OFFICE OF THE SECRETARY OF STATE **BEV CLARNO** SECRETARY OF STATE

JEFF MORGAN INTERIM DEPUTY SECRETARY OF STATE

NOTICE OF PROPOSED RULEMAKING **INCLUDING STATEMENT OF NEED & FISCAL IMPACT**

CHAPTER 860 PUBLIC UTILITY COMMISSION

FILING CAPTION: Alternative Dispute Resolution for Complaint Filings and Requests for Declaratory Rulings - AR 629

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 10/20/2020 4:00 PM

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.

CONTACT: Diane Davis 503-378-4372 diane.davis@state.or.us

PO Box 1088 Salem, OR 97308 Filed By: **Diane Davis Rules** Coordinator

HEARING(S)

Auxilary aids for persons with disabilities are available upon advance request. Notify the contact listed above.

DATE: 10/06/2020 TIME: 1:30 PM - 4:30 PM **OFFICER: Christopher J. Allwein** ADDRESS: Remotely by telephone 866-390-1828, Access Code 2252868# Salem, OR 97301

NEED FOR THE RULE(S):

The rules are needed to establish an Alternative Dispute Resolution Process for certain complaints and requests for declaratory ruling.

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 629 on comments and attach them to an e-mail to the Commission's Filing Center at PUC.FilingCenter@state.or.us.

Interested persons may review all filings online at

https://apps.puc.state.or.us/edockets/DocketNoLayout.asp?DocketID=22046. 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 https://secure.sos.state.or.us/oard/displayDivisionRules.action?selectedDivision=4027.

Participants wishing to make comment at the rulemaking hearing are strongly encouraged to contact Diane Davis at

ARCHIVES DIVISION STEPHANIE CLARK DIRECTOR

800 SUMMER STREET NE SALEM, OR 97310 503-373-0701

> **FILED** 08/28/2020 12:09 PM **ARCHIVES DIVISION** SECRETARY OF STATE



diane.davis@state.or.us or (503) 378-4372 before 10:00 a.m. on October 6, 2020. Participants who present oral comment at the hearing will be asked to also submit their comments in writing before the comment period closes at 4:00 p.m. on October 20, 2020.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE:

PUC Order No. 19-254 available online at https://apps.puc.state.or.us/orders/2019ords/19-254.pdf ORS 183.502 available online at https://www.oregonlegislature.gov/bills_laws/ors/ors183.html

FISCAL AND ECONOMIC IMPACT:

The estimated fiscal and economic impact is not anticipated to be significant. Though this rule will require the PUC to ensure that Administrative Law Judges are trained in mediation, which is an additional expense, it is also expected to reduce the number of formal complaints before the Commission, which is expected to lower agency expenses. Parties that come before the Commission typically incur considerable legal fees litigating formal complaints, and this rule is intended to reduce formal complaint litigation by providing lower-cost resolution through a facilitated settlement process. Additional administrative duties required by this rule will including training of Administrative Law Judges and development of a budget for potential mediation contractors.

COST OF COMPLIANCE:

(1) Identify any state agencies, units of local government, and members of the public likely to be economically affected by the rule(s). (2) Effect on Small Businesses: (a) Estimate the number and type of small businesses subject to the rule(s); (b) Describe the expected reporting, recordkeeping and administrative activities and cost required to comply with the rule(s); (c) Estimate the cost of professional services, equipment supplies, labor and increased administration required to comply with the rule(s).

As noted above, the PUC will be economically affected by the rules, incurring costs to train personnel, with the anticipated outcome of reduced expenses for the PUC by potentially reducing the number of formal complaints to be heard before the PUC. The potential magnitude of the impact cannot be determined at this time due to the complexity and variety of cases that come before the PUC. It is not possible to estimate the number and types of small businesses subject to this rule because of the broad range of participation of stakeholders who participate in PUC complaint proceedings, but examples of small businesses who may be subject to this rule include law firms, qualifying facilities, and ratepayers. A small business participating in alternative dispute resolution would incur the customary expenses of such participation, such as legal representation and customary recordkeeping activities, but it may then avoid the costs and recordkeeping activities incurred for extended litigation of a formal complaint before the PUC.

