

ORDER NO. 25-538

ENTERED Dec 30 2025

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 2411

In the Matter of

PORTLAND GENERAL ELECTRIC
COMPANY,

Application for Deferred Accounting for
Costs Associated with Energy Trust of
Oregon Funding Adjustment.

ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

At its public meeting on December 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.

ITEM NO. CA14

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: December 30, 2025**

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

DATE: December 22, 2025

TO: Public Utility Commission

FROM: Charles Lockwood

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

SUBJECT: PORTLAND GENERAL ELECTRIC:
(Docket No. UM 2411)
Application for Deferred Accounting Regarding Energy Trust of Oregon
Funding.

STAFF RECOMMENDATION:

Staff recommends the Commission approve Portland General Electric Company's (PGE or the Company) request for authorization to defer for later ratemaking treatment costs of compliance associated with the Energy Trust of Oregon (Energy Trust) Funding Adjustment, beginning on October 1, 2025.

DISCUSSION

Issue

Whether the Commission should approve PGE's application to defer costs associated with the Energy Trust Funding Adjustment.

Applicable Law

ORS 757.259 authorizes the Commission to allow a utility to defer, for later recovery in rates, expenses or revenues in order to minimize frequency of rate changes or to match appropriately the costs borne by and benefits received by customers. Specific amounts eligible for deferred accounting treatment with interest authorized by the Commission include the following:

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Identifiable utility expenses or revenues, the recovery or refund of which the commission finds should be deferred in order to minimize the frequency of rate changes or the fluctuation of rate levels or to match appropriately the costs borne by and benefits received by ratepayers.¹

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).

In Order No. 05-1070, Docket No. UM 1147, the Commission determined that interest may accrue on deferred accounts at the authorized rate of return until amortization. Subsequent orders in Docket No. UM 1147 establish the rate during amortization. See Order Nos. 08-263 and 10-279.

Analysis

Background

The purpose of Schedule 109, ETO Funding Adjustment, is to fund various energy efficiency programs as administered by the Energy Trust for the benefit of the Company's customers pursuant to ORS 757.054. Currently, PGE remits to Energy Trust on a monthly basis all collections from Schedule 109, with collections varying by season and by month.

At the October 16, 2025, Special Public Meeting on Energy Trust's 2026-2030 Multiyear Rate Plan and Budget, Staff recommended establishing a balancing account, and the Commission approved its creation. This is memorialized in the Energy Trust 2026 Budget Letter issues by the Commission on October 22, 2025.²

In discussions with Staff and the Energy Trust, PGE is modifying the Schedule 109 tariff language to reflect the introduction of the Balancing Account. PGE will therefore maintain the balancing account to accrue incremental discrepancies between the amounts collected from customers and consistent monthly amounts will be delivered to Energy Trust.

¹ ORS 757.259(2)(e).

² See Docket ETO 1, Energy Trust of Oregon 2026-2030 Multiyear plan, <https://edocs.puc.state.or.us/efdocs/HDB/eto1hdb341110027.pdf>.

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Reason for Deferral

The Company has requested deferred accounting treatment for costs and revenues associated with the Energy Trust of Oregon Funding Adjustment to support the use of a related balancing account. PGE states this will minimize the frequency of rate changes and match appropriately the costs borne by, and benefits received by customers.

Proposed Accounting

The Company proposes to record the deferral in FERC Account 254 (Other Regulatory Liability). Energy Trust Funding Adjustment payments are debited to FERC Account 254 and credited to FERC Account 254. ETO Funding Adjustment amortization is credited and debited to FERC Account 254. Interest is accrued on the balance at the approved blended treasury rate.

Estimate of Amounts

The Company's 2025/2026 target year collections, October to October, are approximately \$164 million. PGE states while it is difficult to estimate the amounts to be deferred because they can vary depending on the level of costs and revenues, PGE forecasts that the ETO Funding Adjustment balance at the end of the next 12-month period will be approximately \$1.1 million.

Information Related to Future Amortization

- Earnings review – No earnings review is applicable as PGE will not seek separate amortization of the deferred amounts in a future proceeding because all associated costs and revenues will flow through the established balancing account.
- Prudence Review – A prudence review will be performed by the OPUC Staff no later than the proceeding to authorize amortization of the costs associated with the Energy Trust Funding Adjustment.
- Sharing – Staff makes no recommendation at this time regarding sharing.
- Rate Spread/Design – Beginning in 2026, nonresidential customers who meet the eligibility qualifications outlined in House Bill 3141 of usage over one average megawatt but under ten average megawatts during the prior calendar year are subject to an annual cap of \$250,000 for combined Energy Trust of Oregon Funding Adjustment (ORS 757.054) and Public Purpose Charges (ORS 757.612). Additionally, nonresidential customers who use over ten average megawatts during the prior year are subject to an annual cap of \$4,000,000.

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Costs recovered through this deferral will be allocated to each schedule based on the forecasted energy of the respective schedule, with the Company utilizing an equal percentage of base revenue applied on a cents per kWh basis, in accordance with PGE Schedule 109. PGE calculates volumetric prices to collect the target year amount and, specifically, calculates separate volumetric prices by rate schedule for Customers subject to the caps described above.

- Three or Six Percent Test (ORS 757.259(6)(7)(8)) – Amortization of the deferred costs will be subject to a three percent test in accordance with ORS 757.259(7) or possible six percent test in accordance with ORS 757.259(8) and with Commission authorization. These tests limit aggregated deferral amortizations during a 12-month period to no more than three or six percent of the utility's gross revenues for the preceding year. Currently, no three percent test does apply to the amortization of this deferral.

Conclusion

The Company's application meets the requirements of OAR 757.259 and OAR 860-027-0300, and the Commission's discretionary criteria. Staff believes it is reasonable to approve the deferral. This is consistent with the Staff recommendation in Energy Trust of Oregon's 2026-2030 Multiyear Rate Plan and Budget, which the Commission approved.

PROPOSED COMMISSION MOTION:

Approve PGE's application to defer costs associated with the Energy Trust Funding Adjustment, beginning October 1, 2026.

CA14– UM 2411 PGE's ETO DA