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BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 1004

In the Matter of)	
)	ORDER
PORTLAND GENERAL ELECTRIC)	
COMPANY)	
)	
Service Quality Measures Performance)	
Reporting for 2003.)	

**DISPOSITION: SERVICE QUALITY MEASURES PERFORMANCE FOR 2003
ACKNOWLEDGED AND ACCEPTED**

At its Public Meeting on July 6, 2004, the Public Utility Commission of Oregon adopted Portland General Electric Company (PGE) and Staff's joint recommendation to acknowledge PGE's report of 2003 performance as satisfying the requirements of Order No. 97-196. PGE's performance in the C1, R1, R2, R3 and S1 measure categories was acceptable and no penalty levels were reached or exceeded. Staff's recommendation is attached as Appendix A, and is incorporated by reference.

ORDER

IT IS ORDERED that Portland General Electric's Service Quality Measures Performance Report for 2003 satisfies the requirements of Order No. 97-196 and as it relates to the performance levels set for 2003 at the Commission Public Meeting of December 3, 2002. All performance evaluated was acceptable, and no penalties are appropriate.

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. 3

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: July 6, 2004**

REGULAR X CONSENT EFFECTIVE DATE N/A

DATE: June 8, 2004

TO: Lee Sparling through J. R. Gonzalez and Ed Busch

FROM: Bob Sipler

SUBJECT: PORTLAND GENERAL ELECTRIC: (Docket No. UM 1004) Service Quality Measures (SQMs) Performance Reporting for 2003 as required in UM 814 per OPUC Order 97-196, and as it relates to the performance levels set for 2003 at the OPUC Public Meeting of December 3, 2002.

SUMMARY RECOMMENDATION:

Staff and PGE jointly recommend that the Commission acknowledge PGE's report of 2003 performance as satisfying the requirements of PUC Order 97-196. PGE's performance in the C1, R1, R2, R3, and S1 measure categories was acceptable and no penalty levels were reached or exceeded.

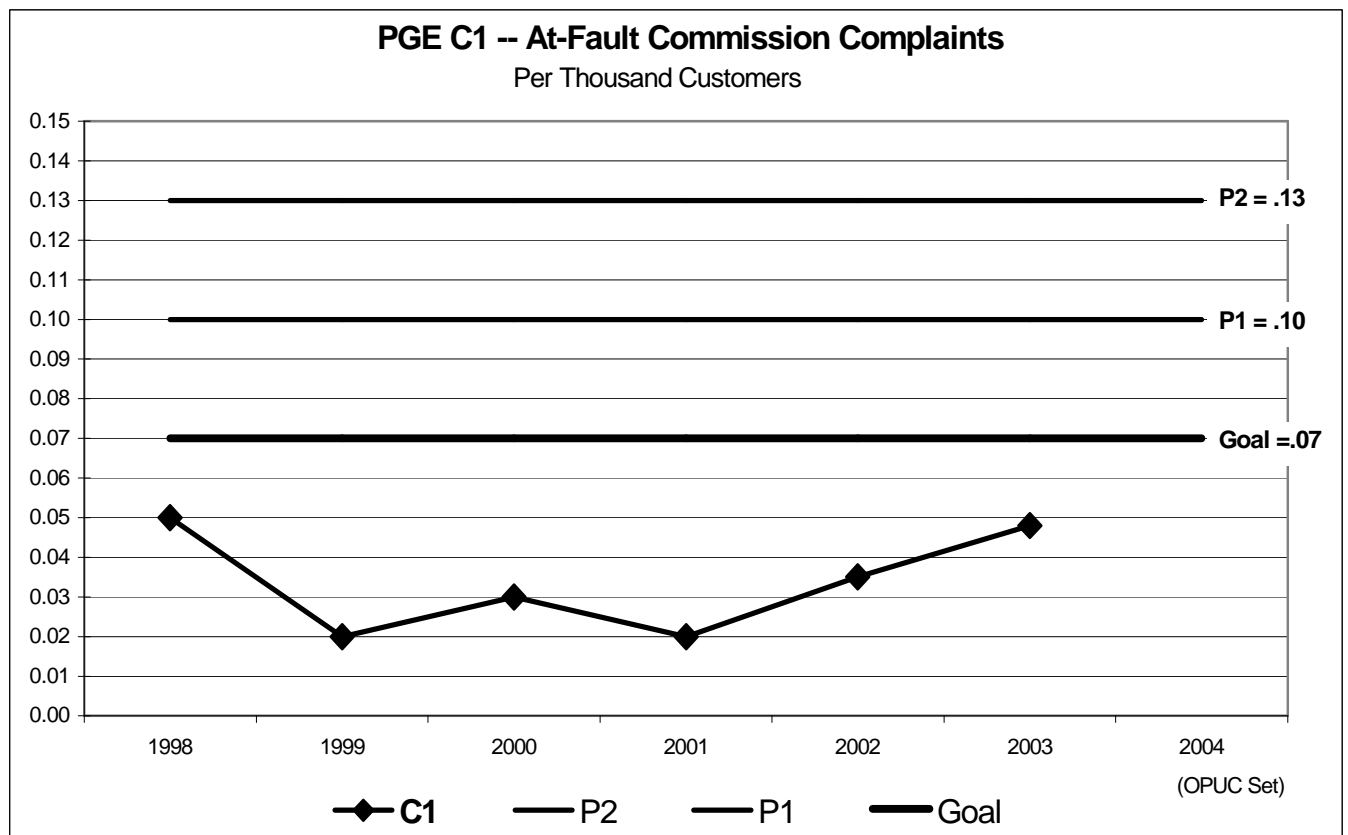
DISCUSSION:

Service Quality Measures were stipulated as a condition in the Enron purchase of PGE (UM 814). The SQMs include a requirement to set goals annually and then, after the end of the year, to evaluate performance related to those goals. The performance lines were set for 2003 at the Public Meeting on December 3, 2002. This memo evaluates 2003 SQMs performance.

Staff and company representatives have agreed that it was reasonable to leave the goal and two Revenue Requirement Reduction (Penalty) lines for C1, R1, and R2 at the same values for the eight years that have been set (1997 - 2004). These performance levels were originally set based on historical performance with the system operating in a reasonable condition. These measures are all calculated on a per customer basis, so the increases to the customer base have not affected performance levels.

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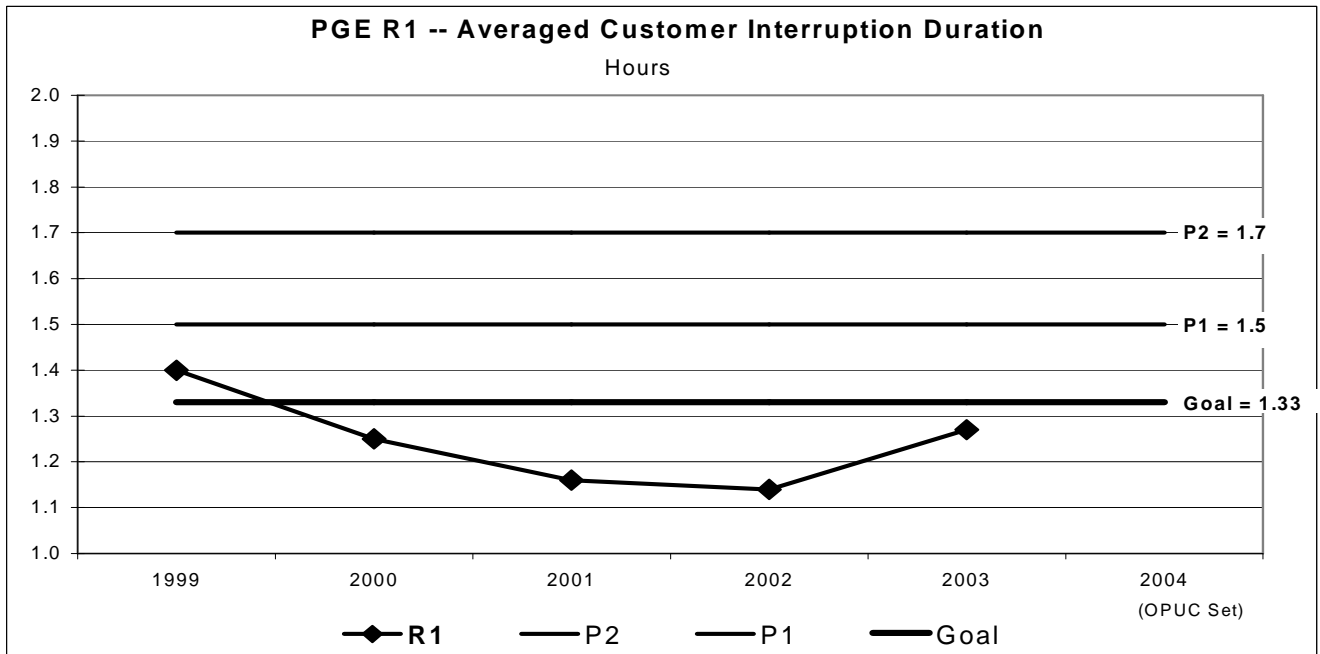
