

# DRAFT

## SUMMARY

Digest: Bans a power or gas company from including in its rates certain costs or expenses. (Flesch Readability Score: 61.8).

Prohibits an electric or gas company from recovering from ratepayers costs or expenses associated with advertising, political influence activity, litigation, penalties or fines and certain compensation.

Directs the Public Utility Commission to limit the amount that an electric or gas company may recover from ratepayers for costs and expenses incurred by the electric or gas company in preparing for, attending, participating in or appealing a contested proceeding conducted before the commission.

Requires an electric or gas company to submit an annual report to the commission that includes an itemized list of all costs and expenses incurred by the electric or gas company that are nonrecoverable from ratepayers.

Imposes civil penalties for violations.

Declares an emergency, effective on passage.

## A BILL FOR AN ACT

1  
2 Relating to expenditures nonrecoverable from ratepayers; and declaring an  
3 emergency.

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

5 **SECTION 1. As used in sections 1 to 5 of this 2025 Act:**

6 **(1)(a) “Advertise” means to publish, disseminate, solicit or circu-**  
7 **late, by any means or media, communications that, in whole or in**  
8 **part, are intended to:**

9 **(A) Induce a person to use a commercial product or service;**

10 **(B) Promote a business brand;**

11 **(C) Promote desirable qualities about a product, service, business**  
12 **or industry; or**

1 (D) Influence public opinion on a legislative, administrative or  
2 electoral matter.

3 (b) "Advertise" does not include public communications:

4 (A) Required by law, regulation or order;

5 (B) About service interruptions, safety measures or emergency  
6 conditions;

7 (C) About employment opportunities; or

8 (D) About a program approved by the Public Utility Commission  
9 regarding income-based services, special rates or energy conservation.

10 (2) "Business unit" means a division, department, unit or organized  
11 employee group of an electric or gas company.

12 (3) "Compensation" means wages, benefits, salary, bonus and any  
13 other consideration of value.

14 (4) "Electric or gas company" means any entity that is a public  
15 utility under ORS 757.005 that is engaged in the business of distribut-  
16 ing electricity or gas to retail customers in this state.

17 (5)(a) "Political influence activity" means any action, including any  
18 research, analysis, reparation or planning activity, taken to influence:

19 (A) An adoption, repeal or modification of a federal, state or local  
20 law, ordinance or regulation;

21 (B) An election, recall, appointment or removal of a public official;

22 (C) An election for the adoption or rejection of an initiative or  
23 referenda;

24 (D) Public opinion on a matter described in subparagraphs (A) to  
25 (C) of this subsection;

26 (E) Public opinion on the approval, revocation or modification of a  
27 utility franchise agreement;

28 (F) Public opinion on utility rates; or

29 (G) The decision of a federal, state or local government official.

30 (b) "Political influence activity" does not include:

31 (A) Appearing before a committee of the Legislative Assembly, the

1 **Public Utility Commission, a state agency or a government body if the**  
2 **appearance is required or made at the request of the committee,**  
3 **commission, state agency or government body.**

4 **(B) Appearing before the Public Utility Commission as part of a**  
5 **proceeding before the commission.**

6 **SECTION 2. An electric or gas company may not recover from**  
7 **ratepayers costs or expenses incurred by an electric or gas company**  
8 **that are or are associated with:**

9 **(1) Membership fees, dues, sponsorships or contributions to a trade**  
10 **association if the trade association uses any portion of the member-**  
11 **ship fees, dues, sponsorships or contributions to advertise or support**  
12 **a political influence activity;**

13 **(2) Charitable giving, including contributions to an organization**  
14 **that is exempt from federal income taxes under section 501(c)(3) or (4)**  
15 **of the Internal Revenue Code;**

16 **(3) Political influence activity;**

17 **(4) Advertising or activity to support advertising including research,**  
18 **analysis, reparation or planning;**

19 **(5) Compensation to a person if any portion of the compensation is**  
20 **for work to influence a decision by a federal, state or local government**  
21 **official;**

22 **(6) Contributions to a political candidate, political party, campaign**  
23 **committee, issue committee or independent expenditure committee;**

24 **(7) Litigation over an existing or proposed federal, state or local**  
25 **legislation, regulation or ordinance;**

26 **(8) Any product or service not regulated by the Public Utility**  
27 **Commission, including costs or expenses for marketing, adminis-**  
28 **tration, customer service or other costs or expenses associated with**  
29 **the product or service not regulated by the commission;**

30 **(9) Penalty or fine, including any penalty or fine associated with**  
31 **taxes, issued against the electric or gas company;**

1 (10) Travel, lodging, entertainment or food and beverage for a  
2 member of the board of directors or an officer of the electric or gas  
3 company or any affiliate unit of the electric or gas company;

4 (11) An aircraft owned, leased or chartered for a member of the  
5 board of directors or an officer of the electric or gas company or any  
6 affiliate unit of the electric or gas company;

7 (12) Investor relations;

8 (13) Compensation above 50 percent of the annual total compen-  
9 sation or expense reimbursement for a member of the board of direc-  
10 tors of the electric or gas company; and

11 (14) Preparing a report required under section 4 of this 2025 Act.