DESCRIBE HOW SMALL BUSINESSES WERE INVOLVED IN THE DEVELOPMENT OF THESE RULE(S):

PUC stakeholders who are on the PUC's notification lists for rulemaking were invited to participate in the informal processes to develop this and the division 002 rules for the rulemaking matter docketed as AR 629. Small businesses participated in the informal collaborative meetings, workshops, and rounds of comments that facilitated the development of the proposed rule language.

WAS AN ADMINISTRATIVE RULE ADVISORY COMMITTEE CONSULTED? NO IF NOT, WHY NOT?

The PUC held informal meetings, workshops, and rounds of written comments with stakeholders prior to opening this formal stage of rulemaking.

RULES PROPOSED:

860-002-0000, 860-002-0010, 860-002-0020, 860-002-0030, 860-002-0040, 860-002-0050, 860-002-0060, 860-002-0070, 860-002-0080, 860-002-0090

RULE SUMMARY: The purpose of this is to explain how the Alternative Dispute Resolution rules apply to complaint filings and requests for declaratory ruling.

CHANGES TO RULE:

860-002-0000

Applicability of Division 002

(1) The rules in this division apply to a complaint filed pursuant to ORS 756.500 or OAR 860-029-0100 or OAR 860-082-0085 or a petition for declaratory ruling filed pursuant to ORS 756.450. These provisions supplement the generally applicable filing and contested case procedures contained in OAR chapter 860, division 001, division 029, and division 082.

(2) Upon request or its own motion, the Commission may waive any of the division 002 rules for good cause shown. ¶

(3) Upon the filing of a petition for alternative dispute resolution consistent with these rules, all procedural deadlines associated with a related complaint or petition for declaratory ruling are stayed. A complaint or petition for declaratory ruling is related to the alternative dispute resolution if it raises the same dispute between the same parties. The stay is lifted upon the conclusion of the alternative dispute resolution process.

Statutory/Other Authority: ORS 756.040, 756.060

RULE SUMMARY: This rule clarifies the purpose of the rules in this division to provide for fair, timely, and confidential dispute resolution to aide parties in reducing the issues presented to the PUC.

CHANGES TO RULE:

860-002-0010

Purpose of Division 002

(1) OAR chapter 860, division 002 is intended to facilitate informal resolution of disputes, prevent the litigation of unnecessary complaints, and save time and resources for electric companies, qualifying facilities, and the Commission. ¶

(2) These rules are intended to provide for fair, timely, and confidential dispute resolution that will aide parties in reducing the issues presented to the Commission.

Statutory/Other Authority: ORS 756.040, 756.060

RULE SUMMARY: This rule defines the key terms used in division 002 rules.

CHANGES TO RULE:

860-002-0020

<u>Definitions</u>

For purposes of this division, unless the context requires otherwise:¶

(1) "Complainant" refers to a party filing a complaint under ORS 756.500 or OAR 860-029-0100 or OAR 860-082-0085, or a petition for declaratory ruling under ORS 756.450.¶

(2) "Party" refers to either the petitioner or respondent identified in the petition for alternative dispute resolution. I

(3) "Mediator" refers to the person or persons appointed by the Chief Administrative Law Judge to serve as the Commission's representative to facilitate the alternative dispute resolution process. ¶

(4) "Petitioner" refers to the party that files a petition for alternative dispute resolution under these rules.

(5) "Respondent" refers to the adverse party named in a petition for alternative dispute resolution under these

rules, a complaint under ORS 756.500 or OAR 860-029-0100 or OAR 860-082-0085, or a petition for declaratory ruling filed pursuant to ORS 756.450.

Statutory/Other Authority: ORS 756.040, 756.060

RULE SUMMARY: This rule specifies when a petition for alternative dispute resolution may be made and the obligations of the parties.

