



Legislative Fiscal Office
83rd Oregon Legislative Assembly
2025 Regular Session

Prepared by: Twais Broadus
Reviewed by: Ben Ruef
Date: May 17, 2025

Bill Title: Relating to public utilities.

Government Unit(s) Affected: Public Utility Commission

Summary of Fiscal Impact

2025-27 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Public Utility Commission	\$ -	\$ -	\$ 463,653	\$ -	\$ 463,653	2	1.50
Total Fiscal Impact	\$ -	\$ -	\$ 463,653	\$ -	\$ 463,653	2	1.50
2027-29 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Public Utility Commission	\$ -	\$ -	\$ 612,794	\$ -	\$ 612,794	2	2.00
Total Fiscal Impact	\$ -	\$ -	\$ 612,794	\$ -	\$ 612,794	2	2.00

Measure Description

The measure requires electric and natural gas utilities to submit an analysis of the cumulative economic impact when proposing residential rate increases, taking into consideration, data on average bills, seasonal costs, disconnections, and financial hardship indicators.

The Public Utility Commission (PUC) must consider this information when determining whether proposed rates are fair, just, and reasonable. PUC may contract or coordinate with other entities to collect needed data. PUC may adjust or defer recovery to mitigate customer impacts and must prohibit increases from taking effect between November 1 and March 31. Through January 2, 2027, or until permanent rules are adopted, increases subject to return on equity review may not take effect within 18 months of a previous increase. PUC must also adopt rules requiring utilities to file multiyear rate plans every three to seven years, with options for incentives, refunds, and exceptions.

The measure expands eligibility for rate recovery bond financing to include certain capital investments that would significantly impact residential affordability, as well as expenditures for retiring generation assets, environmental remediation, and constrained energy supply events. Utilities must publish annual rate breakdowns and report on expected rate adjustments.

Fiscal Analysis

The total estimated fiscal impact to the Public Utility Commission is \$463,653 Other Funds and 1.50 FTE in the 2025-27 biennium and \$612,794 Other Funds and 2.00 FTE in the 2027-29 biennium.

PUC would hire two permanent, full-time Economist 4 positions (1.50 FTE in 2025-27 and 2.00 FTE in 2027-29) within the Rates and Regulatory Strategy Division. These positions will lead rulemaking to establish filing requirements for multiyear rate plans, evaluate utility-submitted cumulative economic impact analyses associated with residential rate proposals, and assess affordability and ratepayer impacts using disconnection data, overdue balances, and cost-of-living metrics. The transition to multiyear ratemaking and expanded economic analysis requirements will add complexity to return on equity determinations and require support in developing associated procedures. Additional workload related to annual utility reporting on residential rate components and expected rate adjustments can be absorbed by existing staff and integrated into the agency's ongoing work plan.

The increase in limitation would be supported by PUC's annual fee imposed on the annual revenues of state Electric, Gas, Telecom, and Water/Wastewater providers. PUC may require additional Other Funds expenditure limitation for the 2025-27 biennium to support the additional positions.

Relevant Dates

The 18-month restriction on rate increases is repealed on January 2, 2027, unless the Public Utility Commission adopts permanent rules earlier.

The measure declares an emergency and takes effect on passage.