



CITY OF SANDY, OREGON

CITY OF SANDY  
ELECTRONIC DOCUMENT ARCHIVING  
COVER SHEET

FOLDER STRUCTURE

Agreements (Department)

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DOCUMENT NAME:

Agmt. PGE Franchise

DATE RANGE:

<input checked="" type="checkbox"/> 1995-2000	<input type="checkbox"/> 1975-1980
<input type="checkbox"/> 1990-1995	<input type="checkbox"/> 1970-1975
<input type="checkbox"/> 1985-1990	<input type="checkbox"/> Before 1970
<input type="checkbox"/> 1980-1985	

RETENTION:

<input type="checkbox"/> None	<input checked="" type="checkbox"/> 10 years
<input type="checkbox"/> 1 year	<input type="checkbox"/> 20 years
<input type="checkbox"/> 2 years	<input type="checkbox"/> Permanent
<input type="checkbox"/> 5 years	

DISPOSITION OF DOCUMENT AFTER SCANNING:

Return to Department - Marleen

Store at \_\_\_\_\_

Recycle

file - PGE

**HUTCHISON, HAMMOND, WALSH & GOSS**

A Professional Corporation

ATTORNEYS AT LAW

21790 WILLAMETTE DRIVE

P.O. BOX 648

WEST LINN, OREGON 97068

Email: info@hhwg.com

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◆LL.M. IN TAXATION  
●Also admitted in WA  
■Also admitted in CA and WA

**Facsimile Transmittal**

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NUMBER OF PAGES: 1

**CONFIDENTIAL**  
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**M E M O R A N D U M**

**TO :** Dirk Borges, General Manager, Canby Utility Board  
Scott Lazenby, City Manager, City of Sandy  
Ron Partch, City Administrator, City of Gladstone

**FROM:** John H. Hammond, Jr.

**RE :** Draft Legislation regarding Franchise Fees, in leu of Tax  
Payments and Privilege Taxes

**DATE:** October 13, 1998

I have enclosed a draft of proposed legislation regarding electric franchise fees, in leu of tax payments, and privilege taxes prepared by Ben Walters of the City of Portland. I would appreciate your reviewing the same and giving me your comments.

Respectfully submitted,

*John H. Hammond, Jr.*

John H. Hammond, Jr.



CITY OF  
**PORTLAND, OREGON**  
 OFFICE OF CITY ATTORNEY

Jeffrey L. Rogers, City Attorney  
 City Hall, Suite 430  
 1221 S.W. 4th Avenue  
 Portland, Oregon 97204  
 Telephone: (503) 823-4047  
 Fax No.: 823-3089

FAX COVER SHEET

DATE: October 12, 1998

TO: **Jane Cummins**  
**League of Cities**  
**Fax No. (503) 823-4185**

**Jack Hammond**  
**Hutchison, Hammond**  
**Fax No. (503) 656-1092**

**Jim Deason**  
**Cable, Huston**  
**Fax No. (503) 224-3176**

FROM: **Benjamin Walters**  
**Fax No. (503) 823-3089**

This transmission contains 6 pages, including this transmittal sheet.

*If you do not receive the number of pages indicated, or if they are not clearly received, please call Janet Long, my legal assistant, at 823-3325. Thank you.*

Comments: At the conclusion of our last meeting, I agreed to act as the scrivener for the Franchise Fee "legal group", and to prepare a draft of our proposed legislation.

I will be sending this to you in hard copy, as well as over the Internet. We could either exchange comments electronically, or we could attempt to reconvene the group. If we were to take a poll, my preference would be to proceed via e-mail if at all possible.

c. Susan Schneider, City of Portland Office of Government Relations  
 David Olson, City of Portland Cable Office (Fax No. 823-5370)  
 Marshall Runkel, Commissioner Sten's Office

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October 12, 1998 (2:39pm)

**DRAFT**

NOTE: New sections are in **boldfaced** type. In amended sections, new matter is in **boldfaced** type. Matter in *italics* is existing law to be omitted or repealed.

**SUMMARY**

Declares legislative policy. Authorizes privilege tax which may be charged by cities to electricity distributors after December 31, 1999.

**A BILL FOR AN ACT**

Relating to municipal charges for use of locally owned public right-of-way by electricity distributors; creating new provisions and amend ORS 221.415.

**Be It Enacted by the People of the State of Oregon:**

**SECTION 1. Statement of Policy.** The Legislative Assembly finds and declares that it is the policy of the State of Oregon that:

(1) Oregon municipalities are responsible for managing locally owned public right-of-way for the general welfare and public benefit;

(2) State law requires electric utilities, as well as electric cooperatives and people's utility districts, to compensate Oregon municipalities for use of the public right-of-way.

Typically, this compensation is calculated in the form of a percentage of the gross revenues collected within the municipality. These revenues are a fundamental component of the general funds relied on by Oregon municipalities to pay for basic city services, including public police, fire and safety;

*Note: Jim Deason was going to supply language regarding in lieu payments by municipal utilities and/or PUD's.*

(3) Significant changes are occurring in the regulation and marketing of electricity;

(4) The deregulation of electricity has or will allow non-traditional suppliers to bypass existing mechanisms for collecting franchise fees or privilege taxes;

(5) Electricity distributors should pay fair compensation for their direct and indirect use of locally owned public right-of-way; and,

(6) In addition to the right of municipalities to manage locally owned public right-of-way and to receive fair compensation for the value thereof, municipalities assess fees for city services provided at the utilities' request. Fees for specific municipal services, or costs of relocation, are in addition to the right to receive fair compensation for the use of right-of-way, and should not be deducted from right of way compensation.

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**SECTION 2. Legislative Purpose.** The Legislative Assembly finds and declares that the purpose of this Act is to:

(1) Respond to electricity deregulation by authorizing municipalities to replace gross revenue-based compensation for use of locally owned public right-of-way by electricity distributors, with volume-based methodologies;

(2) The new volume-based methodology should be generally consistent with the current total amount of fees paid to ensure that Oregon municipalities receive revenues at approximately current levels;

(3) Allow municipalities to continue to locally manage municipally owned public right-of-way, to administer franchises and to seek compensation for use of municipal streets; and,

(4) Require electricity distributors to pay a readily-ascertained, administratively simple volumetric franchise fees, or privilege taxes.

SECTION 3. ORS 221.415 is amended to read:

221.415 Municipal rights of way; *use by electric utilities*; power of city to regulate and impose charges. Recognizing the independent constitutional basis of legislative authority granted to cities in this state by municipal charters, the Legislative Assembly *intends by ORS 221.415, 221.420, 221.450 and 261.305 to reaffirms* the authority of cities to regulate use of municipally owned rights of way and to impose **fair, neutral and nondiscriminatory** charges upon *publicly owned electricity distributors suppliers of electrical energy, as well as privately owned suppliers* for the use of such rights of way.

SECTION 4. Add new ORS 221.425 to read as follows:

**221.425 Municipal regulation of electricity distributors.**

(1) As used in ORS 221.425 and 221.430:

(a) 'Public utility' has the meaning for that term provided in ORS 757.005.

(b) 'Commission' means the Public Utility Commission of Oregon.

(c) 'Council' means the common council, city council, commission or any other governing body of any municipality wherein an electricity distributor provides services.

(d) 'Electricity Distributor' means any public utility, public utility district, electric cooperative, or other person that delivers, transmits or distributes electricity to retail customers within a municipality. 'Electricity distributor' does not include municipal utilities.

(e) 'Municipality' means any town, city or other municipal government wherein distribution property of an electricity provider is located.

(f) 'Person' means an individual, corporation, association, or partnership.

(2) Every municipality may:

(a) Determine by contract, or prescribe by ordinance or otherwise, the terms and conditions, including payment of a privilege tax to the extent authorized by ORS 221.430

1 and other charges and fees, upon which any electricity distributor may be permitted to  
2 occupy the streets or highways within such municipality and exclude or eject any electricity  
3 distributor therefrom.

4 (b) Require any electricity distributor, by ordinance or otherwise, to make such  
5 modifications, additions and extensions to its physical equipment, facilities or plant or  
6 service within such municipality's streets, highways or other public property as shall be  
7 reasonable or necessary in the interest of the public, and designate the location and nature  
8 of all additions and extensions, the time within which they must be completed and all  
9 conditions under which they must be constructed.

10 (c) Fix by contract, prescribe by ordinance, or in any other lawful manner, the rates,  
11 charges or tolls to be paid to, or that may be collected by, any electricity distributor or the  
12 quality and character of each kind of product or service to be furnished or rendered by any  
13 electricity distributor furnishing any product or service within such city. No schedule of  
14 rates, charges or tolls, fixed in the manner provided in this paragraph, shall be so fixed for  
15 a longer period than five years. Whenever it is proposed by any city to enter into any  
16 contract, or to enact any ordinance, or other municipal law or regulation concerning the  
17 matters specified in this paragraph, a copy of such proposed contract, ordinance or other  
18 municipal law or resolution shall be filed with the Public Utility Commission of Oregon  
19 before the same may be lawfully signed or enacted, as the case may be, and the commission  
20 shall thereafter have 90 days within which to examine into the terms thereof. If the  
21 commission is of the opinion that in any respect the provisions of the proposed contract,  
22 ordinance or other municipal law or resolution are not in the public interest, the  
23 commission shall file, in writing, with the clerk or other officer who has the custody of the  
24 files and records of the city, the commission's reasons therefor. If the objections are filed  
25 within said period of 90 days, no proposed contract, ordinance or other municipal law or  
26 regulation shall be valid or go into effect until it has been submitted to or ratified by the  
27 vote of the electors of the city. Unless and until a city exercises its powers as provided in  
28 this paragraph, the commission is vested with all powers with respect to the matters  
29 specified in this paragraph. If the schedule of rates, charges and tolls or the quality and  
30 character of each kind of product or service is fixed by contract, ordinance or other  
31 municipal law or regulation and in the manner provided in this paragraph, the commission  
32 has no power or jurisdiction to interfere with, modify or change it during the period fixed  
33 thereby. Upon the expiration of said period such powers shall again be vested in the  
34 commission, to be exercised by the commission unless and until a new schedule of rates or  
35 the quality and character for such service or product is fixed or prescribed by contract,  
36 ordinance or other municipal law or regulation in the manner provided in this paragraph.

37 (d) Provide for a penalty for noncompliance with the provisions of any charter  
38 provision, ordinance or resolution adopted by the city in furtherance of the powers  
39 specified in this subsection.  
40

41 SECTION 5. Add new ORS 221.430 to read as follows:  
42

43 221.430 Municipal privilege tax on electricity service providers; maximum rate.

1 (1)(a) The council or other governing body of every municipality in this state may levy  
2 and collect from every electricity distributor operating within the municipality and actually  
3 using the streets, alleys or highways, or all of them, in such municipality for other than  
4 travel, a privilege tax for the use of those streets, alleys or highways, or all of them, in such  
5 municipality. The privilege tax shall be a volume-based upon the amounts of electricity  
6 delivered, transmitted or distributed to retail customers within the municipality, measured  
7 in kilowatt-hours. The privilege tax authorized in this section shall be for each year, or part  
8 of each year, that such electricity distributor operates within the municipality.

9 (b) Transition from "Gross Revenues" to a Volumetric fee. For the purposes of ORS  
10 221.430(1)(a), "Gross Revenues" means revenues received by electricity distributors from  
11 operations within a municipality, less net uncollectibles, including revenues from the use,  
12 rental or lease of operating facilities, other than residential-type space and water heating  
13 equipment. "Gross Revenues" shall not include proceeds from the sale of bonds, mortgage  
14 or other evidence of indebtedness, securities or stocks, sales at wholesale from one public  
15 utility to another when the utility purchasing the service is not the ultimate customer, or  
16 revenue from joint pole use.

17 (A) Maximum Aggregate Revenues. For the year 2000, the total revenues yielded for  
18 any municipality under ORS 221.430(1)(a) shall not exceed the higher of either:

19 (i) The amount of franchise fees, privilege taxes, or other compensation actually  
20 paid by electrical distributors to the municipality for the year 1996; or,

21 (ii) An amount not to exceed five percent of gross revenues earned by electrical  
22 distributors for 1996 within the boundary of the municipality, not including the gross  
23 revenues earned on the business of the United States Government.

24 (B) Mitigation for Customer Classes. Municipalities shall assign privilege tax rates  
25 by customer class so that no class of customers shall pay a rate exceeding five percent of the  
26 1996 gross revenues for such class within the municipality, when the rate is applied to  
27 volume of kilowatt-hours delivered, transmitted or distributed to the respective customer  
28 class within the municipality for 1996.

29 (C) Municipalities may establish privilege tax rates for classes of customers, provided  
30 that the total revenue generated by such rates shall not exceed the amounts in ORS  
31 221.430(1)(b)(A) unless otherwise required by law.

32 (D) On or before April 30, 2000, the Commission shall determine, for each  
33 municipality in this state, the calculations set forth in ORS 221.430(1)(b).

34 (2) A municipality may levy and collect the privilege tax authorized by ORS 221.430(1)(a)  
35 upon energy distributor only with respect to energy delivered, distributed or transmitted  
36 by such energy distributor to retail customers within the municipality.

37 (3) The privilege tax authorized by ORS 221.430(1)(a) shall not apply to the business of  
38 the United States Government.

39 (4)(a) No municipality may, by statute, ordinance or contract entered into on or after  
40 July 1, 2000, or other means, seek or impose compensation for use of public right-of-way  
41 within the municipality by any electricity distributors, which would cause the actual  
42 remittance to the municipality by the energy distributors to exceed the limitations of ORS  
43 221.430(1)(b).





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NUMBER OF PAGES: 2

**M E M O R A N D U M**

**TO :** Dirk Borges, General Manager, Canby Utility Board  
Scott Lazenby, City Manager, City of Sandy  
Ron Partch, City Administrator, City of Gladstone

**FROM:** John H. Hammond, Jr.

**RE :** Update on Drafting of Franchise Fee Legislation

**DATE:** October 5, 1998

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Our League of Oregon City Franchise Fee Small Committee met on Friday, October 2, to discuss drafting a proposed legislation addressing franchise fees in a deregulated environment. The committee is composed of myself, Ben Walters from the City of Portland, Susan Schneider from the City of Portland, Jim Deason, and Jane Cummins of the League of Oregon Cities. There was consensus that there would probably not be a successful deregulation bill in the upcoming legislative session but there would be a number of bills proposed. There is a certainty that the AOI will submit a bill. Those bills will address the franchise fee issue and it is imperative for the League of Oregon Cites to have a counterbill.

