

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

AR 677

In the Matter of

Rulemaking to Establish General Rate
Revisions Filing Schedule and Exception
Process (HB 3179 Implementation).

ORDER

DISPOSITION: ADMINISTRATIVE HEARING DIVISION'S RECOMMENDATION
ADOPTED; PERMANENT RULES ADOPTED

This order memorializes our decision, made and effective at our September 29, 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 Sep 30 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: September 29, 2026

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

DATE: September 23, 2026

TO: Public Utility Commission

FROM: Katharine Mapes, Administrative Law Judge

THROUGH: Alison Lackey, Chief Administrative Law Judge **SIGNED**

SUBJECT: OREGON PUBLIC UTILITY COMMISSION ADMINISTRATIVE
HEARINGS DIVISION (AHD): (Docket No. AR 677) In the Matter of
Rulemaking to Establish General Rate Revisions Filing Schedule and
Exception Process (HB 3179 Implementation).

RECOMMENDATION:

Approve the new rule under Division 22 of OAR Chapter 860 with the modifications proposed by the Administrative Hearings Division (AHD) in this Report, as set forth in Attachment 1.

DISCUSSION:

Applicable Law

ORS 757.217 requires the Commission to adopt rules requiring an electric or natural gas company to file a multi-year rate plan on a regular interval.

Under ORS 756.060, the Commission may adopt and amend reasonable and proper rules and regulations relative to all statutes administered by the Commission.

Background

House Bill (HB) 3179 (2025) directs the Commission to transition the Oregon regulatory ratemaking framework for electric and natural gas utilities to multi-year rate plans (MRPs). HB 3179 requires the Commission to set a regular filing cycle for multi-year plans and limit how many utilities may request rate increases in a given year. HB 3179 also prohibits residential rate increases in the winter and utility general rate case increases from going into effect less than 18 months apart. This 18 month “stay out” provision expires in January 2027.

The Commission opened docket AR 676 as a multi-phased rulemaking to establish the MRP framework. Staff is targeting an early 2027 timeline to complete that rulemaking. At the same time, the Commission opened this docket, AR 677, to

identify a schedule for each utility to file their first MRP as an expedited rulemaking. The goal is to increase predictability in the transition to MRPs, give the utilities time to plan and adjust their spending approaches and cost recovery requests as needed, and give the Commission and stakeholders important context to navigate planning and cost recovery issues in the near-term. Given the timeline needed to establish the MRP framework and expiration of the stay-out provision, docket AR 677 was also intended to provide a venue for discussion of utility approaches to cost recovery during the transition period to MRPs.

Staff led an extensive stakeholder process during the informal phase of this rulemaking, including a scoping survey, opportunity for written comments, and stakeholder workshops. Staff considered, with the help of AR 676 participants, opportunities to narrow the administrative burden and scope of general rate cases and considerations for the use of deferrals, single issue rate adjustments, and other alternative ratemaking mechanisms. This included discussion of index-based rate adjustments. Staff also settled on three guiding principles:

1. Balance affordability, financial stability, and administrative capacity.
2. Focus on targeted, high priority, and disciplined costs.
3. Provide clear expectations that enhance predictability and help utilities plan to avoid under recovery.

Ultimately, Staff recommended an MRP schedule to prevent more than two concurrent MRPs and provide specificity about the timing of electric and gas MRP filings. Under Staff's proposed rule, gas and electric utilities would each have a three-month window to file their MRPs starting November 1 and May 1 of the year before the rate change, respectively. The recommended MRP schedule is:

- Avista Utilities: November 2027
- PacifiCorp: May 2028
- Northwest Natural Gas Company: November 2028
- Portland General Electric Company: May 2029
- Cascade Natural Gas Corporation: November 2029
- Idaho Power Company: May 2030

Staff proposed to codify this in the administrative rules in Division 22 of OAR Chapter 860. They stated that providing the MRP sequencing in rule now provides the utilities and stakeholders more predictability and capacity to plan transition period cost recovery needs while allowing the longer runway needed to develop the MRP framework in docket AR 676.

