

Oregon Citizens' Utility Board

610 SW Broadway, Suite 400
Portland, OR 97205

(503) 227-1984
www.oregoncub.org

May 5, 2025

To: Chair Jama, Vice Chair Bonham, and Members of the Senate Rules Committee

From: Jennifer Hill-Hart, Policy & Program Director, Oregon Citizens' Utility Board (CUB)

Re: Support for SB 88

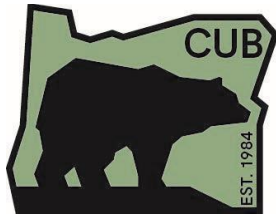
CUB is a membership-based 501(c)3 nonprofit consumer advocacy organization that represents the interests of utility consumers, including energy and telecommunications customers, before legislative, administrative and judicial bodies. CUB represents the interests of Oregon households by advocating for utility regulations and policies that protect your wallet. To date, we have saved Oregon ratepayers over \$10 billion dollars. **We submit this testimony to ask for your support for SB 88.**

In recent years, the traditional processes for assigning rates to residential customers has become unbalanced. Instead of centering the customer, this process centers and caters to a utility's shareholders and their profits. Utilities have the upper hand—from control of when they come in for a rate case to what is included within a general rate case. This is to the disservice of customers, and has outcomes that affect not only affordability, but fairness and transparency.

SB 88 acknowledges that the customer is not centered in the ratemaking process, to the detriment of fairness for customers and accountability from utilities, revealing some of the existing power dynamics at play when it comes to passing off unnecessary costs to customers.

Each general rate case and each utility are different, but each has a lot of issues to comb through. Testimony from the utility and other parties to the case are hundreds of pages long and collectively amount to *thousands* of pages. It is nearly impossible to track every cost utilities ask to recover in these cases, especially when they are incremental. These "incremental costs" (thousands of dollars rather than millions) not only start to add up, but once they are approved in a rate case order, cannot be taken out later.

The power dynamics of a general rate case almost guarantee that utilities are the ones choosing the issues, and the Public Utility Commission, CUB, and other parties are having to react to them. Understandably, the high dollar costs are generally the ones most addressed. In cases where utilities are throwing everything at the wall to see what sticks, the process can become too crowded or busy for us to find the smaller dollar things that customers should not actually



Oregon Citizens' Utility Board

610 SW Broadway, Suite 400
Portland, OR 97205

(503) 227-1984
www.oregoncub.org

be paying for. For example, CUB has seen utilities try to include Blazer basketball tickets and Oregon Ducks football tickets in rates. Another utility once tried to include baby pigs for a 4-H program in Eastern Washington.

When we do find these instances, the rate case process at the PUC ushers in what is called a disallowance. A disallowance does exactly that - it simply disallows the utility from recovering that cost from customers. There is no penalty or any actual loss to a utility that tries to pass on unrecoverable costs to customers. SB 88 changes that by explicitly stating that a utility could be issued penalties, beyond simple disallowances, when it tries to push costs onto customers that should not be paid for by customers. SB 88 also has a reporting mechanism which requires utilities to report, in each general rate case, its previous year's unrecoverable costs and expenses. This piece of the bill is asking for more accountability from utilities and more transparency and fairness for customers.

CUB is supporting SB 88 because it is a step towards balancing the scales for residential households in the ratemaking process, by seeking more fairness for families through mechanisms of transparency and accountability – making it a great companion to the FAIR Energy Act (HB 3192), the POWER Act (HB 3546), Performance Based Ratemaking (SB 688), the OEAP funding bill (HB 3792) and One Stop Shop 2.0 (HB 3081). See the suite of energy affordability bills CUB is endorsing [here](#).

While the unrecoverable cost categories within SB 88 are by no means the main drivers of general rate cases and rate increases, they are certainly unnecessary costs that should not be coming out of customer pockets. Every penny counts for households who are already pinching pennies.

Thank you for your time and consideration of SB 88.