It appears relatively clear that the position of the IOU's will be that cities should be maintained whole. What this really means is that we would continue to receive the same gross amount of franchise fees that they presently get. This does not take into account load growth and thus this would not be satisfactory to us.

Our proposal will be to retain the existent rate of franchise fees, in leu of

MEMORANDUM

TO: Dirk Borges, City Manager, City of Canby  
Scott Lazenby, City Manager, City of Sandy  
Ron Partch, City Administrator, City of Gladstone

October 5, 1998

Page 2

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payments, and privilege taxes that are imposed factor and factor that against the total volume of electricity running through the transmission system. An exception to this would be that municipalities that presently impose a franchise fee or in leu of tax payment less than 5% of gross revenue could, in the future, increase their fees to the 5% level. Additionally there are approximately 10 small municipalities that presently impose no franchise fees and this would give them the ability to impose franchise fees in the future up to 5%.

Ben Walters is taking the lead on the preparation of the first draft and I will make it available to you as soon as I receive it.

Respectfully Submitted,



John H. Hammond, Jr.

JHH:rc



**Portland General Electric Company**  
121 SW Salmon Street • Portland, Oregon 97204

October 1, 1998

Scott Lazenby  
City Manager  
City of Sandy  
39250 Pioneer Blvd  
Sandy OR 97055

*Hi Scott!*

Weather forecasters predict that after an El Nino summer, we will see a winter that is wet and cold. Whatever the weather, employees at Portland General Electric are working hard to prepare for the winter season. From a new automated outage phone system, to installing insulated wire and adding distribution lines, PGE is ready to respond to emergencies and outages. We are able to deploy hundreds of employees who have been trained to back up critical areas of the company. In addition, PGE spends about \$11 million each year on preventive maintenance programs such as replacing wires, poles, and switches, trimming trees, and installing squirrel guards to minimize outages.

Although we work hard to minimize outages, we're not ultimately in control - the weather is. It pays to be prepared! Enclosed is our "Guide to Electrical Outages and Home Safety" which is available at our 10 local customer service offices. You can order additional copies by calling the PGE Energy Experts at 1-800-722-9287.

Also enclosed is "Coming to Terms With Power Outages." The blue booklet explains the basics of the electrical generating system and defines terms commonly used by electric utilities. We hope to provide you with a greater understanding of outages and the process for getting the power back on.

We realize that cities, local governments and businesses have public safety concerns during storm-caused outages. We encourage you to develop a plan to coordinate with us and other utilities during outages if you have not already done so. For further information on "being prepared" or to learn about the system PGE has set up to handle emergencies, please contact your PGE account representative or call me at (503) 464-7894.

Sincerely,

*Karen Lee*

PGE Government Affairs

Enclosures (2)

Connecting People, Power and Possibilities

# Electric outages and home safety

This booklet will help you be prepared in case your power goes out. Keep it in your phone book or with your emergency kit for reference. These tips will make you safer and more comfortable.

## What to do if your power goes out:

**1 Check your fuse box or breaker box** for blown fuses or tripped circuits. If they're okay, see if neighbors are without power.

**2 Call PGE immediately.** You may be asked for information, or hear a message if the situation has already been reported. Please call only once so other customers can get through (see numbers on the back of this booklet).



**3 Turn off all electrical equipment,** including your water heater, electric furnace or heaters, stove, washer and dryer, stereo and TV, to help prevent overloading the system when power is restored (major appliances can be turned off at the breaker box). Do, however, turn on a porch light and one inside light so you and PGE's crews will know when service is restored.

**4 Listen to the radio** (battery-powered) for updates on major storm outages.

**5 If your neighbors' power comes back on** but yours does not, call PGE again.

**6 If your lights are very dim or bright** once power is restored, turn off the power at the breaker or fuse box and call PGE.

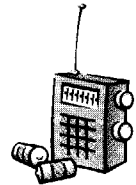
**Portland General Electric**

## Outage kit check list

Most power outages last only about an hour, and they don't happen often, but it pays to be prepared. Make an outage kit now and keep it in a convenient spot.



Flashlight\*



Battery-powered radio\*



Battery-powered or wind-up alarm clock\*



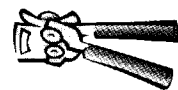
Extra batteries\*



Candles and holders



Matches



Manual can opener

**Other handy items to have:** Bottled water, sanitary water containers (if you rely on electricity to pump water), thermos, disposable plates and utensils, extra blankets or sleeping bags, firewood and kindling, camp lights and lanterns.\*\*

\* Change batteries periodically.  
\*\* Do not use kerosene lanterns indoors unless you have proper ventilation.

PGE's Guide To Electrical Outages And Home Safety

## Play it safe

Tips for kids and parents

- Fly kites in an open field, never near overhead lines. But if your kite does get caught in a power line, don't try to get it untangled—call PGE.
- Don't play with metallic balloons or model air planes near power lines; they can cause dangerous power outages.
- Stay away from substation fences and other electrical equipment.
- Never climb utility poles.
- Electrical outlets are for electric plugs only.
- Water and electricity don't mix. Don't touch anything electrical when you're wet or touching water.
- Don't climb or build anything in a tree with wires passing through it.
- Look up! Watch for overhead power lines when you're fishing, skydiving, ballooning, para-gliding, hang gliding or flying model airplanes or kites.

## Work **safely** near your home.

Working on roof gutters? Keep plenty of space between you and overhead power lines.

Don't let your kids play in trees close to power lines.

Make sure outdoor electrical outlets are grounded and have weatherproof covers.

Before planting or pruning trees near your home, call PGE for a free guide to trees.



Electrical tools should have a three-way grounded plug.

Be aware that tree limbs, metal tools and ladders touching power lines can be electrified.

Before you dig, call the Oregon Utility Notification Center at 246-6699 to have underground power lines marked.

Keep electrical equipment at least 10 feet away from pools or wet surfaces.

**CALL PGE TO REPORT AN OUTAGE OR ELECTRICAL EMERGENCY:**

**PORTLAND**

**464-7777**

**SALEM**

**390-1115**

**OUTSIDE PORTLAND OR SALEM**

**1-800-544-1795**

# Simple precautions to | **stay warm** | safely.

**If an outage occurs during cold weather the temperature inside your home can drop rapidly. Take these simple precautions to stay warm—safely.**

**Save body heat.** Wear a hat, even while sleeping. Wear loose layers of clothing to trap body heat. Keep moving; exercise generates body heat. Use plenty of blankets, and a hot water bottle if you're able to heat water.

**Lock in home heat.** Pick one

room—on the south or west side of the house—and close it off to keep the heat in. Use blankets to insulate windows and doors.

**Be alert for signs of hypothermia** (a drop in core body temperature), especially in infants and the elderly. Air temperatures of even 65°F can trigger hypothermia, and people with certain medical conditions can be more susceptible. If someone has a temperature below 95°F, call for medical help. Check on elderly neighbors, too.

**Keep fire-fighting materials handy** if you're using a fireplace or candles. Have a fire extinguisher, salt, baking soda and heavy blankets.

**Never use kerosene heaters** indoors unless you have proper ventilation. They create harmful fumes.

**Have a backup plan.** If your neighborhood experiences an extended outage, can you stay with friends or relatives in another area of town?

## Around the house

**Never use charcoal briquettes indoors.** They produce deadly carbon monoxide.

**Cordless phones** won't work during an outage. Have a standard or cellular phone as a backup.

**Use home generators safely**—never try to plug one into an electrical outlet. Not only can it ruin your electrical system and start a fire, it can also feed electricity back into a power line thought to be dead and injure or kill utility workers. Call PGE Customer Service for a free home generator safety brochure, 1-800-542-8818.

# How | **PGE restores** | power quickly.

**When the power goes out, our immediate goals are to guard public safety and to restore power to the greatest number of people as quickly as possible. There are seven steps that PGE takes to restore power:**

**1 Protect public safety.** Our top priority is to clear downed power lines and ensure that facilities such as hospitals, fire and police departments, and utilities have power.

**2 Check generation facilities.** We make sure the original power source—the power plant—is operating.

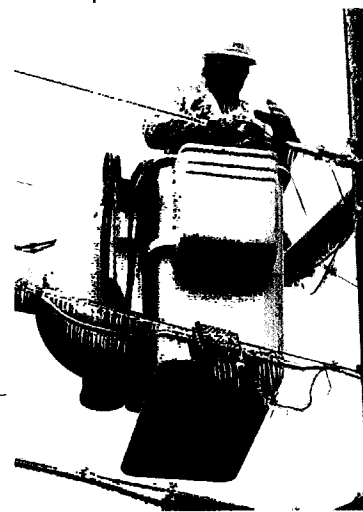
**3 Repair transmission lines.** These keep our hundreds of substations energized.

**4 Repair substations.** The substations convert high-voltage power for home use. Even if you have underground service, you can still lose power when substations and transmission lines are down.

**5 Repair distribution lines.** These main power lines connect substations to neighborhoods and serve 1,000 to 3,000 customers.

**6 Repair tap lines.** These lines feed into pockets of 20 to 300 homes.

**7 Connect individual customers whose power is out.** This is the most difficult and time-consuming step, but before we can connect individual homes, we must complete the previous steps.



**I saw a PGE truck outside my house, but it drove away. Why didn't they restore my power?**

Sometimes a one-person crew will drive through an area to visually assess damage, then move on. This happens when the work requires more equipment or additional crew members because of the type or extent of damage. Other times, a tree crew is needed to remove fallen branches before repairs can begin. But you can be assured that we are working on the situation and we haven't forgotten about you.

**Automatic garage door openers** won't work if the power is out. Check to see if you have a manual override.

**Protect your pipes.** If the power is out and the weather is freezing, leave faucets dripping and wrap pipes to prevent damage.

**Your freezer** will keep food frozen during an outage for about two days if it's full, one day if it's less than half full. Don't open the door. Also, it helps to cover the freezer with blankets.

**Plan ahead for home computers.** An automatic backup program, a good surge protector (not just a power strip) and a battery backup system can all help protect your work. Check with an office supply or computer store.

**If someone in your home is on life support,** be sure to have a backup system and a plan of action for an outage.



Trees



Vandals



Digging



Animals and Birds



Lightning



Overload Equipment Failure



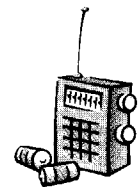
Auto Accidents

## Outage kit check list

Most power outages last only about an hour, and they don't happen often, but it pays to be prepared. Make an outage kit now and keep it in a convenient spot.



Flashlight\*



Battery-powered radio\*



Battery-powered or wind-up alarm clock\*



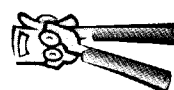
Extra batteries\*



Candles and holders



Matches



Manual can opener

**Other handy items to have:** Bottled water, sanitary water containers (if you rely on electricity to pump water), thermos, disposable plates and utensils, extra blankets or sleeping bags, firewood and kindling, camp lights and lanterns\*\*

\* Change batteries periodically.  
\*\* Do not use kerosene lanterns indoors unless you have proper ventilation.

PGE's Guide To Electrical Outages And Home Safety

## Play it safe

Tips for kids and parents

- Fly kites in an open field, never near overhead lines. But if your kite does get caught in a power line, don't try to get it untangled—call PGE.
- Don't play with metallic balloons or model air planes near power lines; they can cause dangerous power outages.
- Stay away from substation fences and other electrical equipment.
- Never climb utility poles.
- Electrical outlets are for electric plugs only.
- Water and electricity don't mix. Don't touch anything electrical when you're wet or touching water.
- Don't climb or build anything in a tree with wires passing through it.
- Look up! Watch for overhead power lines when you're fishing, skydiving, ballooning, para-gliding, hang gliding or flying model airplanes or kites.

## Work **safely** near your home.

Working on roof gutters? Keep plenty of space between you and overhead power lines.

Don't let your kids play in trees close to power lines.

Make sure outdoor electrical outlets are grounded and have weatherproof covers.

Before planting or pruning trees near your home, call PGE for a free guide to trees.



Electrical tools should have a three-way grounded plug.

Be aware that tree limbs, metal tools and ladders touching power lines can be electrified.

Before you dig, call the Oregon Utility Notification Center at 246-6699 to have underground power lines marked.

Keep electrical equipment at least 10 feet away from pools or wet surfaces.

**CALL PGE TO REPORT AN OUTAGE OR ELECTRICAL EMERGENCY:**

**PORTLAND**

**464-7777**

**SALEM**

**390-1115**

**OUTSIDE PORTLAND OR SALEM**

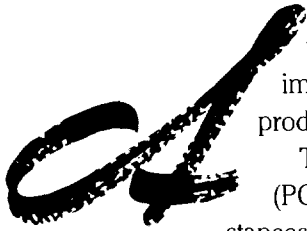
**1-800-544-1795**

# COMING TO TERMS WITH POWER OUTAGES





## FOREWARD



At the flip of a switch or the turn of a knob, electricity provides immediate gratification nearly 100 percent of the time. Few products can make that claim.

There are times, though, when Portland General Electric Co. (PGE) service fails. Usually, it's caused by extraordinary circumstances. A car will crash into a utility pole and knock out power in a limited area, or Mother Nature will unleash a particularly nasty wind or ice storm that will cause major outages throughout PGE's entire service territory. At no other time are customers more acutely aware of how much they depend on electricity.

Now in its second century, PGE is proud of its overall 99.9 percent reliability record. This booklet addresses those times when outages\* occur, covering their causes, PGE's restoration procedures and how to cope when the lights go out. By explaining the basics of the electrical generating system and defining the terms commonly used by electric utilities, we hope to impart a greater understanding of outages and the process for getting the power back on.

## TABLE OF CONTENTS



<i>Outages—what causes them and what Portland General Electric Co. (PGE) does to prevent them.</i>	3
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<i>Coping During an Outage—measures PGE customers should take.</i>	4
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<i>Restoring the Power—PGE's major power outage procedures.</i>	6
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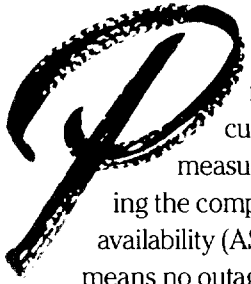
<i>The Electrical System—how electricity is produced, transmitted and distributed.</i>	8
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<i>Coming to Terms—a glossary relating to outages and electrical equipment.</i>	10
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\*An outage refers to utility equipment that is out of service. An interruption means the loss of service to one or more customers. Very often the terms outage and interruption are used interchangeably. Because outage is such a common term for the loss of electrical service, it will be used throughout this booklet.