CHANGES TO RULE:

860-002-0030

Initiation of Alternative Dispute Resolution Process

(1) At any time or concurrent with the filing of a complaint or a petition for declaratory ruling in a dispute between a utility and another party, the moving party may petition for alternative dispute resolution with the Commission. Before filing such a petition, the petitioner must first provide a written request to the respondent to participate in the alternative dispute resolution process before the Commission and the respondent must confirm in writing its agreement to participate in the alternative dispute resolution process. Once both parties confirm in writing their agreement to participate in the alternative dispute resolution process, the Commission will provide mediation services under these rules. ¶

(2) In the event a party files a complaint or petition for declaratory ruling but does not petition for alternative dispute resolution, the respondent named in the complaint or petition for declaratory ruling may file a petition for alternative dispute resolution under these rules. Before filing such a petition, the respondent must first provide written consent to the petitioner to participate in the alternative dispute resolution process before the Commission and petitioner must confirm in writing its agreement to participate in the alternative dispute resolution process. Once both parties confirm their agreement to participate in the alternative dispute resolution process, the Commission will provide mediation services under these rules. ¶

(3) A party receiving a written request to participate in the alternative dispute resolution process under section (1) or (2) above must promptly advise in writing whether or not it agrees to participate in the alternative dispute resolution process under these rules. After the party consents to alternative dispute resolution, the petitioning party will promptly file its statement in aid of mediation as provided in these rules.

Statutory/Other Authority: ORS 756.040, 756.060

RULE SUMMARY: This rule sets forth the process and timeline of the alternative dispute resolution process contemplated in the division 002 rules.

CHANGES TO RULE:

860-002-0040

Process and Timeline for Alternative Dispute Resolution

(1) A petition for alternative dispute resolution under these rules will be filed with the Commission and will state the names of the parties and an affirmation that the non-petitioning party has agreed to participate in an alternative dispute resolution process. ¶

(2) Within one business day of the filing of a petition for alternative dispute resolution, the Commission will contact the parties to inform them that a mediator has been appointed and to schedule the first mediation session. I

(3) Within one business day of the appointment of a mediator, the complainant will serve upon the respondent and the mediator the supporting materials described in OAR 860-002-0050. \P

(4) Within seven business days of receiving supporting materials, the respondent will serve a response on the petitioner and the mediator.

(5) A mediation session will be held within 14 business days after the initial petition is filed. Subsequent mediation sessions may be scheduled, if both parties agree. ¶

(6) If no agreement is reached in the mediation session and the parties do not request additional mediation sessions, then, no later than three business days following the mediation session, the mediator will file a statement with the Commission indicating that no agreement was reached. ¶

(7) Upon being informed that no agreement was reached, the Commission's Administrative Hearings Division will provide notice in any associated complaint or declaratory ruling docket that the stay on procedural deadlines is lifted. ¶

(8) After the notice is provided, if the parties would like to continue discussions outside of the mediation process, the parties may jointly file a motion to stay further complaint proceedings to facilitate further settlement

discussion. Thereafter, either party may provide notice that will end the stay.¶

(9) Any deadline in this rule may be modified by the agreement of the parties.

Statutory/Other Authority: ORS 756.040, 756.060

RULE SUMMARY: This rule sets forth the requirements for a petition for alternative dispute resolution, the supporting materials, and response to the petition.

CHANGES TO RULE:

860-002-0050

Contents of a Petition for Alternative Dispute Resolution, Supporting Materials, and Response Requirements (1) A petition for alternative dispute resolution under these rules will be filed using a form made available by the Commission. The petition will include the names of the parties, the docket number of the related complaint or petition for declaratory ruling (if applicable), and an affirmation that the non-petitioning party has agreed to participate in alternative dispute resolution. ¶

(2) Supporting materials for a petition for alternative dispute resolution will not be filed with the Commission but instead will be exchanged by the parties in accordance with OAR 860-002-0040. Supporting materials must not exceed five pages in length, unless otherwise agreed to by both parties, and \P

(a) Must explain the core issues in the dispute and provide a summary of background information, and ¶ (b) May be accompanied by reference material intended to aid the mediator's understanding of the issues. Petitioners are particularly encouraged to attach draft or partially-executed power purchase agreements to complaints related to a power purchase agreement. Reference material will not count towards the five-page limitation but should be limited in nature. ¶

