A-Engrossed
House Bill 3179

Ordered by the House May 23
Including House Amendments dated May 23

Sponsored by Representative SOSA, Senator TAYLOR, Representative MARSH, Senator SOLLMAN; Representatives ANDERSEN, CHAICHI, CHOTZEN, FRAGALA, GAMBA, GOMBERG, GRAYBER, HARTMAN, HUDSON, LIVELY, MCDONALD, MUNOZ, NERON, NGUYEN D, NGUYEN H, WALTERS, Senators GOLDEN, PATTERSON, PHAM K (at the request of Citizens' Utility Board) (Presession 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. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: Tells the PUC to look at the economic impact of a proposed residential rate or schedule of rates. Allows the PUC to adjust rates to mitigate an increase. (Flesch Readability Score: 65.7).

[*Digest: Tells the PUC to look at the economic impact of a proposed rate or schedule of rates if the rates lead to certain revenue results. (Flesch Readability Score: 63.0).*]

Directs the Public Utility Commission to consider the cumulative economic impact of [*a proposed rate or schedule of rates on a public utility's ratepayers if the proposed rate or schedule of rates will result in an increase of the public utility's revenue in this state by 2.5 percent or more.*] **an electric or natural gas company's proposed residential rate or schedule of rates. Requires an electric or natural gas company to file an analysis of the cumulative economic impact on the company's residential rate payers if the company's return on equity is subject to review and modification.**

[*Modifies the commission's general powers to give the commission broad discretion in setting rates.*]

Authorizes the commission to adjust rates to mitigate [*or phase in an increase in rates if the increase would affect the ability of customers to maintain adequate utility services or could materially affect the economy of the state.*] **an increase in residential customer rates if the increase would affect the ability of customers to maintain adequate utility services. Prohibits any increase in residential rates from taking effect from November 1 to March 31.**

Directs the commission to require an electric or natural gas company to establish a multiyear rate plan for certain rate revisions. Prohibits, until January 2, 2027, or the date the commission adopts rules regarding multiyear rate plans, certain rate increases from taking effect within 18 months from the date of the last rate increase.

Authorizes a public utility, upon approval by the commission, to issue bonds and securitize debt for costs and expenses incurred or to be incurred by the public utility associated with [*capital investments that are approved by the commission.*] **certain capital investments, retiring a generation asset, environmental remediation or an event in which the availability of electricity or natural gas within a regional energy market is significantly constrained.**

[*Requires a public utility that provides electricity or gas services to provide and make public a visual representation of cost categories included in the public utility's residential customer rates for the preceding calendar year.*]

[*Requires a public utility to provide and make public a quarterly report on any rate adjustments the public utility expects within the next 12 months.*]

Requires an electric or natural gas company to provide and make public a visual representation of cost categories included in the company's residential customer rates and a report on any rate adjustments the company expects within the next 12 months.

Declares an emergency, effective on passage.

A BILL FOR AN ACT

Relating to public utilities; creating new provisions; amending ORS 757.210, 757.215, 757.457 and 757.461; and declaring an emergency.

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

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.

ELECTRIC AND NATURAL GAS UTILITY RATES

SECTION 1. Section 2 of this 2025 Act is added to and made a part of ORS 757.210 to 757.220.

SECTION 2. (1) As used in this section, "electric or natural gas company" means any entity that is a public utility that is engaged in the business of distributing electricity or natural gas to retail customers in this state.

(2) In determining whether an electric or natural gas company's proposed residential rate or schedule of rates to be established or increased or changed is fair, just and reasonable, the Public Utility Commission shall balance the interests of the utility investor and the consumer by considering the cumulative economic impact of the proposed rate or schedule of rates on the electric or natural gas company's residential ratepayers.