The first measure is C1 (Customer "At-Fault" Complaint Frequency). This is expressed as the number of PUC "at fault" complaints for the year, divided by the total number of customers divided by 1,000. The Goal value was set at .07, the Penalty-1 line was set at .10, and the Penalty-2 line was set at .13. Actual C-1 performance by PGE in 2003 was .048 complaints "at fault" per 1,000 customers. Performance below the goal line over the past six years (averaging .034) indicates that performance is consistent, and is at an excellent level.



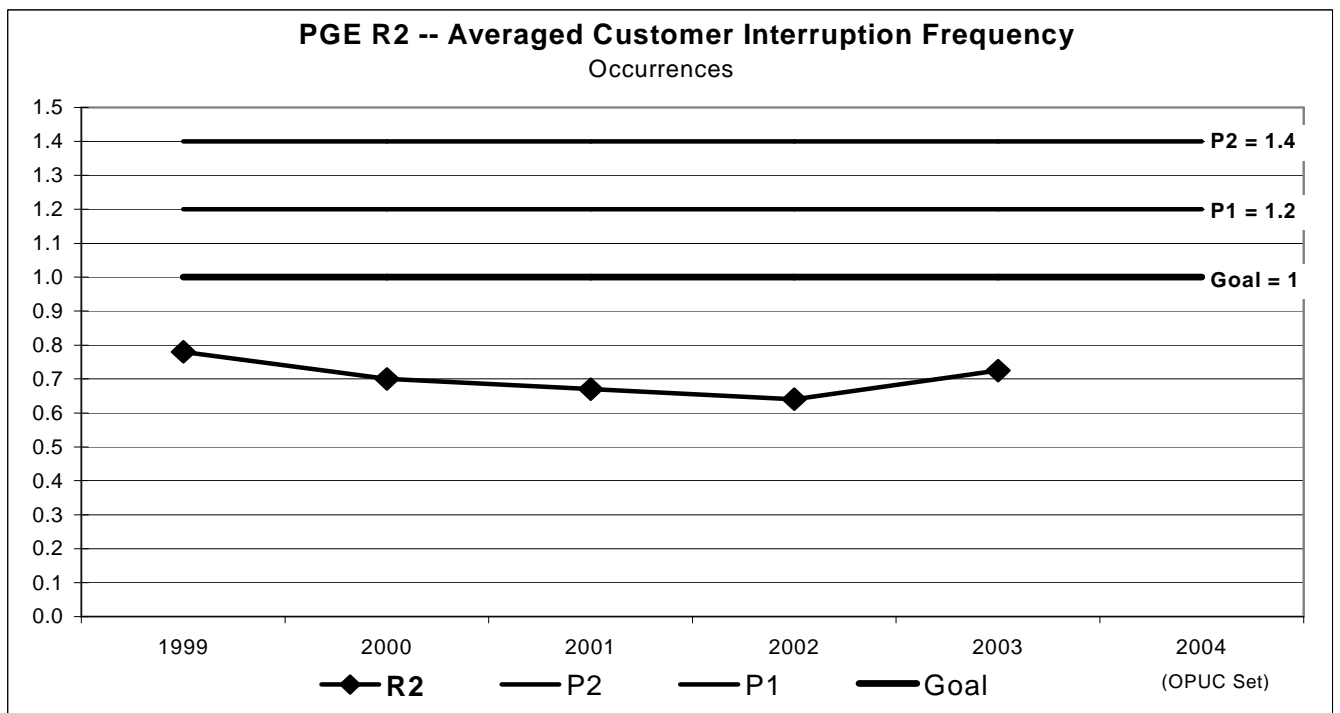
The second measure is R1 (3-year Weighted/Averaged Customer Interruption Duration). This is the average amount of time that customers have been without power over the last three years. The Goal value is set at 1.33 hours (80 minutes), the Penalty-1 line is set at 1.5 hours (90 minutes), and the Penalty-2 line is set at 1.7 hours (102 minutes).