# Outages



PGE has an excellent record of service to customers. One way to measure this is by determining the company's average service availability (ASA). A 100% ASA rating means no outages. PGE's ASA rating, for the 10 years between 1984-1994, was 99.99%.

## CAUSES OF OUTAGES

On average, there are about 1,000 outages reported each year at PGE. Many are the result of motorists running into utility poles. Conditions such as lightning, falling tree limbs or malfunctions in electrical equipment are also major contributors to outages.

These conditions can cause an open circuit or short circuit—also called faults. An open circuit occurs when one or more conductors (wire, cable, etc.) are broken. Short circuits occur when energized lines touch each other or any object other than an insulator, as when a tree limb contacts an uninsulated wire.

The following are all possible causes of outages:

**Trees**—The major cause of outages in the Northwest, trees can grow into overhead lines, making contact with conductors. Trees felled by homeowners or contractors also cause interruptions.

**Car Accidents**—A motor vehicle hits a pole and damages or breaks it. Such an accident may cause either an open or short circuit, or both. For example, when a pole is knocked down, the powerlines may swing together, touch and cause a short circuit. When the pole is struck, the impact may also break one or more conductors or

damage equipment on the pole. In any of these scenarios, power will likely go out in someone's home.

**Storms**—Wind may cause tree limbs to break and fall onto powerlines, resulting in service interruptions. Ice- or snow-laden tree limbs can fall on conductors, causing either an open circuit or short circuit.

**Lightning**—Lightning flashes are currents of electricity flowing from one cloud to another or between a cloud and the earth. Lightning often strikes trees, high buildings, towers, and also overhead wires and poles, flowing through them to the ground and causing an outage.

**Animals and Birds**—An animal such as a squirrel, or a bird, may cause a short circuit when its body touches a powerline and an adjacent object simultaneously.

**Cable Dig-Ups**—Excavation machinery may accidentally damage or break an underground cable.

**Vandalism**—Insulators damaged by a gunshot or equipment damaged by thrown objects can sometimes cause a failure in the electric system.

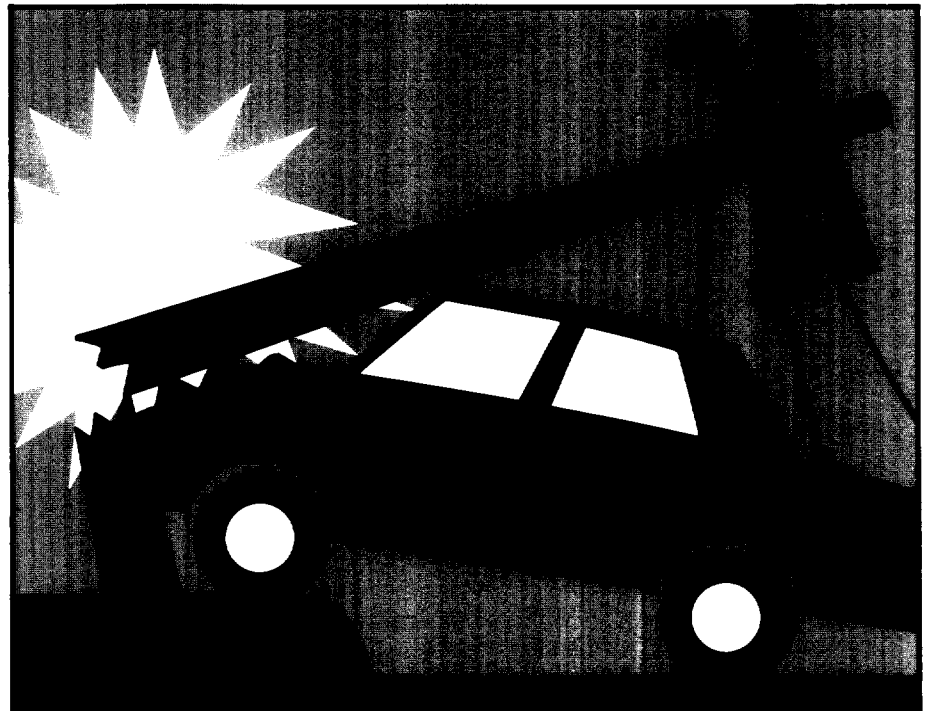
**Overload**—A conductor often melts when high demand for electricity forces it to carry more electric current than its design allows.

**Equipment Failure**—Electrical system equipment, like equipment in any industry, is subject to occasional malfunction or failure.

## PREVENTIVE MEASURES

PGE maintains system reliability through a variety of construction, maintenance, and safety programs to minimize the incidence of outages:

- Use of lightning arresters to provide a path for electrical surges to travel harmlessly to the ground.
- In some locations, use of a grounded static wire just above transmission lines to intercept lightning strikes.



Vehicles crashing into power poles are one of the common causes of power outages.

- Installation of protective covers (squirrel guards) on transformers and other equipment for prevention of short circuits caused by animals.
- PGE tree trimming to minimize tree-related outages.
- Safety education materials that teach elementary school children about electrical safety and the dangers of playing near electrical equipment.
- Membership in the Oregon clearinghouse, which regulates and coordinates excavating activities near underground cables and facilities. Contractors are required by law to check with this agency before digging, to avoid contact with buried lines.
- Supporting research by the Electric Power Research Institute (EPRI) into more effective ways to maintain and repair transmission and distribution lines. The research is geared toward reducing the time for restoring power to overhead and underground facilities.
- Monitoring current on PGE distribution circuits to protect against overloading.

## What Customers Can Do When the Lights Go Out.



PGE provides telephone numbers in the white and yellow pages of the phone book to call in case of service interruption. Customers may also call 228-6322 or the toll-free number 1-800-542-8818 to be transferred to the appropriate department. When reporting an outage,

customers need to provide the following information:

- Name and address
- Time of outage (check stopped electric clocks)
- Are lights out, flickering or dim?
- Are the neighbors' lights out?
- Are the streetlights out?
- Were there any loud noises preceding the outage?
- Have wires fallen to the ground or are there tree limbs on lines?

These details can assist crews who are dispatched to check lines and restore power. During a major storm, when a number of customers report problems, PGE will use these reports and its knowledge of the area and the system to dispatch crews most efficiently.

A crew follows the path of a line looking for problems that may be causing the power failure. Workers may have to remove limbs, replace broken insulators or fuses and close circuit breakers. The more serious the problem, the longer it takes to restore customer service.

Underground distribution lines are generally not affected directly by storm damage, but they are subject to disruptions due to deterioration and digging. Since underground lines cannot be seen, problems cannot be as easily located and identified as on overhead lines. Though PGE is now equipped with sensitive instruments that help detect the location of underground faults, these lines must still be unearthed to repair. As a result, the time required to restore service may be longer than it would be in the case of overhead wires.

The following tips may help reduce

your inconvenience in the event of an electric power interruption.

### *MEASURES TO TAKE*

First check your home service panel or fuse box for tripped circuit breakers or blown fuses. If this is not the problem, check to see if neighbors are without power and report the outage to PGE at once. If power has been restored to neighbors and you are still out of service, report the outage again.

Turn off the furnace, resistance heater (baseboard, portable and zonal wall heaters), water heater, heat pump or air conditioner. Turn off any electrical equipment that was on before the outage so that currents are not overloaded when power is restored. This includes the range, washer, dryer, dishwasher, television and radio. Leave faucets dripping and wrap pipes during cold weather to prevent freezing.

Finally, turn on the porch light switch and one light inside the home. This way you and PGE's repair crews will know when service is restored.

### *HOW TO PREPARE FOR AN OUTAGE*

Assemble an emergency outage kit and put it in a convenient, easy-to-find place. Here are some things you may want to include:

*Flashlight*

*Batteries*

*Candles and holders*

*Matches*

*Battery-powered radio*

*Manual can opener*

*Windup or battery-powered clock*

Other useful items to have on hand during outages include:

*Paper plates and plastic utensils*

*Camper stove and fuel*

*(don't use indoors)*

*Thermos bottle*  
*Blankets*  
*Firewood and kindling*  
*Sanitary containers for water*  
*(especially for those who rely on*  
*electricity to pump water)*

#### **KEEPING FOOD**

Food will stay frozen from about 36 to 48 hours in a fully loaded, closed freezer. Food in a half-full freezer will keep approximately 24 hours. Covering the refrigerator or freezer with blankets or sleeping bags will help retain the cold. During the winter, food life can be prolonged by storing perishables in a cold area outside the home, such as an unheated garage or in a sealed box.

#### **PREVENTING HYPOTHERMIA**

To minimize potential problems from hypothermia (a drop in body temperature) remember these suggestions:

- Loose layers of clothing will trap body heat.
- Use blankets and wear a hat (80 percent of your body heat can be lost through your head).
- Avoid staying in one position too long—exercise generates body heat.
- Stay in the part of the house that will be the warmest. This might be a sunny room with a fireplace. Use blankets to insulate doors and windows. Close the doors to the rest of the house.

#### **SAFETY PRECAUTIONS WHEN WIRES ARE DOWN**

All fallen wires should be treated with extreme caution. *It should always be assumed that a downed wire is energized or "hot."* A sparking end to a

broken wire is not necessary for a line to be energized. *Stay away from fallen power lines and anything they are touching, including puddles of water, fences or people in contact with the fallen wire.* Do not touch a wire or try to move it. Report it immediately by phoning PGE, the fire department, the police department or 911.

If a person is inside a motor vehicle that comes in contact with a broken wire, they should try to drive clear of it; failing that they should remain in the car until help arrives. Anyone outside the vehicle should not touch any part of it.

Don't leave the vehicle unless you or one of your passengers is in imminent danger. If you do need to exit, be sure to leap clear so as not to touch the vehicle and the ground at the same time.

#### **PORTABLE GENERATORS**

In recent years many homeowners have purchased portable or auxiliary generators to provide a backup source

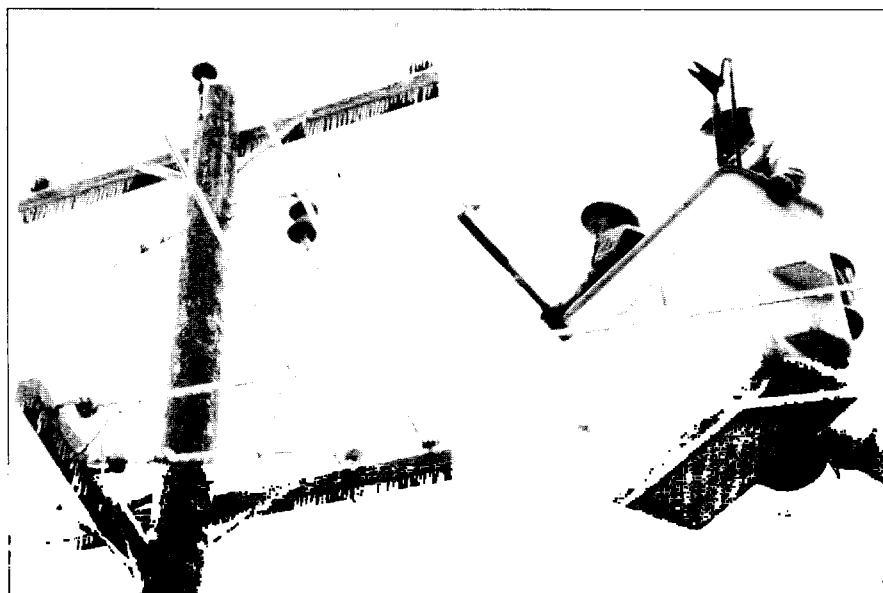
of power. These generators can pose life-threatening danger to electric utility crews if proper procedures for installation and use are not followed.

It is important to remember *never* to connect the generator to a wall outlet.

During an outage, the electricity generated by a portable generator can "*feed back*" into the utility's system. This is dangerous for crews who are repairing downed lines that are presumed to be de-energized, but in fact are still "live" because a generator is feeding back into the line. The unsuspecting worker could be seriously injured or killed.

Generators permanently installed as a part of the home's electrical system must conform to the National Electric Code (NEC) and with various local electrical code enforcement agencies.

The NEC requires an approved transfer switch that prevents electricity from flowing back into utility lines. Before operation, the transfer switch must be inspected and approved by the local code enforcement agency.



*During a major storm, repair work goes on around the clock. PGE crews often run 24–40 hours the first day and work 18-hour shifts after that until work is completed.*

While not required, installations should be reported to PGE so they can be noted on system maps.

## Restoring Power

### SYSTEM CONTROL CENTER

**S**taffed 24 hours each day, the computer-aided System Control Center, located in downtown Portland, directs electrical operations for PGE's entire service area. It often receives first notification of an outage and then coordinates most restoration efforts.

Through monitoring PGE's generating plants, substations and the electrical loads on major transmission and distribution lines, System Control helps power dispatchers analyze problems and take corrective action to reduce the length of an outage. PGE also learns about outages from public safety agencies or over the phone from customers who call one of the company's regional repair offices.

Outage or "trouble reports" are used to pinpoint the source of the problem. Trouble spots are displayed on computer terminals and on a wall-sized system map in the control center. These spots locate the various transmission and distribution lines in the trouble area. Crews are then dispatched from the company's regional offices to isolate the specific problem and restore power.

PGE repair, customer service and public relations employees receive up-to-date outage information, which they provide to customers, news media, local government and business officials.



*A PGE line crew works to repair damage to power lines caused by downed tree limbs during a storm.*

### **PRIORITIES FOR SERVICE RESTORATION DURING MAJOR OUTAGES**

During a major outage in severe weather – such as the Columbus Day storm in 1962, the ice storms of 1979 and 1980, or the windstorm in December 1995 – employees in PGE's regional offices assume responsibility for getting service restored.

Restoration procedures are designed to get the greatest number of people back in service as quickly as possible. Under these conditions, restoration of service follows a predetermined set of priorities. After ensuring public safety by removing downed poles and wires, the first step in restoration is *reconnecting power-generating sources*.

Although it is rare for a power plant to go out of service, when so, it must be repaired before individual customer power can be restored.

After all generating sources are functioning, *major transmission lines* from these plants to substations are put back into service. Next, affected *substations* are returned to service. At this point, it is possible to restore service to thousands of affected customers.

