ORDER NO. 25-544

ENTERED Dec 31 2025

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 2211

In the Matter of PUBLIC UTILITY COMMISSION OF OREGON, Implementation of House Bill 2475.	ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

This order memorializes our decision, made and effective at our December 30, 2025 Regular Public Meeting, to adopt Staff's recommendations in this matter, modified to add to staff recommendation 4 "and additionally exempt medical certificate[1] accounts from late fees through March 1, 2026." The Staff Report with the recommendation is attached as Appendix A.

Made, entered, and effective Dec 31 2025.

Letha Tawney
Chair

Les Perkins
Commissioner

Karin Power
Commissioner

A party may request rehearing or reconsideration of this order under ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-001-0720. A copy of the request must also be served on each party to the proceedings as provided in OAR 860-001-0180(2). A party may appeal this order by filing a petition for review with the Circuit Court for Marion County in compliance with ORS 183.484.

[1] Corrected to "certificate" from "certification."

ITEM NO. RA1

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: December 30, 2025

REGULAR x **CONSENT** ____ **EFFECTIVE DATE** N/A

DATE: December 22, 2025

TO: Public Utility Commission

FROM: Michelle Scala

THROUGH: Scott Gibbens and Caroline Moore **SIGNED**

SUBJECT: OREGON PUBLIC UTILITY COMMISSION STAFF:
(Docket No. UM 2211)
Recommendations on emergency actions to mitigate energy insecurity during elevated risk conditions.

STAFF RECOMMENDATION:

Approve Oregon Public Utility Commission (OPUC or Commission) Staff's recommendations regarding emergency actions to mitigate energy insecurity.

Direct Avista, Cascade Natural Gas, Idaho Power, Northwest Natural, PacifiCorp and Portland General Electric to:

1. Submit RO 16 reports monthly through Q1 2026.[1]
2. Provide residential customers in arrears the option for 24-month Time Payment Arrangements (TPAs) through at least May 1, 2026.
3. Provide residential customers self-attesting to economic hardship a minimum 30-day pause on disconnection through at least March 1, 2026.

Direct Idaho Power, PacifiCorp, and Portland General Electric to:

4. Implement a temporary moratorium for bill discount participants and medical certificate accounts through March 1, 2026.
5. Provide one-time (per eligible customer) arrearage forgiveness ($500 minimum max grant) to bill discount participants, limited to *no less* than 15 percent SMI households and below; automatically issued against past due amounts that would otherwise be present on the customer's monthly bill issued in March 2026.

[1] Temporary monthly reporting of RO 16 would supersede quarterly reporting requirements while in effect to avoid double reporting.

DISCUSSION:

Issue

Whether the Commission should adopt Staff's near-term customer protections against disconnection and guidance on customer program activities.

Applicable Law

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.

ORS 757.230, as amended by HB 2475, provides the Commission authority to take certain considerations into account when determining a comprehensive classification of service for each public utility; including, the quantity used, the time when used, the purpose for which used, the existence of price competition or a service alternative, the services being provided, the conditions of service, differential energy burdens on low-income customers and other economic, social equity or environmental justice factors that affect affordability for certain classes of utility customers.[2]

ORS 757.695, codifying HB 2475's Section (7)(1), provides that the Commission may address the mitigation of energy burdens through bill reduction measures or programs that may include, but need not be limited to, demand response or weatherization. Further, the statute provides that the costs of tariff schedules, rates, bill credits or program discounts must be collected in the rates of an electric company through charges paid by all retail electricity consumers, such that retail electricity consumers that purchase electricity from electricity service suppliers pay the same amount to address the mitigation of energy burdens as retail electricity consumers that are not served by electricity service suppliers.[3]

OAR 860-021-0005 provides that the Commission, upon its own motions, may waive any of the Division 021 rules for good cause shown.

Analysis

Background
Effective January 1, 2022, Oregon House Bill 2475 (HB 2475), known as the Energy Affordability Act, expanded language under ORS 757.230 to allow the Commission to consider "differential energy burdens on low-income customers and other economic,

[2] The Energy Affordability Act (HB 2475 – 2021 Regular Session) amended ORS 756.610, ORS 757.230, and ORS 757.072 and enacted new provisions to address equity in rate setting and participating in PUC proceedings, effective January 1, 2022. Or Laws 2021 Ch. 90.
[3] ORS 757.695(2).

social equality or environmental justice factors that affect affordability for certain classes of utility customers" when establishing classifications, rates, and programs. In response, Commission Staff opened Docket No. UM 2211 and initiated a phased implementation effort.

Throughout Phases 2 and 3 of UM 2211, Staff and stakeholders have worked to develop amendments to OAR Division 21 aimed at strengthening residential customer protections against disconnection for non-payment. These efforts have included temporary rulemakings (AR 667 and AR 670) focused on mitigating near-term seasonal risks and have culminated in the development of proposed permanent rule amendments currently before the Commission in AR 671.

On November 7, 2025, a coalition of Oregon legislators submitted a letter[4] to the Commission urging action to prevent utility disconnections during the federal government shutdown. The letter cited delays in federal assistance programs and emphasized the potential harm to households entering the winter heating season. At the same time, several utilities voluntarily committed to a variety of supplemental protections against disconnection for certain customer segments.

On November 13, 2025, Energy Justice Advocates submitted a proposal into both UM 2211 and AR 671 recommending additional emergency disconnection protections for utility customers. The request stated that "utilities' voluntary actions do not go far enough to sufficiently protect vulnerable households in a uniform and consistent manner that is enforceable by the Commission".[5] The filing recommends a winter moratorium on disconnections through April 1, 2026, or 45 days after LIHEAP funds become available in Oregon, whichever is later, applicable to all residential utility customers[6] and Time Payment Arrangements (TPAs) at least 24-months for debt incurred during the moratorium, with additional flexibility on missed payments.