(3) An electric or natural gas company shall conduct and include with its filing an analysis of the cumulative economic impact of a proposed rate or schedule of rates on the electric or natural gas company's residential ratepayers if the electric or natural gas company's proposed residential rate or schedule of rates will result in an increase of residential rates and the electric or natural gas company's return on equity is subject to review and modification. The analysis must take into consideration the following:

(a) For each classification of service of the electric or natural gas company affected by the proposed rate or schedule of rates and, if applicable, distinguished by ratepayers who reside in single-family housing and ratepayers who reside in multifamily housing:

(A) Ratepayers' average monthly utility bill for the 18 months ending on the date before the date the proposed rate or schedule of rates is to take effect;

(B) The approximate range of utility bills from November 1 to March 31 for the prior two years for residential ratepayers who use the utility service for space heating; and

(C) The estimated dollar amount and percentage increase in ratepayers' utility bills;

(b) The average cost of living and cost of fuel and utilities for the region, state and, where available, service territory of the electric or natural gas company, as determined by the commission using the Consumer Price Index for All Urban Consumers, West Region (All Items), as most recently published by the Bureau of Labor Statistics of the United States Department of Labor, and any other macroeconomic data as determined by the commission;

(c) The electric or natural gas company's data on residential service disconnection for nonpayment, including:

(A) The number of ratepayers the electric or natural gas company disconnected for nonpayment in the previous 12 months;

(B) The number of ratepayers receiving energy assistance, including any government assistance, utility bill discount or utility arrearage program, that the electric or natural gas company disconnected for nonpayment in the previous 12 months;

(C) The number of ratepayers who have a medical certificate filed with the electric or natural gas company; and

(D) Data related to customers who are enrolled in the electric or natural gas company's energy assistance programs, including disconnection moratorium programs;

(d) The electric or natural gas company's data on overdue balances, as determined by the commission, such as:

(A) The number of ratepayers who have an overdue balance;

(B) The average amount of the overdue balances; or

(C) The total amount of overdue balances owed to the electric or natural gas company;

(e) Data on the cost of energy for commercial and industrial customers relative to the cost of energy for commercial and industrial customers in other states in the region together with historical trends; and

(f) Any other relevant data, as determined by the commission, such as indicators of financial hardship, residential customer energy burden or affordability of utility bills.

(4) The commission may contract or coordinate with other state agencies, energy assistance providers or the nongovernmental entity that administers funds collected pursuant to ORS 757.054, through natural gas tariffs or through public purpose charges pursuant to ORS 757.612, to collect data necessary to carry out this section.

(5) The commission may establish rules to carry out this section, including rules that require electric and natural gas companies to gather information or data necessary to carry out this section.

SECTION 3. ORS 757.210 is amended to read:

757.210. (1)(a) Whenever any public utility files with the Public Utility Commission any rate or schedule of rates stating or establishing a new rate or schedule of rates or increasing an existing rate or schedule of rates, the commission may, either upon written complaint or upon the commission's own initiative, after reasonable notice, conduct a hearing to determine whether the rate or schedule is fair, just and reasonable. The commission shall conduct the hearing upon written complaint filed by the utility, its customer or customers, or any other proper party within 60 days of the utility's filing; provided that no hearing need be held if the particular rate change is the result of an automatic adjustment clause. At the hearing the utility shall bear the burden of showing that the rate or schedule of rates proposed to be established or increased or changed is fair, just and reasonable. The commission may not authorize a rate or schedule of rates that is not fair, just and reasonable.

(b) As used in this subsection, "automatic adjustment clause" means a provision of a rate schedule that provides for rate increases or decreases or both, without prior hearing, reflecting increases or decreases or both in costs incurred, taxes paid to units of government or revenues earned by a utility and that is subject to review by the commission at least once every two years.

(2)(a) Subsection (1) of this section does not apply to rate changes under an approved alternative form of regulation plan, including a resource rate plan under ORS 757.212.

