

ORDER NO. 25-293

ENTERED Aug. 6, 2025

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

UM 2046(5)

In the Matter of

PORTLAND GENERAL ELECTRIC  
COMPANY,

Application for Reauthorization to Defer  
Costs Associated with an Increase in the  
Annual Regulatory Fee.

ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

At its public meeting on August 5, 2025, the Public Utility Commission of Oregon adopted Staff's recommendation in this matter. The Staff Report with the recommendation is attached as Appendix A.



BY THE COMMISSION:

**Alison Lackey**  
Chief Administrative Law Judge

A party may request rehearing or reconsideration of this order under ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-001-0720. A copy of the request must also be served on each party to the proceedings as provided in OAR 860-001-0180(2). A party may appeal this order by filing a petition for review with the Circuit Court for Marion County in compliance with ORS 183.484.

**PUBLIC UTILITY COMMISSION OF OREGON**  
**STAFF REPORT**  
**PUBLIC MEETING DATE: August 5, 2025**

REGULAR \_\_\_\_\_ CONSENT X EFFECTIVE DATE \_\_\_\_\_ N/A

**DATE:** July 29, 2025

**TO:** Public Utility Commission

**FROM:** Kathy Zarate

**THROUGH:** Scott Gibbens and Bret Stevens **SIGNED**

**SUBJECT:** PORTLAND GENERAL ELECTRIC:  
(Docket No. UM 2046(5))  
Reauthorize Deferral of Costs Associated with Annual Regulatory Fee.

**STAFF RECOMMENDATION:**

Staff recommends that the Commission approve Portland General Electric Company's (PGE or Company) request to defer costs associated with an incremental difference in the Public Utility Commission (PUC) annual regulatory fee, and the amounts currently being collected in rates, for the 12-month period beginning January 1, 2025.

**DISCUSSION:**

## Issue

Whether the Commission should approve PGE's request for reauthorization to defer regulatory fees associated with a variance in the annual PUC regulatory fee and the amount collected in rates.

## Applicable Law

In accordance with ORS 757.259, utilities may seek approval to defer amounts for later inclusion in rates to minimize the frequency of rate changes or to appropriately match customer benefits and costs.

Unless subject to an automatic adjustment clause under ORS 757.210(1), amounts deferred are allowed in rates to the extent authorized by the Commission in a proceeding under ORS 757.210 to change rates and upon review of the utility's

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earnings at the time of application to amortize the deferral. OAR 860-027-0300 is the Commission's rule governing the use of deferred accounting by energy and large telecommunications utilities and requires the utility to provide certain information in an application to defer, such as the reason for the deferral and the estimated amount of the deferral.

### Analysis

#### *Background*

This PGE filing was submitted to the PUC on December 31, 2024.

Under ORS 756.310, each public utility and telecommunications provider shall pay a fee to the Public Utility Commission in each calendar year. The fee is capped by statute but otherwise established by the Commission. Currently, the statutory cap is 0.45 percent of the utility's gross operating revenues derived within this state in the preceding calendar year. ORS 756.310(3). However, the Oregon legislature recently passed House Bill 2370 that if signed by the Governor, will increase the maximum rate to 0.55 percent of the preceding year's revenues. The fee increase would not be automatic if the legislation is enacted. Instead, the Commission must take action to change the current 0.45 percent fee.

PGE requests authorization to defer for later rate making treatment, costs associated with any increase in the OPUC fee, should an increase occur in 2025.

The Commission has previously approved similar PGE deferral requests, including approvals in 2020, 2022, 2023 and 2024.<sup>1</sup>

#### *Description of expenses*

ORS 756.310 allows for the annual regulatory fee that is imposed on public utilities and telecommunications providers, for purpose of defraying costs of the OPUC. The deferral at issue would cover increased expense related to any increase in the regulatory fee approved by the Commission for 2025.

#### *Proposed Accounting*

The Company proposes to record the deferral as a regulatory asset in FERC Account 182.3 (Other Regulatory Assets) and credit the appropriate FERC expense accounts.

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<sup>1</sup> See Order Nos. 20-411, 21-081, 22-145, 23-031, and 24-133.

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However, when specific identification of the particular source of the regulatory asset cannot be reasonably made, then FERC Account 407.4 (Regulatory Credits) will be credited.

*Reasons for Deferral*

Pursuant to ORS 757.259(2)(e), PGE seeks deferred accounting treatment effective January 1, 2025, for costs associated with a possible increase in the annual PUC Fee.

PGE states that this application will minimize the frequency of rate changes and match appropriately the costs borne by and benefits received by customers.

*Estimate of Amounts*

PGE cannot estimate the amount to be deferred during the period beginning January 1, 2025 through December 31, 2025, as PGE does not know if or when the Commission may increase the regulatory fee.

In compliance with OAR 860-027-0300(6), PGE served a Notice of Application on the UE 435 and UM 2046 Service Lists.

*Information Related to Future Amortization*

- Earnings Review - Recovery of the incremental regulatory fee will not be subject to an earnings review in accordance with Commission Order No. 20-411.
- Prudence Review - A prudence review should be performed as part of the amortization filing.
- Sharing - All prudently incurred costs are to be recoverable by PGE with no sharing mechanism.
- Rate Spread/Rate Design - The rate spread/rate design should be consistent with the prevailing rate spread/rate design at the time of the amortization.
- Three percent test (ORS 757.259(6)) - The amortization of the deferred costs will be subject to the three percent test in accordance with the ORS 757.259(6) and (8), which limits aggregated deferral amortizations during a 12- month period to no more than three percent of the utility's gross revenues for the preceding year.

Conclusion

Staff concludes that the Company's application to authorize deferral of any incremental increase in the annual regulatory fee is consistent with ORS 757.259 in that it would match costs and benefits. Staff notes that though any assumptions regarding a future fee increase are speculation, the statutory increase to the regulatory fee cap and

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consequential opportunity for the Commission to increase the fee supports PGE's request to defer.

The Company has reviewed a draft of this memo and voiced no concerns.

**PROPOSED COMMISSION MOTION:**

Approve PGE's request to defer costs associated with the change in the PUC annual regulatory fee and the amounts currently being collected in rates for the 12-month period beginning January 1, 2025.