On November 26, 2025, Staff filed a letter in UM 2211, notifying stakeholders and interested parties that it would bring a recommendation related to emergency protections before the Commission at the December 30, 2025 public meeting.[7] At that time, Staff also noted that it would be hosting limited engagement to gather additional perspectives on the advocate proposal and external conditions referenced therein. Subsequently, Staff held three meetings with stakeholders, first with community advocates, second with utility representatives, and lastly as a collective group.

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4 https://edocs.puc.state.or.us/efdocs/HAC/ar671hac341521028.pdf.
5 https://edocs.puc.state.or.us/efdocs/HAC/ar671hac341664028.pdf.
6 Staff notes that while LIHEAP funds had not been released at the time of the filing, LIHEAP funds were confirmed as received by the Oregon Housing and Community Services (OHCS) as of December 4, 2025.
7 Staff Letter.

Additional comments were submitted by community organizations, members of the public and local government, including a letter from the Multnomah County Board of Commissioners supporting the coalition proposal and urging the Commission to consider the actions to bring a broader set of protections through this upcoming winter season.

Summary of Options for Incremental Action

Staff appreciates the opportunity to assess the need for additional protections in light of an acute health and safety risk. UM 2211 participants have invested significant effort to establish meaningful permanent protections, but conditions may arise over time that require consideration of limited duration incremental protections. Expanded protections carry costs and risks to participating customers, support agencies, and utility rates in general. Therefore, Staff believes it is important for the Commission to consider a range of options with varying levels of impact and trade-offs. The table below summarizes a range of potential actions the Commission may consider in response to the elevated risk conditions identified by lawmakers and stakeholders, including temporary moratoria and the post-moratorium arrearage support required to mitigate risks to participating customers.

	Temporary Moratorium *(First order protection)*	**Post-Moratorium Arrearage Support** *(Second order protection)*	**Trade-offs** *(Risk and degrees may vary)*
High Intervention Actions	• Universal (all residential) moratorium through April 1, 2026 • All IOUs subject	• Arrearage forgiveness ($1,000 minimum cap) for all residential customers • 24-month TPAs with seasonal flexibility on payments • All IOUs subject	• Higher cost exposure for utilities and ratepayers • Potential arrearage spike post-moratorium • Potentially higher disconnections through spring and summer • Risk of lower completion rate on TPAs • Operational strain on CAP agencies • Risk of reduced targeting efficiency

Possible Adaptations	• Limit to income qualified and medical certificate (with or without third pathway for temporary hardship • Limit to electric utilities only due to higher disconnection rates and arrearages • Limit to March 1 to avoid arrearage build up	• Limit to just utilities without existing arrearage programs (PAC, PGE, IPC) • Limit to income-qualified • Limit to lower/lowest bill discount tier participants • Limit to percentage of eligible discount (% discount applied to arrears at time of application) • Lower $ cap • Partial payment incentive element (utility match) • No seasonal flexibility on extended TPAs	• Greater administrative complexity for utilities and CAP agencies • Risk of exclusion for households/access barriers • Reduced simplicity may delay implementation • Lower cost exposure but potentially less effective at mitigating systemic risk.

Staff Analysis
The circumstances under which Staff evaluated the need for regulatory action are complex. In this instance, consideration for Commission intervention against residential disconnections coincides with the Commission's adoption of new permanent rules to these same ends (i.e., expanding residential customer protections against disconnection). Further, political, economic, and environmental conditions are continuously evolving and the direct impacts of these conditions on energy insecurity are somewhat difficult to measure. Thus, Staff has grappled with a fair amount of uncertainty in establishing a baseline from which to make a recommendation for supplemental customer protections in UM 2211. Nonetheless, Staff endeavored to answer four key questions in its analysis:

1. What is the current landscape of energy insecurity in Oregon?
2. If/Where do gaps exist between current protections (inclusive of AR 671 amendments) and actual needs?
3. What spectrum of temporary actions could the Commission consider?
4. What are the trade-offs associated with each potential action or combination of actions?

By answering these questions, Staff aimed to provide context for the Commission's decision-making under dynamic conditions. The analysis is intended to frame the range of potential actions, their adaptations, and associated trade-offs and offer a structured view of options and considerations that may inform the Commission's deliberation.

Current landscape of energy insecurity in Oregon
External Stressors

Multiple parties have identified elevated risk conditions for residential energy insecurity in Oregon this winter. The proposed amendments in AR 671 primarily address protections during severe weather events, such as disconnection moratoriums and reconnection policies. By contrast, the concerns raised in UM 2211 and recent stakeholder comments highlight elevated risk driven by external economic stressors rather than weather alone. Thus while AR 671 strengthens protections for acute weather conditions, it may not fully address affordability challenges associated with these broader and prolonged disruptions. The recent federal government shutdown (October 1– November 12, 2025) delayed access to public assistance programs such as Supplemental Nutrition Assistance Program (SNAP) and Low-Income Home Energy Assistance Program (LIHEAP). Changes enacted under federal legislation H.R. 1 have also reduced eligibility and funding levels for these and other programs serving Oregonians.[8] At the same time, macroeconomic indicators show that Oregon's recovery, while improving, has lagged behind national trends, with disproportionate impacts on lower-income households.[9] Stakeholder comments also raised concerns about the compounding effects of immigration-related stressors, housing instability, and seasonal weather risks, particularly for communities not currently covered by existing assistance programs. These intersecting factors can contribute to a heightened risk of disconnection and energy insecurity for many utility customers.

