

ORDER NO. 12 236

ENTERED JUN 26 2012

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UE 255

In the Matter of

PORTLAND GENERAL ELECTRIC
COMPANY,

Revises tariff to reflect suspension of PGE
UNITY Program

ORDER

DISPOSITION: ADVICE NO. 12-12 ALLOWED

On May 23, 2012, Portland General Electric Company (PGE) filed Advice No. 12-12 to eliminate its Unity Program. The Unity Program is a collaborative service offered by PGE and Northwest Natural Gas Company (NW Natural) to coordinate installations of utility service for builders and developers. PGE requested that Advice No. 12-12 be allowed to go into effect July 1, 2012, on less than statutory notice.

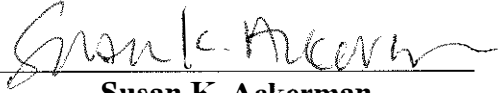
At the Public Meeting on June 19, 2012, we considered Staff's recommendation to suspend PGE's filing and open an investigation. The Staff Report is attached as Appendix A to this order.

Representatives of PGE and NW Natural were present at the meeting. NW Natural explained that the Unity Program is not a part of its tariff, but instead is offered with PGE through a partnership agreement. The utilities explained that the Unity Program should be discontinued for three primary reasons. First, many elements of the Unity Program have been incorporated into the utilities' normal construction practices. NW Natural notes that its regular construction planning times have improved dramatically and running redundant programs is a burden on NW Natural ratepayers. Second, the Unity Program outsource contracting is 25 percent more expensive to the utility than regularly scheduled construction. Third, many of the cost benefits provided by the Unity Program no longer exist. NW Natural notes that only about 30 percent of its building community uses the Unity Program, and that demand for the program has also been impacted by the decline in new construction.

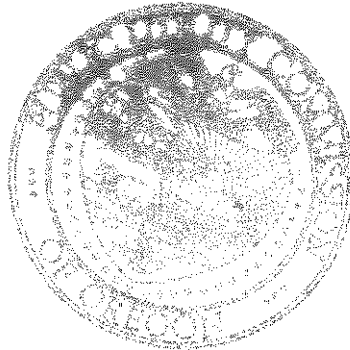
Based on the comments presented, we declined to adopt Staff's recommendation to suspend PGE's Advice 12-12 and open an investigation. Advice No. 12-12 was allowed to go into effect for service on or after July 1, 2012.

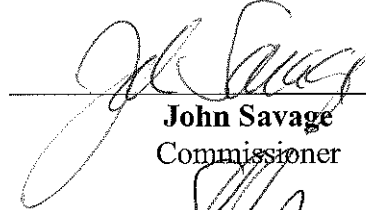
This order memorializes the decision of the Public Utility Commission of Oregon made and effective at a public meeting held on June 19, 2012.

Dated this 26 day of June, 2012, at Salem, Oregon.



Susan K. Ackerman
Chair





John Savage
Commissioner



Stephen M. Bloom
Commissioner

A party may request rehearing or reconsideration of this order under 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 860-001-0720. A copy of the request must also be served on each party to the proceedings as provided in OAR 860-001-0180(2). A party may appeal this order by filing a petition for review with the Court of Appeals in compliance with ORS 183.480 through 183.484.

ITEM NO. 3

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: June 19, 2012

REGULAR X CONSENT _____ EFFECTIVE DATE July 1, 2012

DATE: June 11, 2012

TO: Public Utility Commission

FROM: Lisa Gorsuch *LG*

THROUGH: Jason Eisdorfer, Maury Galbraith, and Lori Koho *MG* *UK*

SUBJECT: PORTLAND GENERAL ELECTRIC: (Docket No. UE 255/Advice No. 12-12) Revises tariff to reflect suspension of the Unity Program.

STAFF RECOMMENDATION:

Staff recommends that Portland General Electric's (PGE or Company) Advice No. 12-12, proposed suspension of the Unity Program, be suspended, the associated request for Less Than Statutory Notice (LSN) be denied, and the issues and concerns identified by Staff and comments received from customers, be investigated in Docket No. UE 255.

DISCUSSION:History

The Unity Program allows for the coordination of as many as four utility installations in one ditch at one time, including electric, gas, telephone, and cable services. This program has been in existence, in one form or another, since the early 1990s. It began as a pilot program in Washington County before being offered in PGE and Northwest Natural's (NWN) shared service territory.¹

The Unity Program has provided many benefits to the construction industry using this one trench installation of utilities in new housing developments. It has saved time, money, improved safety, and limited environmental impacts, to list just a few of the advantages.

¹ NWN provides service in areas outside of PGE's service area.

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Filing

PGE filed Advice No. 12-12, with LSN, on May 23, 2012, with an effective date of July 1, 2012. The Company proposes to revise language in Rule I, Line Extensions, removing references to the Unity Program, as a result of its proposed suspension. Changes are proposed to the following tariff sheets:

- First Revision of Sheet No. I-4
- First Revision of Sheet No. I-9
- First Revision of Sheet No. I-10

The partnership between PGE and NWN to offer this program is facilitated by contract. The participation of the telephone and cable companies, in the one trench installation of utilities, is informal by comparison.

According to PGE, NWN initiated a discussion to suspend the Unity Program due to its reduced demand resulting from the downturn in the economy, which has slowed new construction dramatically. PGE indicates that it does not oppose suspension of the program. A notification strategy was developed and implemented by PGE and NWN to inform users that the Unity Program would be ending and detailing how installations would be scheduled moving forward.

Since receiving the proposed suspension of the Unity Program, the Commission has received several phone calls from those benefitting from one trench installations, objecting to the program coming to an end.

Staff submitted data requests to both PGE and NWN regarding the many benefits that would no longer be realized with suspension of organized one trench utility installation. The companies had very little time to provide in depth responses due to the limited time between the date PGE's Advice No. 12-12 was filed and its proposed effective date.

Staff concludes that additional time is warranted to review impact of costs and benefits relating to the suspension of the Unity Program. This would also give users of the program time to comment and be informed about the ultimate outcome.

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PROPOSED COMMISSION MOTION:

1. PGE's Advice No. 12-12 be suspended.
2. PGE's Application for an LSN be denied.
3. The issues and concerns identified by Staff and the comments received from customers, be investigated in Docket No. UE 255.

PGE Advice No. 12-12