

# Senate Bill 88

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## 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**. The statement includes a measure digest written in compliance with applicable readability standards.

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

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

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

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

**(1)(a) "Advertise" means to publish, disseminate, solicit or circulate, by any means or media, communications that, in whole or in part, are intended to:**

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

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

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

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

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

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

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

**(C) About employment opportunities; or**

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

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

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

**(4) "Electric or gas company" means any entity that is a public utility under ORS 757.005 that is engaged in the business of distributing electricity or gas to retail customers in this**

**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 state.

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

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

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

7 (C) An election for the adoption or rejection of an initiative or referendum;

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

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

11 (F) Public opinion on utility rates; or

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

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

14 (A) Appearing before a committee of the Legislative Assembly, the Public Utility Com-  
15 mission, a state agency or a government body if the appearance is required or made at the  
16 request of the committee, commission, state agency or government body.

17 (B) Appearing before the Public Utility Commission as part of a proceeding before the  
18 commission.

19 **SECTION 2.** An electric or gas company may not recover from ratepayers costs or ex-  
20 penses incurred by an electric or gas company that are or are associated with:

21 (1) Membership fees, dues, sponsorships or contributions to a trade association if the  
22 trade association uses any portion of the membership fees, dues, sponsorships or contribu-  
23 tions to advertise or support a political influence activity;

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

26 (3) Political influence activity;

27 (4) Advertising or activity to support advertising including research, analysis, reparation  
28 or planning;

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

31 (6) Contributions to a political candidate, political party, campaign committee, issue  
32 committee or independent expenditure committee;

33 (7) Litigation over an existing or proposed federal, state or local legislation, regulation  
34 or ordinance;

35 (8) Any product or service not regulated by the Public Utility Commission, including  
36 costs or expenses for marketing, administration, customer service or other costs or expenses  
37 associated with the product or service not regulated by the commission;

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

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

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

45 (12) Investor relations;

1 (13) Compensation above 50 percent of the annual total compensation or expense re-  
2 imbursement for a member of the board of directors of the electric or gas company; and

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

4 **SECTION 3.** (1) The Public Utility Commission shall by rule limit the amount that an  
5 electric or gas company may recover from ratepayers for costs and expenses incurred by an  
6 electric or gas company in preparing for, attending, participating in, or appealing a contested  
7 proceeding conducted before the commission.

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

9 (a) Limiting the amount that an electric or gas company may recover from ratepayers  
10 for costs and expenses for attorneys, consultants and third-party experts;

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

14 (c) Establishing a maximum amount of costs and expenses incurred by an electric or gas  
15 company that an electric or gas company may recover from ratepayers as a proportion to  
16 the amount of costs and expenses incurred by the Citizens' Utility Board created under ORS  
17 774.030 or an intervenor in preparing for, attending, participating in, or appealing a contested  
18 proceeding conducted before the commission.

19 **SECTION 4.** (1) On or before April 30 of each year, an electric or gas company shall file  
20 with the Public Utility Commission a report identifying the costs and expenses described in  
21 sections 2 and 3 of this 2025 Act, incurred by the electric or gas company during the prior  
22 calendar year.

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

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

27 (A) The billing amount;

28 (B) The billing date;

29 (C) The payee; and

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

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

33 (A) The employee's job title;

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

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

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

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

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

42 (G) All uniform system of account codes for which compensation for the employee is re-  
43 corded;

44 (c) Each business unit that carries out an item or activity described in section 2 or 3 of  
45 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 information listed under  
3 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 with sections 2 to 4 of  
6 this 2025 Act, or fails to comply with an order, rule or regulation of the Public Utility Com-  
7 mission made to carry out sections 2 to 4 of this 2025 Act, shall be subject to a civil penalty  
8 established by rule by the commission.

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

15 (3) The commission shall order an electric or gas company to refund any amount that  
16 an electric or gas company recovers from a ratepayer that the electric or gas company is  
17 not allowed to recover under section 2 or 3 of this 2025 Act.

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

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

20 (b) Paid into the General Fund and credited to the Public Utility Commission Account  
21 as described in ORS 756.990 (7) and used to carry out the provisions of sections 1 to 5 of this  
22 2025 Act.

23 **SECTION 6.** This 2025 Act being necessary for the immediate preservation of the public  
24 peace, health and safety, an emergency is declared to exist, and this 2025 Act takes effect  
25 on its passage.

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