

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

UM 1633

In the Matter of

PUBLIC UTILITY COMMISSION OF  
OREGON,

Investigation into Treatment of Pension  
Costs in Utility Rates.

NOTICE OF  
COMMISSION WORKSHOP

Notice is given that a Commission workshop will be held in this docket as follows:

**DATE:** March 11, 2013

**TIME:** 1:30 to 4:00 p.m.

**LOCATION:** Public Utility Commission  
Main Hearing Room, 1<sup>st</sup> Floor  
550 Capitol Street NE  
Salem, Oregon 97301

The workshop is designed to provide the Commission with a better understanding of the underlying issues so that it can more effectively evaluate any subsequently proposed changes to Commission policies governing treatment of pension expense. To meet this goal, the Commissioners request that the workshop participants focus on the pension funding requirements applicable to all utilities, the impact those requirements and external forces have had on each utility, and how the Commission's ratemaking treatment of pension costs has affected the utilities over the past several years.

Specifically, the parties are asked to provide a high-level overview that clearly addresses the following questions:

- Pension Plans
  - What are the types of pension plans offered by utilities?
  - How are the funds managed?
  - What is the funded status of plans?

- Pension Funding Requirements
  - FAS 87
    - How is pension expense calculated?
    - What assumptions and inputs are used?
    - What level of influence and discretion does management have in calculating expense?
  - Pension Protection Act (PPA)
    - What requirements are imposed?
    - What options do utilities have to comply with requirements?
    - How are PPA cash contributions calculated?
    - What is the relationship between PPA cash contributions and FAS 87 expense?
    - Since the passage of the PPA, what level of cash contributions have the utilities paid?
  - External Factors
    - What external factors affect pension funding requirements?
- Current Ratemaking Treatment of Pension Expense
  - What should be the Commission's goal with utility recovery of pension expense?
  - Are current policies meeting this goal? Why or why not?

Parties are encouraged to discuss how to best present this information to the Commission, with perspectives and comments from all parties.

Dated this 25th day of January, 2013, at Salem, Oregon.



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Michael Grant  
Chief Administrative Law Judge