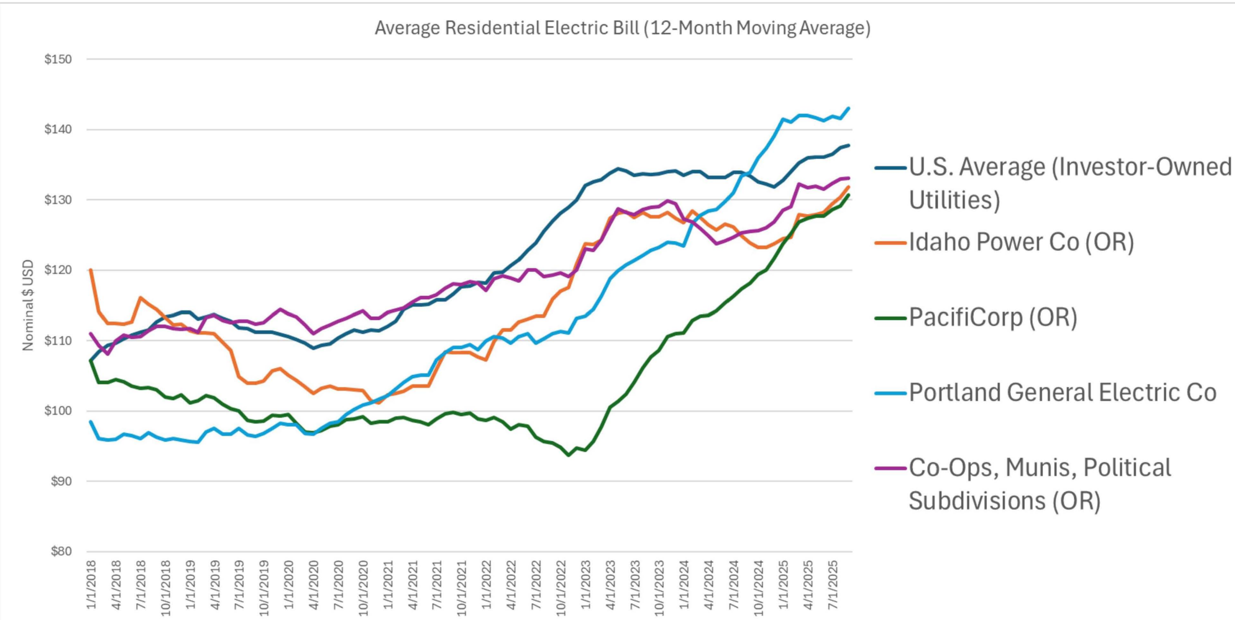
Utility Data
In terms of Oregon utility specific data,[10] arrearage and disconnection metrics are two key indicators for energy insecurity. In its review, Staff found higher measures of energy insecurity among electric utilities than natural gas. In YoY comparisons across all six IOUs, Staff did not observe significant differences between 2024 and 2025 for the months where data was available. Seasonal fluctuations also appear generally consistent between the two years with some exceptions discussed later. A flat trend is encouraging, but 2024 is not an ideal baseline and may suggest that customers are vulnerable to stressors.[11]

In fact, the level and rate of disconnections reported by Oregon's largest utilities in 2024 signaled significant concerns about energy insecurity in the community and prompted a Staff investigation that resulted in two temporary rulemakings, culminating in the permanent Division 21 amendments before the Commission today. Thus, the absence of YoY arrearage and/or disconnection spikes in 2025 does not disprove an elevated risk facing customers particularly when this same range of values previously justified emergency actions. Unfortunately, there's no easy way to know whether the 2025 energy insecurity conditions are a continuation from 2024 that the AR 671 amendments are poised to mitigate; or a unique set of conditions that warrant supplemental

8 https://www.oregon.gov/das/Financial/Documents/Federal-Impact-HR1-Initial-Analysis.pdf.
9 https://www.oregon.gov/das/oea/Documents/economic.pdf.
10 *See* and RO 16 Electric and gas utilities energy burden metrics quarterly reports RO 18, [Portland General Electric and PacifiCorp] Weekly reports required by AR 671 Order No. 25-411.
11 Standardized reporting on arrearages is not available for 2023. While the OPUC received arrearage data through UM 2114 in connection with the COVID-19 pandemic, it was suspended at the end of 2022 before returning as part of RO 18, the Energy Burden Metrics Report.

intervention.

It is also worth noting that a series of general rate increases in the last five years have contributed to growing energy burden and energy insecurity for IOU customers. Staff linked several of these rate increases to higher disconnections and arrearages in subsequent months. This points to a landscape of declining affordability which in turn, can make customers more sensitive to economic and social stressors impacting their ability to access or earn income.



U.S. Energy Information Administration (EIA) Form EIA-861M (formerly EIA-826) detailed data

<u>*Available protections*</u>
OAR 860 Division 21 customer protections
Over the last five years, the Commission has been actively engaged in efforts to reduce energy insecurity for Oregon IOU customers. Spurred by an investigation into the economic impacts of the COVID-19 pandemic on utility customers, stakeholders have worked collaboratively across multiple rulemakings to improve the baseline protections available. OAR Chapter 860, Division 21 has expanded to recognize the disproportionate burdens facing low income and medically vulnerable communities and includes fee waivers, robust noticing prior to disconnection, and several other requirements aimed at mitigating risk and harm. A second permanent expansion since 2020 is now before the Commission and takes severe weather moratorium, reconnection policies, and many other categories of customer protections even further. A full redline of the changes and available protections, if adopted, are available in the Administrative Hearings Division Report in AR 671.

Energy Affordability Act Programs
In addition to the expanded elements of Division 21, recent legislation in the last three

years has driven significant change in the Commission's ability to address energy burden through discounts and programs. Today, all six of the Oregon IOUs have a monthly discount program available to income qualified customers and Oregon's three natural gas utilities offer arrearage forgiveness and management options. While not yet implemented, Staff expects that each of the three electric utilities will have a proposal for an arrearage grant program before the Commission in August of 2026.

Complementary Customer Programs
Many utilities also have a variety of complementary programs and services available to mitigate economic challenges for customers struggling to pay utility bills. These include levelized payments, flexible payment dates, time payment arrangements (TPAs), low-income energy efficiency and weatherization, and more.

Temporary Expanded Protections
Finally, all Oregon IOUs have adopted some form of temporary expanded protections, either voluntarily or as part of compliance with Commission Order No. 25-411. These additional protections are intended to provide greater relief to customers in recognition of the external economic and safety stressors discussed earlier in this memo, and in advance of the permanent Division 21 amendments in AR 671.

The table below provides a brief snapshot of the types of programs and assistance currently available to Oregon customers across the six IOUs. A more detailed table of these protections and programs is included in Attachment 1.