PGE's 2003 R-1 performance was 1.27 hours (76.3 minutes). There was one excludible "Major Event" in 2003.

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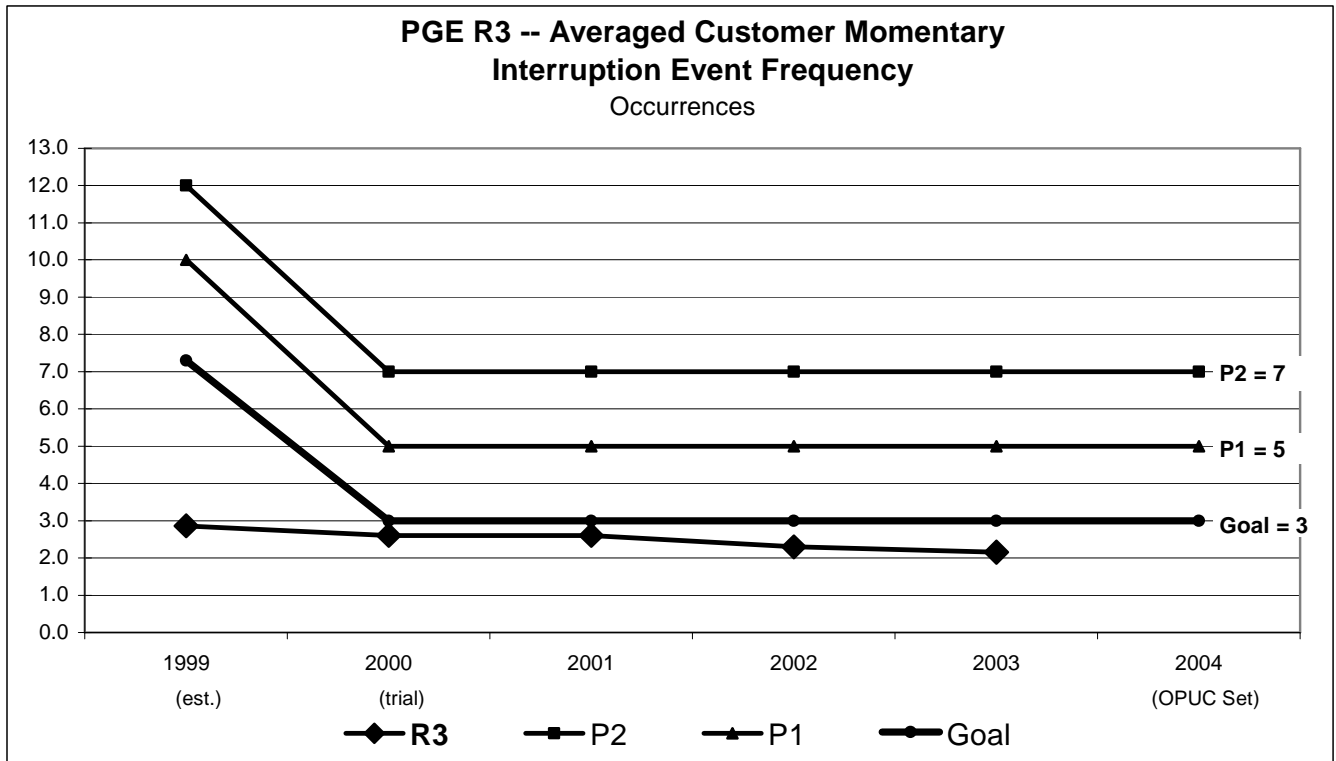


