ORDER NO. 26-261

ENTERED Jul 21 2026

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 2218(4)

In the Matter of PORTLAND GENERAL ELECTRIC COMPANY, Application for Reauthorization to Defer Costs and Revenues Associated with the Transportation Electrification Charge.	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. CA3

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

REGULAR ____ **CONSENT** _X_ **EFFECTIVE DATE** _____N/A_____

DATE: June 22, 2026

TO: Public Utility Commission

FROM: Kathy Zarate

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

SUBJECT: PORTLAND GENERAL ELECTRIC:
(Docket No. UM 2218(4))
Reauthorize Deferred Accounting of Costs and Revenues Associated with the Transportation Electrification Charge.

STAFF RECOMMENDATION:

Staff recommends the Commission approve Portland General Electric's (PGE or Company) application to defer costs and revenues associated with the Monthly Meter Charge (MMC) required by House Bill (HB) 2165 for the 12-month period beginning January 1, 2026.

DISCUSSION:

Issue

Whether the Commission should approve PGE's application to defer costs and revenues associated with the MMC required by HB 2165.

Applicable Law

ORS 757.259(2)(e) authorizes the Commission to allow a utility to defer identifiable utility expenses or revenues for later recovery in rates to minimize the frequency of rate changes or to match appropriately the costs borne by and benefits received by ratepayers.

OAR 860-027-0300(3) sets forth the requirements for application to defer, which include:

(a) A description of the utility expense or revenue for which deferred accounting is requested;

(b) The reason(s) deferred accounting is being requested and a reference to the section(s) of ORS 757.259 or 759.200 under which deferral may be authorized;

(c) The account proposed for recording of the amounts to be deferred and the account which would be used for recording the amounts in the absence of approval of deferred accounting;

(d) An estimate of the amounts to be recorded in the deferred account for the 12-month period subsequent to the application; and

(e) A copy of the notice of application for deferred accounting and list of persons served with the notice.

In 2021, the Oregon Legislature passed legislation that requires electric companies that make sales of electricity to 25,000 or more retail electricity consumers in Oregon to collect, through monthly meter charges, an amount from each retail electricity consumer served through the distribution system owned and operated by the electric company.[1] The total amounts collected under this section must be set to one quarter of one percent of the total revenues collected by the electric company from all retail electricity consumers.[2]

Funds collected through the monthly meter charge must be expended by the electric company to support and integrate transportation electrification and must be consistent with a budget approved by the Commission for use of funds collected under this section.[3] Expenditures made by an electric company pursuant to this subsection must be made on elements contained within the electric company's transportation plan accepted by the commission pursuant to ORS 757.357.[4]

ORS 757.357(3)(a) requires utilities to develop a plan that integrates the Company's transportation electrification actions and submit such plan to the Commission for acceptance.

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1 Or Laws 2021, ch 95, § 2(2), *compiled as a note after* ORS 757.357.
2 *Id.*
3 *Id.* at § 2(3).
4 *Id.*

<u>Analysis</u>

Background
As noted above, HB 2165 mandates that electric companies serving over 25,000 customers collect funds to promote transportation electrification and that the total funds collected must equal one-quarter of one percent of the total revenue obtained by the electric company from all retail electricity customers. The funds acquired must be utilized by the electric company to facilitate and enhance transportation electrification, in accordance with a utility's Transportation Electrification Plan.

To continue to meet HB 2165 requirements, PGE requests reauthorization to continue to defer incremental costs and revenues associated with the MMC.

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 Utility Expense
The Company seeks to continue to defer incremental costs and revenues associated with the MMC.

Reasons for Deferral
The Company seeks to reauthorize deferred accounting treatment for costs and revenues associated with the MMC. The approval of this Application will support the use of an automatic adjustment clause and associated balancing account so that the referenced TE costs and revenues can be kept distinct and separate from PGE's other costs and revenues that way will minimize the frequency of rate changes and match appropriately the costs borne by and benefits received by customers

Proposed Accounting
The Company proposes the following MMC accounting treatment: the balancing account will be recorded in FERC account 254 (Current Regulatory Liability). MMC payments (i.e., payments to support and integrate transportation electrification) will be

debited to FERC Account 254. MMC amortization (i.e., revenues collected from PGE's customers via Schedule 150) will be credited to FERC Account 254 and debited to FERC Account 908. Interest will accrue on the balance at the approved modified blended treasury rate.

Estimate of Amounts
The Company forecasts a collection of approximately $6.1 million of MMC revenues in 2026. PGE forecasts to incur O&M costs of approximately $12,583,000 in 2026, as shown in the TE plan.

Information Related to Future Amortization

- Rate Spread/Rate Design: Applicable costs will be allocated to each schedule using the applicable schedule's forecasted energy on the basis of an equal percent of revenue applied on a cents-per-kWh basis, with direct access customers price at cost of service.

- Earnings Review: Cost recovery associated with this deferral will not be subject to an earnings review as the amounts collected are based on a quarter of one percent of revenues as mandated by Oregon House Bill 2165. All amounts collected must be spent to support and integrate transportation electrification. As such, there will never be amounts for refund or additional collection.

- Prudence Review: A prudence review should be performed by the Commission Staff as part of their review of applications to update Schedule 150.

- Sharing: No sharing mechanism applies to the MMC costs or revenues.

- Three Percent Test: MMC 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 a 12-month period to no more than three percent of the utility's gross revenues for the preceding year.

Conclusion

Approval of this deferral is consistent with HB 2165 and past Commission activities regarding transportation electrification.

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

PROPOSED COMMISSION MOTION:

Approve PGE's application to defer costs and revenues associated with the Monthly Meter Charge required by HB 2165 for the 12-month period beginning January 1, 2026.