	PGE	PAC	IPC	NWN	CNG	AVA
Permanent						
Bill Discount	x	x	x	x	x	x
Arrearage Grant Program				x	x	x
Grant/Voucher Program (e.g., OEAP)	x	x		x		
LIHEAP	x	x	x	x	x	x
Round-up/donations Program	x	x	x	x	x	x
Flexible payment Options	x	x	x	x	x	x
TPAs (12 month)	x	x	x	x	x	x
TPAs (24 month)			x		x	
Energy Efficiency/WX	x	x	x	x	x	x
Holiday Week pause on Disconnections	x	x	x	x	x	
Temporary						
Voluntary Moratorium through 2025 (IQ and MC)[12]	x	x	x	x	x	

[12] Expire first week of January 2026.

30-day+ hardship relief period					x	x
Continued AR 667 and 670 protections[13]			x	x	x	x
Expanded severe-weather moratorium days		x	x	x	x	x

Remaining Gaps and Unmet Needs

Despite significant progress in expanding protections for IOU customers, stakeholder comments in UM 2211 highlight persistent gaps in both the reach and effectiveness of current programs. Among these are opportunities that are better addressed in future rate and/or program design discussions, while others are relevant in both future and near-term process. For the purposes of the issue before the Commission today, Staff has focused its lens within the context of acting on near-term risks.

Reach of Income-Qualified Programs

Eligibility for monthly discount programs and arrearage management options is generally tied to income thresholds (e.g., 60 percent of state median income). Advocates note that these thresholds exclude many households and families earning above program limits but still unable to meet basic needs due to high housing costs, medical expenses, and inflation. These households often experience significant energy burden yet remain ineligible for most affordability programs. The table below provides annual and monthly incomes for a family of four earning at or below Oregon's state median income.

Oregon State Median Income (SMI)		
Federal Fiscal Year 2025	4-person household	
	Annual	Monthly
100%	$ 131,378	$ 10,948.17
80%	$ 105,102	$ 8,758.53
income qualified threshold for most assistance programs		
60%	$ 78,827	$ 6,568.92
40%	$ 52,551	$ 4,379.27
20%	$ 26,276	$ 2,189.63
15%	$ 15,765	$ 1,313.78
10%	$ 13,138	$ 1,094.82

Staff's proposed one-time arrearage grant would target bill discount participant at or below 15 percent SMI

Awareness and Access Barriers

Community Action Partnership (CAP) agencies have flagged that many clients are unaware of the protections and programs available to them. Enrollment often requires proactive customer action and familiarity with utility processes, which creates barriers for households with limited English proficiency, digital access challenges, or distrust of institutional systems. Without targeted outreach, consistent referrals in complementary programs, and simplified enrollment pathways, existing protections may fail to reach

[13] Expire when permanent rules are adopted.

those most in need. To mitigate these challenges, it's worth considering actions that provide benefits and protections in this emergency period that are applied automatically to customers thereby minimizing the impacts of access barriers.

Elevated Risk Conditions and Program Limitations

Lastly, while a sense of scale and duration of impacts is difficult to determine,[14] the recent disruptions in federal assistance programs and broader economic stressors have amplified the limitations of existing utility programs. As discussed previously in this memo, the delayed and reduced federal benefits have left many households without timely support. Several CAP agencies have signaled that even with the December release of LIHEAP, securing grants for eligible households can often take four to six weeks. Further, the voluntary moratorium implemented by several utilities are expected to conclude within the first week of January, in the middle of the winter heating season and less than a month after OHCS reported receiving LIHEAP funds. While utilities offer flexible payment arrangements and temporary protections, these measures often assume customers can bridge short-term gaps, a challenge for households facing prolonged income instability or housing insecurity. Stakeholders note that current utility programs are not designed to fully offset these systemic risks and fall short during periods of economic volatility and severe weather. Further, arrearage forgiveness programs remain limited to natural gas utilities, and electric arrearage grant programs are not expected until late 2026.

Spectrum of Emergency Actions

In considering next steps, Staff notes it is working with imperfect information. The full duration and scale of impacts from recent economic disruptions remains uncertain, as does the extent to which the proposed AR 671 amendments will mitigate risk. If the Commission supports Staff's finding that additional measures are warranted, there are a range of options that vary in scope, duration, and eligibility to consider. Staff has attempted to organize and frame potential actions here:

<u>*Categories of Protections*</u>

- First-order protections: Immediate measures that prevent disconnection, such as a moratorium. These can range from broad, sweeping actions, like a temporary moratorium for all residential customers across all IOUs through April 1, 2026 (as proposed by advocates), to more targeted approaches, such as limiting a moratorium to income-qualified and medically certified customers, or applying it only to electric utilities where disconnection rates are higher and assistance programs more limited.
- Second-order protections: Measures that address affordability and arrears rather than disconnection directly, such as expanded Time Payment Arrangements (24-months proposed by advocates) or arrearage grants. These can complement

[14] Based on Staff's review of federal assistance programs, House Resolution 1, and various third-party impact analyses of HR 1, a rough estimate of the average monthly income/benefit impact for a family of four earning ~60 state median income ranges between $500-$1,500 net loss.

first-order protections or serve as standalone relief.

Dimensions of Variation

- Scope: Universal versus targeted eligibility (e.g., all residential customers vs. income-qualified or medically vulnerable customers).
- Duration: Short-term measures through the winter heating season versus extended timelines tied to external factors (e.g., LIHEAP funding availability).
- Level of Relief: Full disconnection moratorium versus partial protections combined with enhanced payment flexibility; or smaller grants across more customers versus larger grants having a greater impact on fewer customers demonstrating greater need.
- Program Design: Automatic enrollment versus customer-initiated processes; simplicity versus sophistication (e.g., broad, easily implemented measures versus more complex, data-driven approaches that require data verification, manual processes and/or administrative coordination).

