities.

Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.

Hearing Date	Time	Location	Hearings Officer
7-22-15	1:30 p.m.	PUC Hearing Room, 201 High Street, Salem, Oregon 97301	ALJ Patrick Power

**RULEMAKING ACTION**

Secure approval of rule numbers with the Administrative Rules Unit prior to filing.

**ADOPT:**

860-027-0350

**AMEND:**

**REPEAL:**

**RENUMBER:** Secure approval of new rule numbers with the Administrative Rules Unit prior to filing.

**AMEND AND RENUMBER:** Secure approval of new rule numbers with the Administrative Rules Unit prior to filing.

**Statutory Authority:**

ORS Ch. 183, 756, 757

**Other Authority:**

**Statutes Implemented:**

ORS 756.040, 756.105, 757.140

**RULE SUMMARY**

The rule requires each regulated energy utility to file a new depreciation study with the PUC no less frequently than every five years. The regulated energy utilities are already generally meeting this requirement.

The Commission encourages participants to file written comments as early as practicable in the proceedings so that other participants have the opportunity to consider and respond to the comments before the deadline. Please reference Docket No. AR 588 on comments and file them by e-mail to the Commission's Filing Center at [PUC.FilingCenter@state.or.us](mailto:PUC.FilingCenter@state.or.us).

Interested persons may review all filings online at <http://apps.puc.state.or.us/edockets/docket.asp?DocketID=19558>. For guidelines on filing and participation, please see OAR 860-001-0140 through 860-001-0160 and 860-001-0200 through 860-001-0250 found online at [http://arcweb.sos.state.or.us/pages/rules/oars\\_800/oar\\_860/860\\_001.html](http://arcweb.sos.state.or.us/pages/rules/oars_800/oar_860/860_001.html).

Participants wishing to monitor the hearing by telephone must contact Diane Davis at [diane.davis@state.or.us](mailto:diane.davis@state.or.us) or (503) 378-4372 by close of business 07/21/2015, to request a dial-in number. The Commission strongly encourages those planning to present oral comment at the hearing to attend in person.

The Agency requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing negative economic impact of the rule on business.

07-30-2015 5:00 p.m.

Diane Davis

diane.davis@state.or.us

Last Day (m/d/yyyy) and Time  
for public comment

Rules Coordinator Name

Email Address

\*The Oregon Bulletin is published on the 1st of each month and updates the rule text found in the Oregon Administrative Rules Compilation.

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In the Matter of Depreciation Study Requirements for Energy Utilities.

Rule Caption (Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.)

In the Matter of:

Depreciation Study Requirements for Energy Utilities.

**Statutory Authority:**

ORS Ch. 183, 756, 757

**Other Authority:**

**Statutes Implemented:**

ORS 756.040, 756.105, 757.140

**Need for the Rule(s):**

This rule is needed to establish clear requirements for the maximum time that can elapse until a depreciation study must be updated. This avoids potential conflicts regarding the timing of depreciation studies. The rule will allow the energy utility to better plan its use of resources in considering when to update the depreciation study. Depreciation studies are used, in part, in establishing just and reasonable rates for utilities.

**Documents Relied Upon, and where they are available:**

None

**Fiscal and Economic Impact:**

There is no fiscal or economic impact anticipated as a result of this new rule because the energy utilities subject to the rule generally follow this practice now.

**Statement of Cost of Compliance:**

**1. Impact on state agencies, units of local government and the public (ORS 183.335(2)(b)(E)):**

As stated above, because energy utilities generally follow this practice, there is no anticipated impact.

**2. Cost of compliance effect on small business (ORS 183.336):**

**a. Estimate the number of small business and types of businesses and industries with small businesses subject to the rule:**

Regulated energy utilities, none of which are small businesses, are subject to the rule.

**b. Projected reporting, recordkeeping and other administrative activities required for compliance, including costs of professional services:**

Costs are incurred for record keeping purposes; however, since the subject utilities are already generally meeting this requirement, no to little additional costs are anticipated.

**c. Equipment, supplies, labor and increased administration required for compliance:**

There is no anticipated increase in administration, equipment, or labor costs for compliance.

**How were small businesses involved in the development of this rule?**

Because small businesses are not subject to the rule, they were not involved in the development of the rule.

**Administrative Rule Advisory Committee consulted?: No**

**If not, why?:**

PUC Staff worked with industry representatives to develop the proposed rule language.

07-30-2015 5:00 p.m.  
Last Day (m/d/yyyy) and Time

Diane Davis  
Printed Name

diane.davis@state.or.us  
Email Address

for public comment

Administrative Rules Unit, Archives Division, Secretary of State, 800 Summer Street NE, Salem, Oregon 97310.

ARC 925-2007

**860-027-0350**

**Depreciation Study Requirements for Energy Utilities**

**(1) As used in this rule, a “depreciation study” means a study by an energy utility sufficient to allow the Commission to determine the proper and adequate rates of depreciation of the several classes of property of the public utility.**

**(2) Each energy utility must file a new depreciation study with the Commission no less frequently than once every five years.**

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

**Stats. Implemented: ORS 756.040, 756.105, 757.140**

**Hist.: NEW**