(3) The respondent's statement in aid of mediation should not exceed five pages in length, unless otherwise agreed to by both parties, and ¶

(a) The response must address the core issues in the dispute and provide summary of background information. ¶
(b) May be accompanied by reference material intended to aid the mediator's understanding of the issues.
Respondents are particularly encouraged to attach draft or partially-executed power purchase agreements to complaints related to a power purchase agreement. Reference material will not count towards the five-page limitation but should be limited in nature.

Statutory/Other Authority: ORS 756.040, 756.060

RULE SUMMARY: This rule explains who may be appointed as the mediator for the alternative dispute resolution and restrictions of the mediator appointed.

CHANGES TO RULE:

860-002-0060

Assignment of a Mediator

(1) For each request for alternative dispute resolution, the Chief Administrative Law Judge must appoint a mediator to facilitate the process. ¶

(2) The Chief Administrative Law Judge may appoint an Administrative Law Judge trained in mediation, a mediation expert contracted to provide services to the Commission, or a mediator that has been suggested by both parties. ¶

(a) If the Chief Administrative Law Judge appoints an Administrative Law Judge as mediator, that same Administrative Law Judge will not be appointed to preside over any related complaint or petition for declaratory ruling. ¶

(b) An Administrative Law Judge that acts as mediator for a dispute is not permitted to disclose any aspect of the parties' positions, statements, or proposals with anyone (other than the parties), including but not limited to the Administrative Law Judge assigned to the related complaint or petition for declaratory ruling, Commissioners, Commission Staff, or Commission Advisors.

(c) The mediator must maintain confidentiality with respect to the mediation proceedings, and may disclose only whether an agreement was reached and if so, may disclose terms of the agreement if authorized by both parties. Statutory/Other Authority: ORS 756.040, 756.060

RULE SUMMARY: This rule explains the confidentiality confines of alternative dispute resolution process and materials. CHANGES TO RULE:

860-002-0070

Confidentiality and Use of Statements, Proposals, or Materials in Alternative Dispute Resolution (1) Unless otherwise agreed to by the parties in writing, all written or oral communications made by the parties in preparation for or during the mediation session(s) including but not limited to offers of settlement must be kept confidential by the parties and the mediator, may not be used by the non-disclosing party for any purpose other than participation in the mediation process, and may not be released to any third party or be offered into evidence in any legal proceeding unless agreed to in writing by both parties. Confidentiality obligations in this section apply to each party's employees and representatives (including each party's counsel). ¶ (2) For purposes of ORS 192.502(4), the Commission obligates itself to protect from disclosure any document submitted in confidence during settlement discussions. Statutory/Other Authority: ORS 756.040, 756.060

RULE SUMMARY: This rule describes the actions within an alternative dispute resolution mediation session.

CHANGES TO RULE:

860-002-0080

Alternative Dispute Resolution Mediation Session

(1) Unless otherwise agreed to by the parties, no more than four persons for each party may attend the mediation session. Only the parties and the mediator may attend the mediation session, except as provided in section 2 of this rule.¶

(2) If agreed, parties may request that Commission Staff participate in a mediation. The Administrative Hearings Division will assess whether or not it is possible for Commission Staff to participate in an individual mediation. Any appointed Staff is not permitted to participate in any related complaint or petition for declaratory ruling proceedings, and is not permitted to disclose any aspect of the parties' positions, statements, or proposals with anyone (other than the parties), including but not limited to the Administrative Law Judge or Commission Staff assigned to the related complaint or petition for declaratory ruling, Commissioners, or Commission Advisors. ¶ (3) The mediation session is led by the mediator. The mediator will begin the session by introducing parties, reviewing the protocol for the session, and stating the goals for the session. At the outset of the mediation, each party will be given time to present their view of the dispute without interruption. ¶

(4) Where appropriate, the session may result in a negotiation. The assigned mediator will be available to the parties to support the development of settlement proposals. ¶

