

ORDER NO. 00-009

ENTERED JAN 6 2000

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**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

UA 75/UP 167

In the Matter of the Application of	)	
PORTLAND GENERAL ELECTRIC	)	
COMPANY for approval of modifications to	)	ORDER
a contract between PGE and the City of	)	
Forest Grove and approval of the sale of	)	
certain utility assets to Forest Grove.	)	

**DISPOSITION: CONTRACT MODIFICATIONS APPROVED;  
APPLICATION FOR APPROVAL OF SALE OF  
CERTAIN ASSETS DISMISSED**

On July 12, 1999, Portland General Electric Company (PGE) filed an application requesting Commission approval of modifications to a contract between PGE and the City of Forest Grove for allocation of utility service territory and/or approval of the sale of certain utility assets of PGE to Forest Grove. On November 9, 1999, PGE filed an amendment to its application revising the application for approval of modifications to the contract and withdrawing the application for the sale of certain utility assets to Forest Grove.

The Commission approves the withdrawal of the application relating to the sale of certain utility assets and will consider that no further in this order.

**Background**

On April 10, 1962, PGE and Forest Grove entered into an agreement concerning the allocation of electric service territory between them. The contract was approved by the Commission in Order No. 39026, dated January 21, 1963. The present amendment, dated June 28, 1999, makes certain modifications to the original agreement. Specifically, PGE agrees that it will not serve customers within the area inside the green lines on the map of the territory and Forest Grove agrees that it will not serve customers within the area outside the green lines on the map. Also, references in the agreement to a "red" line and to an intermediate territory have been eliminated.

## ORDER

The revised application filed by PGE on November 9, 1999, corrects the boundary line description to more accurately describe the boundaries agreed to by PGE and Forest Grove.

The Commission published a notice of the application pursuant to ORS 420. No objections to the amendment and no requests for a hearing were filed.

PGE filed certain documents as part of this application pursuant to OAR 860-025-0015: the original agreement (Attachment 1 to this order); the amendment to the agreement (Attachment 2); a map of the territory (Attachment 3); and the boundary line description of the territory involved (Attachment 4). With the exception of the map of the territory, these are incorporated in this order and attached as Appendix A, B, and C.

## DISCUSSION

This application is filed pursuant to ORS 758.430, which requires that amendments to contracts for allocation of territories and customers must be filed with the Commission and approved or disapproved by the Commission. The standard for approval is set out in ORS 758.415, which states that the Commission shall approve such a contract:

. . . only if the commission finds, after a hearing as provided in ORS 758.420 to 758.475, that 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.

PGE asserts in its application that the amended agreement will further the goals of avoiding unnecessary duplication of service and promoting efficient and economic use and development of the utility systems of the parties by designating a single provider inside and outside of the single boundary line. PGE also claims that it will clarify to customers which of the two utilities they should look to for service. It further asserts that the allocation will thus provide adequate, reasonable, and safe service. It requests that the Commission therefore grant the application.

The Commission has reviewed the application and attachments to it and concludes that the contract amendment will meet the statutory standards set out above and should be approved.

ORDER

**ORDER**

IT IS THEREFORE ORDERED that:

1. The application for approval of modifications to the contract between PGE and the City of Forest Grove for allocation of utility service territory is granted.
2. The application for approval of the sale of certain utility assets of PGE to the City of Forest Grove is dismissed.

Made, entered, and effective \_\_\_\_\_.

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**Ron Eachus**  
Chairman

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**Roger Hamilton**  
Commissioner

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**Joan H. Smith**  
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 to a court pursuant to ORS 756.580.