

Senate Bill 1058

Sponsored by Senator WHITSETT

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 **as introduced**.

Requires electric utility to mitigate rate increase that exceeds 50 percent during first 12 months that increase is in effect. Provides that mitigation be achieved by providing rate credits.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to electricity rates; and declaring an emergency.

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

4 **SECTION 1. Section 2 of this 2005 Act is added to and made a part of ORS 757.205 to**
5 **757.280.**

6 **SECTION 2. (1) As used in this section, "electric utility" has the meaning given that term**
7 **in ORS 757.600.**

8 **(2) If any rate increase proposed by an electric utility would result in an increase in the**
9 **cost of electricity for any class of customers of the electric utility described in subsection**
10 **(3) of this section that exceeds 50 percent during the first 12 months that the increase is in**
11 **effect, the Public Utility Commission shall require the electric utility to mitigate the rate**
12 **increase by providing rate credits to the class of customers. The rate credits provided by an**
13 **electric utility under this section shall automatically decrease each year to the lowest credit**
14 **necessary to avoid a rate increase that is greater than 50 percent in any subsequent year.**

15 **(3) This section applies to the following classes of customers:**

16 **(a) Customers who pay for electricity under the same rate schedule and who will experi-**
17 **ence a rate increase by reason of changes in the rate schedule; and**

18 **(b) Any group of customers that will experience a rate increase by reason of a transfer**
19 **to a different rate schedule.**

20 **(4) Notwithstanding subsection (2) of this section, the commission may not require that**
21 **an electric utility mitigate a rate increase for a class of customers if the electric utility re-**
22 **quests a rate increase for all customers of the electric utility that is in excess of the limi-**
23 **tation imposed by subsection (2) of this section and the commission finds that the increase**
24 **is necessary to allow the electric utility to recover its costs.**

25 **SECTION 3. This 2005 Act being necessary for the immediate preservation of the public**
26 **peace, health and safety, an emergency is declared to exist, and this 2005 Act takes effect**
27 **on its passage.**

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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.