

ORDER NO. 21-222

ENTERED Jul 15 2021

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UA 174

In the Matter of

WEST OREGON ELECTRIC
COOPERATIVE, INC. AND PORTLAND
GENERAL ELECTRIC COMPANY,

Request Allocation of Service Territory for a
Specific Customer.

ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

At its public meeting on July 13, 2021, 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.

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: July 13, 2021**

REGULAR ____ **CONSENT** **X** **EFFECTIVE DATE** Upon Approval

DATE: June 22, 2021

TO: Public Utility Commission

FROM: Paul Rossow

THROUGH: Bryan Conway, JP Batmale, and Kim Herb **SIGNED**

SUBJECT: WEST OREGON ELECTRIC COOPERATIVE, INC. AND PORTLAND
GENERAL ELECTRIC COMPANY:

(Docket No. UA 174)

Request Allocation of Service Territory for a Specific Customer.

STAFF RECOMMENDATION:

Staff recommends the Public Utility Commission of Oregon (Commission) approve the Customer Allocation Agreement between West Oregon Electric Cooperative, Inc. (WOEC) and Portland General Electric (PGE) (collectively, Applicants) for new service to a specific customer at 25330 NW Turner Creek Road in Yamhill County, Oregon (Customer's Property) located in Yamhill County, Oregon (Customer).

DISCUSSION:

Issue

Whether the Commission should approve a customer allocation agreement between PGE and WOEC for the purpose of allowing PGE to serve the Customer's 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

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are to be served by which of said contracting parties; and the territories and customers so allocated and designated may include all or 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.

ORS 758.430 provides that any contract that has been approved by the Commission may be subsequently amended by the parties thereto. The Commission must approve such an amendment. Amendments are subject to the procedural requirements as set forth in ORS 758.420 and ORS 758.425.

ORS 758.420 requires contracts to be promptly filed with the Commission, and the Commission must give notice of such a filing within 30 days of receipt. For contract amendments, no hearing is required if all affected customers approve the amendatory agreement.

ORS 758.425 provides that the Commission must enter an order approving or disapproving the contract as filed, together with any appropriate findings of facts that support the order.

OAR 860-025-0015 sets forth the filing requirements for applications for approval of amendments to contracts to avoid or eliminate duplicate utility service, which include (1) the amendatory contract, (2) reference to the Commission order approving the initial contract, and (3) such information required by OAR 860-025-0010 as may assist the Commission in reviewing the application. OAR 860-025-0010 includes the filing requirements for applications for approval of service territory.

The criteria for approving an allocation contract are set forth in ORS 758.415. Under this statute, the standard for contract approval is whether:

...the contract will eliminate or avoid unnecessary duplicating facilities, and will promote the efficient and economic use and development and the safety of operation of the utility systems of the parties to the contract, while providing adequate and reasonable service to all territories and customers affected thereby.

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Analysis

Relevant Facts

On March 8, 2021, PGE and WOEC filed a joint application for approval of allocation of service territory for a specific customer.

PGE and WOEC have an approved territory allocation agreement from 1962, which was subsequently amended in 1990.¹ 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 Yamhill County, Oregon. WOEC received a request to install a line extension and provide retail electric service at the Customer's Property. The Customer's Property is divided by the boundary between WOEC's and PGE's service territories, with approximately three-quarters of the Customer's Property within WOEC's service territory and the southern-most one-quarter of the Customer's Property within PGE's service territory. On January 8, 2021, WOEC and PGE entered into the customer allocation agreement wherein PGE is allowed to serve only the Customer's Property within WOEC's territory. No part of either Applicant's service territory will be transferred or allocated.

WOEC does not currently serve the Customer's Property, which is remote to WOEC's existing facilities but in close proximity to PGE's facilities. WOEC's closest facilities to the Customer's Property is approximately seven miles away, whereas PGE's nearest facility is less than 1,000 feet from the Customer's Property. PGE has indicated it has the capacity available to serve the Customer's Property with a line extension. The location of the Customer's Property where service is being requested is:

A tract of land located in Section 15, Township 2 South, Range 5 West, of the Willamette Meridian, Yamhill County, Oregon.

Notice of the application was published on March 26, 2021 and April 2, 2021. No timely request for hearing was received.

Discussion

Staff reviewed the joint application, the customer allocation agreement, PGE's construction drawing, the Commission's Geographic Information System data, and PGE's and WOEC's responses to a total of five information requests. Staff issued the five information requests to gain a better understanding of the location of the Applicants existing facilities, along with the proposed meter base location, and to provide insight into the Applicants existing allocation agreement. Although PGE and WOEC did not identify in their application that they had a previous allocation agreement approved by

¹ PGE's response to OPUC IR 2; Order No. 91-953.

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the Commission, Staff finds that the requirements of OAR 860-025-0015 have been effectively satisfied, and that the application should be treated as a requested amendment to the allocation agreement currently in place. The joint application also included information required by OAR 860-025-0010.

In approving amendments to 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 Customer's Property. 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 fully supports the agreement and would garner the added convenience of having a single utility serving the Customer's Property.

Third, the agreement ensures that the new customer will receive adequate and reasonable service because PGE has the capacity necessary to serve the Customer's Property from nearby facilities less than 1,000 feet away.

Conclusion

For the reasons listed above, Staff recommends approval of the joint application.

PROPOSED COMMISSION MOTION:

Approve the customer allocation agreement between West Oregon Electric Cooperative, Inc. and Portland General Electric Company, filed March, 8, 2021.

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