(b) Any alternative form of regulation plan shall include provisions to ensure that the plan operates in the interests of utility customers and the public generally and results in rates that are just and reasonable and may include provisions establishing a reasonable range for rate of return on investment. In approving a plan, the commission shall, at a minimum, consider whether the plan:

(A) Promotes increased efficiencies and cost control;

(B) Is consistent with least-cost resources acquisition policies;

(C) Yields rates that are consistent with those that would be obtained following application of ORS 757.269;

(D) Is consistent with maintenance of safe, adequate and reliable service; and

(E) Is beneficial to utility customers generally, for example, by minimizing utility rates.

(c) As used in this subsection, "alternative form of regulation plan" means a plan adopted by the commission upon petition by a public utility, after notice and an opportunity for a hearing, that sets rates and revenues and a method for changes in rates and revenues using alternatives to cost-of-

service rate regulation.

(d) Prior to implementing a rate change under an alternative form of regulation plan, the utility shall present a report that demonstrates the calculation of any proposed rate change at a public meeting of the commission.

(3) Except as provided in ORS 757.212, the commission, at any time, may order a utility to appear and establish that any, or all, of its rates in a plan authorized under subsection (2) of this section are in conformity with the plan and are just and reasonable. Except as provided in ORS 757.212, such rates, and the alternative form of regulation plan under which the rates are set, also shall be subject to complaint under ORS 756.500.

(4) Periodically, but not less often than every two years after the implementation of a plan referred to in subsection (2) of this section, the commission shall submit a report to the Legislative Assembly that shows the impact of the plan on rates paid by utility customers.

(5) The commission and staff may consult at any time with, and provide technical assistance to, utilities, their customers, and other interested parties on matters relevant to utility rates and charges. If a hearing is held with respect to a rate change, the commission's decisions shall be based on the record made at the hearing.

(6) The commission may adjust rates to mitigate an increase in residential customer rates if the increase is of such magnitude that, if applied at the higher rate or all at one time, the increase would affect the ability of residential customers to maintain adequate utility service. In considering whether to adjust rates under this subsection, the commission:

(a) Must determine whether the proposed adjusted rates are fair, just and reasonable;

(b) May not adjust rates in a manner that results in rates that are not fair, just and reasonable; and

(c) Shall consider and may approve deferred accounting for future cost recovery from customers for those amounts that are subject to rate mitigation.

(7) Any increase in residential rates may not take effect from November 1 to March 31.

SECTION 4. (1) Notwithstanding any other provisions of law, if an electric or natural gas company's proposal to increase rates under ORS 757.210 subjects the electric or natural gas company's return on equity to review or modification by the Public Utility Commission, the rate increase may not take effect within 18 months from the effective date of the electric or natural gas company's last rate increase under ORS 757.210 that subjected the electric or natural gas company's return on equity to review or modification by the commission.

(2) Notwithstanding ORS 757.259, the commission shall consider and may approve deferred accounting for future cost recovery from ratepayers under an electric or natural gas company's requested rate revision, if the rate revision subjects the electric or natural gas company's return on equity to review or modification.

(3) As used in this section, "electric or natural gas company" means a public utility, as defined in ORS 757.005, that is engaged in the business of distributing electricity or natural gas to retail customers in this state.

SECTION 5. Section 4 of this 2025 Act is repealed on the earlier of:

(1) January 2, 2027.

(2) The date the Public Utility Commission adopts permanent rules to implement section 7 of this 2025 Act.

SECTION 6. Section 7 of this 2025 Act is added to and made a part of ORS chapter 757.

SECTION 7. (1) As used in this section, "electric or natural gas company" means any

entity that is a public utility that is engaged in the business of distributing electricity or natural gas to retail customers in this state.

(2)(a) The Public Utility Commission shall establish rules requiring an electric or natural gas company to establish a multiyear rate plan for rate revisions that subject an electric or natural gas company's return on equity to review or modification.

(b) The rules must:

(A) Include procedural and content requirements for a multiyear rate plan.

