

ORDER NO. 25-388

ENTERED Oct 02 2025

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 2131(4)

In the Matter of

PORTLAND GENERAL ELECTRIC
COMPANY,

Application for Reauthorization of Deferral
of Costs and Revenues Associated with the
Metro Supportive Housing Services Tax.

ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

At its public meeting on September 30, 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: September 30, 2025**

REGULAR _____ **CONSENT** X **EFFECTIVE DATE** _____ **N/A**

DATE: September 10, 2025

TO: Public Utility Commission

FROM: Kathy Zarate

THROUGH: Scott Gibbens and Michelle Scala **SIGNED**

SUBJECT: PORTLAND GENERAL ELECTRIC:
(Docket No. UM 2131(4))
Reauthorization of Deferral of Costs and Revenues Associated with the
Metro Supportive Housing Services Tax.

STAFF RECOMMENDATION:

Staff recommends the Commission approve Portland General Electric's (PGE or Company) application requesting reauthorization of deferred accounting for costs and revenues associated with the Metro Supportive Housing Services (MSHS) Tax for the 12-month period beginning on January 1, 2025.

DISCUSSION:

Issue

Whether the Commission should approve PGE's application for deferred accounting related to the Metro Supportive Housing Services (MSHS) Tax the 12-month period beginning January 1, 2025.

Applicable Law

ORS 757.259 allows the Commission to authorize deferred accounting for later incorporation into rates. Specific amounts eligible for deferred accounting treatment with interest authorized by the Commission include:

Identifiable utility expenses or revenues, the recovery or refund of which the Commission finds should be deferred in order to minimize the frequency of

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rate changes or the fluctuations of rate levels or to match appropriately the costs borne by and benefits received by ratepayers.

In OAR 860-027-0300(3), the Commission has set forth the requirements for the contents of deferred accounting applications. Applications for reauthorization must include that information along with a description and explanation of the entries in the deferred account to the date of the application for reauthorization and the reason for continuation of deferred accounting. OAR 860-027-0300(4). Notice of the application must be provided pursuant to OAR 860-027-0300(6).

Amounts deferred under ORS 757.259(5) and OAR 860-027-0300 are allowed in rates only to the extent authorized by the Commission in a proceeding under ORS 757.210 to change rates and upon a prudence review. A review of the utility's earnings is required, unless subject to an automatic adjustment clause. With some exceptions, a company's amortization of amounts deferred cannot exceed an amount equal to three percent of the company's gross revenues from the preceding year. ORS 757.259(6)

Analysis

Background

On May 19, 2020, voters in the greater Portland area approved Metro Measure 26-210 for supportive housing services for people experiencing homelessness or at risk of experiencing homelessness, which went into effect for tax years beginning on or after January 1, 2021.

A 1 percent tax is being imposed on net income from businesses within the Portland Metro jurisdiction that have over \$5 million in gross receipts from both within and outside the Portland Metro jurisdiction. The Company has been subject to this tax beginning in 2021.

According to the Company, this Application, which was filed on December 24, 2024,¹ will support the use of an automatic adjustment clause and associated balancing account in PGE Schedule 103. Schedule 103 only applies to customers located in Clackamas, Washington, and Multnomah Counties.

Proposed Accounting

The Company proposes the following MSHS Tax accounting treatment: the balancing account will be recorded in FERC account 242, Current Regulatory Liability. MSHS

¹ In e-dockets, the filing is noted as UM 2131(3). However, the filing should be noted as UM 2131(4), as this memo correctly does. Docket No. UM 2131(3) was approved by the Commission and an order was issued on May 20, 2024, Order No. 24-146.

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payments to the taxing authorities, will be debited to FERC Account 242 and credited to FERC Account 407.4, Regulatory Credit. MSHS amortization, revenues collected from PGE's Metro customers via the MSHS Tax tariff, will be credited to FERC Account 242 and debited to FERC Account 407.3. Interest will accrue in the balance at the approved Modified Blended Treasury (MBT) rate.²

Reason for deferral

Pursuant to ORS 757.259(2)(e) and the Company seeks deferred accounting treatment for costs and revenues associated with the imposed MSHS Tax.

Also, and according to the Company, this Application will minimize the frequency of rate changes and match appropriately the costs borne by and benefits received by customers.

Estimate of Amounts

The Company estimates the MSHS Tax amount to defer during 2025 to be approximately \$1.0 million dollars.

Information Related to Future Amortization

- Earnings Review – The MSHS Tax deferral will be subject to an automatic adjustment clause rate schedule, where all associated costs and revenues will flow through the established balancing account and will not be subject to an earnings review under ORS 757.259.
- Prudence Review – A prudence review should be performed by the Commission Staff as part of their review of this deferral's annual reauthorization filings or applications to update Schedule 103.
- Sharing – No sharing mechanism applies to the MSHS tax costs or revenues.
- Rate Spread/Rate Design – The MSHS Tax costs will be charged via Schedule 103 to customers inside Metro's jurisdiction in Clackamas, Multnomah, and Washington Counties as a percentage of their bills, excluding certain charges.
- Three percent test (ORS 757.259(6)) – The three percent test would not apply because PGE will not seek amortization of the deferred amounts in a future proceeding.

² The MBT rate is posted annually to the Commission's website at: [UM 1147 MBT MBE PURE Rates 2025 Internal Memo DA IC Jan 13 2025](#) .

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Conclusion

For the reasons stated above, Staff recommends the Commission approve PGE's request for reauthorization of a deferred account related to the MSMH Tax for 12-month period beginning on January 1, 2025.

PROPOSED COMMISSION MOTION:

Approve PGE's application requesting reauthorization of deferred accounting for costs and revenues associated with the Metro Supportive Housing Services Tax for the 12-month period beginning on January 1, 2025.

PGE UM 2131(4) MSHS Tax Deferral