



OAR 860-027-0300(4) requires the utility to provide certain information in an application for deferred accounting. This includes: a description of the expense or revenue for which deferral is requested, the basis for the request, the accounts proposed for recording the amounts to be deferred, an estimate of the amounts to be recorded in the deferred account, and a copy of the notice of the application for deferred accounting.

### Analysis

#### *Background*

Commission Order No. 03-388 approved an Intervenor Funding Agreement (IFA), pursuant to the Intervenor Funding Act, between PGE, Pacific Power (dba PacifiCorp), Northwest Natural Gas Company, Northwest Industrial Gas Users, the Oregon Citizens' Utility Board (CUB), and Industrial Customers of Northwest Utilities (ICNU), dated February 3, 2003.

This agreement specified the terms and conditions for intervenor funding grants, funding amounts to be contributed by each utility, and the payment of grants by utilities into three funds, which include the CUB Fund, the Pre-authorized Matching Fund, and the Issue Fund.

#### *Reason for Deferral*

Commission Order No. 03-561 authorized PGE's accounting process for the IFA grant funds. Commission Order No. 23-033 authorized PGE to defer for later amortization intervenor funding made available under the JFA.

PGE has been deferring funds pursuant to the IFA since 2003, and the latest Commission Order No. 24-182, authorized deferrals through June 30, 2025.

#### *Proposed Accounting*

PGE proposes to continue recording all deferred costs in FERC Account 182.3, Other Regulatory Assets, with a credit to FERC Account 456, Other Revenue.

#### *Description of Expense*

The Company proposed to continue recording, in a deferred account, all amounts PGE is required to pay through the CUB Fund, the Pre-Authorized Matching Fund, the Issue Fund (General Account and Case-Certified Account), the Interim Intervenor Funding Agreements, and the JFA.

#### *Estimate of Amounts*

The Company estimates amount is \$1,604,160 for the following intervenor funding account. See the following table below.

<b>Account Balances</b>			
<b>Fund</b>	<b>Balance</b>	<b>Forecasted Deferral</b>	<b>Estimated</b>
<b>Description</b>	<b>May 2025</b>	<b>2025</b>	<b>Balance 2026*</b>
<b>CUB</b>	\$123,249	\$0	\$123,249
<b>Matching</b>	\$603,630	\$346,315	\$949,945
<b>ISSUE (General and Case-Cert)</b>	\$329,430	\$22,500	\$351,930
<b>JFA (Interim, Pre-Cert, Case)</b>	\$179,036	\$0	\$179,036
	<b>Estimated Total Balance</b>		<b>\$1,604,160</b>

*\* does not include amortization and interest*

Pursuant to the terms of the IFA, individual fund costs will be allocated to the appropriate customer class: the CUB Fund will be charged to residential customers; the Pre-authorized Matching Fund will be charged to industrial customers, and the Issue Fund costs will be aligned and allocated to the intended beneficiaries of the advocacy undertaken on their behalf. Pursuant to the terms of the JFA, the Commission will decide as to how to recover the Justice Funding grants from the various customer classes of the affected Participating Public Utility or Utilities.

*Information Related to Future Amortization*

- Earnings Review – Pursuant to Commission Order No. 22-506, Appendix A, page 29, paragraph 7.9: If a Participating Public Utility seeks rate recovery through a deferred account, the account and amortization of the account shall be exempt from the amortization caps and earnings test set forth in Subsections 5,6,7,8, and 10 of ORS 757.259, as such subsections may be amended from time to time and shall not be included in any calculation of the amortization cap for other deferred accounts.
- Prudence Review – For amortization, the prudence review should be limited to verification of the accounting methodology used to determine the final amortization balance.
- Sharing – This deferral is not subject to a sharing mechanism.
- Rate Spread/Design – Account balances are to be spread to the appropriate customer classes per Order No. 18-017, Appendix A, page 27, paragraph 7.7(b).
- Three Percent Test (ORS 757.259(6)) – The three percent test does not apply to amortization of this deferral. See "Earnings Review" above.

Conclusion

The Company's application meets the requirements of ORS 757.259 and OAR 860-027-0300 for deferred accounting.

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Staff finds that the reason for the deferral costs, related to intervenor funding grants, is still valid.

Therefore, Staff recommends the Commission approve PGE's application for reauthorization to record and defer costs associated with Intervenor Funding Grants.

**PROPOSED COMMISSION MOTION:**

Approve PGE's Application to defer the costs associated with Intervenor funding grants for the 12-month period beginning July 1, 2025.

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