*Distribution or feeder lines* that may be blocking streets or highways and those lines serving priority customers are next on the list for restoration. PGE maintains lists showing the name, location, feeder and substation for priority customers including:

- Hospitals
- Airports
- 911
- Fire and police stations
- Water and sewage plants
- Radio and television stations and newspapers
- Telephone exchanges

Restoration of the *main feeders* from substations to neighborhoods are next. These major lines sometimes provide power to more than 3,000 customers. Consequently, large blocks of customers are back in service as each feeder line is repaired.

Next comes restoration of *tap lines* to smaller groups of customers. Finally, crews start reconnecting *individual customers* who are known to be out of service as a result of their phone calls to repair desks.

Individual service cannot be restored immediately in some cases where equipment has been damaged. If, for example, the meter base has been torn from the side of the home, there is a probability of damage to

the wiring. The meter base must be repaired by a licensed electrician before PGE can reconnect service. This is the responsibility of the customer, not PGE.

In summary, restoration priorities are as follows:

1. Power Generating Plants
2. Major Transmission Lines
3. Substations
4. Distribution or Feeder Lines
5. Tap Lines
6. Individual Service to Customers

#### **MAJOR STORM RESTORATION PROCEDURES**

PGE maintains approximately 100 line, service and other crews at offices throughout its service territory. During major storm conditions, they serve in the front lines of field restoration, often around the clock. Large numbers of other employees also work in the field to assess damage that may require assistance beyond what PGE can provide.

Crew shifts during a major storm initially run 24-40 hours. After the first day, shifts are limited to 18 hours to ensure that employees have enough sleep to perform their jobs safely. As much work as possible is conducted during daylight hours.

#### **EMERGENCY CENTER**

When outages become extensive, PGE can also implement its emergency plan of operation. This places the efforts of the entire company behind the restoration process 24 hours a day. When central repair dispatch becomes overburdened with outage reports, PGE decentralizes and assigns each regional service center the responsibility to restore service for its own territory. Customer calls are

channeled through the PGE Tualatin Customer Center.

*The objective of the major emergency plan of operation is to restore electric service to the maximum number of customers in the shortest possible time with special consideration given to critical customers and services that are essential to public welfare.*

In a widespread outage, PGE crews from non-affected areas are assigned to the hardest-hit areas. If more help is needed, PGE can contact other utilities for assistance. Most utilities have reciprocal agreements to help each other in times of major storm restoration efforts.

#### **HOW DOES PGE AVOID LARGE-SCALE ELECTRIC POWER FAILURES OR BLACKOUTS?**

To ensure reliable service, a utility must be able to meet the maximum demand for electricity even when several of its generating units are out of service or operating at reduced capacity. Reserve capacity must be maintained at all times to cope with these contingencies.

To further ensure reliability, PGE belongs to the Western Systems Coordinating Council (WSCC), a consortium of electric utility companies that look for ways to prevent major and lengthy power outages in the western United States and Canada. PGE maintains electrical interconnection and does joint planning with other WSCC members.

#### **VOLTAGE STABILITY**

The PGE service territory, the Willamette Valley in general and southwest Washington receive much

of their electricity from generating sources east of the Cascade Mountain range. This places a heavy burden on the east-west transmission system. Under certain unusual conditions – for example, extreme cold weather, loss of one or more transmission lines or loss of a major generating plant west of the Cascades – local utilities might need to decrease the amount of electricity delivered to customers.

Thus, a critical condition could arise if the demand for electricity exceeded the transmission capability of the east-west power lines. Though an unlikely possibility, its impact on the region's electricity customers would be enormous. For this reason, the Bonneville Power Administration, PGE and other area utilities

are continually working on long-term plans to prevent this situation.

## The Electrical System



An overall understanding of the nature of electricity, as well as the system that produces it, is the best

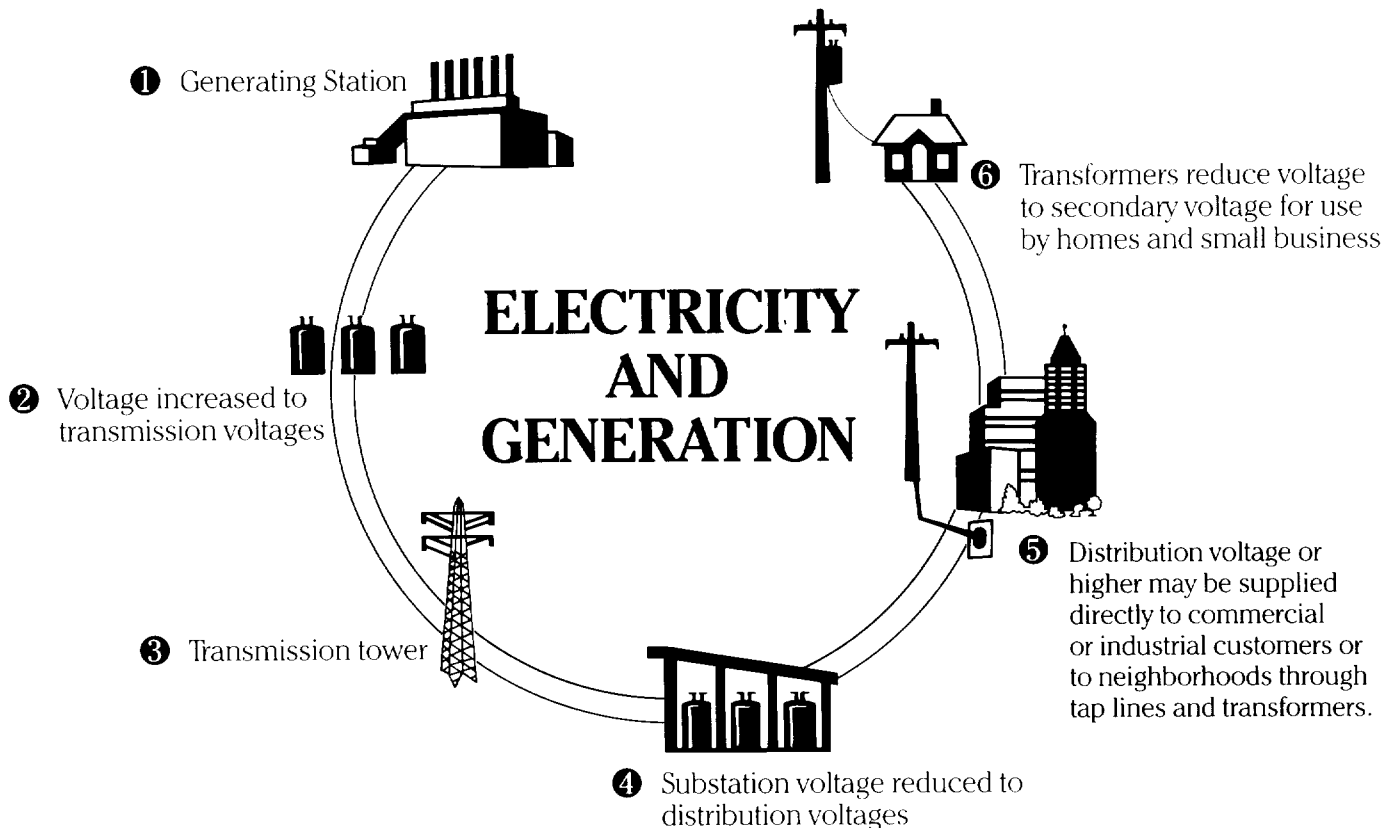
foundation for understanding outages. The essential elements of an electrical system are generating stations, transformers, transmission lines, substations, and distribution lines. The drawing on this page shows these elements and their relationships.

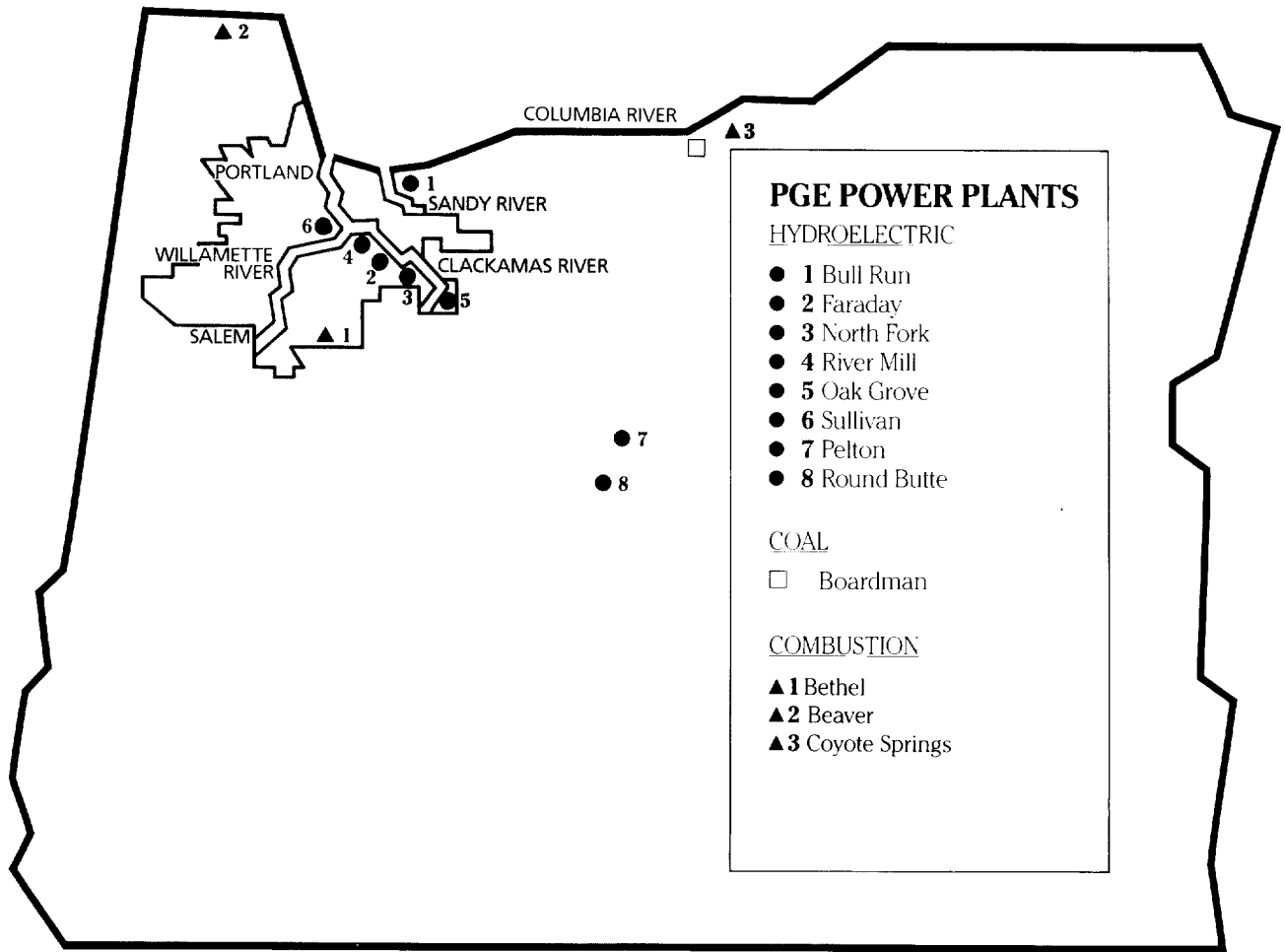
### ELECTRICITY

Electricity is the flow of electrons, tiny particles found in all atoms. Electrons in the atoms of metals such as copper and aluminum are easily pushed and guided into a stream. A coil of metal wire turned near a magnet, or vice versa, will cause electricity to flow in the wire. This is the principle behind electric generating plants. Water or steam is used to turn turbines, which rotate electromagnets that are surrounded by huge coils of wire.

The push transmitted to the electrons by the turbine/magnet device is measured in units called **volts**. The quantity of the flow of electricity is called **current** and is measured in **amperes** (amps).

Multiply volts by amps and you get **watts**—the amount of work the elec-





*PGE's Generating Plants.*

tricity can do. Electrical appliances and motors have certain watt requirements depending on the task they are expected to perform. For convenience, the term kilowatt is used when speaking of power production or power needs (one kilowatt is 1,000 watts).

A power plant produces kilowatts; PGE sells power in units called kilowatt-hours. For example, a 100-watt bulb left on for 10 hours uses one kilowatt-hour of electricity. While energy use varies greatly according to particular needs and habits, PGE residential customers use, on average, about 1,050 kilowatt-hours per month.

**GENERATION**

Electricity is produced at PGE's

eight hydroelectric plants along the Deschutes, Clackamas, Sandy and Willamette rivers, the Coyote Springs Generation Facility, the Beaver Combined Cycle Combustion Turbine Plants, and the Boardman Coal Plant. The Company is also part owner of two additional coal plants in Montana and Washington. PGE has long-term power purchase contracts with hydroelectric plants on the mid-Columbia River and other contracts with utilities and power brokers throughout the region.

Just outside each of PGE's generating plants, devices called transformers step up, or increase, the electricity's voltage – a technique for economically moving large amounts

of power from the generation point to key locations.

**TRANSMISSION**

The system for moving electricity from generating plants to customers is called the transmission and distribution system. Electricity flows through wire cables, known as conductors, every inch of the way from the generator to the lamp on your desk. This continuous system of conductors, which provides a constant flow of electricity, is called a circuit. In 1889, PGE energized the nation's first long-distance transmission line, carrying power generated at Willamette Falls in Oregon City to Portland.





*It's impossible to tell whether a downed power line is live or not. Through advertising campaigns and education programs in schools, PGE instructs people to never go near a downed line.*

PGE transmission lines are interconnected to form a network. If one line fails, another can often take over the load. These interconnections provide a reliable system for transporting power over many paths from generating plants to our communities.

#### **SUBSTATIONS**

Substations are the gatekeepers for the transfer of all power from generator to customer. There are two types of substations. Those near PGE power plants transform electricity to higher voltages for efficient transmission over longer distances.

Those located in or near towns and cities step down, or reduce, transmission voltage so the electricity can be

used by local customers. Substations can be small buildings, underground vaults, or fenced-in yards containing switches, transformers, and other electrical equipment and structures.

#### **DISTRIBUTION**

In the PGE distribution system, wire conductors called distribution feeders reach out in all directions from substations, carrying power to PGE's customers. At key locations along the way, tap lines feed the power to either pole- or pad-mounted transformers, which reduce the voltage to the level needed by the consumer; most homes are supplied by both 120 and 240 volts. The lower voltage is used

for lights, radios and television, while the higher voltage is needed to operate larger appliances such as electric clothes dryers and water heaters.

