

# A-Engrossed Senate Bill 81

Ordered by the House May 27  
Including House Amendments dated May 27

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre-session filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Governor Theodore R. Kulongoski for Public Utility Commission)

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Allows public utility to charge customer different rate for energy if difference arises from optional schedule or tariff that takes into account customer's past energy usage and provides price incentives designed to encourage changes in customer's energy usage.

**Directs Public Utility Commission to require that electric companies mitigate rate increases resulting from specified conditions by providing rate credits to particular class of customers.**

**Declares emergency, effective on passage.**

## A BILL FOR AN ACT

1  
2 Relating to rates of public utilities; creating new provisions; amending ORS 757.310; and declaring  
3 an emergency.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 757.310 is amended to read:

6 *757.310. [(1) Except as provided in ORS 757.315, no public utility or any agent or officer thereof*  
7 *shall, directly or indirectly, by any device, charge, demand, collect or receive from any person a greater*  
8 *or less compensation for any service rendered or to be rendered by it than:]*

9 *[(a) That prescribed in the public schedules or tariffs then in force or established; or]*

10 *[(b) It charges, demands, collects or receives from any other person for a like and contemporaneous*  
11 *service under substantially similar circumstances. A difference in rates or charges based upon a dif-*  
12 *ference in classification pursuant to ORS 757.230 shall not constitute a violation of this paragraph. A*  
13 *difference in rates or charges for a service provided pursuant to ORS 757.516 shall not constitute a*  
14 *violation of this paragraph.]*

15 *[(2) Any public utility violating this section is guilty of unjust discrimination.]*

16 **(1) A public utility may not charge a customer a rate or an amount for a service that is**  
17 **different from the rate or amount prescribed in the schedules or tariffs for the public utility.**

18 **(2) A public utility may not charge a customer a rate or an amount for a service that is**  
19 **different from the rate or amount the public utility charges any other customer for a like**  
20 **and contemporaneous service under substantially similar circumstances.**

21 **(3) A difference in rates or amounts charged does not constitute a violation of subsection**  
22 **(2) of this section if the difference is based on:**

23 **(a) Service classification under ORS 757.230;**

24 **(b) Contracts for services under ORS 757.516; or**

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 (c) An optional schedule or tariff for the provision of energy service that takes into ac-  
2 count a customer's past energy usage and provides price incentives designed to encourage  
3 changes in the customer's energy usage that correspond to changes in the cost of providing  
4 energy.

5 **SECTION 2.** Section 3 of this 2005 Act is added to and made a part of ORS 757.205 to  
6 757.240.

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

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

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

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

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

23 (4) For the purpose of determining the increase in the cost of electricity to a class of  
24 customers by reason of a transition described in subsection (2)(a) of this section, the com-  
25 mission shall:

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

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

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

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

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

38