HOUSE AMENDMENTS TO SENATE BILL 81

By COMMITTEE ON BUSINESS, LABOR AND CONSUMER AFFAIRS

May 27

In line 2 of the printed bill, delete "amending ORS 757.310" and insert "creating new provisions; amending ORS 757.310; and declaring an emergency".

After line 27, insert:

"**SECTION 2. Section 3 of this 2005 Act is added to and made a part of ORS 757.205 to 757.240.**

"**SECTION 3. (1) As used in this section, 'electric company' has the meaning given that term in ORS 757.600.**

"(2) The Public Utility Commission shall require that an electric company mitigate a rate increase payable by a class of customers described in subsection (5) of this section if:

"(a) The increase results from a transition to an electric company's generally applicable cost-based rate from the rates established under the contracts described in subsection (5) of this section; and

"(b) The increase in the cost of electricity to that class of customers by reason of the transition will exceed 50 percent during the first 12 calendar months after the transition occurs.

"(3) The commission shall require an electric company to mitigate a rate increase under this section by means of a schedule of rate credits for the class of customers described in subsection (5) of this section. The rate credits provided by an electric company under the schedule shall automatically decrease each year to the lowest credit necessary to avoid a rate increase that is greater than 50 percent in any subsequent year. Rate credits under this section may not be provided for more than seven years after the transition occurs.

"(4) For the purpose of determining the increase in the cost of electricity to a class of customers by reason of a transition described in subsection (2)(a) of this section, the commission shall:

"(a) Include the total charges for electricity service, including all special charges and credits other than the rate credit provided under this section; and

"(b) Exclude any local taxes or fees paid by the class of customers.

"(5) This section applies only to customers of an electric company that purchase electricity at metering points that before the transition described in subsection (2)(a) of this section were eligible for rates that were set under contracts entered into before 1960 and remained unchanged throughout the period of the contract.

"(6) The full cost of providing rate credits under this section shall be spread equally among all other customers of the electric company.

"**SECTION 4. This 2005 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2005 Act takes effect**

on its passage.”.