(a) At the request of parties, the mediator may lead a settlement discussion, engage in shuttle diplomacy between parties, or develop proposed settlement concepts after the mediation session for presentation at a subsequent mediation session. ¶

(b) If an agreement is reached, at the request of the parties, the mediator may continue to work with the parties under this rule in resolving any disputes that may arise in drafting a final written settlement agreement. Statutory/Other Authority: ORS 756.040, 756.060

RULE SUMMARY: This rule explains that the mediator may provide parties with an independent assessment of the issues and potential outcomes, that the assessment is confidential, and the confines of the confidentiality.

CHANGES TO RULE:

860-002-0090

Mediator Evaluation

(1) The mediator may provide parties with an independent assessment of the issues and potential outcome of the case. \P

(2) The mediator may provide the confidential assessment orally at the conclusion of a mediation session or, if requested by the parties, in writing to the parties following the session. \P

(3) The confidential independent assessment will be provided only to the parties and will not be provided to any other person, including any other party at the Commission, including, but not limited to, the Administrative Law Judge presiding over any related complaint or petition for declaratory ruling, the Commissioners, Commission Staff, or Commission Advisors. The assessment may not be admitted into in any legal proceeding unless agreed to in writing by both parties.

Statutory/Other Authority: ORS 756.040, 756.060

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JEFF MORGAN INTERIM DEPUTY SECRETARY OF STATE

NOTICE OF PROPOSED RULEMAKING **INCLUDING STATEMENT OF NEED & FISCAL IMPACT**

CHAPTER 860 PUBLIC UTILITY COMMISSION

FILING CAPTION: Case Management Conferences - AR 629

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 10/20/2020 4:00 PM

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.

CONTACT: Diane Davis 503-378-4372 diane.davis@state.or.us

PO Box 1088 Salem, OR 97308 Filed By: **Diane Davis Rules** Coordinator

HEARING(S)

Auxilary aids for persons with disabilities are available upon advance request. Notify the contact listed above.

DATE: 10/06/2020 TIME: 1:30 PM - 4:30 PM **OFFICER: Christopher J. Allwein** ADDRESS: Remotely by telephone 866-390-1828, Access Code 2252868# Salem, OR 97301

NEED FOR THE RULE(S):

This rule is needed to establish the expectations of a case management conference for contested cases before the PUC.

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 629 on comments and attach them to an e-mail to the Commission's Filing Center at PUC.FilingCenter@state.or.us.

Interested persons may review all filings online at

https://apps.puc.state.or.us/edockets/DocketNoLayout.asp?DocketID=22046. 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 https://secure.sos.state.or.us/oard/displayDivisionRules.action?selectedDivision=4027.

Participants wishing to make comment at the rulemaking hearing are strongly encouraged to contact Diane Davis at diane.davis@state.or.us or (503) 378-4372 before 10:00 a.m. on October 6, 2020. Participants who present oral

ARCHIVES DIVISION STEPHANIE CLARK DIRECTOR

800 SUMMER STREET NE SALEM, OR 97310 503-373-0701

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comment at the hearing will be asked to also submit their comments in writing before the comment period closes at 4:00 p.m. on October 20, 2020.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE:

PUC Order No. 19-254 found online at https://apps.puc.state.or.us/orders/2019ords/19-254.pdf

FISCAL AND ECONOMIC IMPACT:

The estimated fiscal and economic impact is not anticipated to be significant. This rule will allow for an Administrative Law Judge to discuss and resolve a number of process issues involved in a contested case during the initial phase of the proceeding. It is intended to resolve issues early in the contested case process that may otherwise become challenging points of contention and require additional Administrative Law Judge and litigant time and expense. Accordingly, as intended it will reduce the expenses associated with participating in a contested case at the Commission for most intervenors and businesses. There are no additional administrative expenses associated with this rule. The potential magnitude of any savings cannot be quantified at this time because of the broad range of complexity of cases that come before the PUC.