Staff finds that any decision to take action within and across these considerations will ultimately need to be rooted in a policy basis. Each option (and combination of options) involves tradeoffs between simplicity, equity, administrative feasibility, and cost.

Trade-offs Across Potential Actions

The options before the Commission are not mutually exclusive. It may adopt a combination of measures rather than selecting one approach over another. Each element, however, introduces trade-offs that vary by scope, complexity, and timing. Staff has endeavored to identify and categorize the various trade-offs across the categories and dimensions of actions.

Simplicity vs. Precision

Broad measures (e.g., applicable to all residential customers) are straightforward to implement and ensure uniform protections. However, they may provide relief to households that do not face elevated risk, increasing overall cost and administrative burden. More targeted approaches, such as limiting protections to income-qualified or medically vulnerable customers, can better align relief with need but require eligibility verification and more complex administration. Some stakeholders have suggested a third eligibility pathway for households experiencing temporary hardship (e.g., sudden income loss or external stressors), which could improve equity but adds complexity and discretion to program design.

Equity vs. Administrative Feasibility

Universal protections avoid gaps caused by enrollment barriers and customer awareness issues but may raise questions about proportionality and cost recovery. Targeted programs can prioritize those most at risk but depend on accurate data and outreach, which stakeholders note is often lacking and utilities flag as challenging to consistently collect and appropriately catalogue.

Immediate Relief vs. Long-Term Sustainability
A temporary moratorium can offer immediate security but does not address underlying arrears or affordability challenges and in fact, may exacerbate them if customers stop paying their utility bills during the moratorium. Arrearage grants or extended payment arrangements can support recovery but require additional funding and time to implement. Combining these approaches can balance short-term stability with longer-term affordability, though doing so increases complexity and resource needs.

- PGE estimated that an April 1 universal moratorium could potentially increase residential arrears from ~$10 million to ~$45-50 million.
- NW Natural estimated an April 1 universal moratorium to increase arrears by ~$3.6 million and uncollectible expense by ~$1.8 million. NWN further provided that narrower protections for just income qualified and medical certificate accounts would increase arrears by ~$1.2 million and uncollectible expense by ~$542,000.[15]
- Cascade estimated an April 1 universal moratorium would increase bad debt by approximately $30,000 from arrearage balances growing beyond existing programs' capacity to cover the amounts post-moratorium. The Company also estimated that if they were to stop issuing notices during the moratorium, the administrative costs would be ~$4,400. Cascade does not expect any significant incremental cost impacts if the Commission were to adopt Staff's recommendations but notes that the monthly RO 16 cadence would be administratively burdensome.[16]
- IPC estimated that Staff's recommended actions, including the arrearage grant proposal, would have a minimum approximate impact of $100,000.
- PacifiCorp and Avista[17] cost estimates for the advocate proposal and Staff recommendations were not available at the time this memo was drafted.
- Based on RO 16 reporting, Staff found that between January 2024 and September 2025, HB 2475 bill discount programs across all utilities provided approximately $162,776,801 in direct assistance to low-income customers (or approximately $105 million in the 12-month period between June 2024 and June 2025).

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[15] Staff notes that NWN's secondary estimate of a narrower moratorium <u>is not</u> associated with Staff's recommendations as Staff is not recommending a moratorium be applied to natural gas utilities.

[16] Cascade further elaborates on the administrative burden stating: "The monthly RO 16 reporting would be burdensome since it requires one full-time equivalent employee 3 – 4 days to compile and validate the reports, but it would be an opportunity cost of more valuable work not being completed (e.g., auto enrollment or outreach planning activity) rather than increased cost."

[17] Avista noted that while the Company is unable to provide a cost estimate in the time available to review the proposals, it does expect that the Staff recommendation would have a significantly lower cost impact that the advocate's November recommendation. The Company also expressed concerns with the extended TPA in that Avista data shows longer TPAs have a higher failure rate.

Customer Experience vs. Program Complexity
Simple, automatic protections reduce barriers for vulnerable households but limit flexibility. Sophisticated, data-driven approaches allow for nuanced targeting but risk leaving out customers who cannot navigate enrollment processes. Utilities have frequently raised concerns about customer accessibility with the recent series of changes to available protections. It can also be complicated for customers served by multiple utilities to understand if, when, and how protections apply to them. Consistency and stability across customer protections can improve understanding and access but the benefits of this diminish if the protections are inadequate to safeguard against risk and/or create excessive costs when applied too broadly.

Staff Assessment
After considering the information gathered in its analysis, Staff concluded that a moderate degree of intervention is justified to help mitigate energy insecurity risk facing certain customers. The external economic and political stressors, while difficult to measure in the context of energy insecurity and IOU customers, have had observable impacts on access to public assistance and support programs. While Staff is cautious to overextend emergency protections against the forthcoming impacts of permanent Division 21 amendments, given the latter's primary focus on severe weather risk and existing assistance gaps in utility programs, Staff is confident that its recommendation to act is measured and designed to address the vulnerabilities discussed herein.

Staff also sought to align recommended actions to where energy insecurity is most apparent, and risk is greatest using its analysis of utility metrics and assistance offerings. Most importantly, Staff endeavored to target a combination of actions that would balance the trade-offs discussed earlier in this memo; for example, recognizing that while actions are likely warranted, there are often costs associated with expanding protections that will be borne by all customers and that pausing disconnections in the winter months can contribute to higher energy insecurity in the spring and summer. Altogether, this review led Staff to the following observations and suggested considerations used to inform its recommendation:

- Natural gas utilities may require less intervention because disconnection rates and arrearage levels are lower and existing arrearage management programs are in place alongside robust discount programs and payment options. However, enhanced reporting should be considered to confirm these trends and ensure no gaps emerge.
    - *Staff observed that Oregon electric IOUs (PGE, PacifiCorp, and Idaho Power) have generally had higher residential disconnection rates than natural gas IOUs (NW Natural,[18] Avista, and Cascade).[19] However, this difference*

[18] While still generally lower when compared to those of the electric IOUs, 2025 NW Natural disconnection rates are typically higher than those reported for Avista and Cascade.
[19] Oregon IOU disconnection data first available in 2018, reported through RO 12 and recently moved to RO 16.

between electric and natural gas has been more significant and consistent over the last ~24 months, nearly tripling through the most recently reported period of September 2025.