The PGE transmission and distribution system includes both overhead and underground facilities. In general, the devices and terms are the same for both. In the underground system, distribution transformers are installed at or below ground level. Transformers and other electrical equipment in the overhead system are mounted on poles or other supporting structures. In new construction, most distribution lines are being installed underground.

## Coming To Terms

#### **ALTERNATING CURRENT (AC):**

An electric current that reverses its direction of flow periodically. (In the United States this occurs 60 times a second—60 cycles or 60 Hertz.)

**AMPERE (Amp):** A unit measure for the flow (current) of electricity. A typical home service capability (i.e., size) is 200 amps.

**CABLE:** A fully insulated conductor that can be installed underground or overhead.

**CIRCUIT:** A continuous system of conductors that provide a path of electricity.

**CIRCUIT BREAKER:** A switch that automatically disconnects power to a circuit in the event of a fault condition. Located in substations. Performs the same function as a circuit breaker in a residence.

**CONDUCTOR:** A wire, cable, busbar, rod or tube that serves as a path for electrical flow. The most common conductor is the overhead wire.

**CURRENT:** The amount of electrical charge flowing through a conductor, as compared to volts, which is the force that drives the electrical charge.

**DEMAND:** The total amount of electricity required at any given time by a utility's customers. Demand is expressed in kilowatts or megawatts.

**DIRECT CURRENT:** Electricity that flows continuously in one direction. A battery produces DC power.

**DISTRIBUTION:** Moving electricity to where it gets used, either directly from nearby generators or from interchanges with higher-voltage transmission networks that bring power over longer distances from large power plants.

**ENERGY:** The capability of doing work. In electrical systems it is expressed in kilowatt-hours.

**FAULT:** A failure or interruption in an electrical line or cable or an associated piece of equipment. When the fault current flows to ground, the fault is called a ground fault.

**FUSE/CUTOUT:** Protects the distribution line from overloading. It is used to protect Feeder lines by sectionalizing segments of Tap lines that have a continuing fault.

**GROUND:** An electrical connection to the earth—either a safety feature on a circuit, or an unintentional contact, such as a tree limb brushing a powerline.

**INSULATOR:** The porcelain support used to insulate the conductors from the pole or tower. It's also any material that doesn't carry electrical current.

**INTERCONNECTED SYSTEM:** A system consisting of two or more individual power systems normally operating with connecting tie lines.

**KILOWATT:** The electrical unit of power that equals 1,000 watts.

**KILOWATT-HOUR:** A basic unit of electricity equal to one kilowatt or 1,000 watts of power used for one hour.

**LINE, TRANSMISSION:** A line used to transmit power from a generating plant to a bulk power substation. Usually 500,000 volts or 230,000 volts.

**LOAD:** The amount of electric power or energy delivered or required at any specified point or points on a system. Load occurs primarily at the energy-consuming equipment of the customers.

**MEGAWATT:** 1,000 kilowatts.

**METER BASE:** The metal base attached to a building or dwelling on which the electric meter is mounted.

**PEAK DEMAND:** The maximum amount of electricity required to supply customers.

**POWER CIRCUIT BREAKER:** A switching device that can interrupt a circuit in a power system under overload or fault (short circuit) conditions, usually automatically tripped by protective relays.

**RECLOSER:** A switch that functions like a circuit breaker, protecting primary circuits from fault conditions. A recloser will automatically restore the circuit in the event of a temporary fault. Temporary faults can be caused by such things as a tree brushing the line.

**RELAY:** An electrical device in a substation that causes the power circuit breaker to open when there is trouble on the line.

**SHORT CIRCUIT:** An accidental connection between two points in an electric circuit, such as when a tree limb or an animal bridges the gap between two conductors. This will

cause heavy currents to flow in the line (overload) and result in melting of line fuses and operation of protective devices such as reclosers and circuit breakers.

**SUBSTATION:** An electrical power station without generation capability that serves as a control and transfer point on an electrical transmission system. It serves the following purposes: 1) to route and control electrical power flow; 2) to transform a voltage to a higher or lower voltage; and 3) to serve as a delivery point to an individual customer or customers.

**SYSTEM CONTROL CENTER:** A central location from which a power system can be monitored and controlled.

**TRANSFORMER:** A device used to transform voltage levels to facilitate the transfer of power from the generating plant to the customer. A step-up transformer increases the voltage while a step-down transformer decreases it.

**TRIP:** The action of breaking a circuit. Usually refers to an automatic rather than manual action.

**UNDERGROUND:** Electrical facilities installed below the surface of the earth.

**VOLTAGE:** A measure of the push or force that transmits electricity.

**WATT:** A measure of the work electricity can do.

PGE  
Franchise

**CITY OF WEST LINN**  
**FACSIMILE TRANSMISSION COVER SHEET**

RECEIVED  
OCT 15 1991  
THE CITY OF SANDY

DATE: 10-8  
TO: Mary Wald  
Admin  
AT FAX #: 650-9041

**COMMENTS:**

Here's the current PGE purchase  
agreement  
To: Clay Moorhead  
Sandy  
From: Walt

7 PAGES TO FOLLOW, INCLUDING COVER SHEET

IF YOU DO NOT RECEIVE ALL OF THE PAGES, PLEASE CALL THE UNDERSIGNED AT (503) 656-4261 IMMEDIATELY. THANK YOU.

SIGNED: [Signature]  
CITY OF WEST LINN, FINANCE DEPARTMENT  
2042 8TH AVENUE  
P.O. BOX 29  
WEST LINN, OREGON 97068  
FAX # 656-8756



as of July 12, 1972, and shall terminate at the expiration of twenty (20) years from said date, except that in the event the Company shall fail, neglect or refuse for thirty (30) days after demand in writing by the City to perform any or all of the obligations or requirements set forth in this ordinance to be performed by the Company, then the rights and privileges herein granted may be terminated and annulled by the Common Council or other legislative body of the City, and the Company shall forfeit all rights and privileges hereby granted and except that at the end of the first 10-year interval hereof, the City shall have the right to renegotiate the franchise fee payable by the Company, if there has been a substantial change of circumstances affecting the reasonableness of said fee. If the parties cannot agree

with respect to such matter, then the matter shall be submitted to arbitration as provided in ORS Chapter 33 or any act amendatory thereto.

Section 3. That the Company shall, if requested so to do, file with the City Engineer, or other City official designated by the City, maps or sketches showing any proposed construction work to be done by the Company within the corporate limits of the City, and such construction work shall be done in a reasonably safe manner subject to the approval of the official designated by the Council of the City and in accordance with requirements of applicable State laws and City ordinances.

Section 4. That the Company, under the direction of the City or its properly constituted authorities, may make all necessary excavations in any street, alley, road or other public way or place for the purpose of erecting, constructing, repairing, maintaining, removing and relocating poles and other supports for its wires, conductors, lights or street lights; and laying, repairing and maintaining its underground conduits and pipes; and for placing, maintaining and operating its wires and conductors. All poles of the Company shall be erected at the outside edge of the sidewalk unless otherwise directed by the proper City authorities.

Section 5. That when any excavation shall be made pursuant to the provisions of this ordinance, the Company shall restore the portion of the street, alley, road or public way or place to the same condition to which it was prior to the excavation thereof, and all work shall be done in strict compliance with the rules, regulations, ordinances or orders which may be adopted from time to time during the continuance of this franchise by the Common Council of the City or as may be otherwise provided by law.

Section 6. That the City, by its properly constituted authorities, shall have the right to cause the Company to move the location of any pole whenever the relocation thereof shall be for public necessity, and the expense thereof shall be paid by the Company.

Section 7. That nothing in this ordinance shall be construed as in any way to prevent the City from sewerage, grading, paving, planking, repairing, widening, altering or doing any work that may be desirable on any of the streets, alleys, roads, or public ways or places; but all such work shall be done, if possible, in such manner as not to obstruct, injure or prevent free use and operation of the said electric light and power system of the Company.

Section 8. That whenever it shall be necessary in sewerage, grading, or in making any other improvement in any street, alley, road or other public way or place, to remove any pole, underground conduit or equipment belonging to the Company or on which any light, wire or circuit of the Company shall be stretched or fastened, the Company shall, upon ten (10) days' written notice from the City, or its properly constituted authorities, remove such pole, underground conduit, equipment, light, wire or circuit, and if it fails, neglects or refuses so to do, the City, by its properly constituted authorities, may remove the same at the expense of the Company.

Section 9. Whenever it becomes necessary to temporarily rearrange, remove, lower or raise the aerial cables or wires or other apparatus of the grantee to permit the passage of any building, machinery or other object, the said grantee will perform such rearrangement on seven (7) days' written notice from the applicant desiring to move said building, machinery or other objects. Said notice shall bear

the approval of such official as the Common Council may designate, shall detail the route of movement of the building, machinery or other objects, shall provide that the costs incurred by the grantee in making such rearrangements of its aerial plant will be borne by the applicant giving said notice and shall further provide that the applicant giving said notice will indemnify and save said grantee harmless of and from any and all damages or claims of whatsoever kind or nature caused directly or indirectly from such temporary arrangement of the aerial plant of the grantee, and, if required by grantee, shall be accompanied by a cash deposit or a good and sufficient bond to pay any and all such costs as estimated by grantee.

Section 10. That the rights and privileges granted by this ordinance are granted upon the conditions herein contained and also upon the following considerations and conditions to wit:

(a) That Portland General Electric Company shall, within thirty (30) days from the date of this ordinance, file with the City its written acceptance of this ordinance, subject to all the terms, obligations, restrictions, and provisions of this ordinance, and upon the expiration of the allotted time for the acceptance of this ordinance, the same not having been accepted unconditionally, then this ordinance shall become wholly void, inoperative and of no effect.

(b) That in consideration of the rights and privileges herein granted, the Company shall pay to the City a franchise fee of 3-1/2% for the period from August 1, 1972 to December 31, 1972, both days inclusive and for each full calendar year during the life of this franchise beginning with the year 1973 an annual fee of three and one half percent (3-1/2%) of the gross revenue as defined herein for the immediately preceding calendar year.

Gross revenue as used in this ordinance shall be deemed to include any revenue earned within the City from the sale of electric energy after adjustment for the net write-off of uncollectible accounts computed on the average annual rate for the entire Company and excluding sales of electric energy to large industrial customers with nominal demands of 3,000 kw or greater and also excluding sales of electric energy sold by the Company to any public utility when the public utility purchasing such electric energy is not the ultimate consumer. A public utility as defined herein is any individual, partnership, cooperative, corporation or government agency buying electric energy and distributing such electric energy to those utilizing such service.

(c) That in consideration of the agreement of the Company to make such payments, the City agrees that no license, tax or charge on the business, occupation or franchise of the Company shall be imposed upon, exacted from or required of the Company by the City during the term of this ordinance, but this provision shall not exempt the property of the Company from lawful ad valorem taxes.

(d) That on or before the first day of March, 1973, and on or before said day of each year thereafter during the term of this franchise, the Company shall file with the City a statement under oath showing the amount of gross revenue of the Company

within the City on the basis outlined in paragraph (b) hereof for the calendar year immediately preceding the year in which the statement is filed. The annual franchise fee for the year in which the statement is filed shall be computed on the gross revenue so reported. Such franchise fee shall be payable annually on or before the first day of April beginning in the year 1973. Upon receipt of such annual payment the City shall issue its receipt therefor, which shall be full acquittance of the Company for the payment. If controversy arises as to the amount of gross revenue within the meaning of this ordinance, the amount of such gross revenue as determined by the Public Utilities Commissioner of Oregon after examination of the Company's records shall be deemed the correct amount. Any difference of payment due either the City or the Company through error or otherwise shall be payable within fifteen (15) days of discovery of such error. Should the Company fail or neglect to pay any of said annual payments provided for in this Section for thirty (30) days after any annual payment shall become due and payable and after thirty (30) days' written notice from the City, the City, by its properly constituted authority, may at its option either continue this franchise in force and/or proceed by suit or action to collect said payment or declare a forfeiture of this franchise because of the failure to make such payment but without waiving the right to collect earned franchise payments.

(e) That the City reserves the right to cancel this franchise at any time upon one year's written notice to the Company in the event that the City decides to engage in public ownership of light and power facilities and the public distribution of electric energy.

(f) That the Company shall permit the City to string wires on poles of the Company for municipal fire, police and water departments, and for municipal telephone, telegraph and traffic signal systems and to attach to any pole, city fire alarm and police signals, provided that such wires and signals shall be strung so as to interfere as little as possible with the wires of the Company and to conform to the provisions of the National Electrical Safety Code; and further, that the City shall indemnify and hold the Company harmless from loss or damage resulting from damage to property or injury or death to City employees or the public arising from or connected with the use of said poles by the City.

(g) That the Company shall not during the term of this franchise sell, assign, transfer or convey this franchise without the consent of the Common Council of the City expressed by ordinance first obtained, and that upon obtaining such consent all of the provisions shall inure to and bind the successors and assigns of the Company; and whenever the Portland General Electric Company shall be mentioned in this ordinance, it shall be understood to include such successors or assigns in interest of the Portland General Electric Company as shall have been so consented to by the Common Council.



ACCEPTANCE OF FRANCHISE

WHEREAS, West Linn, OREGON, under date of July 12, 1972, passed ORDINANCE NO. 856, entitled as follows,

to wit:

An ordinance granting Portland General Electric Company, an Oregon Corporation, its successors and assigns, for a period of twenty years from and after the effective date of this ordinance, the right and privilege to erect, construct, maintain and operate within the corporate limits of West Linn, Oregon, as such limits now exist or may be hereafter constituted, an electric light and power system with the poles, wires, fixtures, underground circuits and equipment necessary or convenient to supply said City and the inhabitants thereof and others with electric energy for light, power and other purposes, upon, over, along, under and across the streets, alleys, roads and other public ways and places within the corporate limits of said City, fixing the terms and conditions thereof, and providing for the manner of determination of the effective date thereof.

NOW, THEREFORE, the undersigned, Portland General Electric Company, the grantee named in said Ordinance, does for itself and its successors and assigns accept the terms, conditions and provisions of Ordinance No. 856 and agrees to be bound thereby and comply therewith.

IN WITNESS WHEREOF, the Portland General Electric Company has caused this instrument to be executed by its officers as below subscribed this 9 day of Aug, 19 72.

