

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

**Public Utility Commission**

**860**

Agency and Division

Administrative Rules Chapter Number

**Diane Davis**

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Rules Coordinator

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**RULE CAPTION**

**In the Matter of a Rulemaking to Implement SB 838 Relating to Renewable Portfolio Standard.**

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

Hearing Date

Time

Location

Administrative Law Judge

**November 27, 2007**

**9:30 a.m.**

**Public Utility Commission**

**Allan J. Arlow**

**Main Hearing Room, 1st Floor**

**550 Capitol Street NE**

**Salem, Oregon**

*Auxiliary aids for persons with disabilities are available upon advance request.*

**RULEMAKING ACTION**

Secure approval of new rule numbers (adopted or renumbered) with the Administrative Rules Unit prior to filing.

**ADOPT:**

**AMEND: 860-038-0005 and 860-038-0480**

**REPEAL:**

**RENUMBER:**

**AMEND and RENUMBER:**

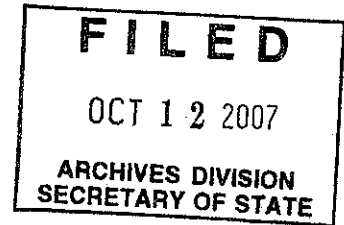
**ORS 183, 756 & 757**

Stat. Auth:

Other Authority

**ORS 756.040 & 757.600 to 757.667**

Stats. Implemented:



**RULE SUMMARY**

The proposed rule amendments address the effects of the Senate Bill 838, Section 27, amendments to ORS 757.612(2)(a) and (3)(b)(B) which go into effect on January 1, 2008. Section 27 of SB 838 provides that the new renewable energy portion of the public purpose charge must be spent exclusively on projects 20 megawatts or less in size and provides for the extension of the sunset date to January 1, 2026. The proposed rule amendments further clarify that funds spent under this portion of the public purpose statutes must be spent on *specific* renewable energy projects.

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.

**November 27, 2007, 5:00 p.m.**

Last day for Public Comment

Last day to submit written comments to the Commission

Signature

Diane Davis

Printed Name

**10-12-07**

Date

\*\*Hearing Notices published in the Oregon Bulletin must be submitted by 5:00 p.m. on the 15<sup>th</sup> day of the preceding month unless this deadline falls on a weekend or legal holiday, upon which the deadline is 5:00 pm the preceding workday. ARC 920-2005

Secretary of State

**STATEMENT OF NEED AND FISCAL IMPACT**

A Notice of Proposed Rulemaking Hearing or a Notice of Proposed Rulemaking accompanies this form.

Agency and Division	Administrative Rules Chapter Number
Public Utility Commission	860

In the Matter of a Rulemaking to Implement SB 838 Relating to Renewable Portfolio Standard.

Rule Caption: In the Matter of a Rulemaking to Implement SB 838 Relating to Renewable Portfolio Standard.

Statutory Authority: ORS 183, 756 & 757

Other Authority:

Stats. Implemented: ORS 756.040 & 757.600 to 757.667

Need for the Rule(s): These amendments to OAR 860-038-0005 and 860-038-0480 are necessary to address the effects of the Senate Bill 838, Section 27 amendments to ORS 757.612(2)(a) and (3)(b)(B).

Documents Relied Upon, and where they are available:

(1) Senate Bill 838

(<http://www.leg.state.or.us/07reg/measpdf/sb0800.dir/sb0838.en.pdf>)

(2) Oregon Administrative Rules, Chapter 860, Division 038

([http://arcweb.sos.state.or.us/rules/OARS\\_800/OAR\\_860/860\\_038.html](http://arcweb.sos.state.or.us/rules/OARS_800/OAR_860/860_038.html))

Fiscal and Economic Impact, including Statement of Cost of Compliance:

The specific proposed changes to OAR 860-038-0005 and 860-038-0480 are not expected to have a fiscal or economic impact on state agencies, local governments, other industries or the general public.

