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**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

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In the Matter of the Application of the)	
PORTLAND GENERAL ELECTRIC)	
COMPANY for Approval of Modifications to a)	
Contract Between CANBY UTILITY BOARD)	ORDER
and PORTLAND GENERAL ELECTRIC)	
COMPANY Allocating Utility Service Territory.)	
)	

DISPOSITION: APPLICATION GRANTED

On March 16, 2000, Portland General Electric Company (PGE) filed an application requesting the approval of a transfer of customers and facilities pursuant to a contract with the Canby Utility Board (CUB). PGE seeks approval pursuant to OAR 860-025-0010.

Pursuant to ORS 758.420, the Commission published notice of the application in *The Canby Herald*, a newspaper of general circulation in the subject area. The notice stated that any affected customer could request a hearing within 30 days. No one requested a hearing or filed comments.

Based on the record contained in this matter, the Commission makes the following:

FINDINGS

In April 1962, PGE and the City of Canby entered into an agreement concerning the allocation of electric service territory between them. The Commission granted the application in Order No. 38537. In 1969, the City transferred all of its powers and duties to construct, acquire, expand, and operate the electrical system within the city to CUB.

In 1998, PGE and CUB amended the territory allocation agreement, which the Commission approved in Order No. 98-356. Under the terms of the agreement, as amended, CUB may provide electric service within any territory annexed by the city

upon (1) the purchase of facilities used by PGE to provide service in that area; and (2) the transfer of customers within the territory to CUB upon mutually agreeable terms.

The City of Canby recently annexed eleven parcels of property into its city boundary. Nine of those parcels contained PGE facilities. Pursuant to the territory allocation agreement, CUB has purchased the PGE facilities located on those properties. PGE now seeks the Commission's approval to transfer of facilities and customers to CUB and for the service territory allocation to be adjusted. A legal description of the city limits of Canby, including the territory proposed to be transferred CUB, is attached as Appendix A.

OPINION

OAR 860-025-0010 requires that an application for approval of contracts to avoid or eliminate duplicate utility service include a copy of the contract, a map showing the general location of the subject property, maps showing the location of facilities, and other information required by the Commission. The application at issue here meets those requirements.

ORS 758.405 establishes Oregon's territorial allocation philosophy. It is to eliminate and prevent duplication of utility facilities and to promote efficient and safe operation of utility facilities. Approval of the subject application will further the philosophy by preventing the unnecessary duplication of facilities. Moreover, safe, adequate, and reasonable service will be provided to the area and customers involved. The Commission finds that the application meets applicable requirements imposed by statute and by rule.

In reaching this decision, we note that ORS 757.480 also requires a public utility to obtain Commission approval prior to the transfer of facilities necessary or useful in the performance of its duties to the public. However, because the facilities being transferred from PGE to CUB are less than \$100,000, this application is exempt from review under ORS 757.480(1).

CONCLUSIONS

1. Granting the application is in the public interest;
2. The application should be granted.

ORDER

IT IS ORDERED that the application, filed by Portland General Electric for approval of the transfer of facilities and customers to the Canby Utility Board and adjustment of the service territory allocation, is granted.

Made, entered, and effective _____.

Ron Eachus
Chairman

Roger Hamilton
Commissioner

Joan H. Smith
Commissioner

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A party may request rehearing or reconsideration of this order pursuant to ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements of OAR 860-14-095. A copy of any such request must also be served on each party to the proceeding as provided by OAR 860-13-070(2)(a). A party may appeal this order to a court pursuant to ORS 756.580.