PORTLAND GENERAL ELECTRIC COMPANY

By [Signature]  
Assistant Vice President

Attest: [Signature]  
Asst. Secretary

APPROVED  
BY [Signature]  
City Recorder





Portland General Electric Company

TELECOPIER COVER SHEET

(Fill Out Form Completely)

Date <u>1-27-92</u>		
To <u>Clay Moorhead</u>		
At <u>668-8714</u>		
Verification Phone	Telecopier Phone:	
From <u>Randy Oliver</u>	Phone <u>464-7613</u>	R.C.
	FAX <u>464-2354</u>	
Number of Pages (including cover sheet)		
Remarks		
Do you wish to pick up? <input type="checkbox"/> Yes. If so, indicate phone _____		
Do you wish to have returned by mail? <input type="checkbox"/> Yes. If so, indicate floor _____		
Operator	Dial (503) _____	for transmittal
	Dial (503) _____	for verification

STANDARD FRANCHISE AGREEMENT - ORDINANCE NO. \_\_\_\_\_

An ordinance granting Portland General Electric Company, an Oregon corporation, its successors and assigns, for a period of twenty years from and after the effective date of this ordinance, the right and privilege to erect, construct, maintain and operate within the corporate limits of the City of Sandy, Oregon, as such limits now exist or may be hereafter constituted, an electric light and power system with the poles, wires, fixtures, underground circuits and equipment necessary or convenient to supply said City and the inhabitants thereof and others with electric energy for light, power and other purposes, upon, over, along, under and across the streets, alleys, roads and other public ways and places within the corporate limits of said City, fixing the terms and conditions thereof, and providing for the manner of determination of the effective date thereof, and repealing all ordinances and parts of ordinances in conflict herewith.

IT IS ORDAINED BY THE COMMON COUNCIL OF THE CITY OF SANDY, OREGON.

Section 1. That Portland General Electric Company, an Oregon corporation, hereinafter sometimes referred to as the "Company," is hereby granted, subject to the terms and conditions hereof, the franchise right and privilege to erect, construct, maintain and operate an electric light and power system within the corporate limits of the City of Sandy, herein sometimes referred to as the "City," as the same now exist, or may be hereafter constituted, and the franchise right and privilege to erect, construct, maintain and operate poles, wires, fixtures, equipment, underground circuits and other property necessary or convenient to supplying the City and the inhabitants thereof and other persons and territory with electric energy for light, power and other purposes, upon, over, along, under and across the streets, alleys, roads and other public ways and places within

the corporate limits of the City as the same now are or may be hereafter constituted.

All poles, wires, fixtures, equipment, underground circuits and other property owned or in possession of the Company now located within the corporate limits of the City shall be deemed to be covered by the terms of this ordinance and to be located in accordance therewith, and the location and placement thereof is hereby approved.

Section 2. That all rights and privileges hereby granted shall be effective as of February 3, 1992 and shall terminate at the expiration of twenty years from said date, except that in the event the Company shall fail, neglect or refuse for thirty (30) days after demand in writing by the City to perform any or all of the obligations or requirements set forth in this ordinance to be performed by the Company, then the rights and privileges herein granted may be terminated and annulled by the Common Council or other legislative body of the City, and the Company shall forfeit all rights and privileges hereby granted. This grant shall be in full substitution and shall supersede that certain Standard Franchise Agreement - Ordinance No. 3-72 passed by the City of Sandy, for the period from August 7, 1972 to August 7, 1992.

Section 3. That the Company shall, if requested so to do, file with the City Engineer, or other City official designated by the City, maps or sketches showing any proposed construction work to be done by the Company within the corporate

limits of the City, and such construction work shall be done in a reasonably safe manner *subject to the approval* of the official designated by the Council of the City and in accordance with requirements of applicable State Laws and City ordinances. In emergencies such filings shall occur within thirty (30) days of completion of emergency construction work.

Section 4. That the Company, under the direction of the City or its property constituted authorities, may make all necessary excavations in any street, alley, road or other public way or place for the purpose of erecting, constructing, repairing, maintaining, removing and relocating poles and other supports for its wires, conductors, lights or street lights; and laying, repairing and maintaining its underground conduits and pipes; and for placing, maintaining and operating its wires and conductors. All poles of the Company shall be erected at the outside edge of the sidewalk unless otherwise directed by the proper City authorities.

Section 5. That when any excavation shall be made pursuant to the provisions of this ordinance, the Company shall restore the portion of the street, alley, road or public way or place to the same condition to which it was prior to the excavation thereof, and all work shall be done in strict compliance with the rules, regulations, ordinances or orders which may be adopted from time to time during the continuance of this franchise by the Common Council of the City or as may be otherwise provided by law.

Section 6. That the City, by its properly constituted authorities, shall have the right to cause the Company to move the location of any pole whenever the relocation thereof shall be for public necessity, and the expense thereof shall be paid by the Company.

Section 7. That nothing in this ordinance shall be construed as in any way to prevent the City from sewerage, grading, paving, planking, repairing, widening, altering or doing any work that may be desirable on any of the streets, alleys, roads or public ways or places, as shall be reasonable or necessary in the interest of the public. All such work shall be done, if possible, in such manner as not to obstruct, injure or prevent free use and operation of the said electric light and power system of the Company.

Section 8. That whenever it shall be necessary in sewerage, grading, or in making any other improvement in any street, alley, road or other public way or place, to relocate any pole, underground conduit or equipment belonging to the Company or on which any light, wire or circuit of the Company shall be stretched or fastened, the Company shall, upon ten (10) days' written notice from the City, or its properly constituted authorities, relocate such pole, underground conduit, equipment, light, wire or circuit, and if it fails, neglects or refuses so to do, the City, by its properly constituted authorities, may relocate the same at the expense of the Company. Prior to any

such relocation the City agrees to provide for suitable location for such relocated facilities sufficient to maintain services.

Section 9. Whenever it becomes necessary to temporarily rearrange, remove, lower or raise the aerial cables or wires or other apparatus of the grantee to permit the passage of any building, machinery or other object, the said grantee will perform such rearrangement on seven (7) days' written notice from the person or persons desiring to move said building, machinery or other objects. Said notice shall bear the approval of such official as the Common Council may designate, shall detail the route of movement of the building, machinery or other objects, shall provide that the costs incurred by the grantee in making such rearrangements of its aerial plant will be borne by the person or persons giving said notice and shall further provide that the person or persons giving said notice will indemnify and save said grantee harmless of and from any and all damages or claims of whatsoever kind or nature caused directly or indirectly from such temporary arrangement of the aerial plant of the grantee, and, if required by grantee, shall be accompanied by a cash deposit or a good and sufficient bond to pay any and all such costs as estimated by grantee.

Section 10. That the rights and privileges granted by this ordinance are granted upon the conditions herein contained and also upon the following considerations and conditions to wit:

(a) That Portland General Electric Company shall, within thirty (30) days from the effective date of this

ordinance, file with the City Recorder its written acceptance of this ordinance, subject to all the terms, obligations, restrictions and provisions of this ordinance, and upon the expiration of the allotted time for the acceptance of this ordinance, the same not having been accepted unconditionally, then this ordinance shall become wholly void, inoperative and of no effect.

(b) That in consideration of the rights and privileges herein granted, the Company shall pay to the City a franchise fee for each full calendar year during the life of this franchise beginning with the year 1992 an annual fee of three and one-half (3-1/2) percent of the gross revenue as defined herein for the immediately preceding calendar year.

Gross revenue as used in this ordinance shall be deemed to include any revenue earned within the City from the sale of electric energy after adjustment for the net write-off of uncollectible accounts computed on the average annual rate for the entire Company and excluding sales of electric energy to large industrial customers with nominal demands of 5,000 kw or greater and also excluding sales of electric energy sold by the Company to any public utility when the public utility purchasing such electric energy is not the ultimate consumer. A public utility as defined herein is any individual, partnership, cooperative, corporation or government agency buying electric energy and distributing such electric energy to other customers or users.

(c) That in consideration of the agreement of the Company to make such payments, the City agrees that no license, tax or charge on the business, occupation or franchise of the Company shall be imposed upon, exacted from or required of the Company by the City during the term of this ordinance, but this provision shall not exempt the property of the Company from lawful ad valorem taxes.

(d) That on or before the first day of March, 1992, and on or before said day of each year thereafter during the term of this franchise, the Company shall file with the City Recorder a statement under oath showing the amount of gross revenue of the Company within the City on the basis outlined in paragraph (b) hereof for the calendar year immediately preceding the year in which the statement is filed. The annual franchise fee for the year in which the statement is filed shall be computed on the gross revenue so reported. Such franchise fee shall be payable annually on or before the first day of April beginning in the year 1992. Upon receipt of such annual payment the City Recorder shall issue his receipt therefor, which shall be full acquittance of the Company for the payment. If controversy arises as to the amount of gross revenue within the meaning of this ordinance, the amount of such gross revenue as determined by the Public Utility Commission of Oregon after examination of the Company's records shall be deemed the correct amount. Any difference of payment due either the City or the Company through error or otherwise shall be payable within fifteen (15) days of discovery of such



error. Should the Company fail or neglect to pay any of said annual payments provided for in this Section for thirty (30) days after any annual payment shall become due and payable and after thirty (30) days' written notice from the City, the City, by its properly constituted authority, may at its option either continue this franchise in force and/or proceed by suit or action to collect said payment or declare a forfeiture of this franchise because of the failure to make such payment but without waiving the right to collect earned franchise payments.

(e) That the City reserves the right to cancel this franchise at any time upon one year's written notice to the Company in the event that the City decides to engage in public ownership of light and power facilities and the public distribution of electric energy.

(f) That the Company shall permit the City to string wires on poles of the Company for municipal fire, police and water departments, and for municipal telephone, telegraph and traffic signal systems and to attach to the top of any pole city fire alarm and police signals, provided that such wires and signals shall be strung so as to interfere as little as possible with the wires of the Company and to conform to the provisions of the National Electrical Safety Code; and further, that the City shall indemnify and hold the Company harmless from loss or damage resulting from damage to property or injury or death to city employees or the public arising from or connected with the use of said poles by the City.

(g) That the Company shall not during the term of this franchise sell, assign, transfer or convey this franchise without the consent of the Common Council of the City expressed by ordinance first obtained, and that upon obtaining such consent all of the provisions shall inure to and bind the successors and assigns of the Company; and whenever the Portland General Electric Company shall be mentioned in this ordinance, it shall be understood to include such successors or assigns in interest of the Portland General Electric Company as shall have been so consented to by the Common Council.

(h) That the Company shall render the service hereby authorized to be supplied upon equal terms without unjust discrimination or undue preference to any users within the City.

Section 11. That the rates to be charged by the Company for electric energy shall be such as may be fixed or approved by the Public Utility Commission of Oregon, or any other governmental official, commission or body having jurisdiction.

Section 12. That the Company hereby agrees and covenants to indemnify and save harmless the City and the officers thereof against all damages, costs and expenses whatsoever to which it or they may be subjected in consequence of negligence of the Company, or its agents or servants, in any manner arising from the rights and privileges hereby granted.

Section 13. That the franchise hereby granted shall not be exclusive and shall not be construed as any limitation on the City to grant rights, privileges and authority to other persons or corporations similar to or different from those herein set forth.

Section 14. That all rights, authority and grants herein contained or conferred are also conditioned upon the understanding and agreement that these privileges in the streets, alleys, roads and other public ways and places of the City are not to operate in any way so as to be an enhancement of the Company's properties or values or to be an asset or item of ownership in any appraisal thereof.

Section 15. It is necessary for the peace, health and safety of the people of the City that an arrangement be made immediately with the Company governing the continued use of public property within the City, an emergency is hereby declared to exist, and this ordinance shall be in full force and effect upon its passage by the Council and approval by the Council President.

Passed by the Council this 3rd day of February, 1992.

Approved by the Mayor this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_\_.

\_\_\_\_\_  
Mayor  
City of Sandy, Oregon

ATTEST: \_\_\_\_\_  
Recorder of the City of Sandy, Oregon

ACCEPTANCE OF FRANCHISE

WHEREAS, the CITY OF SANDY, OREGON, under date of February 3, 1992 passed ORDINANCE NO. \_\_\_\_\_, entitled as follows, to-wit:

An ordinance granting Portland General Electric Company, an Oregon corporation, its successors and assigns, for a period of twenty years from and after the effective date of this ordinance, the right and privilege to erect, construct, maintain and operate within the corporate limits of the City of Sandy, Oregon, as such limits now exist or may be hereafter constituted, an electric light and power system with the poles, wires, fixtures, underground circuits and equipment necessary or convenient to supply said City and the inhabitants thereof and others with electric energy for light, power and other purposes, upon, over, along, under and across the streets, alleys, roads and other public ways and places within the corporate limits of said City, fixing the terms and conditions thereof, and providing for the manner of determination of the effective date thereof, and repealing all ordinances and parts of ordinances in conflict herewith.

NOW, THEREFORE, the undersigned, Portland General Electric Company, the grantee named in said Ordinance, does for itself and its successors and assigns accept the terms, conditions and provisions of Ordinance No. \_\_\_\_ and agrees to be bound thereby and comply therewith.

IN WITNESS WHEREOF, the Portland General Electric Company has caused this instrument to be executed by its officers as below subscribed this \_\_\_\_ day of \_\_\_\_\_, 19\_\_.

Received by the City of  
Sandy, this \_\_\_\_\_ day of  
\_\_\_\_\_, 19\_\_\_\_\_.

PORTLAND GENERAL ELECTRIC COMPANY

By: \_\_\_\_\_



November 1, 1991

Jack Hammond  
P. O. Box 648  
West Linn, OR 97068

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**CITY OF  
SANDY**

P.O. BOX 1119  
SANDY, OREGON 97055  
Telephone 668-5533

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RE: PGE Franchise

Dear Jack:

Randy Oliver from Portland General Electric has suggested that we begin reviewing our franchise agreement in that it comes due in August 1992. I have enclosed a copy of a draft that he has submitted for our review. I am also contacted other cities to see how they are handling franchise agreements. I would appreciate your review and comments on the proposed agreement, in the view that we provide for the greatest flexibility and protection for the City of Sandy. Areas that I think are of importance are the requirement for them to respond to the City in a timely fashion to move or reconstruct power lines involved with public or private construction projects, the requirement to do undergrounding at the City's request and the flexibility to review franchise fees and/or privileged taxes at more frequent intervals. The previous agreement ran for a twenty year time period. Because so many things are happening in the State of Oregon relating to finances, I feel reluctant to present an agreement to the Council that would extend beyond five or ten years. I would appreciate any comments or changes that you might suggest.

