

Requested by Representative SOSA

**PROPOSED AMENDMENTS TO
HOUSE BILL 3179**

1 On page 1 of the printed bill, line 2, after “ORS” delete the rest of the
2 line and insert “757.210, 757.215, 757.457 and 757.461”.

3 Delete lines 4 through 20 and delete pages 2 through 7 and insert:
4

5 **“ELECTRIC AND NATURAL GAS UTILITY RATES**

6
7 **“SECTION 1. Section 2 of this 2025 Act is added to and made a part
8 of ORS 757.210 to 757.220.**

9 **“SECTION 2. (1) As used in this section, ‘electric or natural gas
10 company’ means any entity that is a public utility under ORS 757.005
11 that is engaged in the business of distributing electricity or natural
12 gas to retail customers in this state.**

13 **“(2) In determining whether an electric or natural gas company’s
14 proposed residential rate or schedule of rates to be established or in-
15 creased or changed is fair, just and reasonable, the Public Utility
16 Commission shall balance the interests of the utility investor and the
17 consumer by considering the cumulative economic impact of the pro-
18 posed rate or schedule of rates on the electric or natural gas
19 company’s residential ratepayers.**

20 **“(3) An electric or natural gas company shall conduct and include
21 with its filing an analysis of the cumulative economic impact of a**

1 proposed rate or schedule of rates on the electric or natural gas
2 company's residential ratepayers if the electric or natural gas
3 company's proposed residential rate or schedule of rates will result in
4 an increase of residential rates and the electric or natural gas
5 company's return on equity is subject to review and modification. The
6 analysis must take into consideration the following:

7 “(a) For each classification of service of the electric or natural gas
8 company affected by the proposed rate or schedule of rates and, if
9 applicable, distinguished by ratepayers who reside in single-family
10 housing and ratepayers who reside in multifamily housing:

11 “(A) Ratepayers' average monthly utility bill for the 18 months
12 ending on the date before the date the proposed rate or schedule of
13 rates is to take effect;

14 “(B) The approximate range of utility bills from November 1 to
15 March 31 for the prior two years for residential ratepayers who use the
16 utility service for space heating; and

17 “(C) The estimated dollar amount and percentage increase in
18 ratepayers' utility bills;

19 “(b) The average cost of living and cost of fuel and utilities for the
20 region, state and, where available, service territory of the electric or
21 natural gas company, as determined by the commission using the
22 Consumer Price Index for All Urban Consumers, West Region (All
23 Items), as most recently published by the Bureau of Labor Statistics
24 of the United States Department of Labor, and any other macroeco-
25 nomic data as determined by the commission;

26 “(c) The electric or natural gas company's data on residential ser-
27 vice disconnection for nonpayment, including:

28 “(A) The number of ratepayers the electric or natural gas company
29 disconnected for nonpayment in the previous 12 months;

30 “(B) The number of ratepayers receiving energy assistance, includ-

1 ing any government assistance, utility bill discount or utility
2 arrearage program, that the electric or natural gas company discon-
3 nected for nonpayment in the previous 12 months;

4 “(C) The number of ratepayers who have a medical certificate filed
5 with the electric or natural gas company; and

6 “(D) Data related to customers who are enrolled in the electric or
7 natural gas company’s energy assistance programs, including discon-
8 nection moratorium programs;

9 “(d) The electric or natural gas company’s data on overdue bal-
10 ances, as determined by the commission, such as:

11 “(A) The number of ratepayers who have an overdue balance;

12 “(B) The average amount of the overdue balances; or

13 “(C) The total amount of overdue balances owed to the electric or
14 natural gas company;

15 “(e) Data on the cost of energy for commercial and industrial cus-
16 tomers relative to the cost of energy for commercial and industrial
17 customers in other states in the region together with historical trends;
18 and

19 “(f) Any other relevant data, as determined by the commission,
20 such as indicators of financial hardship, residential customer energy
21 burden or affordability of utility bills.