(B) Require an electric or natural gas company to file a multiyear rate plan on a regular interval that is no less than three and no more than seven years long.

(C) Establish a limit on the number of electric or natural gas companies that are allowed to request a rate increase in any given year.

(c) The rules may:

(A) Provide for incentives for efficient utility operations.

(B) Authorize refunds to customers under certain circumstances.

(C) Allow an electric or natural gas company, or third party, to request an exception to a requirement established by rule under this section on a showing of good cause.

(3) The provisions of this section do not allow for cost recovery that is not permitted under ORS 757.355.

SECTION 8. ORS 757.215 is amended to read:

757.215. (1) The Public Utility Commission may, pending such investigation and determination, order the suspension of the rate or schedule of rates for a period of up to [*nine*] **10** months beyond the time when such rate or schedule would otherwise go into effect.

(2) This section does not prevent the commission and the utility from entering into a written stipulation at any time extending any period of suspension.

(3) After full hearing, whether completed before or after such rate or schedule has gone into effect, the commission may make such order in reference thereto as would be proper in a proceeding initiated after such rate or schedule has become effective.

(4) If the commission is required to or determines to conduct a hearing on a rate or schedule of rates filed pursuant to ORS 757.210, but does not order a suspension thereof, any increased revenue collected by the utility as a result of such rate or rate schedule becoming effective shall be received subject to being refunded. If the rate or rate schedule thereafter approved by the commission is for a lesser increase or for no increase, the utility shall refund the amount of revenues received that exceeds the amount approved as nearly as possible to the customers from whom such excess revenues were collected, by a credit against future bills or otherwise, in such manner as the commission orders.

(5) The commission may in a suspension order authorize an interim rate or rate schedule under which the utility's revenues will be increased by an amount deemed reasonable by the commission, not exceeding the amount requested by the utility. Any such interim increase for a public utility as defined in ORS 757.005 that produces, transmits, delivers or furnishes heat, light or power shall be effected by rates designed to increase the utility's revenues without materially changing the revenue relationships among customer classes or between the revenues derived from demand charges and from energy charges. An interim rate or rate schedule shall remain in effect until terminated by the commission. Upon completion of the hearing and decision, the commission shall order the utility to refund that portion of the increase in the interim rate or schedule that the commission finds is not justified. Any refund of an interim increase under this subsection shall be based upon an analysis

of the utility's earnings for a period reasonably representative of the period during which the interim increase was in effect. Refunds shall be made as nearly as possible to the customers against whom the interim rates were charged, by credits against future bills or in such other manner as the commission orders.

(6) Refunds ordered by the commission under subsection (4) or (5) of this section shall include interest on the amount determined to be subject to refund from the date such interim rate or rate schedules took effect.

FINANCING OF CERTAIN RATE RECOVERY EXPENDITURES

SECTION 9. ORS 757.457 is amended to read:

757.457. As used in this section and ORS 757.459, 757.461 and 757.463:

(1) "Assignee" means a person, and any subsequent assignee, to which a public utility assigns, sells or transfers all or part of the public utility's interest in or right to rate recovery assets, except as security.

(2) "Bond" includes bonds, notes, certificates of beneficial interests in a trust or other evidence of indebtedness.

(3) "Bondholder" means a holder or owner of a rate recovery bond.

(4) "Finance subsidiary" means an assignee at the time rate recovery bonds are issued:

(a)(A) That is beneficially owned, directly or indirectly, by a public utility; or

(B) In the case of a trust, for which a public utility or subsidiary of the public utility is the grantor; or

(b) That is unaffiliated with a public utility and acquires bondable rate recovery assets from a public utility in a transaction or under an agreement that is approved by the Public Utility Commission.