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

This rulemaking is the result of legislative action. The public, including small businesses, were able to participate in the legislative process. Additionally, representatives from industry and affected businesses participated in the staff sponsored proposed rule development workshop conducted October 8, 2007.

Administrative Rule Advisory Committee consulted? No  
If not, why?

This rulemaking is the result of legislative action. Representatives from industry and affected businesses participated in the staff sponsored proposed rule development workshop conducted October 8, 2007.

Diane Davis  
Authorized Signer

Diane Davis  
Printed Name

10/12/07  
Date

860-038-0005

**Definitions for Direct Access Regulation**

As used in this Division:

(1) "Above-market costs of new renewable energy resources" means the portion of the net present value cost of producing power (including fixed and operating costs, delivery, overhead, and profit) from a new renewable energy resource that exceeds the market value of an equivalent quantity and distribution (across peak and off-peak periods and seasonality) of power from a nondifferentiated source, with the same term of contract.

(2) "Portfolio Options Committee" means a group appointed by the Commission, consisting of representatives from Commission Staff, the Oregon Department of Energy, and the following:

- (a) Local governments;
- (b) Electric companies;
- (c) Residential consumers;
- (d) Public or regional interest groups; and
- (e) Small nonresidential consumers.

(3) "Affiliate" means a corporation or person who has an affiliated interest, as defined in ORS 757.015, with a public utility.

(4) "Aggregate" means combining retail electricity consumers into a buying group for the purchase of electricity and related services. "Aggregator" means an entity that aggregates.

(5) "Ancillary services" means those services necessary or incidental to the transmission and delivery of electricity from resources to retail electricity consumers, including but not limited to scheduling, frequency regulation, load shaping, load following, spinning reserves, supplemental reserves, reactive power, voltage control and energy balancing services.

(6) "Commission" means the Public Utility Commission of Oregon.

(7) "Common costs" means costs that cannot be directly assigned to a particular function.

(8) "Competitive operations" means any electric company's activities involving the sale or marketing of electricity services or directly related products in an Oregon retail market. Competitive operations include, but are not limited to, the following:

- (a) Energy efficiency audits and programs;
- (b) Sales, installation, management, and maintenance of electrical equipment that is used to provide generation, transmission, and distribution related services or enhances the reliability of such services; and
- (c) Energy management services, including those services related to electricity metering and billing.

Services or products provided by the electric company as part of its electric service to its non-direct access customers within its allocated service territory, or transmission and distribution services to its direct access customers are not competitive operations.

**(9) "Constructing and operating," as used in ORS 757.612(3)(b)(B), means constructing, or operating, or both.**

**(a) As used in ORS 757.612(3)(b)(B), "constructing" includes the following activities:**

**(A) Pre-development project studies, activities or costs that are related to the planned development of a new renewable energy resource that a developer or owner would reasonably expect to incur; and**

**(B) Activities or costs directly related to the building of a new renewable energy resource.**

**(b) As used in ORS 757.612(3)(b)(B), "operating" includes the activities and costs necessary for a new renewable energy resource to function and to be maintained in good working order.**

**(910)** "Consumer-owned utility" means a municipal electric utility, a people's utility district, or an electric cooperative.

**(1011)** "Cost-of-service consumer" means a retail electricity consumer who is eligible for a cost-of-service rate under ORS 757.603.

**(1112)** "Default supplier" means an electric company that has a legal obligation to provide electricity services to a consumer, as determined by the Commission.

**(1213)** "Direct access" means the ability of a retail electricity consumer to purchase electricity and certain ancillary services directly from an entity other than the distribution utility.

**(1314)** "Direct service industrial consumer" means an end-user of electricity that obtains electricity directly from the transmission grid and not through a distribution utility.

**(1415)** "Distribution" means the delivery of electricity to retail electricity consumers through a distribution system consisting of local area power poles, transformers, conductors, meters, substations and other equipment.

**(1516)** "Distribution utility" means an electric utility that owns and operates a distribution system connecting the transmission grid to the retail electricity consumer.

**(1617)** "Divestiture" means the sale of all or a portion of an electric company's ownership share of a generation asset to a third party.

