



CITY OF
PORTLAND, OREGON

GOVERNMENT RELATIONS

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RE: Docket AR 638 – Proposed OAR 860-024-0018 (subsections 8-10)

Thank you for the opportunity to provide written comments on Docket AR 638. The City of Portland has significant concerns with the cost reimbursement provisions and subjective definitions contained in subsections 8-10 of the most recent draft of OAR 860-024-0018, dated June 10, 2022. We remain committed to working with our utility partners to collaboratively address the need for fire prevention in our communities.

The City met with PGE on June 15, 2022 to specifically discuss the issue and our concerns described below. These comments are being filed ahead of the deadline in the rulemaking process to establish a record of our concerns. The City continues to engage in dialogue with PGE about our respective interpretations of subsections 8-10 and the rule's applicability to the facility described below. The City is an Operator as that term is defined in OAR 860-024-0001(5) and it is our legal interpretation that subsections 8-10 do, in fact, apply to the City.

Background:

The City owns 10 miles of powerline that runs through a portion of the Bull Run Watershed – referred to as the 57kv line. PGE also owns its own portion of powerline in the watershed that feeds power to our Headworks facility. Part of that line (1.65 miles) is shared on the City's 57kv line. PGE maintains its own line in the watershed, but also maintains the entirety of the City's line under a contract the City has with PGE to maintain its 57kv line. The Portland Hydropower Project's (PHP) total annual budget for maintenance, which includes vegetation management, asset maintenance (poles, insulators, etc.), and emergencies, is \$200,000. That's General Fund money, budgeted on an annual basis, which is a limited source at the City.

Issue:

The City's concern regarding the rule as written is that Sections 8-10 of the proposed rule would allow PGE to perform maintenance and then charge us for it. The City currently has a good working relationship with PGE that allows the two entities to work together to prioritize and plan work that fits within the City's budget. We read Sections 8-10 to mean that PGE could declare each identified repair a "risk of fire ignition" that "correlates to heightened wildfire risk" and then, if/when PHP cannot complete the repairs within 180 days, PGE could perform the work itself, bill the City and charge 25% extra. Protecting the drinking water supply for over one million Oregonians is a strong motivation to ensure that this work is completed quickly but increasing the expense of the work by 25% is not within the public interest. Again, the City takes fire prevention in the watershed extremely seriously and is glad to work with PGE each year to address necessary repair and maintenance issues, but the City cannot reasonably be expected to potentially address every repair identified by PGE in one fiscal year.

Proposed Solution:

The City suggests that PUC add a clause that subsections 8-10 of the June 10, 2022 redline version of the rule do not apply to equipment owned by local governments, by exempting local governments as defined in ORS 174.116(1)(b).

Suggested language: Subsections 8-10 of 860-024-0018 do not apply to equipment owned by municipal governments, as defined in ORS 174.116(1)(b).

The City also suggests that "heightened wildfire risk" be better defined using federal or independent organization standards.

Thank you for your consideration of these concerns. Asset maintenance requires planning, prioritization and budgeting. The City needs to maintain the ability to budget and spend its limited public resources in a responsible and planned way. The City and PGE have had good success working together to meet shared objectives and to manage limited resources in the most effective manner. We hope to continue that partnership.

Please contact me at eric.noll@portlandoregon.gov for questions or discussion regarding the comments above.

Sincerely,



Eric Noll
State Government Relations Manager
City of Portland