

ORDER NO. 25-468

ENTERED Nov 25 2025

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

AR 678

In the Matter of

Rulemaking to Revise OAR 860-022-0000
to Establish Winter Rate Moratorium,
Annual Reporting Schedule, and Update
Filing Requirements (HB 3179
Implementation).

ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

At its public meeting on November 25, 2025, the Public Utility Commission of Oregon adopted Staff's recommendation in this matter. The Staff Report with the recommendation is attached as Appendix A.

BY THE COMMISSION:



Alison Lackey
Chief Administrative Law Judge



ITEM NO. RM1

PUBLIC UTILITY COMMISSION OF OREGON

STAFF REPORT

PUBLIC MEETING DATE: November 25, 2025

REGULAR X CONSENT EFFECTIVE DATE NA

DATE: November 17, 2025

TO: Public Utility Commission

FROM: Julie Dyck

THROUGH: Michelle Scala, Scott Gibbens and Caroline Moore **SIGNED**

SUBJECT: OREGON PUBLIC UTILITY COMMISSION STAFF:
(Docket No. AR 678)
Rulemaking to Establish Winter Rate Moratorium, Annual Reporting
Schedule, and Update Filing Requirements (HB 3179 Implementation).

STAFF RECOMMENDATION:

Staff recommends that the Oregon Public Utility Commission (Commission) approve Staff's request to initiate a formal rulemaking on the winter rate moratorium, annual reporting schedule, and rate case filing requirements in House Bill 3179 (HB 3179) and issue a notice of proposed rulemaking to consider new administrative rules in Division 22 of OAR Chapter 860.

DISCUSSION:

Issue

Whether the Commission should initiate a formal rulemaking to adopt simple, near-term rules regarding the specific sections of HB 3179 related to rate case filing requirements (Section 2(3)), Winter rate moratorium (Section 3(7)), and annual reporting schedule (Sections 12 and 13).

Applicable Rule or Law

Pursuant to ORS 756.060, the Commission "may adopt and amend reasonable and proper rules and regulations relative to all statutes administered by the commission and may adopt and publish reasonable and proper rules to govern proceedings and to

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regulate the mode and manner of all investigations and hearings of public utilities and telecommunications utilities and other parties before the commission."

When adopting a new permanent rule, the Commission must follow the rulemaking procedures set forth in the Oregon Administrative Procedures Act¹ and Commission rules OAR 860-001-0160 and OAR 860-001-0210 through OAR 860-001-0240.

When opening a proposed permanent rulemaking, the Commission must give notice by publishing the notice in the Secretary of State's Oregon Bulletin at least 21 days before the effective date.² The Commission must also provide a copy of the proposed rule to "persons on the Commission's applicable rulemaking notification lists" at least 28 days prior the effective date and applicable legislators as specified in ORS 183.335(15) at least 49 days before the effective date.³ The notice must include the following:

- a) A statement summarizing the subject matter, purpose, and need for the proposed rule,
- b) The last date for comment on the proposed rule,
- c) The date of or ability to request a hearing, and
- d) A statement of fiscal impact quantifying the economic effect of the proposed rule.⁴ The notice must also include a caption identifying the subject matter, a citation to the statutory authority to promulgate the rule, a statement of need, a list of principal documents, a fiscal impact statement, a statement on racial equity, if an advisory committee was appointed and, if not, why, and a request for public comment.⁵

ORS 756.040(2) vests the Commission with power and jurisdiction to supervise and regulate every public utility in this state, and to do all things necessary and convenient in the exercise of such power and jurisdiction.

Analysis

Background

The FAIR Energy Act (HB 3179 or the Bill) directs the PUC to make significant changes to ratemaking processes and timelines. The legislation prohibits residential rate increases during winter months, requires utilities to provide a cumulative economic impact analysis in filings in which utilities' return on equity is subject to PUC review and modification, and requires two new recurring utility reports: a visual representation of

¹ ORS 183.310 to 183.355.

² ORS 183.335(1)(b); OAR 860-001-0210(1)(a).

³ Id.

⁴ OAR 860-001-0210(2).

⁵ ORS 183.335(2).

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cost drivers affecting rate change; and reporting on any expected rate adjustments in the next 12 months.

The Commission opened AR 678 on September 29, 2025. Staff conducted an expedited informal rulemaking process with an aim to have simple administrative rules in place in January 2026.⁶ Discussions in the process have been productive, with individuals representing many stakeholders. Parties involved include all six investor-owned electric and gas utilities operating in Oregon; Idaho Power Company, PacifiCorp, Portland General Electric Company (PGE), Avista Utilities, Cascade Natural Gas, and Northwest Natural (NWN); collectively, the Joint Utilities (JU). Other groups include the Oregon Citizens' Utility Board, Oregon Just Transition Alliance (OJTA), Verde, and Energy Trust of Oregon.