**(1718)** "Economic utility investment" means all Oregon allocated investments made by an electric company that offers direct access under ORS 757.600 to 757.667, including plants and equipment and contractual or other legal obligations, properly dedicated to generation or conservation, that were prudent at the time the obligations were assumed but the full benefits of which are no longer available to consumers as a direct result of ORS 757.600 to 757.667, absent transition credits. "Economic utility investment" does not include costs or expenses disallowed by the Commission in a prudence review or other proceeding, to the extent of such disallowance, and does not include fines or penalties authorized and imposed under state or federal law.

**(1819)** "Electric company" means an entity engaged in the business of distributing electricity to retail electricity consumers in this state but does not include a consumer-owned utility.

**(1920)** "Electric company operational information" means information obtained by an electric company as part of its provision of services or products, as long as such products or services are not defined as "competitive operations." Such information includes, but is not limited to, data relating to the interconnection of customers to an electric company's transmission or distribution systems; trade secrets; competitive information relating to internal processes; market analysis reports; market forecasts; and information about an

electric company's transmission or distribution system, processes, operations, or plans or strategies for expansion.

~~(2021)~~ "Electric cooperative" means an electric cooperative corporation organized under ORS Chapter 62 or under the laws of another state if the service territory of the electric cooperative includes a portion of this state.

~~(2122)~~ "Electric utility" means an electric company or consumer-owned utility that is engaged in the business of distributing electricity to retail electricity consumers in this state.

~~(2223)~~ "Electricity" means electric energy, measured in kilowatt-hours, or electric capacity, measured in kilowatts, or both.

~~(2324)~~ "Electricity services" means electricity distribution, transmission, generation, or generation-related services.

~~(2425)~~ "Electricity service supplier" or "ESS" means a person or entity that offers to sell electricity services available pursuant to direct access to more than one retail electricity consumer. "Electricity service supplier" does not include an electric utility selling electricity to retail electricity consumers in its own service territory. An ESS can also be an aggregator.

~~(2526)~~ "Emergency default service" means a service option provided by an electric company to a nonresidential consumer that requires less than five business days' notice by the consumer or its electricity service supplier.

~~(2627)~~ "Fully distributed cost" means the cost of an electric company good or service calculated in accordance with the procedures set forth in OAR 860-038-0200.

~~(2728)~~ "Functional separation" means separating the costs of the electric company's business functions and recording the results within its accounting records, including allocation of common costs.

~~(2829)~~ "Joint marketing" means the offering (including marketing, promotion, or advertising) of retail electric services by an electric company in conjunction with its competitive operation to consumers either through contact initiated by the electric company, its Oregon affiliate, or through contact initiated by the consumer.

~~(2930)~~ "Large nonresidential consumer" means a nonresidential consumer whose kW demand at any point of delivery is greater than 30 kW during any two months within a prior 13-month period.

~~(3031)~~ "Load" means the amount of electricity delivered to or required by a retail electricity consumer at a specific point of delivery.

~~(3132)~~ "Local energy conservation" means conservation measures, projects, or programs that are installed or implemented within the service territory of an electric company.

~~(3233)~~ "Low-income weatherization" means repairs, weatherization, and installation of energy efficient appliances and fixtures for low-income residences for the purpose of enhancing energy efficiency.

~~(3334)~~ "Market transformation" means a lasting structural or behavioral change in the marketplace that increases the adoption of energy efficient technologies and practices.

~~(3435)~~ "Multi-state electric company" means an electric company that provided regulated retail electric service in a state in addition to Oregon prior to January 1, 2000.

~~(3536)~~ "Municipal electric utility" means an electric distribution utility owned and operated by or on behalf of a city.

(3637) "Net system power mix" means the mix of all power generation within the state or other region less all specific purchases from generation facilities in the state or region, as determined by the Oregon Department of Energy.

(3738) "New" as it refers to energy conservation, market transformation, and low-income weatherization means measures, projects or programs that are installed or implemented after the date direct access is offered by an electric company.

