



# Oregon Citizens' Utility Board

610 SW Broadway, Suite 400  
Portland, OR 97205

(503) 227-1984  
www.oregoncub.org

February 22, 2025

To: Chair Sosa, Vice Chair Chaichi, Vice Chair Osborne, and members of the House Commerce and Consumer Protection Committee

From: Jennifer Hill-Hart, Policy & Program Director, Oregon Citizens' Utility Board (CUB)

Re: Support HB 3179 with -1 Amendment

---

The Oregon Citizens' Utility Board (CUB) is a statewide nonprofit consumer advocacy organization developed by citizens' initiative in 1984. CUB represents the interests of Oregon households by advocating for utility regulations and policies that protect your wallet. To date, we have saved Oregon ratepayers over \$10 billion.

CUB appreciates the opportunity to present our testimony in support of HB 3179 with the -1 amendment. In addition to this written testimony, we submitted a copy of our [power point presentation](#) for the February 20 public hearing and [one-pager](#) about the bill. CUB submits these clarifying written comments bill based upon statements made by opponents of the bill, as well as questions raised by the Committee.

## Economic impacts

We must correct the incorrect statement made by the NW Gas Association that this bill would harm customers by raising rates, claiming that it requires utilities to carry more debt for longer periods resulting in higher debt costs for customers. That statement is not true. The natural gas trade association is responding to the "Securitization of Capital Investments" section of the bill. HB 3179 would amend ORS 757.457 which currently provides that for-profit utilities can use this mechanism in the event the utility needs fast access to cash for emergencies like severe weather and wildfire. HB 3179 adds that the utility *may* use this low interest rate financing mechanism for large capital investments.<sup>1</sup> It also states that the Commission *may* direct the utility to use securitization, but it does not change the current law to say the Commission must require it.

Yes, some costs for utilities are increasing, as CUB and the PUC acknowledged in our presentations at the public hearing. For example, the cost of steel is going up. However, what CUB doesn't see in the face of this is utilities cutting back on spending, or opting against or at least delaying certain projects. HB 3179 offers policy solutions to incentivize the utilities to better control spending and costs.

Given the Commission's statutory directive to only approve fair, just, and reasonable rates, any directive to use securitization would include a cost-effectiveness analysis of the large capital investment and whether securitization would result in lower costs than traditional shareholder financing. If not, CUB, as Oregon's residential customer advocate looking out for the economic welfare of residential customers, almost certainly would not support it. However, it is our reality, particularly with Oregon's ongoing data

---

<sup>1</sup> The [-1 amendment](#) makes it clear the section is intended for significantly costly capital investments "that are determined by the Public Utility Commission to have the potential to significantly impact the affordability of residential rates."

center boom, that utilities are going to have to make significant investments that will be found prudent under the law. While there is legislation proposed this session to mitigate the rate impacts from data center growth, utilities still have to make capital investments to ensure safe, reliable service in alignment with Oregon’s policy priorities. HB 3179 gives the utilities and the PUC the opportunity to consider this lower cost option in the event prudent utility investments will tip the scales into rate shock and record residential disconnections.<sup>2</sup> Notably, the original securitization bill in 2023 was a utility-led bill.<sup>3</sup>

### **18 month prohibition on residential rate increases**

This bill does not determine when a utility can **request** a general rate increase. They can continue to make these requests any time they want, it only makes so it residential customers have 18 months between the implementation of general rate increases. It does not put a timing prohibition on utility requests for rate increases allowed outside of a general rate case through what are known as “single issue rates”—those specific surcharges or rate adjustments on a utility bill for one particular cost factor. For example, if there is a winter storm, a utility can make an individual filing to address cost recovery for costs associated with the event and is not subject to the 18 month wait to recover costs from residential customers.

Since December 2021, NW Natural’s residential customer rates have increased 39%, PGE’s residential customer rates have increased 49%, and Pacific Power’s rates have increased 56%. By the end of the year, all three utilities will have received three general rate case increases since 2021. PGE has come in for back-to-back rate increases the last two years. Two months after receiving a rate increase last year, NW Natural filed another request for a general rate increase which is currently being considered at the Commission with a proposed rate effective date of November 1. While it may be true that NW Natural’s customers’ bills are similar to what they were 20 years ago, it is more than reasonable to say that those customers probably don’t care about that—what they care about is the fact their bills have gone up almost 40% since the winter in 2021.

**All three utilities are challenging the Commission’s decisions on last year’s rate cases, arguing the rate increases should have been higher.** And we would be remiss if we did not reiterate that PGE had record profits last year,<sup>4</sup> while it also had record disconnections disconnecting 35,324 households in 2024.<sup>5</sup> There needs to be more room between rate cases or disconnections will grow. People need time to recover from rate increases. And we must acknowledge there are some Oregonians who cannot keep up at all.

