

ORDER NO. 25-439
ENTERED Nov. 5, 2025

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UE 452

In the Matter of

PORTLAND GENERAL ELECTRIC
COMPANY,

2026 Annual Power Cost Update Tariff.

ORDER

DISPOSITION: STIPULATION ADOPTED

I. SUMMARY

In this order, we adopt a comprehensive stipulation addressing Portland General Electric Company's (PGE) 2026 Annual Power Cost Update Tariff (AUT) entered into by PGE, Staff of the Public Utility Commission of Oregon (Staff), the Oregon Citizens' Utility Board (CUB) and the Alliance of Western Energy Consumers (AWEC) (collectively, the stipulating parties), resolving all issues in this case. The stipulating parties agree to specific adjustments to variables within PGE's initial net variable power cost (NVPC) calculation. In total, the stipulation proposes approximately \$37.6 million in reductions to PGE's initial NVPC forecast. The stipulating parties further agree to defer the residential rate change resulting from the stipulation until April 1, 2026, with all other customer classes experiencing a rate change on January 1, 2026. While this order resolves all issues raised in these proceedings regarding the NVPC, the actual increase in non-residential customer rates will be based on the updated 2026 power cost forecast to be filed by the company on November 17, 2025, consistent with the stipulated adjustments adopted here.

II. PROCEDURAL HISTORY AND BACKGROUND

Under PGE's AUT, Schedule 125, the company's rates are adjusted annually based on projected NVPC for the following year. We address any NVPC-related issues in an order issued in October of each year to set transition adjustments ahead of the November direct

access window. Under the tariff, PGE files updates to its NVPC forecast in November, consistent with the directives of that order to arrive at a final NVPC forecast.¹

On April 1, 2025, PGE filed its initial 2026 NVPC forecast. PGE proposed certain enhancements to its Multi-area Optimization Network Energy Transaction (MONET) model and presented a comparison of its initial 2026 NVPC forecast to its final 2025 forecast. PGE's initial 2026 forecast of \$1,059.7 million represented a load-adjusted basis increase of \$50.6 million over the 2025 NVPC.² PGE states that the two primary factors contributing to the increase are increased Bonneville Power Administration (BPA) transmission rates and federal tariffs that will impact the purchase of Canadian natural gas.³

Staff, AWEC, and CUB participated as parties to this proceeding. During the investigation, parties filed testimony and exhibits. On October 7, 2025, the parties filed an uncontested, comprehensive stipulation and joint testimony. The ALJ issued a ruling closing the record on October 16, 2025. The stipulation is attached to this order as Appendix A.

III. STIPULATION

Under the stipulation, PGE will remove forecasted costs associated with federal tariffs applied to imported natural gas. The stipulating parties also agreed that, if PGE determines a need to file a deferral application related to federal tariffs on imported natural gas, and its effect on NVPC, parties will not oppose such an application. Parties reserved the right to challenge the ultimate amortization of any such deferred costs. Removal of forecasted costs associated with federal tariffs results in an approximate \$18.5 million reduction to NVPC.⁴

The stipulating parties also agree to adjust forecasted wheeling expenses related to use of the BPA transmission system to the rates recently established in BPA's settled BP-26 rate case. This adjustment results in an approximate \$4.1 million reduction to NVPC.

Under the stipulation, the stipulating parties agree to a further approximately \$972 thousand reduction to NVPC to account for the change in ownership in, and the associated change in the nature of use of, the Kelso-Beaver Pipeline (KB Pipeline).

¹ *In the Matter of Portland General Electric Company Request for General Rate Revision and 2024 Annual Power Cost Update*, Docket No. UE 416, Order No. 23-386 at 2 (Oct. 30, 2023).

² PGE/100, Outama – Pedersen at 2. PGE states that the initial 2026 NVPC forecast represents an increase of approximately \$84.8 million compared to a 2025 NVPC if the Clearwater wind project is included.

³ PGE/100, Outama – Pedersen at 3.

⁴ Stipulating Parties/100, Kim-Tran-Mullins-Chodosh at 5.

PGE's recent sale of its interest in the KB Pipeline transfers recovery of the costs associated with use of the pipeline from base rates to NVPC.⁵ The stipulating parties agreed to pro-rate the economic benefit of converting to transportation service over the 214 days in which PGE will purchase transportation services in 2026, instead of owning the KB Pipeline.