(5) "Financing costs" includes the following costs related to rate recovery bonds, whether incurred and paid upon issuance or over the life of rate recovery bonds:

(a) The costs of issuing, serving, managing, repaying or refinancing rate recovery bonds, including any fees, expenses or charges incurred and the costs of any activities performed in connection with the rate recovery bonds, including:

(A) Information technology programming;

(B) Obtaining a financing order;

(C) Serving, accounting or auditing;

(D) Services related to trustees;

(E) Legal services;

(F) Consulting;

(G) Services related to financial and structuring advisors;

(H) Administration;

(I) Placement and underwriting;

(J) Services related to independent directors and managers;

(K) Services related to rating agencies;

(L) Stock exchange listing and compliance;

(M) Securities registration and filing; and

(N) Services necessary to ensure a timely payment of rate recovery bonds or other amounts or charges payable in connection with rate recovery bonds;

(b) Principal, interest and acquisition, defeasance and redemption premiums payable on rate recovery bonds;

(c) Payments required under an ancillary agreement and any amounts required to fund or replenish a reserve or account established under the terms of an indenture, ancillary agreement or financing document related to rate recovery bonds;

(d) Applicable federal, state and local taxes, franchise fees, license fees, gross receipts or other taxes or charges, whether paid, payable or accrued; and

(e) The Public Utility Commission's costs in performing the commission's duties related to rate recovery bonds that are recoverable by the commission under ORS 756.310.

(6) "Financing order" means an order issued by the Public Utility Commission that authorizes one or more the following:

(a) The recovery of rate recovery expenditures and financing costs;

(b) The creation of rate recovery assets;

(c) The issuance of rate recovery bonds;

(d) The imposition, collection and periodic adjustment of rate recovery charges; or

(e) The sale, assignment or transfer of rate recovery assets to an assignee.

(7) "Financing party" includes:

(a) Bondholders, trustees, agents and secured parties related to rate recovery bonds;

(b) A person acting for the benefit of bondholders, trustees, agents or secured parties; and

(c) A party to rate recovery bond documents or an ancillary agreement.

(8) "Public utility customer" means:

(a) For an electric utility, a retail electricity consumer, as defined in ORS 757.600.

(b) For a natural gas utility, the end use consumer served by the natural gas utility, including those served by the natural gas utility under ORS 757.516, regardless of whether the end use consumer purchases natural gas from the natural gas utility.

(9) "Rate recovery asset" means a right to recover from customers rate recovery expenditures and associated costs and expenses approved in a financing order, including the right to:

(a) Impose, charge, bill, collect, receive, hold and apply rate recovery charges authorized under a financing order or obtain, to the extent authorized, periodic adjustments of rate recovery charges; and

(b) All claims, accounts, revenues, payments, collections, moneys or proceeds arising from the rights and interest specified in a financing order, regardless of whether the claims, accounts, revenues, payments, collections, moneys or proceeds arising from the rights and interest specified in the financing order are commingled with other claims, accounts, revenues, payments, collections, moneys or proceeds.

(10) "Rate recovery charge" means charges to public utility customers authorized by the Public Utility Commission to recover rate recovery expenditures and financing costs and to be used to pay, repay or refinance rate recovery bonds.

(11) "Rate recovery expenditures" means costs and expenses incurred or to be incurred [*through the date of issuance of a financing order*] by a public utility associated with:

(a) An event that is the subject of a federal or state declaration of a state of emergency, such as severe weather, catastrophic wildfire, pandemic or other event that causes or threatens to cause widespread loss of life, injury to person or property, human suffering or financial loss, except those costs and expenses that are or are associated with criminal or civil fines or penalties or judgments from a civil action based on negligence related to the event.

(b) An energy conservation program that provides loans and cash payments to public utility customers for the installation of energy conservation measures funded by the public utility including, but not limited to, the costs or expenditures for specific acquisition program development, promotion and labor costs and associated general supervision, rents, leases and overheads.

(c) A capital investment:

(A) That by itself will cause residential rates to rise by more than five percent; and

(B) When combined with other expected investments or expenses, has the potential to significantly impact the affordability of residential rates.

