

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UA 171

In the Matter of

WEST OREGON ELECTRIC
COOPERATIVE and PORTLAND
GENERAL ELECTRIC COMPANY,

Joint Application for Approval of Allocation
of Service Territory for a Specific Customer.

ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

At its public meeting on March 21, 2019, the Public Utility Commission of Oregon adopted Staff's recommendation in this matter. The Staff Report with the recommendation is attached as Appendix A.

BY THE COMMISSION:



A handwritten signature in blue ink, appearing to read "Nolan Moser".

Nolan Moser
Chief Administrative Law Judge

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 Circuit Court for Marion County in compliance with ORS 183.484.

ITEM NO. CA4

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: March 21, 2019

REGULAR _____ CONSENT X EFFECTIVE DATE Upon Approval

DATE: March 11, 2019

TO: Public Utility Commission

FROM: Paul Rossow ^{PR}

THROUGH: Jason Eisdorfer ^{alpw} and JP Batmale ^{JB}

SUBJECT: West Oregon Electric Cooperative, Inc. and Portland General Electric Company: (Docket No. UA 171) Request Allocation of Service Territory for a Specific Customer.

STAFF RECOMMENDATION:

Staff recommends the Public Utility Commission (Commission) approve the Customer Allocation Agreement, as amended, between West Oregon Electric Cooperative, Inc. (WOEC) and Portland General Electric (PGE) (collectively Applicants) for new service to a specific customer (Hering Property).

DISCUSSION:

Issue

Whether the Commission should approve a customer allocation agreement between PGE and WOEC for the purpose of allowing PGE to serve the Hering Property located within the WOEC service territory.

Applicable Rule or Law

Under ORS 758.410(1):

Any person providing a utility service may contract with any other person providing a similar utility service for the purpose of allocating territories and customers between the parties and designating which territories and customers are to be served by which of said contracting parties; and the territories and customers so allocated and designated may include all or

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any portion of the territories and customers which are being served by either or both of the parties at the time the contract is entered into, or which could be economically served by the then existing facilities of either party, or by reasonable and economic extensions thereto.

A contract allocating territory or customers must be filed with the Commission and contain the information required in OAR 860-025-0010. The Commission, in turn, must publish notice of the filing within thirty days, allowing any customer, or if the Commission chooses, to request a hearing within thirty days of the notice. ORS 758.420. When no hearing is held, on the basis of the applicant's filing the Commission "shall enter an order either approving or disapproving the contract as filed, together with any appropriate findings of the facts supporting such order." ORS 758.425.

The criteria for approving an allocation contract are set forth in ORS 758.415. Under this statute, if the Commission finds (1) that the contract will eliminate or avoid unnecessary duplication of facilities, (2) will promote the efficient and economic use and development and the safety of operation of the utility systems of the parties to the contract, and (3) provide adequate and reasonable service to all territories and customers affected thereby, the Commission must approve the contract.

Analysis

Relevant Facts

The Applicants each provide retail electric service within exclusive territories approved by the Commission. The Applicants respective service territories include areas located adjacent to each other in Washington County, Oregon. WOEC received a request to install a line extension and provide retail electric service on SW Hering Road in Gaston, Oregon 97119, at Tax Lot 1600, located entirely within WOEC's service territory but in close proximity to PGE's service territory just to the south of the Hering Property. WOEC does not currently service the Hering Property because of the denial of an easement from a nearby customer of WOEC that would be necessary to extend its facilities and serve the Hering Property. PGE has facilities approximately 2,334 feet away that provide the capacity necessary to serve the customer at the Hering Property with a line extension. A description of the Hering Property where the Customer requests service is:

A tract of land located in the southwest one-quarter of the southeast one-quarter of Section 29, Township 1 South, Range 4 West, of the Willamette Meridian, Washington County, Oregon, described as follows:

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Beginning at the southeast corner of the southwest one-quarter of the southeast one-quarter of said section 29; thence along the south line of said southeast one-quarter, North 89° 26' 54" West 100.00 feet; thence leaving said line, North 00° 19' 50" East 300.00 feet; thence South 89° 26' 54" East 100.00 feet to a point on the east line of said southwest one-quarter of the southeast one-quarter; thence along said line, South 00° 19' 50" West 300.00 feet to the point of beginning.

WOEC and PGE entered into a customer allocation agreement in August 17, 2018. Under the agreement, PGE is allowed to serve only the Hering Property within WOEC's territory and no part of either Applicant's service territory will be transferred or allocated. The Applicants applied for approval of the agreement with the Commission on December 7, 2018, with a copy of the agreement attached to the application. The Applicants amended the application and agreement on March 7, 2019. Notice of the application was published on December 28, 2018 and January 4, 2019. No timely request for hearing was received.

Discussion

Staff reviewed the joint application, the customer allocation agreement, PGE's construction drawing, the Commission's GIS data, amended Joint Application, Amendment No. 1 to Customer Allocation Agreement, and revised Attachment B. Staff sent three information requests to the Applicants. Staff was able to obtain responses from the specific customer, WOEC and PGE.

The Applicants amend the existing Agreement dated August 17, 2019, to correct a typographical error relating to the description of the street location of the Hering Property, identified now as "SW Hering Road, in Gaston, Oregon 97119, at Tax Lot 1600."

In approving customer allocation agreements, the Commission evaluates the merits of the application based on ORS 758.415. Staff finds the proposed agreement meets the criteria set forth in the statute.

First, this agreement avoids unnecessary duplication of facilities due to the fact that WOEC does not currently serve the Hering Property because of the lack of an easement from a nearby WOEC customer. Approval of the agreement will allow PGE to serve the customer with a single line extension.

Second, the agreement promotes efficient and economic use and safe development and operation because no service territory will be transferred or allocated and no facilities or equipment are being sold, exchanged, transferred, or leased. The customer

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fully supports the agreement and would garner the added convenience of having a single utility serving the Hering Property.

Third, the agreement ensures that the new customer will receive adequate and reasonable service because PGE has the capacity necessary to serve the SW Hering Property from nearby facilities approximately 2,334 feet away.

PROPOSED COMMISSION MOTION:

Approve the customer allocation agreement between West Oregon Electric Cooperative, Inc. and Portland General Electric Company, filed December, 7, 2018, and Amendment No. 1 to Customer Allocation Agreement, filed March 7, 2019.

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