(3839) "New renewable energy resource," ~~means a renewable energy resource project or a new addition to an existing renewable energy resource project, or the electricity produced by the project, that was not in operation on or before July 23, 1999. "New renewable energy resource" does not include any portion of a renewable energy resource project under contract to the Bonneville Power Administration on or before July 23, 1999. as used in ORS 757.612(3)(b)(B), has the meaning provided in ORS 757.600(21) and references a specifically identified project that has, or is planned to have after construction, a nominal electric generating capacity, as defined in ORS 469.300, of 20 megawatts or less.~~

(3940) "Non-energy attributes" means the environmental, economic, and social benefits of generation from renewable energy facilities. These attributes are normally transacted in the form of Tradable Renewable Certificates.

(4041) "Nonresidential consumer" means a retail electricity consumer who is not a residential consumer.

(4142) "Ongoing valuation" means the process of determining transition costs or benefits for a generation asset by comparing the value of the asset output at projected market prices for a defined period to an estimate of the revenue requirement of the asset for the same time period.

(4243) "One-time administrative valuation" means the process of determining the market value of a generation asset over the life of the asset, or a period as established by the Commission, using a process other than divestiture.

(4344) "One average megawatt" means 8,760,000 kilowatt-hours (8,784,000 in a leap year) of electricity per twelve consecutive month period.

(4445) "Oregon affiliate" means an affiliate engaged in the sale or marketing of electricity services or directly related products in an Oregon retail market.

(4546) "Oregon share" means, for a multi-state electric company, an interstate allocation based upon a fixed allocation or method of allocation established in a Resource Plan or, in the case of an electric company that is not a multi-state electric company, 100 percent.

(4647) "People's utility district" has the meaning given that term in ORS 261.010.

(4748) "Portfolio" means a set of product and pricing options for electricity.

(4849) "Proprietary consumer information" means any information compiled by an electric company on a consumer in the normal course of providing electric service that makes possible the identification of any individual consumer by matching such information with the consumer's name, address, account number, type or classification of service, historical electricity usage, expected patterns of use, types of facilities used in providing service, individual contract terms and conditions, price, current charges, billing records, or any other information that the consumer has expressly requested not be disclosed. Information that is redacted or organized in such a way as to make it

impossible to identify the consumer to whom the information relates does not constitute proprietary consumer information.

**(4950)** "Qualifying expenditures" means those expenditures for energy conservation measures that have a simple payback period of not less than one year and not more than 10 years and expenditures for the above-market costs of new renewable energy resources, provided that the Oregon Department of Energy may establish by rule a limit on the maximum above-market cost for renewable energy that is allowed as a credit.

**(5051)** "Registered dispute" means an unresolved issue affecting a retail electricity consumer, an ESS, or an electric company that is under investigation by the Commission's Consumer Services Section but is not the subject of a formal complaint.

**(5152)** "Regulated charges" means charges for services subject to the jurisdiction of the Commission.

**(5253)** "Regulatory assets" means assets that result from rate actions of regulatory agencies.

**(5354)** "Renewable energy resources" means:

(a) Electricity-generation facilities fueled by wind, waste, solar or geothermal power, or by low-emission nontoxic biomass based on solid organic fuels from wood, forest, and field residues;

(b) Dedicated energy crops available on a renewable basis;

(c) Landfill gas and digester gas; and

(d) Hydroelectric facilities located outside protected areas as defined by federal law in effect on July 23, 1999.

**(5455)** "Residential consumer" means a retail electricity consumer that resides at a dwelling primarily used for residential purposes. "Residential consumer" does not include retail electricity consumers in a dwelling typically used for residency periods of less than 30 days, including hotels, motels, camps, lodges, and clubs. As used in this section, "dwelling" includes but is not limited to single-family dwellings, separately metered apartments, adult foster homes, manufactured dwellings, recreational vehicles, and floating homes.