---

<sup>2</sup> In the Matter of Energy Utility Quarterly Report of Residential Disconnections for non-payment and subsequent reconnections per OAR 860-021-0408, the Disconnect Reporting Rule, Docket No. RO 12 (opened 11/14/2018)), available at <https://apps.puc.state.or.us/edockets/DocketNoLayout.asp?DocketID=21694>.

<sup>3</sup> See HB 3143 (2023).

<sup>4</sup> Mason, Greg, *Portland General Electric Records Highest-Ever Annual Earnings in 2024*, NewsData (Feb. 19, 2025), available at: [https://www.newsdata.com/clearing\\_up/clearing\\_it\\_up/portland-general-electric-records-highest-ever-annual-earnings-in-2024/article\\_707f6828-eaf3-11ef-b5e9-1bf29eea7984.html#:~:text=Oregon's%20largest%20utility%20recorded%20its,\\$68%20million%20reported%20in%202023.](https://www.newsdata.com/clearing_up/clearing_it_up/portland-general-electric-records-highest-ever-annual-earnings-in-2024/article_707f6828-eaf3-11ef-b5e9-1bf29eea7984.html#:~:text=Oregon's%20largest%20utility%20recorded%20its,$68%20million%20reported%20in%202023.)

<sup>5</sup> See Portland General Electric’s Quarterly Reports in *In the Matter of Energy Utility Quarterly Report of Residential Disconnections for non-payment and subsequent reconnections per OAR 860-021-0408, the Disconnect Reporting Rule*, Docket No. RO 12 (opened 11/14/2018)), available at <https://apps.puc.state.or.us/edockets/DocketNoLayout.asp?DocketID=21694>

## Transparency

A utility knows the proportion of its revenue goes to what cost category and that dollar amount. But this is far less clear even to advocates, and certainly for the average customers. Yes, as one gas utility opponent noted, the general public can see what rate increases a utility is requesting by reviewing the filings at the PUC, but it is simply unreasonable to expect Oregonians to engage in every utility rate increase request. That is CUB's role and not only are we spread thin keeping track of these cases, but it is also burdensome for us to figure out the percentages and amount of recovery utilities are requesting because it is not transparent. As evidence of this difficulty, the PUC has started to issue standard ongoing requests of the utilities for a reporting of actual and projected rate increases in general rate case investigations through bench requests. It is completely reasonable that utilities make this information publicly accessible and available.

## Conclusion

HB 3179 was developed with the sole intention of finding a way to help bring balance to the consideration of residential customer affordability with the for-profit utilities' right to the opportunity to recover its prudently incurred costs. All utilities and trade associations who have opposed this bill have warned it raises rates. Meanwhile, CUB, the ratepayer advocate has saved customers over \$10 billion from rate increase requests from Oregon's for-profit utilities. CUB was heavily involved in drafting this bill and thoughtfully crafted it with an eye to avoid unintended consequences, keeping its terms within the scope of the Commission's broad authority. Adding additional directives to include customer economic impact metrics along with the Commission's statutory obligation to ensure adequate revenue and a return on equity to shareholders. Both can and would be considered, leading to more fair, just, and reasonable rates.<sup>6</sup> Likewise, this bill does not change the Commission's authority to determine appropriate cost allocation across customer classes.

We need better control around the timing of when rate increases go into effect. Yes, utilities are legally allowed to request a rate increase whenever they want, but months-long investigations happen prior to any rate increases being implemented onto customer bills. HB 3179 helps the PUC have more control over when those rates can go into effect, for example, ensuring that the outcomes of these rate requests cannot be implemented in the winter, and enables the Commission to phase in rate increases over time.. Securitization would be made explicitly available as a possible tool for cost-effective financing for very costly capital projects, not just emergency situations. Relatedly, it is then more than reasonable that customers should be able to quickly access a public-facing document on its utility's website in order to understand what the customer is paying the utility for.

As CUB stated in [our testimony at the public hearing](#), residential customers of for-profit utilities cannot afford their bills. We have been hearing it, the PUC has been hearing it, and we expect that every single Legislator has heard about it from their constituents. Yes we have energy assistance programs, ratepayer bill discount programs (which are funded by ratepayers), but as we heard from Oregonians at the public hearing, while they are very helpful, they are essentially offset by the constant increases in rates, as the discounts do not change when rates do. Notably, it is the customers of the utility that pay for the assistance programs—not the utilities. Something has to change so Oregonians can keep their lights and heat on.

---

<sup>6</sup> See ORS 757.040(1) and HB 3179 -1, Sec. 2.

CUB is more than happy to meet with opponents to discuss their concerns and will consider any amendments that do not fundamentally change the intent of the bill or undermine the need to consider affordability in ratemaking.