The stipulation also provides for a \$14 million adjustment to PGE's initial NVPC forecast amount to resolve issues related to Western Energy Imbalance Market (WEIM) Congestion Revenue, WEIM Reserve Diversity Credit, EDAM Grid Management Charge, EIM Benefits, EDAM Benefits, the Usability of MONET, PGE's Northwest Natural Call Option Hedge, Delivered Gas, Capacity Market Constraints, Gas Resales, removal of Reliability Contingency Event forecast, and all other issues not specifically identified.

The stipulating parties agree that PGE will provide updates regarding its MONET replacement process, and the related requests for proposals, through supplemental responses to Staff's Data Request No. 150, as well as through the Biannual Power Cost Update meetings. Further, the stipulation requires PGE to refresh its EDAM market benefits study, with results provided in a future AUT filing.

The stipulation provides for different rate-effective dates for rate changes resulting from these proceedings. For non-residential customers, the stipulation provides for a January 1, 2026, rate effective date for the updated Schedule 125. For residential customers, the stipulation provides for a rate effective date of April 1, 2026, to avoid a residential class rate increase during the moratorium window established by ORS 757.210(7). Specifically, under the stipulation, PGE will, upon Commission approval, defer collection of the residential class increase until April 1, 2026, at which time the deferred amount will be calculated using actual billing determinants for January and February 2026, and forecasted values for March 2026. On May 1, 2026, the stipulation requires PGE to revise the residential rate allocation of Schedule 125 to reflect actual March 2026 billing determinants. The stipulation further provides that interest will accrue at a rate equal to the Commission Modified Blended Treasury Rate plus 100 basis points, as calculated January 2026 on both the deferred amount prior to amortization and the deferred amount during the amortization period. To effectuate these differentiated rate effective dates, the stipulating parties request the Commission approve a deferral for January 1, 2026, through March 31, 2026, for the residential rate change impacts resulting from this order.

⁵ AWEC/100, Mullins at 29.

IV. RESOLUTION

We review settlements on a holistic basis to determine whether they serve the public interest and result in fair, just and reasonable rates. To support the adoption of a settlement, the stipulating parties must present evidence that the stipulation is in accord with the public interest, and results in just and reasonable rates.

We have reviewed the stipulation and the supporting testimony submitted by the parties. We find the terms of the stipulation are supported by sufficient evidence, appropriately resolve the issues in this case, and will result in fair, just, and reasonable rates. We find that the stipulation represents a reasonable resolution of the identified issues and contributes to an overall settlement in the public interest. We recognize the solution the parties arrived at to address the timing of the residential rate increase in the first year after the Fair Act became effective. Given the nature of the interaction between the Fair Act and annual cost reviews such as this AUT, we anticipate longer-term changes in the future through additional processes. We adopt the stipulation in its entirety.

V. ORDER

IT IS ORDERED that:

1. The stipulation between Portland General Electric Company, Staff of the Public Utility Commission of Oregon, Oregon Citizens' Utility Board, Alliance of Western Energy Consumers, filed October 7, 2025, attached as Appendix A, is adopted.
2. Portland General Electric Company must file its final MONET run on or before November 15, 2025, producing the final Annual Update Tariff adjustment for 2026.
3. Portland General Electric Company must file revised non-residential rate schedules consistent with this order to be effective January 1, 2026.
4. Portland General Electric Company must file revised residential rate schedules reflecting actual billing determinants for January and February 2026 and forecasted billing determinants for March 2026, consistent with this order to be effective April 1, 2026.

5. Portland General Electric Company must file revised residential rate schedules reflecting actual billing determinants for March 2026 consistent with this order to be effective May 1, 2026.
6. Portland General Electric Company must provide updated results regarding its EDAM market benefits study in a future AUT proceeding.
7. Portland General Electric Company is directed to file a deferral application addressing the amounts associated with the residential rate change impacts for the period January 1, 2026, through March 31, 2026, resulting from this order.

Made, entered, and effective November 5, 2025.



Letha Tawney
Chair



Les Perkins
Commissioner



Karin Power
Commissioner

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 Court of Appeals in compliance with ORS 183.480 through 183.484.

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON
UE 452**

In the Matter of

PORTLAND GENERAL ELECTRIC
COMPANY

2026 Annual Power Cost Update Tariff
(Schedule 125)

STIPULATION

This Stipulation (“Stipulation”) is between, Staff of the Public Utility Commission of Oregon (“Staff”), the Citizens' Utility Board of Oregon (“CUB”), and the Alliance of Western Energy Consumers (“AWEC”) (jointly, the “Parties”), and Portland General Electric Company (“PGE”) (collectively, the “Stipulating Parties”).