22 “(4) The commission may contract or coordinate with other state
23 agencies, energy assistance providers or the nongovernmental entity
24 that administers funds collected pursuant to ORS 757.054, through
25 natural gas tariffs or through public purpose charges pursuant to ORS
26 757.612, to collect data necessary to carry out this section.

27 “(5) The commission may establish rules to carry out this section,
28 including rules that require electric and natural gas companies to
29 gather information or data necessary to carry out this section.

30 “SECTION 3. ORS 757.210 is amended to read:

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

15 “(b) As used in this subsection, ‘automatic adjustment clause’ means a
16 provision of a rate schedule that provides for rate increases or decreases or
17 both, without prior hearing, reflecting increases or decreases or both in costs
18 incurred, taxes paid to units of government or revenues earned by a utility
19 and that is subject to review by the commission at least once every two
20 years.

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

24 “(b) Any alternative form of regulation plan shall include provisions to
25 ensure that the plan operates in the interests of utility customers and the
26 public generally and results in rates that are just and reasonable and may
27 include provisions establishing a reasonable range for rate of return on in-
28 vestment. In approving a plan, the commission shall, at a minimum, consider
29 whether the plan:

30 “(A) Promotes increased efficiencies and cost control;

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

2 “(C) Yields rates that are consistent with those that would be obtained
3 following application of ORS 757.269;

4 “(D) Is consistent with maintenance of safe, adequate and reliable service;
5 and

6 “(E) Is beneficial to utility customers generally, for example, by mini-
7 mizing utility rates.

8 “(c) As used in this subsection, ‘alternative form of regulation plan’
9 means a plan adopted by the commission upon petition by a public utility,
10 after notice and an opportunity for a hearing, that sets rates and revenues
11 and a method for changes in rates and revenues using alternatives to cost-
12 of-service rate regulation.

13 “(d) Prior to implementing a rate change under an alternative form of
14 regulation plan, the utility shall present a report that demonstrates the cal-
15 culation of any proposed rate change at a public meeting of the commission.

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

22 “(4) Periodically, but not less often than every two years after the im-
23 plementation of a plan referred to in subsection (2) of this section, the com-
24 mission shall submit a report to the Legislative Assembly that shows the
25 impact of the plan on rates paid by utility customers.

26 “(5) The commission and staff may consult at any time with, and provide
27 technical assistance to, utilities, their customers, and other interested parties
28 on matters relevant to utility rates and charges. If a hearing is held with
29 respect to a rate change, the commission’s decisions shall be based on the
30 record made at the hearing.

1 “(6) The commission may adjust rates to mitigate an increase in
2 residential customer rates if the increase is of such magnitude that,
3 if applied at the higher rate or all at one time, the increase would af-
4 fect the ability of residential customers to maintain adequate utility
5 service or could materially affect the economy of the state.

6 “(7) Any increase in residential rates may not take effect from No-
7 vember 1 to March 31 in any given year.

8 “SECTION 4. (1) As used in this section, ‘electric or natural gas
9 company’ means any entity that is a public utility under ORS 757.005
10 that is engaged in the business of distributing electricity or natural
11 gas to retail customers in this state.

12 “(2) The Public Utility Commission may consider and approve de-
13 ferred accounting for future cost recovery from ratepayers under an
14 electric or natural gas company’s requested rate revision, if:

15 “(a) The rate revision subjects the electric or natural gas company’s
16 return on equity to review or modification; and

17 “(b) The electric or natural gas company filed the request prior to
18 January 1, 2025.

19 “SECTION 5. Notwithstanding any other provisions of law, a public
20 utility’s rate increase proposed under ORS 757.210 may not take effect
21 within 18 months from the effective date of the public utility’s last
22 rate increase if the change in rates or schedule of rates subjects the
23 public utility’s return on equity to review and modification by the
24 Public Utility Commission.

25 “SECTION 6. Section 5 of this 2025 Act is repealed on the earlier
26 of:

27 “(1) January 2, 2027.

28 “(2) The date the Public Utility Commission adopts permanent rules
29 to implement the amendments to ORS 757.210 by section 3 of this 2025
30 Act.