The third measure is R2 (3-year Weighted/Averaged Customer Interruption Frequency). This is an average number of times that customers have been without power over the last three years. The Goal value was set at 1.0 occurrence, the Penalty-1 line was set at 1.2 occurrences, and the Penalty-2 line was set at 1.4 occurrences. R-2 performance for 2003 was at .725 occurrences.



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The fourth measure is R3 (Averaged Customer Momentary Interruption Event Frequency). R3 is a phased-in measure that had a trial setting for 1999, and full implementation in 2000. The 2000 goal line was set at 3 momentaries, the Penalty-1 line was 5, and the Penalty-2 line was at 7. These same levels remain set for 2001 through 2004. The R3 performance for 2003 was 2.15 momentary event occurrences.



Included in the SQMs is also S1 (Major PUC Safety Violation Measure), and the X1, X2, and X3 Measures that evaluate vegetation management (tree trimming program) and service personnel count, basic inspection and maintenance programs, PGE's Standards, the metering program, and "special" programs.

PGE managers met with PUC Staff on April 29, 2004, for an annual operations, safety, and SQMs review. The 2003 Service Quality Measures Report was received on May 17, 2004. We discussed a wide variety of subjects, including:

- Service Quality Measures performance
- Vegetation Management Program and budgets
- Service personnel counts

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- Inspection and maintenance programs for overhead lines, underground lines, marinas, substations, and switches
- PGE's Metering program
- Joint-Use Issues including the National Joint-Use Notification System (NJUNS), pole attachments, and the Oregon Joint-Use Association.

This reporting indicates that performance lines set by the Commission for the SQMs were satisfactorily met and that essential operating and maintenance programs are continuing. In addition to this report, Safety Staff's analysis of SQMs performance remains the focal point of an annual overview of company operations. This review typically includes information from customer complaint and incident investigations, safety program reviews, metering program reports, and other information and interactions occurring during the past year.

Staff has indicated for the last two years that there are concerns related to National Electrical Safety Code (NESC) violation correction. The stipulated agreement language in the X2 Measure includes a commitment to correct all NESC violations within 120 days of discovery, as an element of the detailed inspection. Staff will continue to work with PGE through our regular program reviews and SQM administration, but believes that the continuing debate over the prompt correction of some NESC violations is inappropriate, based on the requirements of ORS 757.035, OAR 860-024-0010, and Commission Order 97-196.

PROPOSED COMMISSION MOTION:

Acknowledge PGE's report of 2003 performance as satisfying the reporting requirements of PUC Order 97-196. Relative to the performance lines set by the Commission for 2003, at the Public Meeting of December 3, 2002, all performance evaluated was acceptable and no penalties are appropriate.

pmmemo/PGEServiceQualityMeasures