


PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: April 23, 2019

REGULAR _____ CONSENT X EFFECTIVE DATE April 24, 2019

DATE: April 9, 2019

TO: Public Utility Commission

FROM:  Sabrina Soldavini

THROUGH:  Jason Eisdorfer,  John Crider, and  Marianne Gardner

SUBJECT: PORTLAND GENERAL ELECTRIC: (Docket ADV No. 944/Advice No. 19-09) Updates IBEW Local 125 Labor Rates.

STAFF RECOMMENDATION:

Staff recommends that the Public Utility Commission of Oregon (Commission) approve Portland General Electric's (PGE or Company) Advice No. 19-09, which updates IBEW Local 125 Labor Rates, effective for service on and after April 24, 2019.

DISCUSSION:

Issue

Whether the Commission should approve PGE's Advice No. 19-09, which updates IBEW Local 125 Labor Rates for applicable schedules, effective with service rendered on and after March 1, 2019.

Applicable Law

ORS 757.205(1) states that a public utility must file schedules showing all rates, tolls, and charges for service that have been established and are in force at the time.

OAR 860-022-0025 requires that new tariff filings include statements showing the new rates, the number of customers affected, the impact on annual revenue, and the reasons supporting the proposed tariff. Filings that make any change in rates, tolls, charges, rules or regulations must be filed with the Commission at least 30 days before the effective date of the changes. ORS 757.220.

The Commission reviews tariffs filed under ORS 757.205 and 757.210 to determine whether they are fair, just and reasonable.

Analysis

Background

Portland General Electric submitted this filing to the Commission on March 20, 2019, pursuant to ORS 757.205, ORS 757.210, and OAR 860-022-0025, with a requested effective date of April 24, 2019. In its filing, the Company requests updates to certain Street and Area Lighting Tariffs – related to the labor rates customers are charged for the replacement of non-repairable luminaires.

Annually, the Company adjusts Labor Rates for employees who are represented by the International Brotherhood of Electrical Workers (IBEW) Local 125, per its Collective Bargaining Agreement (Agreement) with the union. This advice filing proposes to increase labor rates in accordance with the 2019 conditions of the Agreement. Per the Agreement, in effect from March 1, 2016 to February 29, 2020, employees represented by IBEW Local 125 received a three percent increase in wages in 2019. When applied to the labor costs the Company charges customers for the replacement of luminaires, this results in an increase of \$4 per hour to the Straight Time Rate, and an increase of \$9 per hour to the Overtime Rate for Schedules 91, 95, 491, 495, 591, and 595. Factoring in the increase in hourly costs, the total hourly rate for the replacement of non-repairable luminaires on these Schedules will be increased from \$142 to \$146 per hour for Straight Time labor, and will be increased from \$208 to \$217 for Overtime labor.

Staff asked for and received the Company's workpapers underlying the assumptions and calculations for the proposed labor rates, as well as a copy of the 2016-2020 Agreement between PGE and IBEW Local 125. Staff reviewed both the work papers and Agreement, and finds the calculations and methodology to be reasonable and accurate.

Staff has reviewed all affected tariff schedules for accuracy and finds the revisions to all sheets to be accurate, and further finds the tariffs are fair, just and reasonable.

Effects of Filing

The Company notes in its filing that the impact to the Company's revenue is currently unknown. While the Company is proposing an increase in rates for certain street and area lighting Customers, a Customer will only be charged in the event that the replacement of a luminaire is necessary. As the number of luminaires that will need

replacement is unknown, the impact to Company revenues is also unknown at the time of filing.

Conclusion

Based on Staff's analysis of PGE's filing and the associated workpapers, Staff finds that the updated IBEW Local 125 labor rates, applicable to Street and Area Lighting tariffs are accurate and consistent with past Commission Orders, and result in rates that are fair, just and reasonable. Staff recommends the Commission approve PGE's application notice.

PROPOSED COMMISSION MOTION:

Approve PGE's Advice No. 19-09, which updates IBEW Local 125 Labor Rates for applicable schedules, effective with service rendered on and after April 24, 2019.