1 **“SECTION 7. Section 8 of this 2025 Act is added to and made a part**
2 **of ORS chapter 757.**

3 **“SECTION 8. (1) As used in this section, ‘electric or natural gas**
4 **company’ means any entity that is a public utility under ORS 757.005**
5 **that is engaged in the business of distributing electricity or natural**
6 **gas to retail customers in this state.**

7 **“(2)(a) The Public Utility Commission shall establish rules requiring**
8 **an electric or natural gas company to establish a multiyear rate plan**
9 **for rate revisions that subject an electric or natural gas company’s**
10 **return on equity to review or modification.**

11 **“(b) The rules must:**

12 **“(A) Include procedural and content requirements for a multiyear**
13 **rate plan.**

14 **“(B) Require an electric or natural gas company to file a multiyear**
15 **rate plan on a regular interval that is no less than three and no more**
16 **than seven years long.**

17 **“(C) Establish a limit on the number of electric or natural gas**
18 **companies that are allowed to request a rate increase in any given**
19 **year.**

20 **“(c) The rules may:**

21 **“(A) Provide for incentives for efficient utility operations.**

22 **“(B) Authorize refunds to customers under certain circumstances.**

23 **“(C) Allow an electric or natural gas company, or third party, to**
24 **request an exception to a requirement established by rule under this**
25 **section on a showing of good cause.**

26 **“(3) The provisions of this section do not allow for cost recovery**
27 **that is not permitted under ORS 757.355.**

28 **“SECTION 9. ORS 757.215 is amended to read:**

29 **“757.215. (1) The Public Utility Commission may, pending such investi-**
30 **gation and determination, order the suspension of the rate or schedule of**

1 rates for a period of up to [*nine*] **ten** months beyond the time when such rate
2 or schedule would otherwise go into effect.

3 “(2) This section does not prevent the commission and the utility from
4 entering into a written stipulation at any time extending any period of sus-
5 pension.

6 “(3) After full hearing, whether completed before or after such rate or
7 schedule has gone into effect, the commission may make such order in ref-
8 erence thereto as would be proper in a proceeding initiated after such rate
9 or schedule has become effective.

10 “(4) If the commission is required to or determines to conduct a hearing
11 on a rate or schedule of rates filed pursuant to ORS 757.210, but does not
12 order a suspension thereof, any increased revenue collected by the utility as
13 a result of such rate or rate schedule becoming effective shall be received
14 subject to being refunded. If the rate or rate schedule thereafter approved
15 by the commission is for a lesser increase or for no increase, the utility shall
16 refund the amount of revenues received that exceeds the amount approved
17 as nearly as possible to the customers from whom such excess revenues were
18 collected, by a credit against future bills or otherwise, in such manner as the
19 commission orders.

20 “(5) The commission may in a suspension order authorize an interim rate
21 or rate schedule under which the utility’s revenues will be increased by an
22 amount deemed reasonable by the commission, not exceeding the amount re-
23 quested by the utility. Any such interim increase for a public utility as de-
24 fined in ORS 757.005 that produces, transmits, delivers or furnishes heat,
25 light or power shall be effected by rates designed to increase the utility’s
26 revenues without materially changing the revenue relationships among cus-
27 tomer classes or between the revenues derived from demand charges and from
28 energy charges. An interim rate or rate schedule shall remain in effect until
29 terminated by the commission. Upon completion of the hearing and decision,
30 the commission shall order the utility to refund that portion of the increase

1 in the interim rate or schedule that the commission finds is not justified.
2 Any refund of an interim increase under this subsection shall be based upon
3 an analysis of the utility's earnings for a period reasonably representative
4 of the period during which the interim increase was in effect. Refunds shall
5 be made as nearly as possible to the customers against whom the interim
6 rates were charged, by credits against future bills or in such other manner
7 as the commission orders.

8 “(6) Refunds ordered by the commission under subsection (4) or (5) of this
9 section shall include interest on the amount determined to be subject to re-
10 fund from the date such interim rate or rate schedules took effect.

