ORDER NO. 26-299

ENTERED Aug 18 2026

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 2364(1)

In the Matter of PORTLAND GENERAL ELECTRIC COMPANY, Application for Reauthorization to Defer Costs Associated with Routine Vegetation Management Practices.	ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

At its public meeting on August 18, 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. CA8

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: August 18, 2026

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

DATE: August 12, 2026

TO: Public Utility Commission

FROM: Kathy Zarate

THROUGH: Scott Gibbens and Bret Stevens **SIGNED**

SUBJECT: PORTLAND GENERAL ELECTRIC:
(Docket No. UM 2364(1))
Authorize Deferral of Costs Associated with Routine Vegetation Management Practices.

STAFF RECOMMENDATION:

Staff recommends that the Commission approve Portland General Electric's (PGE or Company) request to defer costs associated with routine Vegetation Management Practices, for the 12-month period beginning January 1, 2026.

DISCUSSION:

Issue

Whether the Commission should approve PGE's request for reauthorization to defer regulatory fees associated with routine vegetation management (RVM) practices.

Applicable 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.

Unless subject to an automatic adjustment clause under ORS 757.210(1), amounts deferred are allowed in rates to the extent authorized by the Commission in a proceeding under ORS 757.210 to change rates and upon review of the utility's earnings at the time of application to amortize the deferral.

OAR 860-027-0300 is the Commission's rule governing the use of deferred accounting by energy and large telecommunications utilities and requires the utility to provide certain information in an application to defer, such as the reason for the deferral and the estimated amount of the deferral.

In Order No. 23-386, the Commission adopted the Sixth Partial Stipulation, supporting use of a balancing account for routine vegetation management. In Order No. 24-454, the Commission kept the baseline expenses for routine management expenses constant.

Analysis

Background

The Company states that for an electric system to be secure, dependable, and resilient, PGE's vegetation management techniques are essential. To keep trees, branches, and brush away from power lines, PGE states that it regularly trims trees and manages vegetation throughout the year as part of its routine vegetation management program (RVM).

In Docket No. UE 416, a PGE general rate case, parties supported using a balancing account for regular vegetation control costs. The amount of expenses contained in the Company's original filing served as the baseline for the balancing account, and any actual overspending or underspending would be noted. This and other partial provisions were adopted by the Commission in Commission Order No. 23-386. Consistent with this order, Parties agreed "to engage in a subsequent process to establish metrics that can be applicable going forward to PGE’s routine vegetation management spending subject to an earnings test at PGE's authorized ROE on the annual under- or over-collection."

Deferral amounts will be the over- or under-spend of RVM-related, non-capital Operating and Maintenance (O&M) expenses, relative to the amount approved in the UE 435 General Rate Case.[1] As part of the stipulation, parties agreed that the balancing mechanism will sunset after December 31, 2026.

Description of expenses

The program has three primary functions: line clearance compliance, construction support, and outage/storm response.

[1] In the Matter of Portland General Electric Company, Request for a General Rate Revision, UE 435, Commission Order No. 24-454, pp. 58-59.

The Company targets trimming trees across one-third of its system each year. Also, PGE states that its vegetation control services help support construction, maintained or repair projects including pole replacements, reconstructors and new line construction.

Proposed Accounting
The Company proposes to record the balancing account will be recorded in FERC Account 593 Distribution. Interest will accrue on the balance at the approved modified blended treasury rate.

Reasons for Deferral
This deferral is consistent with the Stipulation adopted by the Commission in UE 435 regarding creating a balancing account for costs associated with RVM practices.

Estimate of Amounts
RVM costs are set at $51.9 in the UE 416 and 435 General Rate Cases. The deferral will reflect a regulatory asset or regulatory liability reflecting the over- or under-spend for RVM-related non-capital O&M expenses, subject to an earnings test at PGE's authorized Return on Equity.

Information Related to Future Amortization

- Earnings Review – Only the under- or over-collection amounts in the RVM balancing account would be subject to earnings review under ORS 757.259, applicable consistent with Order 23-386.

- Prudence Review – A prudence review should be performed by the Commission Staff as part of their review of PGE's general rate case filings.

- Sharing – There is no sharing mechanism envisioned by Staff at this time.

- Rate Spread/Rate Design – The ultimate rate treatment of any resulting regulatory liability or asset from the deferral would be addressed as part of a future PGE general rate case filing.

- 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 concludes that the Company's application is consistent with the Stipulation adopted by the Commission and is therefore supported by Staff.

The Company has reviewed a draft of this memo and voiced no concerns.

PROPOSED COMMISSION MOTION:

Approve PGE's request to defer costs associated with the Routine Vegetation Management Practices being collected in rates for the 12-month period beginning January 1, 2026.