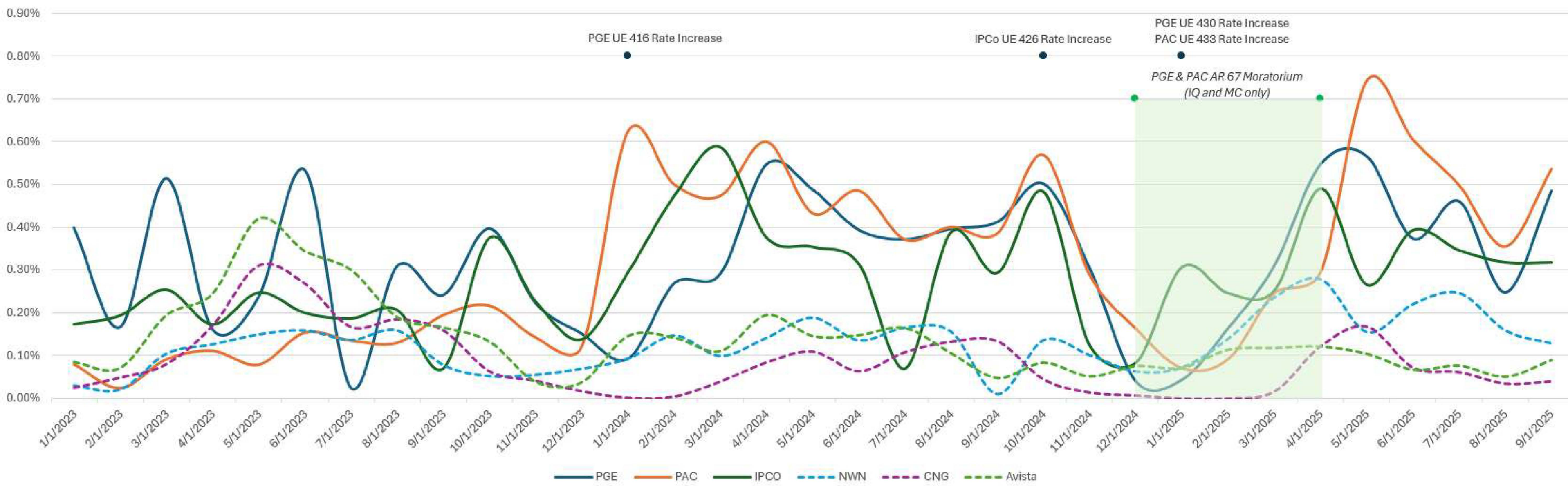
- *The table below provides Oregon IOU disconnection monthly disconnection rates between January 2025 and September 2025.*
  **Shaded blue cells indicate when PGE and PAC were subject to the AR 667 winter moratorium, and IPCs winter protection plan were in effect.*
    - The average disconnection rates for utilities between April and September, when no moratoriums were in effect are as follows:
        - PGE: 0.45%
        - PAC: 0.51%
        - IPC: 0.35%
        - NWN: 0.20%
        - CNG: 0.08%
        - AVA: 0.08%

2025 Disconnection Rates (RO 16)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
PGE	0.04%*	0.16%*	0.31%*	0.55%	0.57%	0.37%	0.46%	0.25%	0.48%
PAC	0.07%*	0.09%*	0.25%*	0.30%	0.74%	0.60%	0.50%	0.35%	0.54%
IPC	0.31%**	0.25%**	0.25%**	0.49%	0.26%	0.39%	0.35%	0.32%	0.32%
NWN	0.07%	0.14%	0.24%	0.28%	0.15%	0.22%	0.25%	0.16%	0.13%
CNG	0.00%	0.00%	0.02%	0.12%	0.17%	0.07%	0.06%	0.03%	0.04%
AVA	0.07%	0.11%	0.12%	0.12%	0.10%	0.07%	0.08%	0.05%	0.09%

* AR 667 winter moratorium for income qualified and medical certificate PGE and PAC customers
**Idaho Power Rule F winter moratorium for eligible customers

January 2023 - September 2025 Disconnection rates (RO 16)



- Extending the current PAC and PGE voluntary moratorium[20] for income-qualified and medically certified customers of PGE, PAC, and IPC through March 1, 2026 will help reduce disconnections for higher risk households when economic and environmental stressors are high, generally. Oregon's electric utilities report higher disconnection rates and arrearages which signal greater energy insecurity across their customers.
  - *Longer moratoriums can result in excessive arrearage accumulation and inundate CAP agencies, stressing available funds and agency resources when the moratorium is lifted. March 1 aligns with the highest-risk winter period while limiting downstream impacts.*
  - *Staff observed that December-March electric IOU disconnections were lower in 2024-2025 when temporary moratorium were in effect[21] than in the same period of 2023-2024.*

December through March ALL Electric IOU Disconnection Metrics		
	Count	**Rate**
2024	15,799	0.29%
2025	7,806	0.14%
Delta	**(7,993)**	**0.15%**

  - *Staff also observed that April-June electric IOU disconnections were slightly higher in 2025[22] than in the same period of 2024. Isolating these months was useful to evaluate the risk of post-winter moratorium spikes in disconnections.*

April through June ALL Electric IOU Disconnection Metrics		
	Count	**Rate**
2024	19,905	0.49%
2025	21,320	0.51%
Delta	**1,415**	**0.03%**

  - *Staff reviewed arrearages during disconnection moratoriums for electric utilities and observed substantial growth during the COVID-19 universal moratorium, compared with minimal and sometimes decreasing month-over-month changes during the AR 667 winter moratorium*

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20 PGE and PAC's voluntary temporary moratorium for income qualified and medical certificate accounts is currently set to end within the first week of January 2026.

