ORDER NO. 26-239

ENTERED Jul 10 2026

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 2377

In the Matter of	
PUBLIC UTILITY COMMISSION OF OREGON,	ORDER
Investigation into Marginal Cost Study Treatment of Costs for Large Customers and Further Modifications to Portland General Electric Company's Rule C and Rule I.	

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED AS MODIFIED

This order memorializes our decision, made and effective at our July 7, 2026 Regular Public Meeting, to adopt Staff's recommendation in this matter as modified to include the July 2, 2026 errata filing. We approve Portland General Electric Company's Advice No. 26-24 inclusive of errata filed June 30, 2026, and July 2, 2026, updating rate schedules and rules in response to Commission Order No. 26-154. The Staff Report with the recommendation is attached as Appendix A.

Made, entered, and effective Jul 10 2026.

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 Circuit Court for Marion County in compliance with ORS 183.484.

ITEM NO. RA3

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: July 7, 2026

REGULAR __X__ **CONSENT** ____ **EFFECTIVE DATE** **July 8, 2026**

DATE: July 1, 2026

TO: Public Utility Commission

FROM: Bret Stevens

THROUGH: Scott Gibbens and Caroline Moore **SIGNED**

SUBJECT: PORTLAND GENERAL ELECTRIC:
(Docket No. UM 2377/Advice No. 26-24)
Compliance filing in PUC Investigation of Large Customer Rates.

STAFF RECOMMENDATION:

Staff recommends the Commission approve Portland General Electric's (PGE or Company) June 30, 2026, Advice No. 26-24 errata, updating rate schedules and rules in response to Commission Order No. 26-154.

DISCUSSION:

Issue

Whether the Commission should approve Advice No. 26-24 errata, PGE's request to update multiple schedules and rules in response to Commission direction in Order No. 26-154 regarding large load costs and rates.

Applicable Law

ORS 757.205 requires public utilities file all rates, rules, and charges with the Commission. Under ORS 757.215, the Commission may, pending investigation of the rates, rules, and changes, order the suspension of the rate or schedule of rates for a period of up to 10 months beyond the time when such rate or schedule would otherwise go into effect.

Analysis

Background
The Commission opened Docket No. UM 2377, Investigation into Marginal Cost Study Treatment of Costs for Large Customers and Further Modifications to PGE Company's Rule C and Rule I at the March 7, 2025, public meeting. Following the development of a record by parties, the Commission issued Order No. 26-154, which resolved the pending issues in the case and adopted parties' partial stipulation. As part of the order, the Commission directed PGE to file a compliance filing by June 3, with rates effective by June 10, 2026.

PGE filed Advice No. 26-24 on June 3, 2026. During the June 9, 2026, public meeting the Commission approved Staff's request for additional review time. On June 30, 2026, PGE filed an Errata to its initial advice filing which corrected errors found during the review process.

Summary of Filling
At a high-level, Advice No. 26-24 proposes the following:

- Creates Schedule 96, Data Center Standard Service as well as all Direct Access variations (Schedules 496, 596, and 696);
- Provides updated tariff language in large nonresidential Schedules 89 and 90;
- Creates Schedule 111, Targeted Energy Support Program Surcharge;
- Updates Rule I, New Connections, Line Extensions, and System Upgrades; and
- Updates Schedule 121 and Schedule 109 in response to two other Commission orders.

PGE's advice filing also changes base rates and power costs based upon updated marginal costs and the implementation of the peak and energy growth modifiers. In sum, over 175 tariff sheets are updated. PGE estimates that approximately 963,000 customers across all customer classes will be impacted. Collectively, the price changes to be effective July 8, 2026, result in an average decrease of 1.3 percent for residential customers, a 2.1 percent average decrease for commercial customers, an average decrease of 1.4 percent for industrial customers, and an average rate increase of 29 percent for data center customers.

Staff Review
Staff appreciates the expedient work that the Company performed in compiling the filing and collaboration during the review process. Staff also appreciates the feedback from stakeholders in identifying issues in the compliance filing.

