ORDER NO. 26-342

ENTERED Sep 15 2026

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 2046(6)

In the Matter of PORTLAND GENERAL ELECTRIC COMPANY, Application for Reauthorization to Defer Costs Associated with an Increase in the Annual Regulatory Fee.	ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

At its public meeting on September 15, 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. CA11

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: September 15, 2026

REGULAR ____ **CONSENT** __X__ **EFFECTIVE DATE** __________N/A__________

DATE: August 18, 2026

TO: Public Utility Commission

FROM: Kathy Zarate

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

SUBJECT: PORTLAND GENERAL ELECTRIC:
(Docket No. UM 2046(6))
Deferral of costs associated with Annual Regulatory Fee.

STAFF RECOMMENDATION:

Staff recommends that the Commission approve Portland General Electric Company's (PGE or Company) request to defer costs associated with an incremental difference in the Public Utility Commission (PUC) annual regulatory fee, and the amounts currently being collected in rates, 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 a variance in the annual PUC regulatory fee and the amount collected in rates.

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.

Pursuant to ORS 757.259 and OAR 860-027-0300, Portland General Electric Company requests a Public Utility Commission of Oregon order reauthorizing PGE to defer, for later rate-making treatment, the costs associated with an increase in the annual regulatory fee allowed by ORS 756.310.

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.

Analysis

Background
Since 2020 PGE has requested deferral authorization for Costs Associated with Annual Regulatory Fee.

Under ORS 756.310, all public utilities and telecommunications providers are required to submit a fee to the Public Utility Commission annually. While there is a statutory cap on this fee, the Commission determines the actual amount. As it stands, the cap is set at 0.45 percent of the utility's gross operating revenues earned in this state during the previous calendar year, as outlined in ORS 756.310(3).

Nevertheless, the Oregon legislature has recently approved House Bill 2370, Most recently, On June 2025, Oregon Governor Tina Kotek signed, would raise the maximum rate to 0.55 percent of the revenues from the prior year.

This increase in fees would affect automatically the legislation was enacted to allow the annual regulatory fee that is imposed on public utilities and Telecommunications providers, for purpose of defraying costs of the OPUC, to increase from 0.45 percent to 0.55 percent of gross operating revenue.

Note: 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 Special Public Meeting, Staff will look for opportunities to streamline or consolidate existing adjustment schedules into base rates when feasible.

The incorporation of existing deferrals into base rates 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 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. However, 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.

Description of the Expenses
ORS 756.310 allows for the annual regulatory fee that is imposed on public utilities and telecommunications providers, for purpose of defraying costs of the OPUC.

Proposed Accounting
The Company proposes to record the deferral as a regulatory asset in FERC Account 182.3 (Other Regulatory Assets) and credit the appropriate FERC expense accounts.

Reasons for Deferral
The Company seeks continued deferred accounting treatment effective January 1, 2026, for costs associated with any possible increase in the annual OPUC Fee for 2026. In summary, the imposition of all regulatory fees increases since PGE's base prices that were most recently established by Commission Order No. 25-290 will be subject to this deferral until PGE is able to fully include them in a subsequent general rate case. Granting this application will minimize the frequency of rate changes and match appropriately the costs borne by and benefits received by customers.

Estimate of Amounts
According to the Company, they cannot provide an estimate of the amount to be deferred during the period beginning January 1, 2026 through December 31, 2026.

Information Related to Future Amortization

- Earnings Review - Recovery of the incremental regulatory fee will not be subject to an earnings review in accordance with Commission Order No. 20-411.

- Prudence Review - A prudence review should be performed as part of the amortization filing.

- Sharing - All prudently incurred costs are to be recoverable by PGE with no sharing mechanism.

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

- Three percent test (ORS 757.259(6)) - The amortization of the deferred costs will be subject to the three percent test in accordance with the 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

Staff concludes that the Company's application to authorize deferral of any incremental increase in the annual regulatory fee is consistent with ORS 757.259 in that it would match costs and benefits. Staff notes that though any assumptions regarding a future fee increase are speculation, the statutory increase to the regulatory fee cap and consequential opportunity for the Commission to increase the fee supports PGE's request to defer.

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 change in the PUC annual regulatory fee and the amounts currently being collected in rates for the 12-month period beginning January 1, 2026.