On May 26, 2026, the Commission adopted Staff's recommendation to open a formal rulemaking, as memorialized in Order No. 26-191. On June 26, 2026, the Notice of Proposed Rulemaking was filed with the Secretary of State. The Notice was published in the Oregon Secretary of State Rules Bulletin on July 1, 2026. A rulemaking hearing was held July 21, 2026; no oral comments were received. The

deadline to submit comments was July 30, 2026. The comments are summarized below.

Stakeholder Comments

Several stakeholders filed comments on the proposed rules: the Energy Advocates, consisting of the Oregon Citizens' Utility Board (CUB), NW Energy Coalition, Oregon Just Transition Alliance, Green Energy Institute at Lewis & Clark Law School, Climate Solutions, and Verde; CUB also filed comments independently of the Energy Advocates; the Gas Utilities, consisting of Northwest Natural Gas Company, dba NW Natural, Avista Corporation, dba Avista Utilities, and Cascade Natural Gas Corporation; and Portland General Electric (PGE). Staff also filed comments.

The Energy Advocates support Staff's guiding principles but express some specific concerns. They ask the Commission state that utilities may not bring forward their own interim MRPs. In particular, the Energy Advocates have concerns around utilities each putting forth their own interim indexing proposals. They note it was clear from the informal phase that stakeholders fundamentally disagree with what constitutes a reasonable interim indexing proposal, and therefore that reviewing indexing proposals for each utility on an interim basis would be unduly burdensome.

The Gas Utilities recommend a change in the schedule. As proposed, they state, the Gas Utilities are to file no earlier than November 1 and no later than January 31. They explain that the winter rate moratorium restricts utilities from increasing rates between November 1 and March 31. Due to the 11-month review time, Gas Utilities would need to file in November to avoid the moratorium, effectively limiting the filing window to a one-month period. They state electric utilities have a three-month period where they could file and avoid the moratorium. The Gas Utilities recommend shifting the filing period to September 1 through November 30 for gas utilities, to allow them a three-month period to file without facing the moratorium.

The Gas Utilities also express concerns with Section 4 of the proposed rule, which reads: "After a public utility makes its first multi-year rate plan filing under this rule, the public utility will file subsequent multi-year rate plans on a schedule to be determined by the Commission." Specifically, the Gas Utilities state that it is overly prescriptive at this stage because key implementation details remain unresolved, including how rate case reopeners and exception processes will operate. Those unresolved issues, the Gas Utilities state, could affect the appropriate timing of a utility's subsequent MRP filings. Finally, the Gas Utilities attached their comments from the informal stage of the rulemaking proceeding.

CUB also submitted comments from the informal stage, which were jointly filed comments with various of the other Energy Advocates.

Finally, PGE comments that the rule's codification of specific filing dates for each utility leads to overly prescriptive rules. PGE argues this approach ensures unnecessary regulatory process should changes occur necessitating date modifications. PGE also attached its informal stage comments to its comments.

Staff Comments

In response to the Energy Advocates, Staff clarifies its intent is to limit utility MRP filings until the specified date for each utility's "first" MRP. Staff generally agrees with the Energy Advocates that to the extent interim indexing proposals go beyond a simple and comprehensive indexing approach, they are inappropriate in this interim period. Further, it says, Staff would agree interim filings that are strongly contested, include complex design choices, require significant review, and/or degrade utility cost containment are ill-suited for the transition period. Instead, Staff reiterates its position that appropriate indexing would be comprehensive in scope and not require the design of multiple MRP elements prior to the conclusion of AR 676.

Staff responds to the Gas Utilities, stating it agrees with the Gas Utilities that the proposed filing window does not achieve the same level of flexibility for filing dates between gas and electric utilities. Staff indicates it is not opposed to shifting the gas utility filing window to September 1 through November 30.

Staff states it understands the Gas Utilities' concerns as to Section 4 of the proposed rules. However, Staff believes that the Gas Utilities' concerns about prematurity are based upon the assumption the Commission will not be able to properly consider developing outcomes in the Phase 2 process for AR 676 in the context of establishing a future MRP schedule.