11

12 **“FINANCING OF CERTAIN RATE RECOVERY EXPENDITURES**

13

14 **“SECTION 10.** ORS 757.457 is amended to read:

15 “757.457. As used in this section and ORS 757.459, 757.461 and 757.463:

16 “(1) ‘Assignee’ means a person, and any subsequent assignee, to which a
17 public utility assigns, sells or transfers all or part of the public utility's in-
18 terest in or right to rate recovery assets, except as security.

19 “(2) ‘Bond’ includes bonds, notes, certificates of beneficial interests in a
20 trust or other evidence of indebtedness.

21 “(3) ‘Bondholder’ means a holder or owner of a rate recovery bond.

22 “(4) ‘Finance subsidiary’ means an assignee at the time rate recovery
23 bonds are issued:

24 “(a)(A) That is beneficially owned, directly or indirectly, by a public
25 utility; or

26 “(B) In the case of a trust, for which a public utility or subsidiary of the
27 public utility is the grantor; or

28 “(b) That is unaffiliated with a public utility and acquires bondable rate
29 recovery assets from a public utility in a transaction or under an agreement
30 that is approved by the Public Utility Commission.

1 “(5) ‘Financing costs’ includes the following costs related to rate recovery
2 bonds, whether incurred and paid upon issuance or over the life of rate re-
3 covery bonds:

4 “(a) The costs of issuing, serving, managing, repaying or refinancing rate
5 recovery bonds, including any fees, expenses or charges incurred and the
6 costs of any activities performed in connection with the rate recovery bonds,
7 including:

8 “(A) Information technology programming;

9 “(B) Obtaining a financing order;

10 “(C) Serving, accounting or auditing;

11 “(D) Services related to trustees;

12 “(E) Legal services;

13 “(F) Consulting;

14 “(G) Services related to financial and structuring advisors;

15 “(H) Administration;

16 “(I) Placement and underwriting;

17 “(J) Services related to independent directors and managers;

18 “(K) Services related to rating agencies;

19 “(L) Stock exchange listing and compliance;

20 “(M) Securities registration and filing; and

21 “(N) Services necessary to ensure a timely payment of rate recovery bonds
22 or other amounts or charges payable in connection with rate recovery bonds;

23 “(b) Principal, interest and acquisition, defeasance and redemption pre-
24 miums payable on rate recovery bonds;

25 “(c) Payments required under an ancillary agreement and any amounts
26 required to fund or replenish a reserve or account established under the
27 terms of an indenture, ancillary agreement or financing document related to
28 rate recovery bonds;

29 “(d) Applicable federal, state and local taxes, franchise fees, license fees,
30 gross receipts or other taxes or charges, whether paid, payable or accrued;

1 and

2 “(e) The Public Utility Commission’s costs in performing the commission’s
3 duties related to rate recovery bonds that are recoverable by the commission
4 under ORS 756.310.

5 “(6) ‘Financing order’ means an order issued by the Public Utility Com-
6 mission that authorizes one or more the following:

7 “(a) The recovery of rate recovery expenditures and financing costs;

8 “(b) The creation of rate recovery assets;

9 “(c) The issuance of rate recovery bonds;

10 “(d) The imposition, collection and periodic adjustment of rate recovery
11 charges; or

12 “(e) The sale, assignment or transfer of rate recovery assets to an
13 assignee.

14 “(7) ‘Financing party’ includes:

15 “(a) Bondholders, trustees, agents and secured parties related to rate re-
16 covery bonds;

17 “(b) A person acting for the benefit of bondholders, trustees, agents or
18 secured parties; and

19 “(c) A party to rate recovery bond documents or an ancillary agreement.

20 “(8) ‘Public utility customer’ means:

21 “(a) For an electric utility, a retail electricity consumer, as defined in
22 ORS 757.600.

23 “(b) For a natural gas utility, the end use consumer served by the natural
24 gas utility, including those served by the natural gas utility under ORS
25 757.516, regardless of whether the end use consumer purchases natural gas
26 from the natural gas utility.

