ORDER NO. 26-259

ENTERED Jul 21 2026

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 1301(19)

In the Matter of PORTLAND GENERAL ELECTRIC COMPANY, Application for Reauthorization to Defer Direct Access Open Enrollment Costs/Benefits.	ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

At its public meeting on July 21, 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. CA1

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: July 21, 2026

REGULAR ____ **CONSENT** __X__ **EFFECTIVE DATE** ______N/A______

DATE: June 9, 2026

TO: Public Utility Commission

FROM: Kathy Zarate

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

SUBJECT: PORTLAND GENERAL ELECTRIC:
(Docket No. UM 1301(19))
Requests reauthorization to defer Direct Access Open Enrollment Costs/Benefits.

STAFF RECOMMENDATION:

Staff recommends that the Oregon Public Utility Commission (Commission) approve Portland General Electric Company's (PGE or Company) application for reauthorization to defer certain costs or benefits associated with implementation of PGE's Direct Access Open Enrollments for the 12-month period beginning January 1, 2026.

DISCUSSION:

Issue

Whether the Commission should approve PGE's requests for reauthorization to defer, with interest, certain costs or benefits associated with implementation of PGE's Direct Access Open Enrollment.

Applicable Law

ORS 757.259 allows the Commission to authorize deferred accounting for expense or revenues 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 rate changes or the fluctuation of rate levels or to match appropriately the costs borne by and benefits received by ratepayers. ORS 757.259(2)(e).

In OAR 860-027-0300(3), the Commission set forth the requirements for the contents of deferred accounting applications. 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 and, unless subject to an automatic adjustment clause, review of the utility's earnings.

Analysis

Background

This deferral is intended to capture the financial impact of customer decisions during PGE's Balance-of-Year and Annual Direct Access Windows. The financial impact is based on the amount of customer load that selects non-cost of service pricing and the changes in wholesale market prices used to set the transition adjustment rates (Schedule 128 rates) for each enrollment period. This "load-shift true-up adjustment" is the result of a stipulation related to PGE's direct access program adopted by the Commission in 2006 and is set forth in PGE's Schedule 128 – Short Term Transition Adjustment.[1] PGE's Schedule 128 provides:

> For the Balance of Year Transition Adjustment windows, the Company will compute the True-Up as the difference between the market prices used to establish the Schedule 128 Transition Adjustments and the corresponding projected market prices during the first full week after the close of the window times the amount of load leaving Cost of Service pricing. For the November election window, the Company will file for a deferral after the close of the window if the True-Up is greater than $240,000. The filing threshold for each of the quarterly windows will be $60,000.

PGE was first authorized to defer the costs and revenues associated with the load-shift true-up adjustment in 2007 and has received reauthorization to defer in every year since.[2]

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1. *In the Matter of Portland General Electric Company*, UE 180/181/184, Order No. 06-528 ("Direct Access Stipulation") (September 14, 2006).
2. *In the Matter of PORTLANDGENERALELECTRIC COMPANY Application for Deferral of 2007 Quarterly Direct Access Open Enrollment Costs/Benefits*, UM 1301, Order No. 07-107 (March 15, 2007).

Staff supports the deferral of costs and revenues consistently with PGE's Schedule 128. Staff notes, however, that there is no specified threshold for Balance of Year Transition Adjustment window deferrals. Instead, the threshold is for quarterly windows, which were used until 2012 when the Commission adopted a stipulation eliminating quarterly windows in favor of one Balance of Year window.[3] PGE has interpreted the reference to "quarterly window" in Schedule 128 as a reference to the Balance of year Transition Adjustment window. Staff believes this reference is consistent with the Commission's order transitioning to one balance of year window, but notes that a clarification in the tariff may be appropriate.

As noted in Staff's report in AR 677 on May 19, 2026, and supported by the Commission's Phase 1 comments in AR 676 at the July 7, 2026 public meeting, Staff will look for opportunities to streamline or consolidate existing adjustment schedules into base rates when feasible. These steps would reduce year-to-year filings, improve transparency, and support the multi-year rate plan (MRP) goal of incorporating a broader set of costs within the multi-year framework. Staff believes that approval of this deferral is reasonable until such a time that the Commission determines to consolidate the costs at issue into base rates in a general or multi-year rate proceeding. Staff encourages the Company and stakeholders to continue to evaluate the reasonableness of moving this and other deferrals into base rates in preparation for the move to multi-year ratemaking.

Description of Expenses
The expenses are a function of the difference in wholesale market prices used to set transition adjustment rates (Schedule 128) for each direct access enrollment window, and the amount of customer load that selects non-cost of service energy pricing and supply.

Reasons for Deferral
Any costs or benefits associated with the deferral will be considered later for appropriate rate-making treatment. Without reauthorization, this deferral will expire on December 31, 2025. Granting this Application will minimize the frequency of rate changes or fluctuations and match appropriately the costs borne by and benefits received by customers.

Proposed Accounting
The Company proposes to record the deferral as a regulatory asset in FERC Account 182.3 (Other Regulatory Assets) with an off-setting credit to FERC

[3] *In the Matter of PUBLIC UTILITY COMMISSON OF OREGON Investigation into the Changes Proposed for the 3- and 5-year Cost of Service Opt-Out Program for Large Non-Residential Customers,* UE 235, Order No. 12-057 (February 23, 2012).

Account 447 (Sales for Resale) or as a regulatory liability in FERC Account 254 (Other Regulatory Liabilities) with an off-setting debit to FERC Account 447 (Sales for Resale).

Estimate of Amounts
The current deferral balance is approximately ($136,000) associated with the 2024 annual November enrollment window. PGE will set the amortization schedule for this amount during 2026 through Schedule 105.

Information Related to Future Amortization

- Earnings Review - An earnings review is statutorily required. However, Staff does not think a stringent earnings test should be applied as these are the type of costs that should be borne by customers.

- Prudence Review - A prudence review will be performed by the OPUC Staff and should include a verification of the accounting methodology used to determine the final amortization balance.

- Sharing - Consistent with the approved Staff Memo described in part V(A), no sharing mechanism applies.

- Rate Spread/Rate Design - The amortization of any deferred amount will be spread on a per-kWh basis to applicable Large Nonresidential customers as specified in Schedule 128.

- 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) and (8), which limits aggregated deferral amortizations during any one year to no more than three percent of the utility's gross revenues for the preceding calendar year.

<u>Conclusion</u>

The rationale for this deferral is still valid, and the Company's application meets the requirements of ORS 757.259 and OAR 860-027-0300.

For these reasons, Staff recommends PGE's application be approved.

The Company has reviewed this memo and has stated no objection.

PROPOSED COMMISSION MOTION:

Approve Portland General Electric's applications for reauthorization to defer certain costs or benefits associated with implementation of PGE's Direct Access Open Enrollments for the 12-month period beginning January 1, 2026.