

**Testimony in Strong Support of House Bill 3179
Submitted to the Oregon House Committee on Commerce and Consumer Protection
February 24, 2025**

Chair Sosa and Members of the Committee;

I am writing in strong support of House Bill 3179, which takes a crucial step in addressing the Public Utility Commission's (PUC) failure to regulate public utilities in a manner that protects consumers. The PUC's lack of transparency and enforcement has led to **unjustified rate increases, inconsistent enforcement of utility policies, and severe financial hardships for Oregonians—especially those in rural communities**. This bill is a necessary first step, but more must be done to strengthen the PUC's authority and accountability to the public.

As an Oregon resident, I have personally experienced the consequences of inadequate oversight, resulting in soaring utility costs, unclear enforcement of policies, and a lack of transparency from providers like Portland General Electric (PGE). **The PUC's limited regulatory reach allows utilities to impose excessive rate hikes and infrastructure costs without meaningful accountability. Worse, the PUC lacks an effective process to mediate disputes between consumers and utilities, leaving ratepayers financially vulnerable and without recourse.**

My Experience with PGE's Arbitrary and Costly Policies

Over the past three years, I have seen firsthand how PGE implements policies that drastically increase costs for consumers with no meaningful oversight. My own experience securing power service for my home in rural Washington County has been a three year exercise in frustration and financial hardship.

Despite multiple on-site meetings with PGE representatives, agreed-upon design plans were later revoked without explanation. **PGE's arbitrary policy changes—implemented without clear regulatory review—drove my costs from a reasonable estimate to over \$30,000, nearly three times the original quoted price.** These unexpected costs were further compounded by material price surges during COVID, leaving rural homeowners like myself with massive financial burdens.

These costs arose when PGE implemented its wildfire mitigation policies, including requiring expensive ductile iron poles in high wildfire risk zones (HWRZ). The financial burden of these policies was placed **entirely on customers—without a transparent or fair process to dispute these determinations**. In my case, my property was originally categorized as **moderate risk** by the Oregon Department of Forestry map, yet PGE was able to ignore this classification and instead used their own arbitrary process to designate my property as **high risk**, drastically increasing my costs.

The PUC's Failure to Regulate Utility Policies and Protect Consumers

PGE claims its policies comply with Senate Bill (SB) 762 (2021), OAR 860, and Executive Order 20-04. These policies include requiring costly infrastructure upgrades **that go beyond state-accepted standards**—yet they are not publicly available in PGE’s manuals for consumers seeking new power installations. According to the PUC, **it does not review these additional policies implemented by PGE**, meaning ratepayers have no recourse when utilities impose unjustified costs.

If the PUC **is not reviewing policies that directly increase costs for consumers**, what is its purpose? The PUC’s failure to provide meaningful oversight has led to several alarming issues:

1. **No formal consumer reporting process** – There is no way for ratepayers to challenge utilities when they fail to follow their own policies.
2. **Inconsistent enforcement** – PGE has installed wooden poles in some high-risk areas while forcing other customers in those same areas to bear the cost of iron poles after implementation of their policy.
3. **Lack of consumer impact analysis** – In its **Wildfire Mitigation Plan**, PGE only reports additional costs to the utility, **ignoring the financial burden placed on ratepayers** through higher fees and direct infrastructure expenses.
4. **Failure to align wildfire risk zones with state designations** – PGE has arbitrarily reclassified properties to impose higher costs, despite the Oregon Department of Forestry’s official risk map providing a different designation.
5. **No regulatory review of consumer cost impacts** – The PUC does not require utilities to justify rate hikes based on **real consumer affordability metrics**, such as local unemployment rates and median household incomes. Additionally, the PUC should be required to assess rural vs urban incomes in counties with mixed populations.

The Need for Stronger Consumer Protections

This is not just my story—it is the reality for **countless Oregonians**, particularly in rural areas, who face **unfair pricing structures, unexplained rate increases, and inconsistent enforcement of policies that utilities themselves fail to follow**. The PUC, despite its stated mission, lacks the authority or willingness to enforce compliance, leaving customers with **no recourse**.

HB 3179 is a necessary step toward holding public utilities accountable and ensuring that **ratepayers are not subjected to unchecked cost increases**. The bill rightly requires the PUC to:

- **Consider the cumulative economic impact of rate increases**
- **Prioritize ratepayer protections**
- **Demand greater transparency in utility cost structures**

However, I urge the Legislature to go **even further** by broadening the PUC’s authority to **actively regulate and challenge utility policies that disproportionately burden consumers**.

Key Consumer Protections That Must Be Added to HB 3179

- ◆ **Strengthening oversight** to ensure utilities comply with their own policies and state regulations..
- ◆ **Establish a formal consumer reporting and dispute process** within the PUC to allow individuals to challenge utility policies that result in excessive costs or inconsistent enforcement..
- ◆ **Mandate that the PUC review and publicly report on the consumer impact of utility policies**—not just the financial impact on the utility itself.
- ◆ **Ensure that wildfire mitigation plans align with state-approved wildfire risk zones**, preventing utilities from arbitrarily reclassifying properties to impose higher costs.
- ◆ **Enforce the requirement for direct consultation with agencies like the Oregon Department of Forestry** on wildfire mitigation policies that impact customer costs.
- ◆ **Implement stricter cost-review mechanisms before utilities can impose rate hikes or infrastructure mandates.**
- ◆ **Require independent verification of utility policies and rate increases** to prevent misleading claims that shift financial burdens onto consumers.
- ◆ **Expand consumer protections to prevent price gouging, particularly in rural communities.**

Conclusion: Oregon Needs Stronger Utility Oversight

The **status quo is failing Oregon ratepayers**. The PUC exists to **protect** consumers, yet its failure to regulate utilities effectively has resulted in **widespread financial strain on households across the state**. Without stronger oversight, utilities like PGE will **continue prioritizing their own financial interests over the well-being of the public**.

HB 3179 is a critical step forward, but it must be strengthened to ensure real accountability and consumer protection. I urge you to support this bill and push for further reforms to make the PUC a **true** regulatory body that serves **the public**.

Thank you for your time and consideration.

Sincerely,
Alicia Hudson
Resident, rural North Plains, OR