

**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: ADMINISTRATIVE HEARING DIVISION’S RECOMMENDATION
ADOPTED; PERMANENT RULES ADOPTED

This order memorializes our decision, made and effective at our March 17, 2026 Regular Public Meeting, to adopt the Administrative Hearing Division’s recommendation in this matter. The report with the recommendation is attached as Appendix A. The permanent rules become effective upon filing with the Secretary of State.

Made, entered, and effective Mar 17 2026.



Letha Tawney
Chair



Les Perkins
Commissioner



Karin Power
Commissioner



A person may petition the Oregon Public Utility Commission for the amendment or repeal of a rule under ORS 183.390. A person may petition the Oregon Court of Appeals to determine the validity of a rule under ORS 183.400.

ITEM NO. RM1

**PUBLIC UTILITY COMMISSION OF OREGON
AHD REPORT
PUBLIC MEETING DATE: MARCH 17, 2026**

REGULAR ___ **CONSENT** ___ **RULEMAKING** X **EFFECTIVE DATE** N/A

DATE: March 11, 2026

TO: Public Utility Commission

FROM: Christopher Allwein, Administrative Law Judge

THROUGH: Diane Davis and Alison Lackey **SIGNED**

SUBJECT: OREGON PUBLIC UTILITY COMMISSION:
(Docket No. AR 678)
Rulemaking to Revise OAR Chapter 860, Division 022, to Establish a Winter Rate Moratorium, Annual Reporting Schedules, and to Update Filing Requirements per 2025 House Bill 3179 (Commissioner Work Session)

AHD RECOMMENDATION:

The Administrative Hearings Division (AHD) recommends that the Commission adopt the permanent new administrative rules as set forth in Attachment 1 to amend OAR Chapter 860, Division 022, related to the implementation 2025 House Bill 3179 requirements.

APPLICABLE LAW:

ORS 756.060 authorizes the Commission to adopt rules and regulations relative to all statutes administered by the agency.

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.

2025 House Bill 3179 (the FAIR Energy Act) directs the PUC to make significant changes to ratemaking processes and timelines. The proposed rules are intended to implement specific provisions of the law. The legislation institutes a moratorium on residential rate increases during winter months. The law requires that when an electric

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or natural gas public utility submits a filing to increase residential rates, and in which the utility's return on equity is subject to PUC review and modification, the utility must provide a cumulative economic impact analysis containing certain elements. Finally, the FAIR Energy Act requires two new recurring utility reports: a visual representation of cost categories and corresponding percentages included in residential customer rates; and a report identifying any rate adjustments the utility expects to propose or implement within the next 12 months.

BACKGROUND:

Commission Staff opened the informal phase of AR 678 on September 29, 2025. Staff conducted an expedited informal rulemaking process with the anticipation that simple administrative rules would be in place in early 2026. Staff held productive discussions with individuals representing many stakeholders, including all six investor-owned electric and gas utilities operating in Oregon: Idaho Power Company; PacifiCorp, dba Pacific Power; Portland General Electric Company (PGE); Avista Corporation, dba Avista Utilities; Cascade Natural Gas Corporation; and Northwest Natural Gas Company, dba NW Natural (collectively, the Joint Utilities). Other groups include the Oregon Citizens' Utility Board (CUB), Oregon Just Transition Alliance (OJTA), and Verde (collectively, the Energy Justice Advocates), and Energy Trust of Oregon. The Capstone Workshop was held on October 30, 2025.

The formal rulemaking process commenced via Order No. 25-468 issued after the Regular Public Meeting on November 25, 2025. The Notice of Proposed Rulemaking (NOPR) commencing these rulemaking proceedings was posted on December 23, 2025, in this docket and appeared in the Oregon Secretary of State January 2026 Bulletin.

PROPOSED RULES AND COMMENTS:*New Rules*

Four new proposed rules, reflecting specific requirements of HB 3179, are presented for the Commission's consideration for adoption:

(1) OAR 860-022-500 requires the inclusion of a cumulative economic impact analysis of any proposed rate adjustments when a natural gas or electric utility files a proposed rate adjustment that will result in an increase in residential rate or schedule of rates, and the utility's return on equity is subject to review and modification;

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(2) OAR 860-022-0550 presents the time period for winter rate moratoriums for residential customers;

(3) OAR 860-0022-0600 requires each natural gas and electric utility, on an annual basis, provide the Commission with a visual representation of the cost categories included in the utility's residential customer rates, along with the percentage amount for each cost category, and ensure that this visual representation is publicly available on the utility's website;

(4) OAR 860-022-0650 reflects the statutory requirement for each electric and natural gas utility to, at least annually, file with the Commission and make publicly available a forecast report on any rate adjustments that the utility expects to occur within the next 12 months.

The proposed rules are presented in Attachment 1 to this memorandum.

Rulemaking Hearing Comments:

A rulemaking hearing was held on January 20, 2026. Representatives from PacifiCorp and NW Natural provided comments. PacifiCorp stated support for the rules as proposed by Staff with no additional requirements outside of the statute. NW Natural agreed with PacifiCorp regarding the substance of the proposed rules. The company noted concern with any potential rule changes that might be made by AHD, after the conclusion of the comment period, in response to submitted comments. NW Natural recommended that, in such a case, interested persons should be provided with an additional comment period ahead of any discussion or consideration by the Commission.

Written Comments:

Written, formal comments were received from the Joint Utilities and CUB. The Joint Utilities included their comments from the informal phase as an attachment to their formal comments. The Energy Justice Advocates submitted previous comments made during the informal phase.