(d) Retiring a generation asset, including undepreciated investments, decommissioning and restoring a facility site, related capital and operating costs, accrued carrying charges and deferred costs.

(e) Planned or past remediation of a contaminated site or environmental remediation activities and related partial or final payments or settlements.

(f) An event in which the availability of electricity or natural gas within a regional energy market is significantly constrained.

(12) "Secured party" means a financing party that has been granted a security interest in rate recovery assets.

SECTION 10. ORS 757.461 is amended to read:

757.461. (1)(a) A public utility may apply to the Public Utility Commission for a financing order designating all or part of rate recovery expenditures as bondable rate recovery expenditures, for the purpose of financing or refinancing the designated expenditures under ORS 757.415 (1)(f).

(b) After notice and an opportunity for a hearing, the commission may approve an application if the commission finds that:

(A) The rate recovery expenditures included in the application are reasonable and prudent;

(B) Financing or refinancing the rate recovery expenditures through the issuance of rate recovery bonds is likely to be more favorable to public utility customers for the recovery of rate recovery expenditures as compared to other methods; and

(C) Bonds, notes, certificates of beneficial interests in a trust and other evidences of indebtedness or ownership issued pursuant to the approval are reasonably likely to receive a determination of, at a minimum, investment grade by credit rating agencies.

(c) The commission shall issue an order within 180 days of an application approving or denying the application. If the commission approves the application, the commission shall issue a financing order.

(2)(a) A financing order issued under this section shall specify the highest amount of rate recovery expenditures that qualify as bondable rate recovery expenditures.

(b) In specifying the amount for rate recovery expenditures associated with an event described in ORS 757.457 (11)(a), net of appropriate adjustments as determined by the commission to be reasonable, the commission may include, but is not limited to including, the following rate recovery expenditures:

(A) Capital and operating costs incurred or to be incurred as a result of the event;

(B) Lost revenue associated with the event;

(C) Costs and expenses that may be recovered at a later time from third parties or insurers and returned to public utility customers through a separate rate proceeding consistent with cost causation and rate design principles and statutory or regulatory requirements; and

(D) Carrying costs or charges.

(3) A financing order issued under this section must include the following provisions:

(a) Confirmation of the existence of recoverable rate recovery expenditures and authorization to recover rate recovery expenditures and associated financing costs, including the maximum principal amount of bondable rate recovery expenditures and financing costs that may be recovered through securitization;

(b) Authorization for the creation of rate recovery assets and imposition of rate recovery charges that allow for the recovery of rate recovery expenditures, as determined by the commission, and associated financing costs;

(c) A requirement that the rate recovery charges authorized by the financing order are ongoing and may not be avoided by a public utility customer, as described under subsection (4) of this section, until all principal, interest, premium and other amounts due on the rate recovery bonds and financing costs have been paid in full;

(d) A methodology for:

(A) Allocating rate recovery charges between the different classes of public utility customers, which may include not allocating rate recovery charges to one or more classes of public utility customers, that is consistent with cost causation and rate design principles and statutory or regulatory requirements; and

(B) Adjusting rate recovery charges as necessary to ensure timely payment on, and payment in full of, the rate recovery bonds and associated financing costs or in response to changes to applicable customers, service territories or collection rates;

(e) Authorization for the public utility to issue one or more series of rate recovery bonds with flexibility for the public utility to establish the terms and conditions of the rate recovery bonds, including repayment schedules, initial interest rates and initial financing costs;

(f) Authorization to assign rate recovery assets to a financing subsidiary and grant security interests in the rate recovery assets to secured parties without limiting the rights of subsequent assignees;

(g) Authorization for the bond documentation and ancillary documents related to the rate recovery bonds, including servicing arrangements for the rate recovery charges, without requiring the authorization to be on the final forms of the documents;

