



Oregon

Kate Brown, Governor

Public Utility Commission

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As one of our many stakeholders with a strong interest in the work of Energy Trust of Oregon (Energy Trust), I wanted to make you aware of a recently released performance audit of Energy Trust by the Secretary of State's Office. The audit focused on Energy Trust administrative costs and the Oregon Public Utility Commission's (PUC's) oversight of these expenses.

As an agency, we are proud that the results of this audit demonstrate that over 18 years, the PUC oversight has remained disciplined and are honored that the Secretary of State has recognized the PUC's vigilance in its oversight of Energy Trust. Specifically, the PUC's oversight covers many aspects of Energy Trust's operation, budget, and planning. Our regular touch points and requirements include performance metrics; annual and quarterly reports; independent financial audits; a management performance audit; PUC participation on the board of directors, policy and strategic planning committees, and advisory councils; and much more.

Energy Trust has consistently met or exceeded all performance metrics and requirements. As the audit report states, ***"both entities have adequate controls in place to ensure that Energy Trust administrative costs are reasonable."***

We appreciated the efforts of the audit team and value the results. The audit recognized the effective and efficient partnership between Energy Trust and the PUC, and also identified some helpful areas for improvement. The audit suggested additional guidance and clarity in reporting of administrative costs, recommending revisions in three areas: the way the PUC's administrative cost performance metric is stated, the way administrative expenses are categorized for reporting, and the level of specificity in the PUC's guidance to Energy Trust on allowable administrative expenses. The audit found a very small number of administrative costs—amounting to 0.03 percent of total costs—that did not align with grant guidelines or standards that would apply if Energy Trust were a state agency.

The Commission strives to achieve excellence in our oversight of Energy Trust and we welcome the audit's recommendations. As an agency, we will continue to evaluate our processes to ensure that customers of investor-owned utilities in Oregon have access to safe, reliable, and high quality utility services at just and reasonable rates.

To learn more, view the [Secretary of State's audit report](#).

Sincerely,

Megan Decker, Chair
Oregon Public Utility Commission