27 “(9) ‘Rate recovery asset’ means a right to recover from customers rate
28 recovery expenditures and associated costs and expenses approved in a fi-
29 nancing order, including the right to:

30 “(a) Impose, charge, bill, collect, receive, hold and apply rate recovery

1 charges authorized under a financing order or obtain, to the extent author-
2 ized, periodic adjustments of rate recovery charges; and

3 “(b) All claims, accounts, revenues, payments, collections, moneys or
4 proceeds arising from the rights and interest specified in a financing order,
5 regardless of whether the claims, accounts, revenues, payments, collections,
6 moneys or proceeds arising from the rights and interest specified in the fi-
7 nancing order are commingled with other claims, accounts, revenues, pay-
8 ments, collections, moneys or proceeds.

9 “(10) ‘Rate recovery charge’ means charges to public utility customers
10 authorized by the Public Utility Commission to recover rate recovery ex-
11 penditures and financing costs and to be used to pay, repay or refinance rate
12 recovery bonds.

13 “(11) ‘Rate recovery expenditures’ means costs and expenses incurred or
14 to be incurred through the date of issuance of a financing order by a public
15 utility associated with:

16 “(a) An event that is the subject of a federal or state declaration of a
17 state of emergency, such as severe weather, catastrophic wildfire, pandemic
18 or other event that causes or threatens to cause widespread loss of life, in-
19 jury to person or property, human suffering or financial loss, except those
20 costs and expenses that are or are associated with criminal or civil fines or
21 penalties or judgments from a civil action based on negligence related to the
22 event.

23 “(b) An energy conservation program that provides loans and cash pay-
24 ments to public utility customers for the installation of energy conservation
25 measures funded by the public utility including, but not limited to, the costs
26 or expenditures for specific acquisition program development, promotion and
27 labor costs and associated general supervision, rents, leases and overheads.

28 “(c) **A capital investment:**

29 “(A) **That by itself will cause residential rates to rise by more than**
30 **five percent; and**

1 **“(B) When combined with other expected investments or expenses,**
2 **has the potential to significantly impact the affordability of residential**
3 **rates.**

4 **“(d) Retiring a generation asset, including undepreciated invest-**
5 **ments, decommissioning and restoring a facility site, related capital**
6 **and operating costs, accrued carrying charges and deferred costs.**

7 **“(e) Remediation of a contaminated site or environmental remedi-**
8 **ation activities and related payments or settlements.**

9 **“(f) An event in which the availability of electricity or natural gas**
10 **within a regional energy market is significantly constrained.**

11 **“(g) Contributions to an insurance fund related to catastrophic**
12 **wildfires established by state law or approved by the Public Utility**
13 **Commission.**

14 “(12) ‘Secured party’ means a financing party that has been granted a
15 security interest in rate recovery assets.

16 **“SECTION 11.** ORS 757.461 is amended to read:

17 “757.461. (1)(a) A public utility may apply to the Public Utility Commis-
18 sion for a financing order designating all or part of rate recovery expendi-
19 tures as bondable rate recovery expenditures, for the purpose of financing
20 or refinancing the designated expenditures under ORS 757.415 (1)(f).

21 “(b) After notice and an opportunity for a hearing, the commission may
22 approve an application if the commission finds that:

23 “(A) The rate recovery expenditures included in the application are rea-
24 sonable and prudent;

25 “(B) Financing or refinancing the rate recovery expenditures through the
26 issuance of rate recovery bonds is likely to be more favorable to public
27 utility customers for the recovery of rate recovery expenditures as compared
28 to other methods; and

29 “(C) Bonds, notes, certificates of beneficial interests in a trust and other
30 evidences of indebtedness or ownership issued pursuant to the approval are

1 reasonably likely to receive a determination of, at a minimum, investment
2 grade by credit rating agencies.

3 “(c) The commission shall issue an order within 180 days of an application
4 approving or denying the application. If the commission approves the appli-
5 cation, the commission shall issue a financing order.

6 “(2)(a) A financing order issued under this section shall specify the
7 highest amount of rate recovery expenditures that qualify as bondable rate
8 recovery expenditures.