(h) Authorization **for the reasonable opportunity** for the public utility to earn a return, at the cost of capital authorized in the public utility's most recent general rate case prior to the date of the financing order, on any moneys advanced by the public utility to fund advances, reserves or capital accounts established under the terms of any indenture, ancillary agreement or financing documents related to the rate recovery bonds;

(i) A finding that the proposed issuance of rate recovery bonds and the imposition of rate recovery charges is expected to provide the lowest possible reasonable and prudent cost on a net present value basis to public utility customers for recovery of the rate recovery expenditures as compared to **the public utility's weighted average cost of capital or** other methods of financing and recovery;

(j) A date, not earlier than one year from the date that the financing order becomes final, on which the authority to issue rate recovery bonds granted in the financing order expires;

(k) A requirement that the public utility notify the commission if the public utility recovers costs and expenses from a third party or insurer; and

(L) Any other conditions that the commission finds appropriate and that are consistent with this section.

(4) Rate recovery charges authorized by a financing order shall be collected through the rates or charges paid by, and may not be avoided by, the public utility customers located within the public utility's allocated service territory, as the territory existed on the date of the financing order or, if the financing order provides, as such service territory may be expanded, even if:

(a) The public utility customer receives electricity or natural gas, electricity or natural gas services or ancillary services from a successor or assignee of the public utility;

(b) The public utility customer elects to receive electricity or natural gas, electricity or natural gas services or ancillary services from another public utility, utility provider or service provider in the service territory; or

(c) After the date of issuance of the financing order, the public utility customer changes customer class.

(5)(a) Rate recovery assets, including rate recovery charges, and the rights of public utilities, assignees, bondholders and financing parties, established by a financing order issued under this section, are irrevocable and unchangeable, except as provided in the financing order, until all principal, interest, premium, interest and amounts due on the rate recovery bonds and financing costs are paid in full.

(b) Until all principal, interest, premium, interest and amounts due on the rate recovery bonds and financing costs are paid in full, the commission, except as provided in the financing order, the State of Oregon and a public body, as defined in ORS 174.109, may not:

(A) Revalue the rate recovery expenditures or financing costs for ratemaking purposes;

(B) Determine that the rates or revenues authorized under the financing order are unjust or unreasonable;

(C) Reduce, alter or impair the rate recovery assets, rate recovery charges or the collection of the rate recovery charges, or rate recovery bonds or the security for the rate recovery bonds;

(D) Rescind, suspend, amend or impair the financing order; or

(E) When setting other rates or charges for the public utility or taking other actions pursuant to the commission's authority, consider the rate recovery bonds as debt of the public utility, the rate recovery assets to be revenue for the public utility or the rate recovery expenditures to be costs of the public utility.

(6) If the commission determines that financing certain rate recovery expenditures through the issuance of rate recovery bonds would potentially result in benefits to public utility customers, the commission may identify those rate recovery expenditures and direct a public utility to investigate and report to the commission on the costs, benefits and risks of financing those rate recovery expenditures. The report may include an analysis of the following:

(a) Any future need for the use of rate recovery bonds;

(b) The ability of the public utility to raise capital;

(c) Intergenerational equity;

(d) The percentage of customers' utility bills that are currently dedicated to rate recovery bond payments; and

(e) The percentage of customers' utility bills that would need to be dedicated to rate recovery bond payments to finance the rate recovery expenditures analyzed in the report.

[*(6)*] **(7)** The commission may not require a public utility to:

(a) Apply to the commission for a financing order designating all or part of rate recovery expenditures as bondable rate recovery expenditures; or

(b) Finance or refinance rate recovery expenditures that the commission has designated as bondable rate recovery expenditures.

[*(7)*] **(8)** Jurisdiction for review of a financing order issued under this section shall be as provided for orders in contested cases pursuant to ORS 183.482, except that a petition for rehearing or reconsideration is not allowed. If a petition is not filed with the Court of Appeals within 60 days following the date of issuance of a financing order, the order becomes a final and irrevocable action of the commission and the State of Oregon and is not subject to administrative or judicial challenge.

