

## **SB 926 STAFF MEASURE SUMMARY**

### **Senate Committee On Judiciary**

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**Meeting Dates:** 3/5, 3/26

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#### **WHAT THE MEASURE DOES:**

This measure prohibits an electric company from recovering from ratepayers the costs and expenses arising from wildfire liability.

#### Detailed Summary

- Defines an “electric company” to mean a company that is not consumer-owned and provides electricity to 25,000 or more Oregon customers.
- Prohibits such electric companies from recovering from its customers costs or expenses that:
  - Are associated with fines or penalties based on allegations of negligence or misconduct that resulted in a wildfire.
  - Are associated with a judgment or settlement of a civil action based on allegations of negligence or misconduct that resulted in a wildfire.

#### **ISSUES DISCUSSED:**

- Increasing costs and risks of utility-caused wildfires

#### **EFFECT OF AMENDMENT:**

No amendment.

#### **BACKGROUND:**

Utility companies in Oregon must apply with the Public Utilities Commission (PUC) before raising consumer prices/rates. When deciding whether to approve a requested rate adjustment, the PUC must ensure the change is fair and reasonable for utility customers while also allowing the utility service provider to recover reasonable costs and earn a reasonable return on its investments. The PUC uses a quasi-judicial investigation to examine a utility's operating expenses, investments, and capital costs and thereby determine the extent to which these costs can be passed along to consumers through increased rates.