21 Commission Order No. 24-446 in Docket No. AR 667 required PGE and PacifiCorp to implement a temporary moratorium from December 1, 2024 through April 1, 2025, against non-payment disconnection for income qualified and medical certificate residential accounts. The order also expanded Idaho Power's eligibility for its longstanding Winter Protection Program (see Idaho Power, Rule F) that institutes a moratorium for the same period to bill discount participants that attest to their inability to pay.

22 *Id*.

All Residential Moratorium (UM 2114) Arrearage Balance MoM changes			
	IPC	PGE	PAC
Apr-20	24%	30%	18%
May-20	23%	67%	37%
Jun-20	22%	71%	30%
Jul-20	26%	79%	33%
IQ and MC Residential Moratorium (AR 667) Arrearage Balance MoM changes			
	IPC	PGE	PAC
Feb-24	-13%	13%	11%
Mar-24	0%	2%	9%
Apr-24	2%	-7%	9%

- Advocate stakeholders support and analysis suggests a need for a third eligibility pathway for temporary hardship. Customers self-attesting to impacts from the federal shutdown represent a group facing the greatest unmet need under current protections. A short-term grace period through March 1 would help address elevated risk among households excluded from income or medical criteria. This approach could reasonably apply across all IOUs and is currently in practice by some.

- Findings support targeted arrearage relief for electric utilities with higher disconnection risk. Electric utility customers are most likely to accumulate arrears during a moratorium. As such, Staff recommends electric utilities provide an arrearage grant capped at $500 for, at a minimum, bill discount participants at or below 15 percent SMI .[23] Staff recommends the grant be automatically applied against past due balances issued within a week of the bill issued in the month of March 2026 to mitigate more than two months of arrearage accumulation during the moratorium. Arrearage relief helps to offset not only customer debt, but utility bad debt and costs associated with collections, truck rolls, and disconnection/reconnection.
    - *In AR 667, PGE and PAC were required to offer one-time arrearage forgiveness (up to $1,000) to customers earning at or below five percent SMI.*
        - *PGE's total dollar amount of one-time forgiveness grants issued reported as $3,319,276[24] across 10,550 (average grant ~$315);*
        - *PacifiCorp reported total grant payments as $1,180,445.82[25] across 3,847 customers (average grant ~$206).*
    - *Utility uncollectables are a cost spread in rates. Arrearage relief can mitigate arrears before they become uncollectables and reduce instances of untenable balances for*

23 15 percent SMI for a family of four in Oregon is approximately $15,870 a year, less than half the current Federal Poverty Level ($32,150/year).
24 Approximately <0.5 percent of PGE's revenue requirement.
25 Approximately <0.1 percent of PAC's revenue requirement.

utility customers, thus supporting energy security. Fewer arrearages and disconnections also reduce administrative and operational costs associated with those activities and subsequent reconnections.

- *Natural gas utilities are already providing arrearage relief to customers. A one-time grant in this context can bridge arrearage relief for electric utility customers ahead of formal program offerings in the fall.*
- *RO 16 does not provide the distribution of customers in arrears by bill discount tiers, thus Staff is unable to say what portion of arrears should be attributed to which income tiers, however, the following data points may illustrate some level of potential costs[26] for arrearage relief:*

	Winter Months								
Bill Discount Customers Only	Jan-25			Feb-25			Mar-25		
	PGE	PAC	IPC	PGE	PAC	IPC	PGE	PAC	IPC
Total participants receiving a discount	89,009	63,624	726	91,879	64,342	897	95,225	68,459	1,113
Customers in Arrears (#)	22,906	25,262	155	27,639	25,880	160	29,613	29,210	200
Total Arrears ($)	$ 6,355,177	$ 12,864,886	$ 89,914	$ 8,805,133	$ 7,186,437	$ 114,469	$ 10,798,381	$9,777,375	$ 148,681
Participants in Lowest Income Tier (%)	14%	78%	74%	14%	78%	74%	14%	77%	74%

	Most Recently Reported Period								
Bill Discount Customers Only	Jul-25			Aug-25			Sep-25		
	PGE	PAC	IPC	PGE	PAC	IPC	PGE	PAC	IPC
Total participants receiving a discount	100,371	71,194	1,408	99,848	68,294	1,429	101,371	66,673	1,451
Customers in Arrears (#)	26,621	27,702	167	26,934	26,124	213	28,618	24,694	176
Total Arrears ($)	$ 5,544,757	$ 9,006,348	$ 67,647	$ 5,651,480	$ 8,101,107	$ 67,994	$ 5,996,987	$7,226,526	$ 52,578
Participants in Lowest Income Tier (%)	14%	70%	73%	14%	73%	73%	14%	79%	73%

- Extended Time Payment Arrangements may be used to reduce post-moratorium disconnection risk. Analysis suggests that customers unable to access other protections will face significant arrears. Offering 24-month TPAs through May 1, 2026, across all IOUs would provide flexibility and reduce the likelihood of large-scale disconnections in spring and potentially reduce instances of untenable balances for customers that can become uncollectables for the utility.

26 If Staff were to use March 2025 bill discount participant and arrearage metrics as a way to provide a rough estimate of costs for the proposed arrearage relief then the **upper bound** could range **between ~$13.4 million**, where every bill discount participant in PGE, PAC, and IPC's applicable discount tiers 1) had a past due balance of at least $500, and 2) received a full $500 grant; **and ~$9 million**, which applies the participation distribution (%) of the lowest income tiers to the total arrearage balance (across all bill discount participants). **Because not all participants have past due balances nor will all eligible customers require the full $500 max grant, it is reasonable to expect that actual costs will be lower.**

- Information accessibility and program awareness is a persistent issue and signal possible deficiencies in current outreach and referrals. Utility touch points with community service representatives and utility webpages include clear information about available assistance and CAP agency partners should be evaluated for effectiveness, offered consistently and adjusted as needed to support low-income customers in accessing all available resources at the appropriate time (or when best applied to meet customer needs). Utilities should also work with their community stakeholders and CAP agencies on additional strategies to reduce instances where customers are not successfully connected with existing energy assistance and customer protections available to them.