9 “(b) In specifying the amount for rate recovery expenditures associated
10 with an event described in ORS 757.457 (11)(a), net of appropriate adjust-
11 ments as determined by the commission to be reasonable, the commission
12 may include, but is not limited to including, the following rate recovery ex-
13 penditures:

14 “(A) Capital and operating costs incurred or to be incurred as a result
15 of the event;

16 “(B) Lost revenue associated with the event;

17 “(C) Costs and expenses that may be recovered at a later time from third
18 parties or insurers and returned to public utility customers through a sepa-
19 rate rate proceeding consistent with cost causation and rate design princi-
20 ples and statutory or regulatory requirements; and

21 “(D) Carrying costs or charges.

22 “(3) A financing order issued under this section must include the follow-
23 ing provisions:

24 “(a) Confirmation of the existence of recoverable rate recovery expendi-
25 tures and authorization to recover rate recovery expenditures and associated
26 financing costs, including the maximum principal amount of bondable rate
27 recovery expenditures and financing costs that may be recovered through
28 securitization;

29 “(b) Authorization for the creation of rate recovery assets and imposition
30 of rate recovery charges that allow for the recovery of rate recovery ex-

1 penditures, as determined by the commission, and associated financing costs;

2 “(c) A requirement that the rate recovery charges authorized by the fi-
3 nancing order are ongoing and may not be avoided by a public utility cus-
4 tomer, as described under subsection (4) of this section, until all principal,
5 interest, premium and other amounts due on the rate recovery bonds and fi-
6 nancing costs have been paid in full;

7 “(d) A methodology for:

8 “(A) Allocating rate recovery charges between the different classes of
9 public utility customers, which may include not allocating rate recovery
10 charges to one or more classes of public utility customers, that is consistent
11 with cost causation and rate design principles and statutory or regulatory
12 requirements; and

13 “(B) Adjusting rate recovery charges as necessary to ensure timely pay-
14 ment on, and payment in full of, the rate recovery bonds and associated fi-
15 nancing costs or in response to changes to applicable customers, service
16 territories or collection rates;

17 “(e) Authorization for the public utility to issue one or more series of rate
18 recovery bonds with flexibility for the public utility to establish the terms
19 and conditions of the rate recovery bonds, including repayment schedules,
20 initial interest rates and initial financing costs;

21 “(f) Authorization to assign rate recovery assets to a financing subsidiary
22 and grant security interests in the rate recovery assets to secured parties
23 without limiting the rights of subsequent assignees;

24 “(g) Authorization for the bond documentation and ancillary documents
25 related to the rate recovery bonds, including servicing arrangements for the
26 rate recovery charges, without requiring the authorization to be on the final
27 forms of the documents;

28 “(h) Authorization **for the reasonable opportunity** for the public utility
29 to earn a return, at the cost of capital authorized in the public utility’s most
30 recent general rate case prior to the date of the financing order, on any

1 moneys advanced by the public utility to fund advances, reserves or capital
2 accounts established under the terms of any indenture, ancillary agreement
3 or financing documents related to the rate recovery bonds;

4 “(i) A finding that the proposed issuance of rate recovery bonds and the
5 imposition of rate recovery charges is expected to provide the lowest possible
6 reasonable and prudent cost on a net present value basis to public utility
7 customers for recovery of the rate recovery expenditures as compared to **the**
8 **public utility’s weighted average cost of capital** or other methods of fi-
9 nancing and recovery;

10 “(j) A date, not earlier than one year from the date that the financing
11 order becomes final, on which the authority to issue rate recovery bonds
12 granted in the financing order expires;

13 “(k) A requirement that the public utility notify the commission if the
14 public utility recovers costs and expenses from a third party or insurer; and

15 “(L) Any other conditions that the commission finds appropriate and that
16 are consistent with this section.

