

House Bill 2475

Sponsored by Representative POWER (at the request of House Energy and Environment) (Pre-session filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Authorizes Public Utility Commission to consider differential energy burden and other inequities of affordability in rates.

Authorizes public utilities to enter into agreements to provide financial assistance for organizations to represent in regulatory proceedings before commission interests of low-income residential customers and residential customers that are members of environmental justice communities.

A BILL FOR AN ACT

1
2 Relating to public utilities; amending ORS 756.010, 757.072 and 757.230.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1.** ORS 756.010 is amended to read:

5 756.010. As used in ORS chapters 756, 757, 758 and 759, except as otherwise specifically provided
6 or unless the context requires otherwise:

7 (1) "Commission" means the Public Utility Commission of Oregon.

8 (2) "Commissioner" means a member of the Public Utility Commission of Oregon.

9 (3) "Customer" includes the patrons, passengers, shippers, subscribers, users of the service and
10 consumers of the product of a public utility or telecommunications utility.

11 (4) "**Environmental justice**" means **equal protection from environmental and health haz-**
12 **ards and meaningful public participation in decisions that affect the environment in which**
13 **people live, work, learn, practice spirituality and play.**

14 (5) "**Environmental justice communities**" includes **communities of color, communities**
15 **experiencing lower incomes, tribal communities, rural communities, coastal communities,**
16 **communities with limited infrastructure and other communities traditionally underrepre-**
17 **sented in public processes and adversely harmed by environmental and health hazards, in-**
18 **cluding but not limited to seniors, youth and persons with disabilities.**

19 [(4)] (6) "Municipality" means any city, municipal corporation or quasi-municipal corporation.

20 [(5)] (7) "Person" includes individuals, joint ventures, partnerships, corporations and associ-
21 ations or their officers, employees, agents, lessees, assignees, trustees or receivers.

22 [(6)] (8) "Public utility" has the meaning given that term in ORS 757.005.

23 [(7)] (9) "Rate" means any fare, charge, joint rate, schedule or groups of rates or other
24 remuneration or compensation for service.

25 [(8)] (10) "Service" is used in its broadest and most inclusive sense and includes equipment and
26 facilities related to providing the service or the product served.

27 [(9)] (11) "Telecommunications utility" has the meaning given that term in ORS 759.005.

28 **SECTION 2.** ORS 757.230 is amended to read:

29 757.230. (1) The Public Utility Commission shall provide for a comprehensive classification of
30 service for each public utility, and such classification may take into account the quantity used, the

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted.
New sections are in **boldfaced** type.

1 time when used, the purpose for which used, the existence of price competition or a service alter-
 2 native, the services being provided, the conditions of service, **differential energy burdens on**
 3 **low-income customers and other economic, social equity or environmental justice factors**
 4 **that affect affordability for certain classes of utility customers,** and any other reasonable
 5 consideration. Based on such considerations the commission may authorize classifications or sched-
 6 ules of rates applicable to individual customers or groups of customers. The service classifications
 7 and schedule forms shall be designed consistently with the requirements of ORS 469.010. Each public
 8 utility is required to conform its schedules of rates to such classification. If the commission deter-
 9 mines that a tariff filing under ORS 757.205 results in a rate classification primarily related to price
 10 competition or a service alternative, the commission, at a minimum, shall consider the following:

11 (a) Whether the rate generates revenues at least sufficient to cover relevant short and long run
 12 costs of the utility during the term of the rates;

13 (b) Whether the rate generates revenues sufficient to insure that just and reasonable rates are
 14 established for remaining customers of the utility;

15 (c) For electric and natural gas utilities:

16 (A) Whether it is appropriate to incorporate interruption of service in the utility's rate agree-
 17 ment with the customer; and

18 (B) Whether the rate agreement requires the utility to acquire new resources to serve the load;
 19 and

20 (d) For electric utilities, for service to load not previously served, the effect of the rate on the
 21 utility's average system cost through the residential exchange provision of the Pacific Northwest
 22 Electric Power Planning and Conservation Act of 1980, Public Law 96-501, as amended.

23 (2) The commission may prescribe such changes in the form in which the schedules are issued
 24 by any public utility as may be found to be expedient. The commission shall adopt rules which allow
 25 any person who requests notice of tariff filings described under subsection (1) of this section to re-
 26 ceive such notice.

27 **SECTION 3.** ORS 757.072 is amended to read:

28 757.072. (1) A public utility providing electricity or natural gas may enter into a written agree-
 29 ment with an organization that represents broad customer interests in regulatory proceedings con-
 30 ducted by the Public Utility Commission relating to public utilities that provide electricity or
 31 natural gas. The agreement shall govern the manner in which financial assistance may be provided
 32 to the organization. The agreement may provide for financial assistance to other organizations found
 33 by the commission to be qualified under subsection (2) of this section. More than one public utility
 34 or organization may join in a single agreement. Any agreement entered into under this section must
 35 be approved by the commission before any financial assistance is provided under the agreement.

36 (2)(a) Financial assistance under an agreement entered into under this section may be provided
 37 only to organizations that represent [*broad customer*] interests in regulatory proceedings before the
 38 commission relating to public utilities that provide electricity or natural gas **that are:**

39 **(A) The broad interests of customers;**

40 **(B) The interests of low-income residential customers; or**

41 **(C) The interests of residential customers that are members of environmental justice**
 42 **communities.**

43 **(b)** The commission by rule shall establish such qualifications as the commission deems appro-
 44 priate for determining which organizations are eligible for financial assistance under an agreement
 45 entered into under this section.

1 (3) In administering an agreement entered into under this section, the commission by rule or
2 order may determine:

3 (a) The amount of financial assistance that may be provided to any organization;

4 (b) The manner in which the financial assistance will be distributed;

5 (c) The manner in which the financial assistance will be recovered in the rates of the public
6 utility under subsection (4) of this section; and

7 (d) Other matters necessary to administer the agreement.

8 (4) The commission shall allow a public utility that provides financial assistance under this
9 section to recover the amounts so provided in rates. The commission shall allow a public utility to
10 defer inclusion of those amounts in rates as provided in ORS 757.259 if the public utility so elects.

11 An agreement under this section may not provide for payment of any amounts to the commission.

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