**(5556)** "Retail electricity consumer" means the end user of electricity for specific purposes such as heating, lighting, or operating equipment and includes all end users of electricity served through the distribution system of an electric utility on or after July 23, 1999, whether or not each end user purchases the electricity from the electric utility. For purposes of this definition, a new retail electricity consumer means a retail electricity consumer that is unaffiliated with the retail electricity consumer previously served after March 1, 2002, at the site.

**(5657)** "Self-directing consumer" means a retail electricity consumer that has used more than one average megawatt of electricity at any one site in the prior calendar year or an aluminum plant that averages more than 100 average megawatts of electricity use in the prior calendar year, that has received final certification from the Oregon Department of Energy for expenditures for new energy conservation or new renewable energy resources and that has notified the electric company that it will pay the public purpose charge, net of credits, directly to the electric company in accordance with the terms of the electric company's tariff regarding public purpose credits.

**(5758)** "Serious injury to person" has the meaning given in OAR 860-024-0050.

**(5859)** "Serious injury to property" has the meaning given in OAR 860-024-0050.



**(5960)** "Site" means:

- (a) Buildings and related structures that are interconnected by facilities owned by a single retail electricity consumer and that are served through a single electric meter; or
- (b) A single contiguous area of land containing buildings or other structures that are separated by not more than 1,000 feet, such that:

(A) Each building or structure included in the site is no more than 1,000 feet from at least one other building or structure in the site;

(B) Buildings and structures in the site, and land containing and connecting buildings and structures in the site, are owned by a single retail electricity consumer who is billed for electricity use at the buildings and structures; and

(C) Land shall be considered to be contiguous even if there is an intervening public or railroad right of way, provided that rights of way land on which municipal infrastructure facilities exist (such as street lighting, sewerage transmission, and roadway controls) shall not be considered contiguous.

**(6061)** "Small nonresidential consumer" means a nonresidential consumer that is not a large nonresidential consumer.

**(6162)** "Special contract" means a rate agreement that is justified primarily by price competition or service alternatives available to a retail electricity consumer, as authorized by the Commission under ORS 757.230.

**(6263)** "Structural separation" means separating the electric company's assets by transferring assets to an affiliated interest of the electric company.

**(6364)** "Total transition amount" means the sum of an electric company's transition costs and transition benefits.

**(6465)** "Traditional allocation methods" means, in respect to a multi-state electric company, inter-jurisdictional cost and revenue allocation methods relied upon in such electric company's last Oregon rate proceeding completed prior to December 31, 2000.

**(6566)** "Transition benefits" means the value of the below-market costs of an economic utility investment.

**(6667)** "Transition charge" means a charge or fee that recovers all or a portion of an uneconomic utility investment.

**(6768)** "Transition costs" means the value of the above-market costs of an uneconomic utility investment.

**(6869)** "Transition credit" means a credit that returns to consumers all or a portion of the benefits from an economic utility investment.

**(6970)** "Transmission grid" means the interconnected electrical system that transmits energy from generating sources to distribution systems and direct service industries.

**(7071)** "Unbundling" means the process of assigning and allocating a utility's costs into functional categories.

**(7172)** "Uneconomic utility investment" means all Oregon allocated investments made by an electric company that offers direct access under ORS 757.600 to 757.667, including plants and equipment and contractual or other legal obligations, properly dedicated to generation, conservation and work-force commitments, that were prudent at the time the obligations were assumed but the full costs of which are no longer recoverable as a direct result of ORS 757.600 to 757.667, absent transition charges.

"Uneconomic utility investment" does not include costs or expenses disallowed by the

Commission in a prudence review or other proceeding, to the extent of such disallowance and does not include fines or penalties as authorized by state or federal law.