<u>Conclusion</u>

Based on Staff analysis, Staff concludes that actions to mitigate elevated energy insecurity risk are likely warranted. Staff has developed its recommendation from its assessment of possible actions and associated tradeoffs. That said, Staff would reiterate that alternative adaptations and/or interventions should be considered to best align with the Commission's policy objectives and assessment of the issues and concerns raised herein.

PROPOSED COMMISSION MOTION:

Approve Staff's recommendation directing Avista, Cascade Natural Gas, Idaho Power, Northwest Natural, PacifiCorp and Portland General Electric to:

1. Submit RO 16 reports monthly through Q2 2026.
2. Provide residential customers in arrears the option for 24-month Time Payment Arrangements (TPAs) through at least May 1, 2026.
3. Provide residential customers self-attesting to economic hardship a minimum 30-day pause on disconnection through at least March 1, 2026.

And further direct Idaho Power, PacifiCorp, and Portland General Electric to:

4. Implement a temporary moratorium for bill discount participants and medical certificate accounts through March 1, 2026.
5. Provide one-time (per eligible customer) arrearage forgiveness ($500 minimum max grant) to bill discount participants, limited to *no less* than 15 percent SMI households and below; automatically issued against past due amounts that would otherwise be present on the customer's monthly bill issued in March 2026.

Oregon Public Utility Commission

Attachment 1. Utility Protections and Programs

	PGE	PAC	IPC	NWN	CNG	AVA
Permanent						
Bill Discount	Tier A (0-5% SMI) - 80% Tier B (6-15%) - 50% Tier C (16-30%) - 25% Tier D (31-45%) - 20% Tier E (46-60% - 15%	Tier 1 (0-5% SMI) - 80% Tier 2 (6-20%) - 40% Tier 3 (21-60%) - 20%	Tier 1 (up to 20% SMI) - 70% Tier 2 (>20 up to 40%) - 25% Tier 3 (>40 up to 60%) - 10%	Tier 0 (0-15% SMI) - 85% Tier 1(16-30%) - 50% Tier 2 (31-45%) - 30% Tier 3 (46-60%) - 15%	Tier 1 (0-25% FPL; 0-15% SMI) - 95% Tier 2 (26-50% FPL; 16-30% SMI) -70% Tier 3 (51-100% FPL; 31-45% SMI) - 45% Tier 4 (101-150% FPL; 46-60% SMI) -15%	Tier 1 (0-5% SMI) - 90% Tier 2 (6-20%) - 60% Tier 3 (21-40%) - 25% Tier 4 (41-60%) - 15%
Arrearage Grant Program				Arrearage assistance for bill discount customers in Tier 0	Arrearage Relief Grant: Tier 1 (0-15% SMI) - 90% Tier 2 (16-30%) - 86% Tier 3 (31-45%) - 83% Tier 4(46-60%) - 80%	Arrearage Management Program: 21-60% SMI - 90% forgiveness, customer pays remaining 10% over 12 months. Arrearage Forgiveness Program: 0-20% SMI, Forgives full past due balance up to $1,000.
Grant/Voucher Program (e.g., OEAP)	x	x		Oregon Low-Income Gas Assistance Program (OLGA)		
LIHEAP	x	x	x	x	x	x
Round-up/donations Program	Payment Roundup, Oregon Energy Fund (OEF) Donation Envelopes	Fuel Fund Program partnering with Oregon Energy Fund	Project Share	Gas Assistance Program (GAP)	Winter Help	Project Share
Flexible payment Options	Equal Pay, Payment Extensions, Payment Plans	Equal Pay	Payment Arrangements	Equal Pay smooths bills over 12-month period	Flexible Payment Arrangements providing payment plans up to 24 months	Payment Arrangement, Usage Plus Arrangement, Feel Free to Fix It

TPAs (12 month)	x	x	x	Flexible time frames can include Level Pay (equal payments) or Current Bill Plus (current bill plus portion of arrearage)	x	x
TPAs (24 month)			x	Up to 24 months	x	
Winter Protection Program			x			
Energy Efficiency/WX	x	x	Energy Efficiency for low and near low-income customers for free energy efficiency upgrades	Oregon Low-Income Energy Efficiency Program	Weatherization Assistance partnered with Community Action Agencies	x
Holiday week pause on disconnections[27]	December 22 – January 1	Week of Nov 27, Dec 22 – Jan 1	Dec 24 – Jan 2	Week of December 22, December 31 – Jan 2	December 17 – January 1	
Temporary[28]						
Voluntary Moratorium through 2025 (IQ and MC)	Halting shutoffs through end of the year for IQ and MC.	Suspending disconnections for nonpayment through December 31, 2025 for IQ and MC.	Moratorium through the end of 2025 for customers who declare they are impacted by the government shutdown (if not already in WPP)	Suspending shutoffs and no disconnections for nonpayment through the end of 2025 for IQ	x	
30-day+ hardship relief period					Suspending collections and disconnections for customers who receive financial utility assistance or who report they have been affected by the federal government shutdown	30-day grace period for customers affected by the federal shutdown

27 The holiday week pause is in addition to OAR 860-021-0320 which prohibits utility service from being disconnected for nonpayment on a weekend or a state- or utility-recognized holiday. Utility service shall not be disconnected for nonpayment on a Friday or the day before a state- or utility-recognized holiday unless mutually agreed upon by the customer, utility, and the Commission's Consumer Services Division.

28 Anticipated to expire with the adoption of permanent rules in AR 671 and/or the first week of January 2026.

Continued AR 667 and 670 protections			x	x	x	x
Expanded severe-weather moratorium days		x	x	x	x	x
Other						
Website link to Bill Assistance/Energy Assistance	Oregon Energy Assistance Programs, LIHEAP & More | PGE	Bill Payment Assistance	Oregon Assistance - Idaho Power	Payment assistance options for your natural gas bill - NW Natural	Low-Income Assistance Programs - Cascade Natural Gas Corporation	Oregon assistance