

ORDER NO. 03-413

ENTERED JUL 21 2003

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BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UA 100

In the Matter of)	
)	
PORTLAND GENERAL ELECTRIC)	
)	ORDER
Application for Approval of Modifications)	
to a Contract Between the Canby Utility)	
Board and Portland General Electric)	
Company Allocating Utility Service)	
Territory.Mutual Telephone Company.)	

DISPOSITION: APPLICATION APPROVED WITH CONDITIONS

On April 11, 2003¹, Portland General Electric Company (PGE) filed an application with the Public Utility Commission of Oregon (Commission), pursuant to ORS 758.430 and OAR 860-025-0015, requesting an order authorizing the transfer of customers and facilities pursuant to a contract between PGE and the City of Canby (City) allocating to the City certain service territory in Clackamas County. These customers and facilities are located on properties that were annexed by the City during the timeframe of November 2001 to June 2002.

Based upon Staff's analysis, the transfer avoids any duplication of facilities between PGE and Canby Utility. Canby Utility is the sole provider of electric services within the City. All parcels annexed by the City are within City limits and are bordered by properties currently served by Canby Utility. The transfer was a cooperative transfer based on the terms of the amended Agreement. The basis for the current request is detailed in Staff's recommendation memo, attached as Appendix A.

¹ Staff Report of June 12, 2003 states April 10, 2003; but actual filing was received April 11, 2003.

ORDER

IT IS ORDERED that the application filed by Portland General Electric for authority to transfer customers and facilities to Canby Utility is approved , subject to the conditions as further specified in Appendix A.

Made, entered, and effective _____.

BY THE COMMISSION:

Becky L. Beier
Commission Secretary

A party may request rehearing or reconsideration of this order pursuant to ORS 756.561.
A party may appeal this order to a court pursuant to ORS 756.580.

ITEM NO. CA8

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: July 1, 2003**

REGULAR _____ **CONSENT** X **EFFECTIVE DATE** _____

DATE: June 12, 2003

TO: John Savage through Marc Hellman and Rebecca Hathhorn

FROM: Michael Dougherty

SUBJECT: PORTLAND GENERAL ELECTRIC: (Docket No. UA 100)
Application for Approval of the Transfer of Customers and Facilities.

STAFF RECOMMENDATION:

The Commission should approve Portland General Electric's (PGE) application for the requested transfer of customers and facilities and allocation of service territory to the Canby Utility Board (Canby Utility) with the following conditions:

1. PGE shall provide the Commission access to all books of account, as well as documents, data, and records that pertain to the transfer of customers and facilities to Canby Utility.
2. The Commission reserves the right to review, for reasonableness, all aspects of this transaction in any rate proceeding or alternative form of regulation.
3. PGE shall notify the Commission in advance of any substantive changes to the transfer of customers and facilities, including any changes in metes and bounds. Any such change shall be submitted in an application for a supplemental order (or other appropriate format) in this docket.

DISCUSSION:

PGE filed this application on April 10, 2003 pursuant to ORS 758.430 and OAR 860-025-0010. (The correct administrative rule for filing is OAR 860-025-0015.) The company seeks a Commission order authorizing the transfer of customers and facilities pursuant to a contract between PGE and the City of Canby (City) allocating to the City certain service territory in Clackamas County. These customers and facilities are located on properties that were annexed by the City during the timeframe of November 2001 to June 2002.

APPENDIX A
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Background

Territory allocations between PGE and the City were originally established on April 4, 1962 when PGE and the City entered into a Territory Allocation Agreement (Agreement), which was approved by Commission Order No. 62-38537. Subsequent to the date of the Agreement, the City transferred all powers and duties to construct, acquire, expand and operate the electric system within the City to Canby Utility by charter amendment, effective January 2, 1969.

On February 24, 1998, PGE and Canby Utility entered into Amendment No. 1 to the Agreement, which was approved by Commission Order No. 98-356, dated August 24, 1998. Under terms of the amended Agreement, the City assigned all rights and responsibilities of providing service within any territory annexed by the City to Canby Utility. Additionally per the amended Agreement, Canby Utility would purchase PGE facilities that were used to provide electric service to the annexed territory.

The application concerns the following property annexations:

- A. A parcel located of property consisting of approximately 45.42 acres. The annexed parcel contains one customer and PGE facilities. PGE removed its facilities from this location at its own expense.
- B. A parcel of property consisting of approximately 0.61 acres. The annexed property has no PGE electric service or equipment on it and serves no customers.
- C. A parcel of property consisting of approximately 1.97 acres. The annexed property has no PGE electric service or equipment on it and serves no customers.

Issues

Staff investigated the following issues:

- 1. Allocation of Territories and Customers
- 2. Public Interest Compliance
- 3. Records Availability, Audit Provisions and Reporting Requirements

Allocation of Territories and Customers – Based upon Staff's analysis, the transfer avoids any duplication of facilities between PGE and Canby Utility. Canby Utility is the sole provider of electric services within the City. All parcels

annexed by the City are within City limits and are bordered by properties currently served by Canby Utility. The transfer was a cooperative transfer based on the terms of the amended Agreement.

Public Interest Compliance – As the sole provider of electric service within the City, Canby Utility is best able to provide economical and efficient services to these territories.

A Notice of Filing was published in The Canby Herald on May 3, 2003 and May 10, 2003. No customers in the annexation requested a hearing.

Records Availability, Audit Provisions and Reporting Requirements - The proposed ordering condition No. 1 provides the necessary records access to PGE's relevant books and records.

After review of the filing, Staff concludes that the transfer:

1. Eliminates unnecessary duplication of facilities.
2. Promotes the efficient and economic use and development and the safety of operation of the electric utility system, while providing adequate and reasonable service to the territories and customers affected by the annexation.

PROPOSED COMMISSION MOTION:

PGE's UA 100 application for authority to transfer customers and facilities to Canby Utility, including the three conditions stated in this memorandum, be approved.

UA 100 – PGE Transfer of Customers and Facilities to the Canby Utility Board