

ITEM NO. CA1

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: May 18, 2021**

REGULAR CONSENT EFFECTIVE DATE May 19, 2021

DATE: April 28, 2021

TO: Public Utility Commission

FROM: Kathy Zarate

THROUGH: Bryan Conway, John Crider, and Matt Muldoon **SIGNED**

SUBJECT: PORTLAND GENERAL ELECTRIC:
(Docket No. ADV 1256/Advice No. 21-08)
Compliance Filing of IBEW Local 125 Labor Rate Update associated with
tariff P.U.C. No. 18.

STAFF RECOMMENDATION:

Staff recommends the Commission approve Portland General Electric Company's (PGE or Company) filing of IBEW Local 125 Labor Rate Update associated with tariff P.U.C. No. 18, effective for service on or after May 19, 2021.

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 (Agreement).

Applicable Law

Under ORS 757.205(1):

Every public utility shall file with the Public Utility Commission, within a time to be fixed by the commission, schedules, which shall be open to public inspection, showing all rates, tolls and charges which it has established and which are in

force at the time for any service performed by it within the state, or for any service in connection therewith or performed by any public utility controlled or operated by it.

The Commission may approve tariff changes if they are deemed fair, just, and reasonable. ORS 757.210.

Tariff revisions may be made by filing revised sheets with the information required under the Commission's administrative rules, including OAR 860-022-0025. OAR 860-022-0025(2) specifically requires that each energy utility changing existing tariffs or schedules must include in its filing a statement plainly indicating the increase, decrease, or other change made with the filing, the number of customers affected by the proposed change and the resulting change in annual revenue; and the reasons or grounds relied upon in support of the proposed change.

Filings that propose 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 change. ORS 757.220; OAR 860-022-0015. Tariff filings to be effective on less than 30 days following notice of the change may be authorized with a waiver of less than statutory notice pursuant to ORS 757.220 and OAR 860-022-0020.

OAR 860-022-0030(1) further requires that for tariff or schedule filings proposing increased rates, the utility must for each separate schedule:

- Identify the total number of customers affected;
- Identify the total annual revenue derived under the existing schedule and the amount of estimated revenue which will be derived from applying the proposed schedule;
- Provide the average monthly use and resulting bills under both the existing rates and the proposed rates that will fairly represent the application of the proposed tariff or schedules; and
- Outline the reasons or grounds relied upon in support of the proposed increase.

Analysis

On April 8, 2021, PGE submitted its Advice No. 21-08. 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 May 19, 2021, for the following tariff sheets associated with Tariff P.U.C. No. 18: Sheet No. 91-8, Sheet

No. 95-7, Sheet No. 300-1, Sheet No. 491-8, Sheet No. 495-7, Sheet No. 591-7, and Sheet No. 595-5.

In response to Staff's information request, PGE provided the Agreement. PGE's labor rates are adjusted effective March 1 annually per the Agreement.¹

The Company's most recent labor rate update includes a \$45 decrease per hour to PGE's Straight Time Labor Rate and a \$99 decrease per hour in PGE's Overtime Labor Rate for crews to replace non-repairable luminaires not owned by the Company. The overall labor rate decrease is due to recent revisions of allocation of Payroll Loading and Distribution Operation Services Engineering (DOSE) overhead.

DOSE overhead was previously included within Payroll Loading, but PGE broke it out because not all labor requires the services included in DOSE. DOSE represents back office engineering and support for line crews and is not applicable to street lighting replacements. The Company may break out any applicable overheads in next year's filing.

PGE's pertinent labor rates are published under Schedules:

Nineteenth Revision of Sheet No. 91-8,
Fifth Revision of Sheet No. 95-7,
Twenty Second Revision of Sheet No. 300-1,
Fourteenth Revision of Sheet No. 491-8,
Fifth Revision of Sheet No. 495-7,
Twenty Fourth Revision of Sheet No. 591-7, and
Seventh Revision of Sheet No. 595-5,

PGE lighting labor rates apply to municipalities and state and federal agencies that have PGE street-lighting service or use. Specifically, the labor rates apply to the charges for replacement of luminaires owned by customers.

When the Company replaces non-repairable luminaires not owned by PGE, the labor rate decreases per hour from \$169 to \$124 for Straight Time Labor and decreases for Overtime Labor from \$254 to \$155.

In addition, this filing updates the "Other than Scheduled Crew Hours" billing rate for trouble calls in Schedule 300. The rate is now \$270, representing an increase of \$16 per the Agreement. This is because DOSE rates apply. DOSE includes a significant

¹ From PGE IR No. 1.

increase in the Injuries & Damages loading, resulting from an increase in PGE's liability insurance premiums.

Staff reviewed PGE's filing, work papers, and pertinent portions of the Agreement. Staff also submitted clarification requests for information, and reviewed PGE's responses to those requests.

Conclusion

Staff has reviewed the work papers and finds the Company has met the requirements of statute and administrative rule. Staff also submitted clarification requests for information by phone and e-mail, 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 work papers the Company submitted with this filing and are reasonable.

Based on its review, Staff determined that the public is not harmed by this transaction.

PROPOSED COMMISSION MOTION:

Approve PGE's Advice No. 21-08, IBEW Local 125 Labor Rate Update, effective for service on or after May 19, 2021.