

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UA 139

In the Matter of)	
)	
PORTLAND GENERAL ELECTRIC)	ORDER
COMPANY)	
)	
Application for Approval of Transfer of)	
Customers and Facilities to Canby Utility)	
Board.)	

DISPOSITION: APPLICATION APPROVED

On December 1, 2008, the Public Utility Commission of Oregon (Commission) received an application from the Portland General Electric Company (PGE) requesting approval to transfer customers and facilities to the Canby Utility Board (CUB). On January 21, 2009, PGE filed a corrected version of the legal description of PGE's service territory reflecting the annexation of the subject properties to the CUB. We find PGE's application to be reasonable and not contrary to the public interest, and grant it.

BACKGROUND

On April 4, 1962, PGE and the City of Canby (City) entered into an agreement concerning the allocation of electric service territory between them (Agreement). The Commission approved the Agreement in Order No. 38537. Following the Agreement, the City transferred all of the powers and duties possessed by the City to construct, acquire, expand and operate the electric system within the City to the CUB by Charter amendment, effective January 2, 1969.

PGE and the CUB entered into an Amendment No. 1 to the Agreement, which makes certain modifications in the Agreement. The Commission approved the Amendment No. 1 in Order No. 98-356, dated August 24, 1998.

Under the terms of the Agreement, as amended, the CUB may provide electric service within any territory annexed to the City upon purchase of facilities used by PGE for the purpose of providing electric service to such territory and transfer of customers within the territory to the CUB upon mutually agreeable terms.

The City recently annexed five separate pieces of property. PGE's application seeks to transfer all customers and facilities contained within the recently annexed property to the CUB. The five annexations of property that are subject to Commission approval are listed below:

- (1) Effective as of December 6, 2006, the City of Canby executed Resolution No. 938, accepting the results of the November 7, 2006, general election by voters of the City approving annexation of 1.03 acres of property, consisting of one tax lot (1800 of Tax Map 3-1E-28CD), into its city boundary. The address of the parcel is 1480 N. Holly Street. This annexed parcel does not have any PGE facilities. There are no PGE customers at this location and therefore there are no facilities to be sold.
- (2) Effective as of December 6, 2006, the City of Canby executed Resolution No. 939, accepting the results of the November 7, 2006, election by voters of the City approving annexation of approximately 73.35 acres of property. The parcel consists of tax lots 100, 101, 102, and 103 of Tax Map 4-1E-03 located in the Southwest Quadrant of the city, North of SW 13th Avenue, West of Mulino Road and South of S Township Road. This annexed parcel serves one customer and contains PGE facilities (one commercial and one residential meter). The sale price was \$894.10.
- (3) Effective as of December 6, 2006, the City of Canby executed Resolution No. 940, accepting the results of the November 7, 2006, election by voters of the City approving annexation of approximately 1.7 acres of property. The parcel consists of tax lot 1300 of Tax Map 3-1E-27CB located at 1203 NE Territorial Road. This annexed parcel serves one PGE customer and contains PGE facilities (one residential meter). The sale price was \$127.00.
- (4) Effective as of June 20, 2007, the City of Canby executed Resolution No. 954, accepting the results of the May 15, 2007, special district election by voters of the City approving annexation of approximately 1.95 acres of property. The parcel consists of tax lot 1301 of Tax Map 4-1E-4CA) located at 1401 S. Fir Street. This annexed parcel does not contain PGE facilities. There are no PGE customers at this location and therefore there are no facilities to be sold.
- (5) Effective as of June 20, 2007, the City of Canby executed Resolution No. 955, accepting the results of the May 15, 2007, special district election by voters of the City approving annexation of approximately 32.62 acres of property. The parcel consists of tax lots 2400 and 3100 of Tax Map 3-1E-34 located at 23849 S. Mulino Road. This annexed parcel serves three PGE customers and contains PGE facilities (one residential and one commercial meter at 23849 S. Mulino Road and two irrigation, one residential and two commercial meters at 23625 S. Mulino Road). The sale price was \$4,942.41.

NOTICE

Legal notice of this matter was published in the Canby Herald on December 13 and December 20, 2008. No requests for hearing were received.

DISCUSSION

The Commission Staff (Staff) supports PGE's application. Staff notes that the CUB and PGE each provide utility service to customers by the distribution of electricity. Recognizing that both companies desire to prevent duplication of electric utility facilities as mentioned in the Agreement, Staff finds the CUB can provide economical service to these territories because the CUB will be providing exclusive electric utility service within those areas, preventing the duplication of facilities. Staff concludes that the Territory Allocation changes are acceptable and not contrary to the public interest.

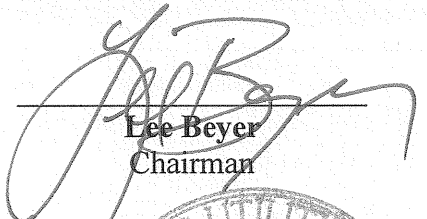
CONCLUSION

For the reasons cited above, the proposed transfer of customers and facilities is reasonable and not contrary to the public interest. Pursuant to Oregon Revised Statute 758.410(2), PGE's application should be granted in its entirety.

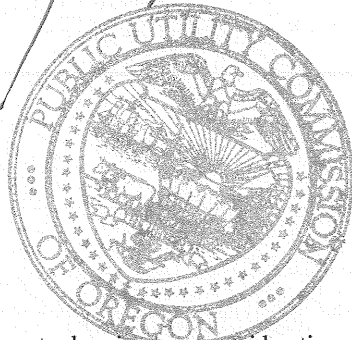
ORDER

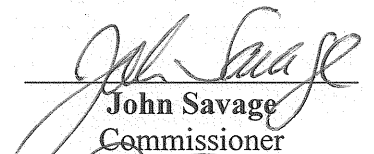
IT IS ORDERED that Portland General Electric Company's Application for Approval of Transfer of Customers and Facilities to Canby Utility Board is granted.

Made, entered and effective FEB 04 2009



Lee Beyer
Chairman





John Savage
Commissioner



Ray Baum
Commissioner

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 in OAR 860-014-0095. A copy of any such request must also be served on each party to the proceeding as provided by OAR 860-013-0070(2). A party may appeal this order by filing a petition for review with the Court of Appeals in compliance with ORS 183.480-183.484.