Rulemaking Scope and Purpose

In September, Staff released its 2025 Legislative Implementation Work Plan.⁷ The implementation plan included four new investigations to carry out the PUC's initial HB 3179 implementation activities:

- [AR 676](#): Rulemaking to Establish the Multi-Year Rate Plan Framework and other Performance Based Ratemaking mechanisms described in HB 3179 and SB 688
- [AR 677](#): Rulemaking to establish near-term general rate revisions filing schedule and exemption process
- [AR 678](#): Simple rulemaking to Revise OAR 860-022-0000 to include winter rate moratorium, annual reporting schedule, and cumulative economic impact analysis filing requirements; and
- [UM 2405](#): Umbrella policy investigation for all other HB 3179 Implementation Issues

To accommodate the launch of rulemakings into significant ratemaking framework and timing issues at the end of 2025, Staff's implementation plan included a simple rulemaking (AR 678) to ensure that requirements in other key HB 3179 sections were captured in rules and that expectations for the timing of new reporting requirements were understood. Staff's implementation plan indicated that Staff would propose the reporting requirements begin at the end of 2026 to allow the investigation into initial expectations for implementation of the new reporting requirements to begin mid-2026.

⁶ Docket No. AR 678 OPUC Staff Letter, September 29, 2025, accessed at: <https://edocs.puc.state.or.us/efdocs/HAH/ar678hah340209027.pdf>.

⁷ 2025 Legislative Implementation - PUC Staff Work Plan, accessed at: <https://www.oregon.gov/puc/Documents/2025-Staff-Legislative-Implementation.pdf>.

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Staff is scheduled to release its work plan for UM 2405, the HB 3179 implementation issues umbrella docket, in December 2025. This workplan will detail Staff's proposed process for establishing an implementation strategy for the 2026/2027 winter residential rate increase moratorium approach, initial expectations for the content of the required utility reports, and near-term expectations for the aggregate economic impact analysis required in filings where ROE is subject to review or modification. The AR 676 multi-year rate plan framework may establish more permanent rules for some of these issues and subsequent rulemakings may be conducted for additional implementation policies as needed.

Summary of (NEW) Proposed Rules

Attachment 1 contains Staff's proposed rule language for new rules. As noted above, Staff's proposed rule language is primarily a reproduction of the FAIR Energy Act's statutory language related to the filing requirements, winter moratorium, and annual reporting requirements. The phrasing has some minor adjustments to ensure clarity with compliance but does not propose any substantive changes that would provide additional direction or guidance beyond the statute. As such, the proposed rules would only establish new sections of OAR within Chapter 860, Division 22, memorializing the FAIR Energy Act's:

- Prohibition on residential rate increases Nov 1 - March 31
- Requirements for a Cumulative Economic Impact Analysis
- Requirements to create a visual representation of cost drivers – by December 31st of every year
- Requirements to report on the expected rate increases over next 12 months – by December 31st of every year, initial expectations for frequency to be determined in UM 2405

The Energy Justice Advocates and Joint Utilities submitted comments recommending a narrow set of clarifications to the language in the statute. The intent for this rulemaking was not to expand beyond what's already in statute, but to provide clear, workable language that maintains flexibility to investigate and establish near-term expectations for implementing these portions of the statute in UM 2405 next year. Staff incorporated minor non-substantive changes that were proposed by stakeholders that provided further clarification of the rules. In determining whether the proposed changes were appropriate for this phase or rulemaking, Staff considered whether the suggested language would create compliance obligations beyond the statute or in fact provided useful clarifications to the rule. Through that process, Staff identified and incorporated neutral changes proposed by stakeholders.

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Conclusion

Staff appreciates all parties' thoughtful participation in a collaborative process to identify draft rules that closely reflect the language of the statute. Staff recommends that the Commission accept Staff's proposed rules and move AR 678 to the formal stage.

PROPOSED COMMISSION MOTION:

Approve Staff's request to issue a notice of proposed rulemaking (NOPR) to adopt revisions to the administrative rules in Division 22 of OAR Chapter 860, related to the winter rate moratorium, annual reporting schedule, and rate case filing requirements established in HB 3179.

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Attachment 1

OPUC Draft Rules V2 Implementing HB 3179

OAR 860-022-XXXX

Residential Rate Cumulative Economic Impact Analysis

(1) As used in this rule, “electric or natural gas company” means any entity that is a public utility that is engaged in the business of distributing electricity or natural gas to retail customers in this state.