17 “(4) Rate recovery charges authorized by a financing order shall be col-
18 lected through the rates or charges paid by, and may not be avoided by, the
19 public utility customers located within the public utility’s allocated service
20 territory, as the territory existed on the date of the financing order or, if the
21 financing order provides, as such service territory may be expanded, even if:

22 “(a) The public utility customer receives electricity or natural gas, elec-
23 tricity or natural gas services or ancillary services from a successor or
24 assignee of the public utility;

25 “(b) The public utility customer elects to receive electricity or natural
26 gas, electricity or natural gas services or ancillary services from another
27 public utility, utility provider or service provider in the service territory; or

28 “(c) After the date of issuance of the financing order, the public utility
29 customer changes customer class.

30 “(5)(a) Rate recovery assets, including rate recovery charges, and the

1 rights of public utilities, assignees, bondholders and financing parties, es-
2 tablished by a financing order issued under this section, are irrevocable and
3 unchangeable, except as provided in the financing order, until all principal,
4 interest, premium, interest and amounts due on the rate recovery bonds and
5 financing costs are paid in full.

6 “(b) Until all principal, interest, premium, interest and amounts due on
7 the rate recovery bonds and financing costs are paid in full, the commission,
8 except as provided in the financing order, the State of Oregon and a public
9 body, as defined in ORS 174.109, may not:

10 “(A) Revalue the rate recovery expenditures or financing costs for
11 ratemaking purposes;

12 “(B) Determine that the rates or revenues authorized under the financing
13 order are unjust or unreasonable;

14 “(C) Reduce, alter or impair the rate recovery assets, rate recovery
15 charges or the collection of the rate recovery charges, or rate recovery bonds
16 or the security for the rate recovery bonds;

17 “(D) Rescind, suspend, amend or impair the financing order; or

18 “(E) When setting other rates or charges for the public utility or taking
19 other actions pursuant to the commission’s authority, consider the rate re-
20 covery bonds as debt of the public utility, the rate recovery assets to be
21 revenue for the public utility or the rate recovery expenditures to be costs
22 of the public utility.

23 **“(6) If the commission determines that financing certain rate re-**
24 **covery expenditures through the issuance of rate recovery bonds would**
25 **potentially result in benefits to public utility customers, the commis-**
26 **sion may identify those rate recovery expenditures and direct a public**
27 **utility to investigate and report to the commission on the costs, ben-**
28 **efits and risks of financing those rate recovery expenditures. The re-**
29 **port must include an analysis of the following:**

30 **“(a) Any future need for the use of rate recovery bonds;**

- 1 **“(b) The ability of the public utility to raise capital;**
2 **“(c) Intergenerational equity;**
3 **“(d) The percentage of customers’ utility bills that are currently**
4 **dedicated to rate recovery bond payments; and**
5 **“(e) The percentage of customers’ utility bills that would need to**
6 **be dedicated to rate recovery bond payments to finance the rate re-**
7 **covery expenditures analyzed in the report.**

8 **“[(6)] (7) The commission may not require a public utility to:**

9 **“(a) Apply to the commission for a financing order designating all or part**
10 **of rate recovery expenditures as bondable rate recovery expenditures; or**

11 **“(b) Finance or refinance rate recovery expenditures that the commission**
12 **has designated as bondable rate recovery expenditures.**

13 **“[(7)] (8) Jurisdiction for review of a financing order issued under this**
14 **section shall be as provided for orders in contested cases pursuant to ORS**
15 **183.482, except that a petition for rehearing or reconsideration is not al-**
16 **lowed. If a petition is not filed with the Court of Appeals within 60 days**
17 **following the date of issuance of a financing order, the order becomes a final**
18 **and irrevocable action of the commission and the State of Oregon and is not**
19 **subject to administrative or judicial challenge.**

20 **“(9) In determining whether an event as described under ORS**
21 **757.457 (11)(f) qualifies as a rate recovery expenditure, the commission**
22 **shall take into consideration the following factors:**

23 **“(a) The cost and availability of wholesale power or natural gas**
24 **during the event;**

25 **“(b) The applicability of any regional reliability assistance pro-**
26 **grams; and**

27 **“(c) Any issuance of a declaration related to energy reliability by a**
28 **regional balancing authority.**

