House Bill 2475

Sponsored by Representative POWER (at the request of House Energy and Environment) (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 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

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

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

SECTION 1. ORS 756.010 is amended to read:

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

(1) “Commission” means the Public Utility Commission of Oregon.

(2) “Commissioner” means a member of the Public Utility Commission of Oregon.

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

(4) “Environmental justice” means equal protection from environmental and health hazards and meaningful public participation in decisions that affect the environment in which people live, work, learn, practice spirituality and play.

(5) “Environmental justice communities” includes communities of color, communities experiencing lower incomes, tribal communities, rural communities, coastal communities, communities with limited infrastructure and other communities traditionally underrepresented in public processes and adversely harmed by environmental and health hazards, including but not limited to seniors, youth and persons with disabilities.

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

[(5)] [(7) “Person” includes individuals, joint ventures, partnerships, corporations and associations or their officers, employees, agents, lessees, assignees, trustees or receivers.

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

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

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

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

SECTION 2. ORS 757.230 is amended to read:

757.230. (1) The Public Utility Commission shall provide for a comprehensive classification of 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.

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

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

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

(c) For electric and natural gas utilities:
   (A) Whether it is appropriate to incorporate interruption of service in the utility's rate agree-
   ment with the customer; and

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

   and

   (d) For electric utilities, for service to load not previously served, the effect of the rate on the
utility's average system cost through the residential exchange provision of the Pacific Northwest

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

SECTION 3. ORS 757.072 is amended to read:

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

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

   (A) The broad interests of customers;

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

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

   (b) The commission by rule shall establish such qualifications as the commission deems appro-
   priate for determining which organizations are eligible for financial assistance under an agreement
entered into under this section.
(3) In administering an agreement entered into under this section, the commission by rule or order may determine:

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

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

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

(d) Other matters necessary to administer the agreement.

(4) The commission shall allow a public utility that provides financial assistance under this section to recover the amounts so provided in rates. The commission shall allow a public utility to defer inclusion of those amounts in rates as provided in ORS 757.259 if the public utility so elects. An agreement under this section may not provide for payment of any amounts to the commission.