I am tentatively looking at bringing this matter before the Council in January or February of 1992.

Thank you for your assistance.

Sincerely,

A handwritten signature in cursive script that reads "Clay".

Clay W. Moorhead,  
City Manager

CWM:mp

Enc.

STANDARD FRANCHISE AGREEMENT - ORDINANCE NO. \_\_\_\_\_

An ordinance granting Portland General Electric Company, an Oregon corporation, its successors and assigns, for a period of twenty years from and after the effective date of this ordinance, the right and privilege to erect, construct, maintain and operate within the corporate limits of the City of Sandy, Oregon, as such limits now exist or may be hereafter constituted, an electric light and power system with the poles, wires, fixtures, underground circuits and equipment necessary or convenient to supply said City and the inhabitants thereof and others with electric energy for light, power and other purposes, upon, over, along, under and across the streets, alleys, roads and other public ways and places within the corporate limits of said City, fixing the terms and conditions thereof, and providing for the manner of determination of the effective date thereof, and repealing all ordinances and parts of ordinances in conflict herewith.

IT IS ORDAINED BY THE COMMON COUNCIL OF THE CITY OF SANDY, OREGON.

Section 1. That Portland General Electric Company, an Oregon corporation, hereinafter sometimes referred to as the "Company," is hereby granted, subject to the terms and conditions hereof, the franchise right and privilege to erect, construct, maintain and operate an electric light and power system within the corporate limits of the City of Sandy, herein sometimes referred to as the "City," as the same now exist, or may be hereafter constituted, and the franchise right and privilege to erect, construct, maintain and operate poles, wires, fixtures, equipment, underground circuits and other property necessary or convenient to supplying the City and the inhabitants thereof and other persons and territory with electric energy for light, power and other purposes, upon, over, along, under and across the streets, alleys, roads and other public ways and places within

the corporate limits of the City as the same now are or may be hereafter constituted.

All poles, wires, fixtures, equipment, underground circuits and other property owned or in possession of the Company now located within the corporate limits of the City shall be deemed to be covered by the terms of this ordinance and to be located in accordance therewith, and the location and placement thereof is hereby approved.

Section 2. That all rights and privileges hereby granted shall be effective as of January 6, 1992 and shall terminate at the expiration of twenty years from said date, except that in the event the Company shall fail, neglect or refuse for thirty (30) days after demand in writing by the City to perform any or all of the obligations or requirements set forth in this ordinance to be performed by the Company, then the rights and privileges herein granted may be terminated and annulled by the Common Council or other legislative body of the City, and the Company shall forfeit all rights and privileges hereby granted, and except that at the end of each five-year interval during the term hereof, the parties may adjust the franchise fee if there has been a substantial change in the circumstances of either of them affecting the reasonableness of said fee. This grant shall be in full substitution and shall supersede that certain Standard Franchise Agreement - Ordinance No. 3-72 passed by the City of Sandy, for the period from August 7, 1972 to August 7, 1992.

Section 3. That the Company shall, if requested so to do, file with the City Engineer, or other City official designated by the City, maps or sketches showing any proposed construction work to be done by the Company within the corporate limits of the City, and such construction work shall be done in a reasonably safe manner subject to the approval of the official designated by the Council of the City and in accordance with requirements of applicable State Laws and City ordinances. In emergencies such filings shall occur within thirty (30) days of completion of emergency construction work.

Section 4. That the Company, under the direction of the City or its property constituted authorities, may make all necessary excavations in any street, alley, road or other public way or place for the purpose of erecting, constructing, repairing, maintaining, removing and relocating poles and other supports for its wires, conductors, lights or street lights; and laying, repairing and maintaining its underground conduits and pipes; and for placing, maintaining and operating its wires and conductors. All poles of the Company shall be erected at the outside edge of the sidewalk unless otherwise directed by the proper City authorities.

Section 5. That when any excavation shall be made pursuant to the provisions of this ordinance, the Company shall restore the portion of the street, alley, road or public way or place to the same condition to which it was prior to the excavation thereof, and all work shall be done in strict



compliance with the rules, regulations, ordinances or orders which may be adopted from time to time during the continuance of this franchise by the Common Council of the City or as may be otherwise provided by law.

Section 6. That the City, by its properly constituted authorities, shall have the right to cause the Company to move the location of any pole whenever the relocation thereof shall be for public necessity, and the expense thereof shall be paid by the Company.

Section 7. That nothing in this ordinance shall be construed as in any way to prevent the City from sewerage, grading, paving, planking, repairing, widening, altering or doing any work that may be desirable on any of the streets, alleys, roads or public ways or places; but all such work shall be done, if possible, in such manner as not to obstruct, injure or prevent free use and operation of the said electric light and power system of the Company.

Section 8. That whenever it shall be necessary in sewerage, grading, or in making any other improvement in any street, alley, road or other public way or place, to relocate any pole, underground conduit or equipment belonging to the Company or on which any light, wire or circuit of the Company shall be stretched or fastened, the Company shall, upon ten (10) days' written notice from the City, or its properly constituted authorities, relocate such pole, underground conduit, equipment, light, wire or circuit, and if it fails, neglects or refuses so

to do, the City, by its properly constituted authorities, may relocate the same at the expense of the Company. Prior to any such relocation the City agrees to provide for suitable location for such relocated facilities sufficient to maintain services.

Section 9. Whenever it becomes necessary to temporarily rearrange, remove, lower or raise the aerial cables or wires or other apparatus of the grantee to permit the passage of any building, machinery or other object, the said grantee will perform such rearrangement on seven (7) days' written notice from the person or persons desiring to move said building, machinery or other objects. Said notice shall bear the approval of such official as the Common Council may designate, shall detail the route of movement of the building, machinery or other objects, shall provide that the costs incurred by the grantee in making such rearrangements of its aerial plant will be borne by the person or persons giving said notice and shall further provide that the person or persons giving said notice will indemnify and save said grantee harmless of and from any and all damages or claims of whatsoever kind or nature caused directly or indirectly from such temporary arrangement of the aerial plant of the grantee, and, if required by grantee, shall be accompanied by a cash deposit or a good and sufficient bond to pay any and all such costs as estimated by grantee.

Section 10. That the rights and privileges granted by this ordinance are granted upon the conditions herein contained and also upon the following considerations and conditions to wit:

(a) That Portland General Electric Company shall, within thirty (30) days from the effective date of this ordinance, file with the City Recorder its written acceptance of this ordinance, subject to all the terms, obligations, restrictions and provisions of this ordinance, and upon the expiration of the allotted time for the acceptance of this ordinance, the same not having been accepted unconditionally, then this ordinance shall become wholly void, inoperative and of no effect.

(b) That in consideration of the rights and privileges herein granted, the Company shall pay to the City a franchise fee for each full calendar year during the life of this franchise beginning with the year 1992 an annual fee of three and one-half (3-1/2) percent of the gross revenue as defined herein for the immediately preceding calendar year.

Gross revenue as used in this ordinance shall be deemed to include any revenue earned within the City from the sale of electric energy after adjustment for the net write-off of uncollectible accounts computed on the average annual rate for the entire Company and excluding sales of electric energy to large industrial customers with nominal demands of 5,000 kw or greater and also excluding sales of electric energy sold by the Company to any public utility when the public utility purchasing such electric energy is not the ultimate consumer. A public utility as defined herein is any individual, partnership, cooperative, corporation or government agency buying electric

energy and distributing such electric energy to other customers or users.

(c) That in consideration of the agreement of the Company to make such payments, the City agrees that no license, tax or charge on the business, occupation or franchise of the Company shall be imposed upon, exacted from or required of the Company by the City during the term of this ordinance, but this provision shall not exempt the property of the Company from lawful ad valorem taxes.

(d) That on or before the first day of March, 1992, and on or before said day of each year thereafter during the term of this franchise, the Company shall file with the City Recorder a statement under oath showing the amount of gross revenue of the Company within the City on the basis outlined in paragraph (b) hereof for the calendar year immediately preceding the year in which the statement is filed. The annual franchise fee for the year in which the statement is filed shall be computed on the gross revenue so reported. Such franchise fee shall be payable annually on or before the first day of April beginning in the year 1992. Upon receipt of such annual payment the City Recorder shall issue his receipt therefor, which shall be full acquittance of the Company for the payment. If controversy arises as to the amount of gross revenue within the meaning of this ordinance, the amount of such gross revenue as determined by the Public Utility Commission of Oregon after examination of the Company's records shall be deemed the correct amount. Any difference of payment

due either the City or the Company through error or otherwise shall be payable within fifteen (15) days of discovery of such error. Should the Company fail or neglect to pay any of said annual payments provided for in this Section for thirty (30) days after any annual payment shall become due and payable and after thirty (30) days' written notice from the City, the City, by its properly constituted authority, may at its option either continue this franchise in force and/or proceed by suit or action to collect said payment or declare a forfeiture of this franchise because of the failure to make such payment but without waiving the right to collect earned franchise payments.

(e) That the City reserves the right to cancel this franchise at any time upon one year's written notice to the Company in the event that the City decides to engage in public ownership of light and power facilities and the public distribution of electric energy.

(f) That the Company shall permit the City to string wires on poles of the Company for municipal fire, police and water departments, and for municipal telephone, telegraph and traffic signal systems and to attach to the top of any pole city fire alarm and police signals, provided that such wires and signals shall be strung so as to interfere as little as possible with the wires of the Company and to conform to the provisions of the National Electrical Safety Code; and further, that the City shall indemnify and hold the Company harmless from loss or damage resulting from damage to property or injury or death to city

employees or the public arising from or connected with the use of said poles by the City.

(g) That the Company shall not during the term of this franchise sell, assign, transfer or convey this franchise without the consent of the Common Council of the City expressed by ordinance first obtained, and that upon obtaining such consent all of the provisions shall inure to and bind the successors and assigns of the Company; and whenever the Portland General Electric Company shall be mentioned in this ordinance, it shall be understood to include such successors or assigns in interest of the Portland General Electric Company as shall have been so consented to by the Common Council.

(h) That the Company shall render the service hereby authorized to be supplied upon equal terms without unjust discrimination or undue preference to any users within the City.

Section 11. That the rates to be charged by the Company for electric energy shall be such as may be fixed or approved by the Public Utility Commission of Oregon, or any other governmental official, commission or body having jurisdiction.

Section 12. That the Company hereby agrees and covenants to indemnify and save harmless the City and the officers thereof against all damages, costs and expenses whatsoever to which it or they may be subjected in consequence of negligence of the Company, or its agents or servants, in any manner arising from the rights and privileges hereby granted.

Section 13. That the franchise hereby granted shall not be exclusive and shall not be construed as any limitation on the City to grant rights, privileges and authority to other persons or corporations similar to or different from those herein set forth.

Section 14. That all rights, authority and grants herein contained or conferred are also conditioned upon the understanding and agreement that these privileges in the streets, alleys, roads and other public ways and places of the City are not to operate in any way so as to be an enhancement of the Company's properties or values or to be an asset or item of ownership in any appraisal thereof.

Section 15. It is necessary for the peace, health and safety of the people of the City that an arrangement be made immediately with the Company governing the continued use of public property within the City, an emergency is hereby declared to exist, and this ordinance shall be in full force and effect upon its passage by the Council and approval by the Council President.

Passed by the Council this 6th day of January, 1992.

Approved by the Mayor this \_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

\_\_\_\_\_  
Mayor  
City of Sandy, Oregon

ATTEST: \_\_\_\_\_  
Recorder of the City of Sandy, Oregon

ACCEPTANCE OF FRANCHISE

WHEREAS, the CITY OF SANDY, OREGON, under date of January 6, 1992 passed ORDINANCE NO. \_\_\_\_\_, entitled as follows, to-wit:

An ordinance granting Portland General Electric Company, an Oregon corporation, its successors and assigns, for a period of twenty years from and after the effective date of this ordinance, the right and privilege to erect, construct, maintain and operate within the corporate limits of the City of Sandy, Oregon, as such limits now exist or may be hereafter constituted, an electric light and power system with the poles, wires, fixtures, underground circuits and equipment necessary or convenient to supply said City and the inhabitants thereof and others with electric energy for light, power and other purposes, upon, over, along, under and across the streets, alleys, roads and other public ways and places within the corporate limits of said City, fixing the terms and conditions thereof, and providing for the manner of determination of the effective date thereof, and repealing all ordinances and parts of ordinances in conflict herewith.

NOW, THEREFORE, the undersigned, Portland General Electric Company, the grantee named in said Ordinance, does for itself and its successors and assigns accept the terms, conditions and provisions of Ordinance No. \_\_\_\_ and agrees to be bound thereby and comply therewith.

IN WITNESS WHEREOF, the Portland General Electric Company has caused this instrument to be executed by its officers as below subscribed this \_\_\_\_ day of \_\_\_\_\_, 19\_\_.

Received by the City of  
Sandy, this \_\_\_\_\_ day of  
\_\_\_\_\_, 19\_\_\_\_.

PORTLAND GENERAL ELECTRIC COMPANY

By: \_\_\_\_\_



HUTCHISON, HAMMOND, WALSH, HERNDON & DARLING

A PROFESSIONAL CORPORATION  
ATTORNEYS AT LAW  
21790 WILLAMETTE DRIVE  
P O BOX 648  
WEST LINN, OREGON 97068

TELEPHONE  
(503) 656-1694

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(503) 656-1092

JOHN C. HUTCHISON  
JOHN H. HAMMOND, JR.  
MICHAEL D. WALSH  
ROBERT D. HERNDON  
DEANNE L. DARLING  
ANDREA J. ANDERLY

COPY  
MEMORANDUM

TO: Ted Schneider  
Lake Oswego Redevelopment Agency

FROM: John H. Hammond, Jr.

SUBJECT: Discussion of Legal and Fiscal Implications of  
Undergrounding Telephone and Electric Lines  
Our File No. 2874.019

DATE: February 17, 1992

=====

You have asked me to give an opinion as to the ability of the City of Lake Oswego to require undergrounding of telephone and electric lines within the city. You have also asked me to advise as to the fiscal implications of such actions.

The city's existing franchises with Portland General Electric Company and Pacific Northwest Bell allow the city council to require modification, additions, or extensions for the physical equipment facilities, plan or services of the utilities whenever such modifications are deemed "reasonable or necessary in the interest of the public..." The franchises, however, go on to note that this power does not include matters regulated by the Oregon Public Utilities Commissioner.