CUB's formal comments note concern with the requirement in proposed rule OAR 860-022-0650 that the utilities provide their forecast reports "on or before December 31 of each calendar year." This phrase is meant to capture the statutory

requirement that utilities provide the forecast report “at least annually.”¹ CUB states that the proposed rule language “is not as useful as it could be” with regard to when the utility report would be received. Based on the moratorium time period, CUB recommends that the report be required on April 1 or October 31 of each year. CUB also recommends that the utilities provide quarterly updates on these forecasts, and that cumulative impacts in any forecast report be expressed in dollar amounts and percentages.

The Joint Utilities make three points in their written comments. They reiterate NW Natural’s comments at the rulemaking hearing, requesting that an additional comment period be provided if any significant, additional changes are made by AHD after the close of the formal comment period. Next, the Joint Utilities point out that some of the information proposed for inclusion in the forecast report by various commenters during the informal phase may already be provided in other utility compliance filings.

Finally, the Joint Utilities note that the proposed UM 2405 workshop schedule and scope, with events set to take place in 2026, will provide a forum for discussion to explore and resolve issues relative to specific implementation requirements of HB 3179. The Joint Utilities note that these issues “are complex, evolving, and financially material, and therefore [would] benefit from further discussion and evaluation to develop options and build shared understanding.”² The Joint Utilities conclude that UM 2405 investigation should be completed first, rather than instituting rule changes prematurely ahead of those discussions.

AHD Analysis and Conclusion:

AHD recommends the Commission adopt Staff’s proposed rules with no changes. As stated in the November 17, 2025 Staff Report, this docket is intended to be a “simple rulemaking” to add the fundamental requirements of the statute, as listed above, to the Commission’s Division 022 rules governing utility rates and the ratemaking process.³ Any further changes may be considered in the ongoing UM 2405 investigation addressing HB 3179 Implementation Issues.⁴

In the November 17, 2025 Staff Report, Staff references its workplan to implement HB 3179 and other recent legislation, in which Staff plans to address the content of the

¹ 2025 HB 3179, Section 13(1).

² Joint Utilities comments at 2 (Feb. 2, 2026).

³ Staff Report at 3 (Nov. 17, 2025).

⁴ *Id.*

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forecast report, noting that it will “identify expectations for content of reports in [the third and fourth quarters of] 2026 via [a] Staff-led process” in UM 2405.⁵ Staff’s plans to “identify expectations” for the forecast reports will likely include determining a specific, optimal date or dates for the submission of utility forecast reports, along with their content and presentation, as appropriate. During the UM 2405 investigation, if it is determined that the utility forecast reports would be better suited to a specific date or dates that should be identified in the rule, Staff further notes in its workplan that it will “consider the need for further rulemaking” in calendar year 2027 or 2028.⁶ Thus, any specific date or dates established by the Staff-led process this year may be subsequently added to the rule if “on or before December 31 of each calendar year” is determined to be insufficient.

Until the Staff-led process is completed, AHD recommends maintaining and adopting the “on or before December 31 of each calendar year” language in the proposed rule. The proposed language provides flexibility for the Commission to identify and require a specific date, if necessary or appropriate, pending the results of UM 2405.

PROPOSED COMMISSION MOTION:

The Administrative Hearings Division (AHD) recommends that the Commission adopt the permanent new administrative rules as set forth Attachment 1 to amend OAR Chapter 860, Division 022, related to the implementation 2025 House Bill 3179 requirements.

⁵ <https://www.oregon.gov/puc/Documents/2025-Staff-Legislative-Implementation.pdf>

⁶ *Id.*

ATTACHMENT 1

RULES PROPOSED:

860-022-0500, 860-022-0550, 860-022-0600, 860-022-0650

ADOPT: 860-022-0500

RULE TITLE: Residential Rate Cumulative Economic Impact Analysis

RULE SUMMARY: This new rule establishes that regulated energy companies must conduct and include in its rate case filing (when rates will result in an increase and the electric or natural gas company's return on equity is subject to review and modification) an analysis of the cumulative economic impact on its residential customers and details the requirements of that analysis.

RULE TEXT:

(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

(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.

STATUTORY/OTHER AUTHORITY: ORS 756.040, ORS 756.060, ORS 756.090

STATUTES/OTHER IMPLEMENTED: ORS 757.210–757.220, ORS 757.230

ADOPT: 860-022-0550

RULE TITLE: Moratorium on Residential Rate Increases

RULE SUMMARY: This new rule places a moratorium on rate increases for residential customers from November 1 to March 31.

RULE TEXT:

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

STATUTORY/OTHER AUTHORITY: ORS 756.040, ORS 756.060

STATUTES/OTHER IMPLEMENTED: ORS 757.025, ORS 757.210, ORS 757.240

ADOPT: 860-022-0600

RULE TITLE: Residential Rate Cost Category Disclosure

RULE SUMMARY: This new rule proposes a new annual report available to the public on utility's website depicting a visual representation of the cost categories and percentage included in the company's residential customer rates.

RULE TEXT:

(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.

STATUTORY/OTHER AUTHORITY: ORS 756.040, ORS 756.060, ORS 767.090, ORS 756.105

STATUTES/OTHER IMPLEMENTED: ORS 757.020, ORS 757.125, ORS 757.205, ORS 757.230, ORS 757.259

ADOPT: 860-022-0650

RULE TITLE: Annual Rate Adjustment Forecast Reporting

RULE SUMMARY: This new rule requires each electric and natural gas utility to report at the end of each calendar year any rate adjustments it expects to propose or implement in the subsequent year and specifies the contents of the report.

RULE TEXT:

(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

(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.

STATUTORY/OTHER AUTHORITY: ORS 756.040, ORS 756.060, ORS 756.090, ORS 756.105, ORS 757.210

STATUTES/OTHER IMPLEMENTED: ORS 757.020, ORS 757.205, ORS 757. 240, ORS 757.259