PGE filed its Annual Power Cost Update Tariff (“AUT”) filing on April 1, 2025, for 2026 net variable power costs (“NVPC”). The filing included the minimum filing requirements required by Schedule 125 as well as testimony and exhibits. PGE also provided to Staff and other parties work papers in support of its filing. Since that time, Staff and intervening parties have submitted more than 270 data requests obtaining additional information. On June 23, 2025, Staff, CUB, and AWEC filed their opening testimony in this docket. PGE filed reply testimony on July 23, 2025. The Stipulating Parties held settlement discussions on July 8 and August 1, 2025. At the July 8, 2025 settlement conference, the Stipulating Parties were unable to reach a settlement. During the second conference on August 1, 2025, the Stipulating Parties reached a settlement on all issues

raised by the Stipulating Parties in opening testimony. The terms of the settlement reached at the August 1 settlement conference are described below.

1. Federal Tariffs

- a. Stipulating Parties agree PGE will remove the forecasted cost of federal tariffs from the 2026 NVPC forecast.
- b. Stipulating Parties further agree that if PGE files a deferral application under ORS 757.259(2)(e) to defer federal tariff costs related to natural gas imports, Parties will not oppose the deferral application.
- c. Parties reserve the right to challenge the amortization of the deferred costs and raise issues when PGE requests amortization of these deferred amounts. .
- d. Estimated Impact: Approximate \$18.5 million reduction to NVPC.

2. Bonneville Power Administration (BPA) Rate Increases

- a. Stipulating Parties agree PGE will update BPA rates in the October MONET update to the settled BP-26 rate case rates.
- b. Implementation: Incorporated into PGE's October 1, 2025 MONET update.

3. Sale of Kelso-Beaver Pipeline

- a. Stipulating Parties agree PGE will reduce NVPC by approximately \$972 thousand to reflect the revenue requirement included in base rates associated with PGE's ownership of the KB Pipeline.
- b. Implementation: Prorated over 214 days in which PGE will be purchasing transportation services, instead of owning the KB pipeline, following Commission approval of the sale in Docket UP 432.

4. Residential Rate Change Impacts

- a. Stipulating Parties agree PGE will defer for the residential rate class the NVPC

increases for January 1, 2026, through March 31, 2026, to avoid rate increases prior to April 1 in compliance with ORS 757.210(7). PGE will then amortize the deferred amounts over twelve months beginning April 1, 2026. This treatment is not considered precedential. A party's agreement to this stipulation shall not be construed as a policy position of that party on interpretation or implementation of the law under the FAIR Act (HB 3179).

- b. Stipulating Parties will request that the Commission, at its discretion, approve PGE's deferral of January through March 2026 residential rate change impacts in either the Commission order approving this Stipulation or by approving a yet to be filed deferral application. Stipulating Parties agree to not oppose any deferral application submitted by PGE to comply with this Stipulation. Stipulating Parties will also request or agree to not oppose a Commission order authorizing the amortization of the deferral under terms consistent with this Stipulation.
- c. Implementation:
 - i. Residential customer rates in Schedule 125 will be revised based on final 2026 \$/MWh on April 1, 2026.
 - ii. All other customer classes receive January 1, 2026 price change.
 - iii. Deferred amounts amortized beginning April 1, 2026, will be calculated using actual billing determinants for January and February, and forecasted billing determinants for March. On May 1, PGE will revise the tariff to reflect March actual billing determinants.
 - iv. Assumes the Commission approves PGE's deferral of January through March 2026 residential rate change impacts and the amortization of these deferred costs.

- v. Interest will accrue at a rate equal to the Commission Modified Blended Treasury Rate plus 100 basis points (as calculated Jan. 2026) on both the deferred amount prior to amortization and the deferred amount during the amortization period.
- vi. Regarding the PCAM, incurred NVPC and AUT baseline will be assessed on a calendar basis January 1 to December 31, 2026. The PCAM calculation will continue to compare actual NVPC against the AUT baseline, load adjusted.

5. Potential MONET Replacement

- a. Stipulating Parties agree PGE will provide updates, when relevant, on its MONET RFP process via supplemental responses to OPUC Data Request No. 150.
- b. Ongoing Reporting: Relevant updates to continue through Biannual Power Cost Update (BPSU) meetings following final Commission order.

