

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UA 158

In the Matter of

PORTLAND GENERAL ELECTRIC
COMPANY

Application for Approval of Contract
Between PGE and CANBY UTILITY
BOARD, Allocating Certain Utility Service
Territory in Clackamas County.

ORDER

DISPOSITION: APPLICATION APPROVED

On July 20, 2010, Portland General Electric Company (PGE) filed an application (Application) with the Public Utility Commission of Oregon (Commission) for the approval of transfer of customers and facilities to the Canby Utility Board (the CUB), under a contract among PGE, the City of Canby (Canby), and the CUB, allocating to the CUB certain service territory and customers in Clackamas County. This application was submitted under ORS 758.430 and OAR 860-025-0015. PGE requests approval of its application to prevent unnecessary duplication of facilities.

On September 13, 2010, Commission Staff (Staff) filed correspondence in response to the application. Staff concludes that the application is in the public interest and recommends that the Commission approve the application.

I. BACKGROUND

On April 4, 1962, PGE and Canby entered into an agreement concerning the allocation of electric service territory, which was approved by Commission Order No. 38537. Canby subsequently transferred all of its powers and duties to construct, acquire, expand, and operate the electric system to the CUB, by charter amendment, effective January 2, 1969.

PGE and the CUB entered into an amendment (Amendment No. 1) to the agreement, which makes certain modifications to the agreement. The Amendment was approved by Commission Order No. 98-356.

Under the terms of the Amended Agreement, the CUB may provide electric service within any territory annexed to the City of Canby 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.¹

II. DISCUSSION

This application relates to PGE transferring customers and facilities to the CUB and for three annex parcels of property adjusting PGE's service territory as specifically described in PGE's application.² Commission approval is needed for PGE to transfer the customers and facilities to the CUB and for the service territory allocation to be adjusted.

PGE explains in its application that the CUB is the sole provider of electric service within the city limits and that the CUB is best able to provide that service. Any attempt by a neighboring utility to construct new electric facilities or permit old facilities to remain in the area to service these customers would be duplicative and wasteful.³

III. CONCLUSION

The CUB and PGE each provide utility service to customers by the distribution of electricity. We recognize both companies' desire to prevent duplication of electric utility facilities as mentioned in the parties' agreement and amendment. We believe the CUB can provide economical service to these territories for the reason that it will be providing exclusive service within those areas, preventing the duplication of facilities.

We find that the proposed territory allocation change as requested by Portland General Electric Company is reasonable and is not contrary to the public interest. The application meets the requirements of ORS 758.430, and should be granted in its entirety.

¹ See Attachment 2 to Application.


² Application at 2-3.

³ Application at 4.

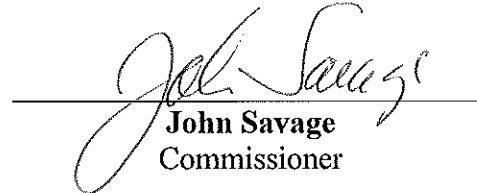
IV. ORDER

IT IS ORDERED that the application of Portland General Electric Company for the approval of transfer of customers and facilities to the Canby Utility Board, allocating to the Board certain service territory and customers in Clackamas County, is granted.

Made, entered, and effective OCT 18 2010.



Ray Baum
Chairman



John Savage
Commissioner

COMMISSIONER ACKERMAN WAS
UNAVAILABLE FOR SIGNATURE

Susan K. Ackerman
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.