(2) In determining whether a proposed residential rate or schedule of rates to be established, increased, or modified by an electric or natural gas company is fair, just and reasonable, the Commission shall balance the interests of the utility investor and the consumer by considering the cumulative economic impact of the proposed rate or schedule of rates on the electric or natural gas company’s residential ratepayers.

(3) An electric or natural gas company shall conduct and include with its filing an analysis of the cumulative economic impact of a proposed rate or schedule of rates on the electric or natural gas company’s residential ratepayers if:

(a) The electric or natural gas company’s proposed residential rate or schedule of rates will result in an increase of residential rates; and

(b) The electric or natural gas company’s return on equity is subject to review and modification.

(4) The analysis required under section 3 must include, at a minimum:

(a) For each affected residential service classification, and where applicable, distinguishing between single-family and multifamily housing rate classes:

(A) The average monthly residential bill for the 18 months ending on the day before the proposed effective date of the proposed rate or schedule of rates is to take effect;

(B) The approximate range of residential customer utility bills from November 1 through March 31 for each of the two preceding years for residential customers using utility service for space heating;

(C) The total annual estimated dollar amount and percentage increase in ratepayers’ utility bills

(b) The average cost of living and cost of fuel and utilities for the region, state and, where available, service territory of the electric or natural gas company, as determined by the commission including

(A) The Consumer Price Index for All Urban Consumers, West Region (All Items), as most recently published by the Bureau of Labor Statistics of the United States Department of Labor;

(B) Any other macroeconomic data as determined by the Commission;

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(c) The electric or natural gas company's data on residential service disconnection for nonpayment, including:

(A) The number and percentage of residential customers disconnected for nonpayment in the previous 12 months;

(B) The number and percentage of ratepayers receiving energy assistance, including any government assistance, utility bill discount or utility arrearage program, that the electric or natural gas company disconnected for nonpayment in the previous 12 months;

(C) The number of ratepayers with a medical certificate on file;

(D) Data related to customers who are enrolled in the electric or natural gas company's energy assistance programs, including disconnection moratorium programs

(d) Overdue balance data, including:

(A) The number of residential customers with overdue balances;

(B) The average overdue balance amount;

(C) The total amount of the overdue balance owed to the utility;

(e) Data on the cost of energy for commercial and industrial customers relative to the cost of energy for commercial and industrial customers in other states in the region together with historical trends; and

(f) Any additional data that the Commission deems relevant, including but not limited to indicators of financial hardship, energy burden, or affordability of utility bills.

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

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Moratorium on Residential Rate Increases

Any increase in residential rates may not take effect from November 1 to March 31.

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Residential Rate Cost Category Disclosure

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(1) As used in this rule, “electric or natural gas company” means any entity that is a public utility that is engaged in the business of distributing electricity or natural gas to retail customers in this state.

(2) On or before December 31 of each calendar year, each electric and natural gas company shall:

(a) Provide to the Commission a visual representation of the cost categories currently included in the Company’s residential customer rates and the percentage amount of the residential customer rates for each cost category; and

(b) Make the visual representation publicly available on the electric or natural gas company’s website.

(3) The visual representation required under Section 2 must identify the total dollar amount and percentage of total costs of each:

(a) Transmission services infrastructure;

(b) Distribution services infrastructure;

(c) Power costs;

(d) Wildfire mitigation;

(e) Each Catastrophic event and emergency

(f) Insurance, by category, including self-insurance; and;

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

OAR 860-022-XXXX

Annual Rate Adjustment Forecast Reporting

(1) Each electric and natural gas utility shall, on or before December 31 of each calendar year, file with the Commission and make publicly available a report identifying any rate adjustments the utility expects to propose or implement within the subsequent 12-month period.

(2) The Report required under section (1) must, at a minimum:

(a) Identify each rate adjustment requests that an electric or natural gas company has filed or reasonably knows or anticipates to file;

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

(c) Provide dollar and percentage estimates on the amounts of expected rate adjustments, if the amounts in expected rate adjustments are not known with certainty; and

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

(A) That actual or anticipated filing date with the Commission;

(B) The requested or anticipated effective date of the rate adjustment;

(C) The estimated overall rate impact, expressed in both dollars and percentage amounts, that would result from the rate adjustment if approved;

(D) The cumulative rate impact of the rate adjustment in aggregate with all other rate adjustments that take effect between the date of the report and the date the rate adjustment takes effect;

E) Identify the classification of service or customer that may be affected by a rate adjustment and a forecast of how the rate adjustment may affect rates for the other customer classes.

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

(4) An electric or natural gas utility may request protection of confidential information submitted under section (2) of this rule by filing a motion for a protective order with the Commission.