COST OF COMPLIANCE:

(1) Identify any state agencies, units of local government, and members of the public likely to be economically affected by the rule(s). (2) Effect on Small Businesses: (a) Estimate the number and type of small businesses subject to the rule(s); (b) Describe the expected reporting, recordkeeping and administrative activities and cost required to comply with the rule(s); (c) Estimate the cost of professional services, equipment supplies, labor and increased administration required to comply with the rule(s).

The PUC, the Department of Justice, regulated utility companies and members of the public participating in contested case and declaratory ruling proceedings before the PUC may be economically impacted by this rule. As noted above, the additional expense to participate in a case management conference is intended to mitigate other expenses that may be otherwise incurred in the litigation process if issues are identified and resolved earlier in the proceedings. It is not possible to estimate the number and types of small businesses subject to this rule because of the broad range of participation of stakeholders who participate in PUC proceedings, but examples of small businesses who may be subject to this rule include law firms, consumer advocacy groups, and ratepayers. The cost of attending the conference varies by representation of the small business, and most conferences are held remotely by telephone. There are no additional reporting, recordkeeping, professional services, equipment, supplies, labor or increased administration costs required to comply with the rule.

DESCRIBE HOW SMALL BUSINESSES WERE INVOLVED IN THE DEVELOPMENT OF THESE RULE(S):

PUC stakeholders who are on the PUC's notification lists for rulemaking were invited to participate in the informal processes to develop this and the division 002 rules for the rulemaking matter docketed as AR 629. Small businesses participated in the informal collaborative meetings, workshops, and rounds of comments that facilitated the development of the proposed rule language.

WAS AN ADMINISTRATIVE RULE ADVISORY COMMITTEE CONSULTED? NO IF NOT, WHY NOT?

This rule was developed in conjunction with the Alternative Dispute Resolution proposed rules in this same docket, AR 629. Stakeholders participated in informal collaborative meetings, workshops, and rounds of comments.

RULE SUMMARY: This rule establishes a case management conference for complaint cases and declaratory ruling proceedings to identify disputed legal and factual issues, establish a schedule of events and filings, and provide discussion of motion practice, discovery process, alternative dispute resolution and other relevant matters.

CHANGES TO RULE:

860-001-0360

Case Management Conferences

(1) This case management conference rule applies to complaints filed pursuant to ORS 756.500 or OAR 860-029-0100, or OAR 860-082-0085, or a petition for declaratory ruling filed pursuant to ORS 756.450. These provisions supplement the generally applicable filing and contested case procedures contained in OAR chapter 860, division 001 and in division 029.¶

(2) Within 14 business days of the filing of a complaint or petition for declaratory ruling, or 10 business days after the answer is filed, whichever date is later, the Administrative Law Judge shall hold a case management conference.

(3) The purpose of the case management conference will be to facilitate the orderly and efficient resolution of the case and to discourage wasteful activities.¶

(4) At the case management conference, the parties will:¶

(a) Make good faith efforts to identify the legal and factual issues in dispute in the case; and **¶**

(b) Establish a schedule for the docket, including dates for testimony, discovery, briefing, submission of exhibits and hearing.¶

(5) In addition, the parties will discuss the following matters and the ALJ will make or enter such rulings as are appropriate:

(a) Whether the disputes in the case might be narrowed through motions to dismiss or for summary judgment, and whether schedules for such motion practice may be adopted at that time;¶

(b) Regarding the available modes, timing, and scope of discovery and any other discovery matters raised by the parties¶

(c) Whether the parties require the assistance of the Commission's mediation services to assist in resolving the matter; ¶

(d) Any other matters that may expedite the orderly conduct and disposition of the proceedings.

(6) Within 3 business days of the case management conference, the ALJ will issue a case management ruling

setting forth a schedule for the case and setting forth all the ALJ's decisions on other matters discussed at the conference.¶

(7) At any time during the pendency of the docket, any party may request that additional case management

conferences be scheduled to address any of the above issues, including the amendment of the case management schedule.

Statutory/Other Authority: ORS 756.040, 756.060

Statutes/Other Implemented: ORS 183,417, 756.040, 756.500-756.575