Staff reviewed the original advice filing and finds it complies with the Commission's Order No. 26-154 following the supplemental filing made by PGE. The checks and analytic tasks required to affirm the accuracy of rates were extensive and included Staff analysis to:

- Confirm the revenue target is correctly calculated in the Company's revenue requirement work papers based on the Commission directed amounts found within the Order;
- Confirm that the Rule I changes directed by the Commission were properly implemented;
- Confirm that the Peak Growth Modifier and Energy Growth Modifier were properly implemented in the Company's rate spread model;
- Confirm that the Company's formula inputs for pricing are consistent and accurate;
- Verify accurate implementation of all changes, including tariff language changes, authorized by the Commission;
- Confirm that the tariff sheets are properly updated with the rates present in the Rate Spread and Design worksheet, advice number, revision number, date, and other appropriate language changes;
- Confirm that the lighting schedules were properly calculated;
- Confirm that all applicable supplemental schedules are properly applied to Schedule 96; and
- Confirm that the creation of Schedule 96 was properly implemented.

Staff utilized the provided work papers and held multiple meetings and other discussions with the Company regarding the work papers and advice filing to verify the accuracy of the tariffs.

Staff and Parties identified issues and reached the following resolutions:

1. PGE has a longstanding policy of unifying certain rates for all industrial customers on a revenue neutral basis. This policy was extended to Schedule 96, but Schedule 96's revenue requirement and load was not included in the calculation of the rate. This was corrected in the errata filing.
2. In the calculation of the Customer Impact Offset, Schedule 15 load was inadvertently not included. This was corrected in the errata filing.
3. Exceedance Penalty language for Schedule 89 and 90 did not specify that the penalty only applied to customers on those schedules that had signed a Large Load Customer Agreement – as directed by Order No. 26-154. This was corrected in the errata filing.
4. Transmission minimum demand language was not included for Schedule 89 and Schedule 90 Direct Access customers. This was resolved in the errata filing.
5. The Exit Fee language in Rule I was clarified in the errata filing.
6. Schedule 89 energy for remaining load was inadvertently miscalculated in the Schedule 153 workpaper. Staff confirmed that resolving the mistake did not impact the Schedule 153 prices in any way.
7. Schedule 111 included Special Provision 2 which stated that the Targeted Energy Support Program funds would be collected, administered, and disbursed

by the Company based on a set of criteria to be informed by the PGE Community Benefits and Impacts Advisory Committee (CBIAG). This was not described in Order No. 26-154, nor in testimony. This provision was removed and the administration and distribution of the funds raised by this schedule will be determined in a future proceeding.

Staff and parties identified other issues that warrant further discussion and can be addressed in the Company's next rate case or an alternative proceeding:

1. The extension of PGE's uniform industrial rates to Schedule 96 will be addressed in PGE's next general rate case. In general, Staff prefers that Schedule 96's rate design not be influenced by other schedules and vice versa.
2. In Opening Testimony, PGE included a change to Schedule 83 and Schedule 85 rate design that would recover all fixed costs from the demand charge instead of a mixture of a volumetric and demand charge. This change was not identified in testimony and no party either found the change or took issue with it. Staff plans to further investigate this issue in the Company's next general rate case.
3. A credit was given to customer classes, via the Peak Growth Modifier, that decreased the allocation of growth-related assets to customer classes that lowered their contribution to peak demand over the past three years. This issue was discussed in testimony but not addressed in Order No. 26-154. Staff believes PGE's treatment is consistent with the Order, but may address this issue in a future proceeding.

Conclusion

Staff recommends the Commission approve Advice No. 26-24 errata effective for service on July 8, 2026. Approximately 963,000 customers will be impacted by this overall reclassification across all customer classes from current prices. A typical Schedule 7 residential customer consuming 780 kWh monthly will see an approximate decrease of $1.91, or approximately 1.1 percent, in their bill.

PROPOSED COMMISSION MOTION:

Approve Portland General Electric's June 30, 2026, Advice No. 26-24 errata, updating rate schedules and rules in response to Commission Order No. 26-154.