

House Bill 4025

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Commerce and Consumer Protection for Representative Nathan Sosa)

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: 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.

A BILL FOR AN ACT

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

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

SECTION 1. ORS 757.210 is amended to read:

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

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

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

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

(A) Promotes increased efficiencies and cost control;

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

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

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

4 (E) Is beneficial to utility customers generally, for example, by minimizing utility rates.

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

9 (d) Prior to implementing a rate change under an alternative form of regulation plan, the utility
10 shall present a report that demonstrates the calculation of any proposed rate change at a public
11 meeting of the commission.

12 (3) Except as provided in ORS 757.212, the commission, at any time, may order a utility to ap-
13 pear and establish that any, or all, of its rates in a plan authorized under subsection (2) of this
14 section are in conformity with the plan and are just and reasonable. Except as provided in ORS
15 757.212, such rates, and the alternative form of regulation plan under which the rates are set, also
16 shall be subject to complaint under ORS 756.500.

17 (4) Periodically, but not less often than every two years after the implementation of a plan re-
18 ferred to in subsection (2) of this section, the commission shall submit a report to the Legislative
19 Assembly that shows the impact of the plan on rates paid by utility customers.

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

24 (6) The commission may adjust rates to mitigate an increase in residential customer rates if the
25 increase is of such magnitude that, if applied at the higher rate or all at one time, the increase
26 would affect the ability of residential customers to maintain adequate utility service. In considering
27 whether to adjust rates under this subsection, the commission:

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

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

31 (c) Shall consider and may approve deferred accounting for future cost recovery from customers
32 for those amounts that are subject to rate mitigation.

33 (7) Any increase in **the residential rates of a public utility that provides electricity or na-**
34 **tural gas services** may not take effect from November 1 to March 31.

35 **SECTION 2. This 2026 Act takes effect on the 91st day after the date on which the 2026**
36 **regular session of the Eighty-third Legislative Assembly adjourns sine die.**