Discussion of Specific Recommendations

The draft rule, with AHD's proposed edits, is attached to this memorandum as Attachment 1. AHD recommends adopting the Gas Utilities' proposed modification to the gas utility filing window—*i.e.*, to change it from November 1 through January 31 to September 1 through November 30. This change would equalize the effective filing periods for gas and electric utilities without burdening stakeholders or the Commission.

AHD does not recommend adopting any other changes to the proposed rule. In particular, it believes that the Gas Utilities' proposed change to Section 4 of the draft rule is unnecessary because the rule does not proscribe a particular schedule and the Commission can, in ultimately setting the schedule, take into account developments in AR 677.

Generally, AHD believes the proposed rules establish a reasonable schedule for rate filings which will limit the burden on stakeholders and the Commission while providing a fair opportunity to the utilities to obtain rate relief during this interim period. AHD believes the schedule in the proposed rule fairly balances the concerns raised by stakeholders and utilities. As to the question of interim indexing, the Commission does not need to weigh in at this time but ultimately will have the chance to review proposals for simplicity and transparency using the principles enumerated by Staff and the Energy Advocates.

PROPOSED COMMISSION MOTION

Adopt the new permanent rule under Division 22 of OAR Chapter 860 as attached as Attachment 1 to this Administrative Hearings Division Report to be effective upon filing with the Secretary of State.

Attachment 1
AR 677 Proposed Oregon Administrative Rule

Clean Version

- (1) This rule applies to public utilities engaged in the business of distributing electricity, natural gas, or both, to retail customers in this state.
- (2) Each public utility must file a multiyear rate plan for rate revisions that subjects the public utility's return on equity to review or modification, according to the schedule set forth in section (3).
- (3) The following sets forth the calendar year in which each public utility must file its first multi-year rate plan required under ORS 757.217:
 - (a) Avista Utilities shall file no earlier than September 1, 2027, and no later than November 30, 2027;
 - (b) PacifiCorp shall file no earlier than May 1, 2028, and no later than July 31, 2028;
 - (c) Northwest Natural Gas Company shall file no earlier than September 1, 2028, and no later than November 30, 2028;
 - (d) Portland General Electric Company shall file no earlier than May 1, 2029, and no later than July 31, 2029;
 - (e) Cascade Natural Gas Corporation shall file no earlier than September 1, 2029, and no later than November 30, 2029;
 - (f) Idaho Power shall file no earlier than May 1, 2030, and no later than July 31, 2030.
- (4) After a public utility makes its first multi-year rate plan filing under this rule, the public utility will file subsequent multi-year rate plans on a schedule to be determined by the Commission.

Redlined Version

(1) This rule applies to public utilities engaged in the business of distributing electricity, natural gas, or both, to retail customers in this state.

(2) Each public utility must file a multiyear rate plan for rate revisions that subjects the public utility's return on equity to review or modification, according to the schedule set forth in ~~sub~~section (3).

(3) The following sets forth the calendar year in which each public utility must file its first multi-year rate plan required under ORS 757.217:

(a) Avista Utilities shall file no earlier than ~~November~~September 1, 2027, and no later than ~~January–31~~November 30, 202827;

(b) PacifiCorp shall file no earlier than May 1, 2028, and no later than July 31, 2028;

(c) Northwest Natural Gas Company shall file no earlier than ~~November~~September 1, 2028, and no later than ~~January–31~~November 30, 202928;

(d) Portland General Electric Company shall file no earlier than May 1, 2029, and no later than July 31, 2029;

(e) Cascade Natural Gas Corporation shall file no earlier than ~~November~~September 1, 2029, and no later than ~~January–31~~November 30, 203029;

(f) Idaho Power shall file no earlier than May 1, 2030, and no later than July 31, 2030.

(4) After a public utility makes its first multi-year rate plan filing under this rule, the public utility will file subsequent multi-year rate plans on a schedule to be determined by the Commission.