29

30

“REPORTS BY PUBLIC UTILITIES

1 **“SECTION 12. Sections 13 and 14 of this 2025 Act are added to and**
2 **made a part of ORS chapter 757.**

3 **“SECTION 13. (1) As used in this section and section 14 of this 2025**
4 **Act, ‘electric or natural gas company’ means any entity that is a**
5 **public utility under ORS 757.005 that is engaged in the business of**
6 **distributing electricity or natural gas to retail customers in this state.**

7 **“(2) Each calendar year, an electric or natural gas company shall**
8 **provide to the Public Utility Commission, and make publicly available**
9 **on the electric or natural gas company’s website, a visual represen-**
10 **tation of the cost categories that are included in the electric or na-**
11 **tural gas company’s residential customer rates and the percentage**
12 **amount of the residential customer rates for each cost category.**

13 **“(3) The commission shall by rule establish the cost categories. Cost**
14 **categories must include the following:**

15 **“(a) Transmission services infrastructure;**

16 **“(b) Distribution services infrastructure;**

17 **“(c) Power costs;**

18 **“(d) Wildfire mitigation;**

19 **“(e) Catastrophic events and emergencies;**

20 **“(f) Insurance, including self-insurance; and**

21 **“(g) Any other expenses, as determined by the commission, that an**
22 **electric or natural gas company seeks to recover through residential**
23 **customer rates.**

24 **“SECTION 14. (1) The Public Utility Commission shall require each**
25 **electric and natural gas company to, at least annually, file with the**
26 **commission, and make publicly available, a report on any rate ad-**
27 **justments that the electric or natural gas company expects within the**
28 **next 12 months.**

29 **“(2) A report under this section must:**

30 **“(a) Identify all rate adjustment requests that an electric or natural**

1 gas company has filed or reasonably knows or anticipates to file;

2 “(b) Identify other requests or applications that could result in a
3 rate adjustment;

4 “(c) Provide estimates on the amounts of expected rate adjust-
5 ments, if the amounts in expected rate adjustments are not known
6 with certainty; and

7 “(d) For each rate adjustment request that an electric or natural
8 company has filed or reasonably knows or anticipates to file:

9 “(A) Specify the date the electric or natural gas company filed or
10 anticipates filing the request with the commission;

11 “(B) Specify the date the electric or natural gas company requests
12 or anticipates requesting that the rate adjustment take effect;

13 “(C) Provide the overall estimated rate impact, expressed in dollar
14 and percentage amounts, that would result from the rate adjustment
15 if approved;

16 “(D) Provide the cumulative rate impact of a rate adjustment in the
17 aggregate with all other rate adjustments that take effect between the
18 date of the report and the date the rate adjustment takes effect; and

19 “(E) Identify the classification of service or customer that may be
20 affected by a rate adjustment and forecast how the rate adjustment
21 may affect rates for the other customer classes of the electric or na-
22 tural gas company.

23 “(3) An electric or natural gas company is not required under this
24 section to make publicly available any information or material that is
25 subject to confidentiality under the rules of the commission.

26 “(4) The commission shall adopt rules to carry out the provisions
27 of this section. The rules must provide for procedures for an electric
28 or natural gas company to request that information or material be
29 kept confidential and not be made publicly available under this sec-
30 tion.

1 **“APPLICABILITY**

2
3 **“SECTION 15. (1) Except as provided in subsection (2) of this sec-**
4 **tion, sections 2 and 5 of this 2025 Act and the amendments to ORS**
5 **757.210 and 757.215 by sections 3 and 9 of this 2025 Act apply to pro-**
6 **ceedings before the Public Utility Commission that commence on or**
7 **after the effective date of this 2025 Act.**

8 **“(2) ORS 757.210 (7) applies to increases in residential rates that are**
9 **approved on or after the effective date of this 2025 Act.**

10
11 **“CAPTIONS**

12
13 **“SECTION 16. The unit captions used in this 2025 Act are provided**
14 **only for the convenience of the reader and do not become part of the**
15 **statutory law of this state or express any legislative intent in the**
16 **enactment of this 2025 Act.”.**

17 _____