

ITEM NO. CA5

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: March 27, 2018

REGULAR _____ CONSENT X EFFECTIVE DATE April 1, 2018

DATE: March 12, 2018

TO: Public Utility Commission

FROM: Ming Peng *mp.*

THROUGH: Jason Eisdorfer and John Crider *Jc*

SUBJECT: PORTLAND GENERAL ELECTRIC: (Docket No. ADV 741/Advice No. 18-03) Request to file tariff sheet changes associated with the IBEW Local 125 Labor Rate Update.

STAFF RECOMMENDATION:

Staff recommends the Commission approve Portland General Electric's (PGE or Company) Advice No. 18-03 with rates effective for service rendered on and after April 1, 2018.

DISCUSSION:

Issue

Whether the Commission should approve the Company's request to update selected Luminaire Schedules affected by PGE's increased Labor Rates as a result of the Company's Collective Bargaining Agreement with International Brotherhood of Electrical Workers (IBEW), Local Union No. 125 (Local 125).

Applicable Rule or Law

ORS 757.205 requires public utilities to file schedules showing all rates, tolls and charges for service that have been established and are in force at the time. Pursuant to ORS 757.210, the Commission may approve tariff changes if they are deemed to be fair, just and reasonable. OAR 860-022-0025 and OAR 860-022-0030 set forth the requirements for tariff filings naming increased rates.

Analysis

Background

On March 2, 2018, Portland General Electric Company (PGE) submitted its Advice No.18-03 pursuant to Oregon Revised Statutes 757.205 and 757.210, and Oregon Administrative Rules 860-022-0025 and 860-022-0030. In its filing, the Company proposed to increase rates to reflect updated Labor Rates resulting from its recent negotiations with IBEW Local 125, with a requested effective date of April 1, 2018, for the following schedules: 91, 95, 491, 495, 591 and 595.

In response to Staff's information request, PGE provided the Collective Bargaining Agreement - "Agreement between PGE and Local 125 of IBEW" ("Agreement"). The Agreement started on March 1, 2016, and will end on February 29, 2020, and provides that PGE's Labor Rates be adjusted annually. As a result of this most recent Labor Rate update, there is a \$5 increase per hour to the Overtime Labor Rate and the Straight Time Labor Rate has a \$2 increase per hour. The Labor Rate applies to municipalities, and state and federal agencies that have PGE street-lighting service or use PGE equipment for street-lighting under Schedules 91, 95, 491, 495, 591 and 595. Specifically, the Labor Rate applies to the charges for replacement of luminaires owned by customers.

PGE's Advice Letter notes: "These labor rates provide the basis upon which to charge the labor to replace non-repairable luminaires owned by Customers. PGE has approximately 200 Customers on the above listed Schedules. The revenue from this change depends on the number of replacements each year." PGE also provided labor rate calculations in Excel format and explained that Labor rates are the product of the loading rates (i.e., Payroll Loading, Tool Loading and Transportation Loading) and average crew rates.

Light-Emitting Diode (LED) Lighting

According to PGE, Schedule 95 is specifically for conversions to LED technology, and Schedule 91 is for older luminaire types. PGE explained that LED lighting is new to the Company and pricing is changing rapidly. The Company may adjust rates under this schedule based on actual frequency of maintenance occurrences and changes in material prices.

Staff reviewed PGE's filing, work papers, and the related portion of the collective bargaining agreement with IBEW, Local 125. Staff also submitted clarification requests for information, and reviewed PGE's responses to those requests. Staff has verified that the rates in the Company's filing are consistent with the rates derived in the workpapers the Company submitted with this filing.

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Conclusion

Based on PGE's filing and PGE's responses to Staff's inquiries, Staff finds that PGE's Advice No. 18-03 meets the requirements of OAR 860-022-0025 and OAR 860-022-0030, and will result in just and reasonable rates. Therefore, Staff recommends Commission approval.

PROPOSED COMMISSION MOTION:

Approve PGE's Advice No. 18-03 with rates effective on and after April 1, 2018.

ADV 741/Advice No. 18-03, PGE's Labor Rate Update.