(9) In determining whether an event as described under ORS 757.457 (11)(f) qualifies as a rate recovery expenditure, the commission shall take into consideration the following factors:

(a) The cost and availability of wholesale power or natural gas during the event;

(b) The applicability of any regional reliability assistance programs; and

(c) Any issuance of a declaration related to energy reliability by a regional balancing authority.

REPORTS BY PUBLIC UTILITIES

SECTION 11. Sections 12 and 13 of this 2025 Act are added to and made a part of ORS chapter 757.

SECTION 12. (1) As used in this section and section 13 of this 2025 Act, "electric or natural gas company" means any entity that is a public utility that is engaged in the business of distributing electricity or natural gas to retail customers in this state.

(2) Each calendar year, an electric or natural gas company shall provide to the Public Utility Commission, and make publicly available on the electric or natural gas company's website, a visual representation of the cost categories that are included in the electric or natural gas company's residential customer rates and the percentage amount of the residential customer rates for each cost category.

(3) The commission shall by rule establish the cost categories. Cost categories must include the following:

(a) Transmission services infrastructure;

(b) Distribution services infrastructure;

(c) Power costs;

(d) Wildfire mitigation;

(e) Catastrophic events and emergencies;

(f) Insurance, including self-insurance; and

(g) Any other expenses, as determined by the commission, that an electric or natural gas company seeks to recover through residential customer rates.

SECTION 13. (1) The Public Utility Commission shall require each electric and natural gas company to, at least annually, file with the commission, and make publicly available, a report on any rate adjustments that the electric or natural gas company expects within the next 12 months.

(2) A report under this section must:

(a) Identify all rate adjustment requests that an electric or natural gas company has filed or reasonably knows or anticipates to file;

(b) Identify other requests or applications that could result in a rate adjustment;

(c) Provide estimates on the amounts of expected rate adjustments, if the amounts in expected rate adjustments are not known with certainty; and

(d) For each rate adjustment request that an electric or natural company has filed or reasonably knows or anticipates to file:

(A) Specify the date the electric or natural gas company filed or anticipates filing the request with the commission;

(B) Specify the date the electric or natural gas company requests or anticipates requesting that the rate adjustment take effect;

(C) Provide the overall estimated rate impact, expressed in dollar and percentage amounts, that would result from the rate adjustment if approved;

(D) Provide the cumulative rate impact of a rate adjustment in the aggregate with all other rate adjustments that take effect between the date of the report and the date the rate adjustment takes effect; and

(E) Identify the classification of service or customer that may be affected by a rate adjustment and forecast how the rate adjustment may affect rates for the other customer classes of the electric or natural gas company.

(3) An electric or natural gas company is not required under this section to make publicly available any information or material that is subject to confidentiality under the rules of the commission.

(4) The commission shall adopt rules to carry out the provisions of this section. The rules must provide for procedures for an electric or natural gas company to protect the confidentiality of the information described under subsection (2) of this section through the use of a protective order, subject to review and approval by the commission.

APPLICABILITY

SECTION 14. (1) Except as provided in subsection (2) of this section, sections 2 and 4 of this 2025 Act and the amendments to ORS 757.210 and 757.215 by sections 3 and 8 of this 2025 Act apply to proceedings before the Public Utility Commission that commence on or after the effective date of this 2025 Act.

(2) ORS 757.210 (7) applies to increases in residential rates that are approved on or after the effective date of this 2025 Act.

CAPTIONS

SECTION 15. The unit captions used in this 2025 Act are provided only for the convenience of the reader and do not become part of the statutory law of this state or express any legislative intent in the enactment of this 2025 Act.

EMERGENCY CLAUSE

SECTION 16. This 2025 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2025 Act takes effect on its passage.
