

LC 142
2026 Regular Session
1/8/26 (CPA/ps)

D R A F T

SUMMARY

Digest: Allows a public utility other than a power or gas company to raise rates year-round. Takes effect 91 days after sine die. (Flesch Readability Score: 61.0).

Allows an increase in the residential rates of a public utility to take effect from November 1 to March 31 for public utilities other than public utilities that provide electricity or natural gas services.

Takes effect on the 91st day following adjournment sine die.

1 A BILL FOR AN ACT

2 Relating to the residential rates of public utilities; amending ORS 757.210;
3 and prescribing an effective date.

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

5 SECTION 1. ORS 757.210 is amended to read:

6 757.210. (1)(a) Whenever any public utility files with the Public Utility
7 Commission any rate or schedule of rates stating or establishing a new rate
8 or schedule of rates or increasing an existing rate or schedule of rates, the
9 commission may, either upon written complaint or upon the commission's
10 own initiative, after reasonable notice, conduct a hearing to determine
11 whether the rate or schedule is fair, just and reasonable. The commission
12 shall conduct the hearing upon written complaint filed by the utility, its
13 customer or customers, or any other proper party within 60 days of the
14 utility's filing; provided that no hearing need be held if the particular rate
15 change is the result of an automatic adjustment clause. At the hearing the
16 utility shall bear the burden of showing that the rate or schedule of rates
17 proposed to be established or increased or changed is fair, just and reason-
18 able. The commission may not authorize a rate or schedule of rates that is

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.

1 not fair, just and reasonable.

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

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

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

17 (A) Promotes increased efficiencies and cost control;

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

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

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

23 (E) Is beneficial to utility customers generally, for example, by minimiz-
24 ing utility rates.

25 (c) As used in this subsection, “alternative form of regulation plan” means
26 a plan adopted by the commission upon petition by a public utility, after
27 notice and an opportunity for a hearing, that sets rates and revenues and a
28 method for changes in rates and revenues using alternatives to cost-of-service
29 rate regulation.

30 (d) Prior to implementing a rate change under an alternative form of
31 regulation plan, the utility shall present a report that demonstrates the cal-

1 culation of any proposed rate change at a public meeting of the commission.

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

8 (4) Periodically, but not less often than every two years after the imple-
9 mentation of a plan referred to in subsection (2) of this section, the com-
10 mission shall submit a report to the Legislative Assembly that shows the
11 impact of the plan on rates paid by utility customers.

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

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

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

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

26 (c) Shall consider and may approve deferred accounting for future cost
27 recovery from customers for those amounts that are subject to rate miti-
28 gation.

29 (7) Any increase in **the residential rates of a public utility that pro-**
30 **vides electricity or natural gas services** may not take effect from No-
31 vember 1 to March 31.

1 **SECTION 2.** This 2026 Act takes effect on the 91st day after the date
2 on which the 2026 regular session of the Eighty-third Legislative As-
3 sembly adjourns sine die.

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