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

Stat. Implemented: ORS 756.040 & 757.600 to 757.667

Hist.: PUC 17-2000, f. & cert. ef. 9-29-00 (Order No. 00-596); PUC 2-2001, f. & ef. 1-5-01 (Order No. 01-073); PUC 21-2001 (Temp), f. & cert. ef. 9-11-01 (Order No. 01-788); PUC 23-2001, f. & ef. 10-11-01 (Order No. 01-839); PUC 23-2001, f. & ef. 12-13-01 (Errata Order No. 01-1047); PUC 5-2002, f. & cert. ef. 2-8-02 (Order No. 02-053); PUC 11-2002, f. & ef. 3-8-02 (Order No. 02-135); PUC 18-2002, f. & cert. ef. 10-17-02 (Order No. 02-702); PUC 18-2002, f. & ef. 10-17-02 (Order No. 02-702); PUC 13-2004, f. & ef. 8-31-04 (Order No. 04-483); PUC 7-2005, f. & ef. 11-30-05 (Order No. 05-1229); PUC 6-2006, f. & ef. 5-10-06 (Order No. 06-225)

### **860-038-0480**

#### **Public Purposes**

(1) Each electric company that offers direct access to its retail electricity consumers and each electricity service supplier that provides electricity services to direct access consumers in the electric company's service territory will collect a public purpose charge from its retail electricity consumers ~~for 10 years beginning on the date direct access is first offered~~ until January 1, 2026.

(2) Except as provided in section (6) of this rule, electric companies and electricity service suppliers will bill and collect from each of their retail electricity consumers a public purpose charge equal to 3 percent of the total revenues billed to those consumers for electricity services, distribution, ancillary services, metering and billing, transition charges, and other types of costs that were included in electric rates on July 23, 1999.

(3) The electricity service suppliers will remit monthly to each electric company the public purpose charges they collect from the customers of each electric company.

(4) The electricity service suppliers will remit monthly the public purpose charges collected from direct service industrial consumers they serve to the electric company in whose service territory the direct service industrial site is located.

(5) The electric company whose territory abuts the greatest percentage of the site of an aluminum plant that averages more than 100 average megawatts of electricity use per year will collect monthly from the aluminum company a public purpose charge. The aluminum company will remit to the appropriate electric company a public purpose charge equal to 1 percent of the total revenue from the sale of electricity services to the aluminum plant from any source. Annually, the aluminum company will submit to the electric company an affidavit from a certified public accountant verifying that the costs for electricity services at the site of the aluminum plant and the remittance of the public purpose charges are accurate for the previous calendar year.

(6) A retail electricity consumer, including an aluminum plant as described in section (5) of this rule, may receive credits against its public purpose charges for qualifying expenditures incurred for new energy conservation and the above-market costs of new renewable energy resources at any site if the following qualifications for becoming a self-directing consumer are met:

(a) The consumer has used more than one average megawatt of electricity at any such site in the prior calendar year; and

(b) The consumer has received final certification from the Oregon Department of Energy for expenditures for new energy conservation and/or new renewable energy resources.

(7) Self-directing consumers may not claim a public purpose credit for energy conservation measures that were started prior to July 23, 1999. For energy conservation measures that were started on or after July 23, 1999, but prior to the implementation of direct access, a self-directing consumer may claim a public purpose credit if either of the following conditions is met:

(a) The energy conservation measure did not receive funding from an electric company conservation program and was certified by the Oregon Department of Energy after July 23, 1999; or

(b) The energy conservation measure did receive funding from an electric company conservation program and was certified by the Oregon Department of Energy after July 23, 1999, but the self-directing consumer repaid the amount of such funding (cost of audit and incentives plus interest) no later than 90 days following the implementation of direct access; provided that, a self-directing consumer shall not be required to repay the amount of any energy conservation audit related to a conservation measure if the audit was completed prior to January 1, 2000. The cost of an audit that identifies multiple energy conservation measures shall be prorated among such measures.

(c) For purposes of this subsection, "started" means that a contract has been executed to install or implement an energy conservation measure.

(8) The Oregon Department of Energy will establish specific rules and procedures that are consistent with these rules for qualifying a self-directing consumer's expenditures.

(9) The electric company will apply the self-direction credit, determined by the Oregon Department of Energy, toward the consumer's public purpose obligation.