12 **SECTION 3.** (1) The Public Utility Commission shall by rule limit  
13 the amount that an electric or gas company may recover from  
14 ratepayers for costs and expenses incurred by an electric or gas com-  
15 pany in preparing for, attending, participating in, or appealing a con-  
16 tested proceeding conducted before the commission.

17 (2) In establishing rules under this section, the commission shall  
18 consider:

19 (a) Limiting the amount that an electric or gas company may re-  
20 cover from ratepayers for costs and expenses for attorneys, consult-  
21 ants and third-party experts;

22 (b) Establishing a maximum percentage of an amount of costs and  
23 expenses incurred by an electric or gas company that an electric or  
24 gas company may recover from ratepayers; and

25 (c) Establishing a maximum amount of costs and expenses incurred  
26 by an electric or gas company that an electric or gas company may  
27 recover from ratepayers as a proportion to the amount of costs and  
28 expenses incurred by the Citizens' Utility Board created under ORS  
29 774.030 or an intervenor in preparing for, attending, participating in,  
30 or appealing a contested proceeding conducted before the commission.

31 **SECTION 4.** (1) On or before April 30 of each year, an electric or

1 **gas company shall file with the Public Utility Commission a report**  
2 **identifying the costs and expenses described in sections 2 and 3 of this**  
3 **2025 Act, incurred by the electric or gas company during the prior**  
4 **calendar year.**

5 **(2) The report filed under this section must include an itemized list**  
6 **that identifies:**

7 **(a) Each payment to each vendor, trade association, organization**  
8 **or person made by the electric or gas company for an item or activity**  
9 **described in section 2 or 3 of this 2025 Act, and for each itemized item**  
10 **or activity include:**

11 **(A) The billing amount;**

12 **(B) The billing date;**

13 **(C) The payee; and**

14 **(D) An explanation of the purpose of the item or activity;**

15 **(b) The compensation paid to each employee of the electric or gas**  
16 **company to carry out an item or activity described in section 2 or 3**  
17 **of this 2025 Act, and for each employee include:**

18 **(A) The employee's job title;**

19 **(B) The employee's job description and responsibilities;**

20 **(C) A description of each item or activity described in section 2 or**  
21 **3 of this 2025 Act that the employee carried out;**

22 **(D) The total amount of the employee's annual compensation;**

23 **(E) The percentage amount of the employee's annual compensation**  
24 **for work on an item or activity described in section 2 or 3 of this 2025**  
25 **Act;**

26 **(F) The percentage amount of the employee's annual compensation**  
27 **that is recoverable from ratepayers; and**

28 **(G) All uniform system of account codes for which compensation**  
29 **for the employee is recorded;**

30 **(c) Each business unit that carries out an item or activity described**  
31 **in section 2 or 3 of this 2025 Act, and for each business unit include:**

1 (A) A list of employees who work in the business unit; and

2 (B) For each employee who works in the business unit, the infor-  
3 mation listed under paragraph (b) of this subsection, as applicable; and

4 (d) Any other information required by the commission.

5 **SECTION 5.** (1) An electric or gas company that fails to comply  
6 with sections 2 to 4 of this 2025 Act, or fails to comply with an order,  
7 rule or regulation of the Public Utility Commission made to carry out  
8 sections 2 to 4 of this 2025 Act, shall be subject to a civil penalty es-  
9 tablished by rule by the commission.

10 (2) An electric or gas company that includes a cost or expense that  
11 is not eligible for recovery under section 2 or 3 of this 2025 Act in an  
12 account of costs and expenses that the electric or gas company seeks  
13 to recover shall be subject to a civil penalty. The amount of the civil  
14 penalty shall be not less than the amount of the cost or expense that  
15 is not eligible for recovery under section 2 or 3 of this 2025 Act that  
16 the electric or gas company included the account.

17 (3) The commission shall order an electric or gas company to refund  
18 any amount that an electric or gas company recovers from a ratepayer  
19 that the electric or gas company is not allowed to recover under sec-  
20 tion 2 or 3 of this 2025 Act.

21 (4) Civil penalties collected under this section may be:

22 (a) Distributed in whole or in part to ratepayers as a rebate; or

23 (b) Paid into the General Fund and credited to the Public Utility  
24 Commission Account as described in ORS 756.990 (7) and used to carry  
25 out the provisions of sections 1 to 5 of this 2025 Act.

26 **SECTION 6.** This 2025 Act being necessary for the immediate pres-  
27 ervation of the public peace, health and safety, an emergency is de-  
28 clared to exist, and this 2025 Act takes effect on its passage.