ORDER NO. 26-202

ENTERED Jun 09 2026

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 2019(7)

In the Matter of PORTLAND GENERAL ELECTRIC COMPANY, Application for Reauthorization to Defer Costs Related to Wildfire Risk Mitigation Measures.	ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

At its public meeting on June 9, 2026, 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. CA3

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: June 9, 2026

REGULAR ____ **CONSENT** __X__ **EFFECTIVE DATE** ____N/A____

DATE: May 28, 2026

TO: Public Utility Commission

FROM: Kathy Zarate

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

SUBJECT: PORTLAND GENERAL ELECTRIC:
(Docket No. UM 2019(7))
Reauthorization of deferral accounting for costs related to Wildfire Risk Mitigation Measures and Vegetation Management.

STAFF RECOMMENDATION:

Staff recommends the Commission approve Portland General Electric's (PGE or Company) request to defer costs associated with Wildfire Risk Mitigation and Wildfire Mitigation (WM) related Vegetation Measures for the 12-month period beginning January 1, 2026.

DISCUSSION:

Issue

Whether the Commission should approve PGE's requests for reauthorization to defer accounting for costs related to Wildfire Risk Mitigation Measures and Vegetation Management.

Applicable Rule or 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. A deferral may be authorized under ORS 757.259(2) for a period not to exceed 12 months beginning on or after the date of application.

OAR 860-027-0300 provides the requirements for the contents of deferred accounting applications. Applications for reauthorization must include a description and explanation of the entries in the deferred account, up to the date of the application for reauthorization, as well as the reason for continuation of deferred accounting.

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.

Commission Order No. 23-173 adopted Stipulations in which, among other things, Staff agreed to "support, or not oppose, approval of PGE's UM 2019 Applications for Deferred Accounting of Costs Associated with Wildfire Risk Mitigation Measures."

Analysis

Background
Background PGE files this deferral reauthorization application to defer wildfire mitigation related costs that are incremental and decremental compared to what is included in base rates and in accordance with the stipulation adopted in Order No. 23-370.

On August 19, 2022, PGE submitted Advice Filing 22-18 to create a new Schedule 151 for Wildfire Mitigation Cost Recovery; this request was moved into Docket No. UE 412, and PGE's WM MC was approved by the Commission on May 10, 2023, through Order No. 23-173. Then, in PGE's 2024 General Rate Case, Docket No. UE 416, all wildfire mitigation spending (except for indirect loadings related to wildfire mitigation) were removed from base rates and placed into supplemental Schedule 151, per Order No. 24-035.

The Commission, through Order No. 24-251, approved the partial recovery of PGE’s 2024 wildfire mitigation plan expenditures, with the remaining amounts to be reviewed later for recovery under the authorized deferral. Costs associated with 2024 activities were included in customer prices beginning August 1, 2024.

The Commission, through Order No. 25-204, approved the partial recovery of PGE’s 2025 wildfire mitigation plan expenditures, with the remaining amounts to be reviewed later for recovery under the authorized deferral. Costs associated with 2025 activities were included in customer prices beginning June 1, 2025.

Remaining amounts for 2024 and 2025 were requested for inclusion in customer rates as part of PGE’s request in Docket No. UE 461. The Commission, through Order No.

26-084, allowed recovery of PGE’s 2024 O&M costs, included in customer prices beginning May 1, 2026.

Description of the Expenses
The expenses for 2026 are encompassed within PGE's Multi-Year Wildfire Mitigation Plan (WMP) for 2026-2028, which was filled on December 31, 2025, in Docket No. UM 2208.

This plan outlines the initiatives PGE will implement to mitigate the risk of electric utility infrastructure causing fires while minimizing the effects of specific mitigation strategies, such as Public Safety Power Shutoff (PSPS) events, on customers.

The WMP addresses PGE’s assessment of wildfire risk mitigation, which includes the identification of High Fire Risk Zones (HFRZ), operating protocols, asset management and inspections, vegetation management related to wildfire mitigation (including the advanced wildfire risk reduction program and Enhanced Vegetation Management techniques), community outreach, public education, PSPS events, and research and development. In accordance with the 2026-2028 Multi-Year WMP and the related provisions of SB 762, PGE has revised its projected expenses associated with the planning, implementation, and operation of the 2026-2028 Multi-Year WMP.

Proposed Accounting
The Company proposes to record the deferred amounts as a regulatory liability in FERC Account 254 (Other Regulatory Liability), with a debit to FERC Account 407.3, (Regulatory Debits). If the deferred amount is a debit (collection), PGE proposes to record it as a regulatory asset in FERC Account 182.3 (Other Regulatory Assets) and credit the appropriate FERC expense accounts. When specific identification of the 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), and for the reasons discussed above, PGE seeks deferred accounting treatment for incremental and decremental wildfire mitigation related costs. Granting this Application will minimize the frequency of rate changes and/or appropriately match the costs borne and benefits received by customers.

Estimate of Amounts
On the Table below presents PGE’s total forecast of WM-related O&M expenses for the calendar year 2026. However, the specific amount of incremental WM-related O&M

costs to be deferred under this arrangement will only be determined after the conclusion of the 2026 calendar year and approval of the MYP/WMP.[1]

Forecast of 2026 WM-Related O&M Expenses[5]

Forecast of 2026 WM-Related O&M Expenses	
Cost Area	**$ in millions**
Community Outreach & Public Awareness	$0.71
Grid Design & System Hardening	$0.35
Grid Operations & Protocols	$1.08
Industry Engagement	$0.12
Inspect / Correct	$4.32
PSPS / Emergency Preparedness	$1.05
Risk Methodology & Assessment	$4.08
Situational Awareness & Forecasting	$2.19
Vegetation Management	$32.92
Wildfire Mitigation Strategy Development	$2.12
WMP Total	**$48.94**

Information Related to Future Amortization

- Earnings review – Recovery of incremental wildfire mitigation related costs is not subject to an earnings review consistent with the Commission-adopted PGE, Staff, and AWEC Stipulation in Order No. 23-173.

- Prudence Review – A prudence review should be performed by the Commission Staff as part of their review of the automatic adjustment clause application to update the relevant schedule.

- Sharing – All prudently incurred cost and benefits will be collected from or refunded to customers with no sharing mechanism.

- Rate Spread/Design – will be consistent with the prevailing rate spread/rate design at the time of amortization.

1 For more information regarding the listed cost categories, please refer to PGE's 2026-2028 Multi-Year WMP filed in UM 2208. Table Costs provided in thousands, including direct loadings per OPUC Order 23-370, Appendix A Page 10.

- Three Percent Test (ORS 757.259(6)) – The amortization of the deferred costs will be subject to the three percent test in accordance with ORS 757.259(6), which absent certain exceptions limits aggregated deferral amortizations during a year to no more than three percent of the utility's gross revenues for the preceding calendar year.

Conclusion

Staff reviewed the Company's application, and found it is consistent with Order No. 23-173. Accordingly, Staff recommends the application be approved.

The Company has reviewed this memo and has no concerns.

PROPOSED COMMISSION MOTION:

Approve PGE's application and re-authorization to defer costs associated with Wildfire Risk Mitigation Measures and Vegetation Management for the 12-month period beginning January 1, 2026.