(10) Each electric company will establish five separate accounts for the public purpose charges to be funded from its collections of public purpose charges as follows:

(a) Energy conservation in schools;

(b) New cost-effective local energy conservation and new market transformation;

(c) Above-market costs of new renewable energy resources;

(d) New low-income weatherization; and

(e) Construction and rehabilitation of low-income housing.

(11) Each electric company will allocate the public purpose funds it collects (billed less uncollectible amounts) from electricity service suppliers and consumers to the five public purpose accounts as follows:

(a) Energy conservation in schools -- 10.0 percent;

(b) Local and market transformation conservation -- 56.7 percent;

(c) **Above market costs of new r**Renewable energy resources -- 17.1 percent;

(d) Low-income weatherization -- 11.7 percent; and

(e) Low-income housing -- 4.5 percent.

(12) Each electric company will adjust the accounts for the credits returned to self-directing customers for conservation or renewable resource expenditures certified by the Oregon Department of Energy.

(13) Each electric company will distribute funds from the public purpose accounts at least monthly as follows:

(a) The funds for conservation in schools to the education service districts located in its service territory;

(b) The funds for local and market transformation conservation as directed by the Commission;

(c) The funds for renewable energy resources as directed by the Commission;

(d) The funds for low-income weatherization to the Housing and Community Services Department; and

(e) The funds for low-income housing to the Housing and Community Services Department Revolving Account.

(14) Each electric company will determine by January 1 of each year the allocation of public purpose funds for schools to the Education Service Districts according to the following methodology:

(a) From the Department of Education, collect current total weighted average daily membership (ADMw) as defined in ORS 327.013 and average daily membership (ADM) for each Education Service District that contains schools served by the electric company;

(b) For each of the Education Service Districts, compute the ratio of ADM in schools served by the electric company to total ADM;

(c) For each Education Service District, multiply its total ADMw by the ratio of ADM in schools served by the electric company to total ADM. The result is an estimate of ADMw in schools served by the electric company;

(d) Add the estimates of ADMw for each Education Service District; and

(e) Compute the percentage of the total ADMw represented by each Education Service District. These are the percentages that will be used to allocate the public purpose funds for schools to Education Service Districts for the 12-month period with the exception of 2002 where the funds will be allocated for a 10-month period beginning March 1, 2002. After 2002, the 12-month period will begin on January 1 of each year.

(15) The electric company may be reimbursed for the reasonable administrative costs it incurs to collect and distribute the public purpose funds. Those administrative costs will be deducted from the total amount of public purpose funds collected by the electric company before the funds are allocated to the five public purpose accounts. The electric company will also pay from the total public purpose funds collected or from a specific fund any other administrative costs the Commission directs to be paid for implementation of the public purpose requirements. The entities responsible for administering the public purpose funds will pay for their costs of implementing the public purpose requirements from the public purpose funds they receive from the electric company.

(16) The electric companies and the administrators of the public purpose funds will collect sufficient information so that biennial reports can be made to the Legislature on what has been accomplished with the public purpose funds and how those funds have benefited the consumers of each electric company. Specifically, information must be collected so that the reporting requirements of ORS 757.617 can be fulfilled.

(a) Each electric company must report the total funds collected by source (that is, electric company customers, electricity service suppliers and self-directing consumers) for public purposes, the amounts distributed to the administrators of each public purpose fund, and its administrative costs;

- (b) Each administrator of public purpose funds must report, at a minimum:
- (A) The amount of funds received;
  - (B) The amount of funds spent;
  - (C) Its administrative costs; and
  - (D) Its results, for example, measures installed, projects funded, energy saved, homes weatherized, and low-income homes built/rehabilitated.

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

Stats. Implemented: ORS 756.040 & 757.600 through 757.667

Hist.: PUC 1-2001, f. & ef. 1-5-01 (Order No. 01-072); PUC 2-2001, f. & ef. 1-5-01 (Order No. 01-073); PUC 11-2002, f. & ef. 3-8-02 (02-135); PUC 13-2004, f. & ef. 8-31-04 (Order No. 04-483); PUC 7-2007, f. & ef. 5-15-07 (Order No. 07-186)