6. EDAM Market Benefits Study

- a. Stipulating Parties agree PGE will refresh the EDAM market benefits study (Exhibit PGE/102) and provide updated results in a future AUT proceeding.

7. RECs

- a. Parties agree to withdraw in this docket a recommendation with respect to “REC REVENUE” referenced in Section XII. of AWEC/100, Mullins/35-36.

8. WEIM Congestion Revenues, WEIM Reserve Diversity Credit, EDAM Grid Management Charge, EIM Benefits, EDAM Benefits, Usability of MONET, NWN Call Option Hedge, Delivered Gas, Capacity Market Constraints, Gas Resales, RCE Removal, and any remaining NVPC issues included in PGE’s initial filing and July 15 update not separately identified.

- a. PGE will reflect a \$14 million reduction to 2026 forecast NVPC for the above mentioned items.

- b. Stipulating Parties agree that except for the items identified in this settlement, PGE's October MONET update will be consistent with updates identified in PGE's reply testimony (PGE Exhibit 300) in UE 452 as well as the standard updates allowed per Schedule 125. All outstanding data requests responses other than to OPUC No. 150 do not need to be submitted.
9. The Stipulating Parties recommend and request that the Commission approve the adjustments and provisions described herein as appropriate and reasonable resolutions of these issues in this docket.
10. The Stipulating Parties agree that this Stipulation is in the public interest, and will contribute to rates that are fair, just and reasonable, consistent with the standard in ORS 756.040.
11. The Stipulating Parties agree that this Stipulation represents a compromise in the positions of the Stipulating Parties. Without the written consent of all of the Stipulating Parties, evidence of conduct or statements, including but not limited to term sheets or other documents created solely for use in settlement conferences in this docket, are confidential and not admissible in the instant or any subsequent proceeding, unless independently discoverable or offered for other purposes allowed under ORS 40.190.
12. The Stipulating Parties have negotiated this Stipulation as an integrated document. The Stipulating Parties, after consultation, may seek to obtain Commission approval of this Stipulation. If the Commission rejects all or any material part of this Stipulation, or adds any material condition to any final order that is not consistent with this Stipulation, each Stipulating Party reserves its right: (i) pursuant to OAR 860-001-0350(9), to present evidence and argument on the record in support of the Stipulation, including the right to

cross-examine witnesses, introduce evidence as deemed appropriate to respond fully to issues presented, and raise issues that are incorporated in the settlements embodied in this Stipulation; and (ii) pursuant to ORS 756.561 and OAR 860-001-0720, to seek rehearing or reconsideration, or pursuant to ORS 756.610 to appeal the Commission's final order. The Stipulating Parties agree that in the event the Commission rejects all or any material part of this Stipulation or adds any material condition to any final order that is not consistent with this Stipulation, the Stipulating Parties will meet in good faith within ten days and discuss next steps. A Party may withdraw from the Stipulation after this meeting by providing written notice to the Commission and other Parties. Nothing in this paragraph provides any Stipulating Party the right to withdraw from this Stipulation as a result of the Commission's resolution of issues that this Stipulation does not resolve.

13. This Stipulation will be offered into the record in this proceeding as evidence pursuant to OAR 860-001-0350(7). The Stipulating Parties agree to support this Stipulation throughout this proceeding and in any appeal and provide witnesses to support this Stipulation (if specifically required by the Commission) and recommend that the Commission issue an order adopting the settlements contained herein. By entering into this Stipulation, no Stipulating Party shall be deemed to have approved, admitted or consented to the facts, principles, methods or theories employed by any other Stipulating Party in arriving at the terms of this Stipulation. Except as provided in this Stipulation, no Stipulating Party shall be deemed to have agreed that any provision of this Stipulation is appropriate for resolving issues in any other proceeding.

14. This Stipulation may be signed in any number of counterparts, each of which will be an original for all purposes, but all of which taken together will constitute one and the same agreement.

DATED this day October 2, 2025.



Angelica Espinosa (Oct 2, 2025 16:21:41 PDT)

PORTLAND GENERAL ELECTRIC
COMPANY

/s/ Stephanie Andrus

STAFF OF THE PUBLIC UTILITY
COMMISSION OF OREGON

/s/ Claire Valentine Fossum

CITIZENS' UTILITY BOARD
OF OREGON

/s/ Tyler C. Pepple

ALLIANCE OF WESTERN
ENERGY CONSUMERS