The Oregon Public Utility Commissioner has acted in the area of forced undergrounding of electric and communication facilities by local governmental entities. It has done so by the adoption of administrative rules which although allowing local governments to require involuntary undergrounding, also allows the utility to recover its expenses from customers located within the boundaries of the local government, which imposes the involuntary undergrounding requirement (OAR 860-22-046). There are some exceptions to this rule.

Generally, the administrative rule sets out the following requirements:

- 1) The utility which is involuntarily required to underground electrical or telephone lines is permitted to

FOR YOUR INFORMATION

Ted Schneider  
February 17, 1992  
Page 2

collect the costs of conversion from customers located within the boundaries of the local government.

2) The local government in turn may direct the utility to recover those costs only from patrons within certain areas of the local governmental entity. Thus, if undergrounding was required only in a portion of the city, it would be permissible for the city to require the utility to pass those costs on only to patrons within the undergrounded area.

3) Conversions costs which may be passed on by the utility to customers are defined to mean the difference between constructing the underground system and the cost the utility would have to incur anyway in retaining the existing overhead system. Costs which may be recouped include:

"...the cost of all necessary excavating, road crossings, trenching, backfilling, raceways, ducts, vaults, transformer pads and other devices peculiar to underground service, and 'overhead retirement cost'.

Overhead retirement costs are further defined to mean:

"...the original cost, less depreciation, less salvage value, plus removal costs, of existing overhead distribution facilities no longer used or useful by reason of the conversion..."

4) In collecting the conversion costs from customers, the utility is able to charge a reasonable rate of interest approved by the Public Utility Commissioner. The pay back period cannot exceed the depreciated value of the facilities converted.

There is an important exception to the ability of utilities to recoup undergrounding costs. Thus, the Administrative Rules state:

"This rules does not apply if the total conversion costs incurred by the utility during one calendar year does not exceed five-one hundredths of one percent (.05%) of the utility's annual revenues derived from customers residing within the boundaries of the local government."

Ted Schneider  
February 17, 1992  
Page 3

Thus, small scale undergrounding can be required on a yearly basis without having those costs passed on to customers.

Another important exception relates to undergrounding of facilities which would otherwise be subject to relocation because of public improvement construction by the local governmental entity. In such cases, the overhead retirement cost portion would not be collectible by the utility from customers.

Respectfully submitted,

/s/ JOHN H. HAMMOND, JR.

John H. Hammond, Jr.  
Attorney

JHH:kn

BC: Sandy City Council

HUTCHISON, HAMMOND, WALSH, HERNDON & DARLING

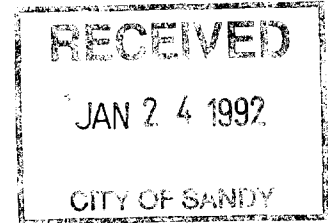
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ANDREA J. ANDERLY

M E M O R A N D U M



TO: Clay Moorhead, City Manager  
City of Sandy

FROM: John H. Hammond, Jr.  
City Attorney

SUBJECT: Comments Concerning Proposed PGE Franchise  
Our File No. 4181.001

DATE: January 23, 1992

=====  
The purpose of this memorandum is to summarize my comments concerning the proposed PGE Franchise which would extend the current franchise for another 20 years.

My principal concerns relate to the relocation of PGE facility's obligations described in Sections 7 and 8 of the proposed franchise.

These sections require the franchise holder to move its facilities if they:

"...prevent the city from sewerage, grading, paving, planking, repairing, widening, altering or doing any work that may be desirable in any of the streets, alleys, roads, or other public ways or places."

In such cases the franchise holder would be required within ten days notice to move its facilities at its own cost.

The statute relating to utility relocations is more broadly worded to allow cities to:

"Require any public utility, by ordinance or otherwise, to make such modifications, additions and extensions to its physical equipment, facilities, plant or service within such city as shall be reasonable or necessary in the interest of the public, and designate the location and nature of all additions and extensions, the time in which they must be

Clay Moorhead  
January 23, 1992  
Page 2

completed, and all conditions under which they must be constructed."

This provision was discussed at length by the Oregon Supreme Court in the landmark case of Northwest Natural Gas Company v. City of Portland, 300 Or. 291 (1985). In that case, PGE, Northwest Natural Gas Company, and Pacific Northwest Bell argued that their relocation of utility lines and mains to make way for the Tri-Met Light rail system had to be compensated by Tri-Met and not by the utilities themselves. The utilities argued that Tri-Met was not an agency of the City of Portland and hence they could not be required to relocate their utility systems at their own expense. Other arguments were put forward as well.

The Supreme Court rejected that argument and found that as the Tri-Met facilities were being constructed for the public good within public right-of-ways it made no difference whether the construction of the public improvements was effected by the city or by Tri-Met or by another agency. Another problem that we might run into with the present wording is when public improvements are constructed by contractors who are employed by private developers within public right-of-ways as a condition of a land use approval. Although the construction of these improvements would clearly be for a public good, if we limited relocation activities by the city itself it could be possible to argue that the relocation expenses would have to be borne by the private developer.

It would be my recommendation that the proposed franchise be amended to allow relocation of public utilities within the City:

"...as shall be reasonable or necessary in the interest of the public...."

This incorporates the statutory language of ORS 221.420(b).

Respectfully submitted,

  
John H. Hammond, Jr.  
City Attorney

JHH/cb

HUTCHISON, HAMMOND, WALSH, HERNDON & DARLING

A PROFESSIONAL CORPORATION  
ATTORNEYS AT LAW  
21790 WILLAMETTE DRIVE  
P O. BOX 648  
WEST LINN, OREGON 97068

*Handwritten signatures and initials*

JOHN C. HUTCHISON  
JOHN H. HAMMOND, JR.  
MICHAEL D. WALSH  
ROBERT D. HERNDON  
DEANNE L. DARLING  
ANDREA J. ANDERLY

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**COPY**  
MEMORANDUM

TO: Ted Schneider  
Lake Oswego Redevelopment Agency

FROM: John H. Hammond, Jr.

SUBJECT: Discussion of Legal and Fiscal Implications of  
Undergrounding Telephone and Electric Lines  
Our File No. 2874.019

DATE: February 17, 1992

=====

You have asked me to give an opinion as to the ability of the City of Lake Oswego to require undergrounding of telephone and electric lines within the city. You have also asked me to advise as to the fiscal implications of such actions.

The city's existing franchises with Portland General Electric Company and Pacific Northwest Bell allow the city council to require modification, additions, or extensions for the physical equipment facilities, plan or services of the utilities whenever such modifications are deemed "reasonable or necessary in the interest of the public..." The franchises, however, go on to note that this power does not include matters regulated by the Oregon Public Utilities Commissioner.

The Oregon Public Utility Commissioner has acted in the area of forced undergrounding of electric and communication facilities by local governmental entities. It has done so by the adoption of administrative rules which although allowing local governments to require involuntary undergrounding, also allows the utility to recover its expenses from customers located within the boundaries of the local government, which imposes the involuntary undergrounding requirement (OAR 860-22-046). There are some exceptions to this rule.

Generally, the administrative rule sets out the following requirements:

- 1) The utility which is involuntarily required to underground electrical or telephone lines is permitted to

FOR YOUR INFORMATION

collect the costs of conversion from customers located within the boundaries of the local government.

2) The local government in turn may direct the utility to recover those costs only from patrons within certain areas of the local governmental entity. Thus, if undergrounding was required only in a portion of the city, it would be permissible for the city to require the utility to pass those costs on only to patrons within the undergrounded area.

3) Conversions costs which may be passed on by the utility to customers are defined to mean the difference between constructing the underground system and the cost the utility would have to incur anyway in retaining the existing overhead system. Costs which may be recouped include:

"...the cost of all necessary excavating, road crossings, trenching, backfilling, raceways, ducts, vaults, transformer pads and other devices peculiar to underground service, and 'overhead retirement cost'.

Overhead retirement costs are further defined to mean:

"...the original cost, less depreciation, less salvage value, plus removal costs, of existing overhead distribution facilities no longer used or useful by reason of the conversion..."

4) In collecting the conversion costs from customers, the utility is able to charge a reasonable rate of interest approved by the Public Utility Commissioner. The pay back period cannot exceed the depreciated value of the facilities converted.

There is an important exception to the ability of utilities to recoup undergrounding costs. Thus, the Administrative Rules state:

"This rules does not apply if the total conversion costs incurred by the utility during one calendar year does not exceed five-one hundredths of one percent (.05%) of the utility's annual revenues derived from customers residing within the boundaries of the local government."

Ted Schneider  
February 17, 1992  
Page 3

Thus, small scale undergrounding can be required on a yearly basis without having those costs passed on to customers.

Another important exception relates to undergrounding of facilities which would otherwise be subject to relocation because of public improvement construction by the local governmental entity. In such cases, the overhead retirement cost portion would not be collectible by the utility from customers.

Respectfully submitted,

/s/ JOHN H. HAMMOND, JR.

John H. Hammond, Jr.  
Attorney

JHH:kn

BC: Sandy City Council



STANDARD FRANCHISE AGREEMENT - ORDINANCE NO. 3-72

An ordinance granting Portland General Electric Company, an Oregon corporation, its successors and assigns, for a period of twenty years from and after the effective date of this ordinance, the right and privilege to erect, construct, maintain and operate within the corporate limits of Sandy, Oregon as such limits now exist or may be hereafter constituted, an electric light and power system with the poles, wires, fixtures, underground circuits and equipment necessary or convenient to supply said City and the inhabitants thereof and others with electric energy for light, power and other purposes, upon, over, along, under and across the streets, alleys, roads and other public ways and places within the corporate limits of said City, fixing the terms and conditions thereof, and providing for the manner of determination of the effective date thereof.

IT IS ORDAINED BY The Common Council of the City of Sandy, Oregon

Section 1. That Portland General Electric Company, an Oregon corporation, hereinafter sometimes referred to as the "Company", is hereby granted, subject to the terms and conditions hereof, the franchise right and privilege to erect, construct, maintain and operate an electric light and power system within the corporate limits of Sandy, Oregon herein sometimes referred to as the "City", as the same now exist, or may be hereafter constituted, and the franchise right and privilege to erect, construct, maintain and operate poles, wires, fixtures, equipment, underground circuits and other property necessary or convenient to supplying the City and the inhabitants thereof and other persons and territory with electric energy for light, power and other purposes, upon, over, along, under and across the streets, alleys, roads and other public ways and places within the corporate limits of the City as the same now are or may be hereafter constituted.

All poles, wires, fixtures, equipment, underground circuits and other property owned or in possession of the Company now located within the corporate limits of the City shall be deemed to be covered by the terms of this ordinance and to be located in accordance therewith, and the location and placement thereof is hereby approved.

Section 2. That all rights and privileges hereby granted shall be effective as of August 7, 1972, and shall terminate at the expiration of twenty (20) years

from said date, except that in the event the Company shall fail, neglect or refuse for thirty (30) days after demand in writing by the City to perform any or all of the obligations or requirements set forth in this ordinance to be performed by the Company, then the rights and privileges herein granted may be terminated and annulled by the Common Council or other legislative body of the City, and the Company shall forfeit all rights and privileges hereby granted and except that at the end of the first 10-year interval hereof, the City shall have the right to renegotiate the franchise fee payable by the Company, if there has been a substantial change of circumstances affecting the reasonableness of said fee. If the parties cannot agree with respect to such matter, then the matter shall be submitted to arbitration as provided in ORS Chapter 33 or any act amendatory thereto.

Section 3. That the Company shall, if requested so to do, file with the City Engineer, or other City official designated by the City, maps or sketches showing any proposed construction work to be done by the Company within the corporate limits of the City, and such construction work shall be done in a reasonably safe manner subject to the approval of the official designated by the Council of the City and in accordance with requirements of applicable State laws and City ordinances.

Section 4. That the Company, under the direction of the City or its properly constituted authorities, may make all necessary excavations in any street, alley, road or other public way or place for the purpose of erecting, constructing, repairing, maintaining, removing and relocating poles and other supports for its wires, conductors, lights or street lights; and laying, repairing and maintaining its underground conduits and pipes; and for placing, maintaining and operating its wires and conductors. All poles of the Company shall be erected at the outside edge of the sidewalk unless otherwise directed by the proper City authorities.

Section 5. That when any excavation shall be made pursuant to the provisions of this ordinance, the Company shall restore the portion of the street, alley, road or public way or place to the same condition to which it was prior to the excavation thereof, and all work shall be done in strict compliance with the rules, regulations, ordinances or orders which may be adopted from time to time during the continuance of this franchise by the Common Council of the City or as may be otherwise provided by law.

Section 6. That the City, by its properly constituted authorities, shall have the right

to cause the Company to move the location of any pole whenever the relocation thereof shall be for public necessity, and the expense thereof shall be paid by the Company.

Section 7. That nothing in this ordinance shall be construed as in any way to prevent the City from sewerage, grading, paving, planking, repairing, widening, altering or doing any work that may be desirable on any of the streets, alleys, roads or public ways or places; but all such work shall be done, if possible, in such manner as not to obstruct, injure or prevent free use and operation of the said electric light and power system of the Company.

Section 8. That whenever it shall be necessary in sewerage, grading, or in making any other improvement in any street, alley, road or other public way or place, to remove any pole, underground conduit or equipment belonging to the Company or on which any light, wire or circuit of the Company shall be stretched or fastened, the Company shall, upon ten (10) days' written notice from the City, or its properly constituted authorities, remove such pole, underground conduit, equipment, light, wire or circuit, and if it fails, neglects or refuses so to do, the City, by its properly constituted authorities, may remove the same at the expense of the Company.

Section 9. Whenever it becomes necessary to temporarily rearrange, remove, lower or raise the aerial cables or wires or other apparatus of the grantee to permit the passage of any building, machinery or other object, the said grantee will perform such rearrangement on seven (7) days' written notice from the person or persons desiring to move said building, machinery or other objects. Said notice shall bear the approval of such official as the Common Council may designate, shall detail the route of movement of the building, machinery or other objects, shall provide that the costs incurred by the grantee in making such rearrangements of its aerial plant will be borne by the person or persons giving said notice and shall further provide that the person or persons giving said notice will indemnify and save said grantee harmless of and from any and all damages or claims of whatsoever kind or nature caused directly or indirectly from such temporary arrangement of the aerial plant of the grantee, and, if required by grantee, shall be accompanied by a cash deposit or a good and sufficient bond to pay any and all such costs as estimated by grantee.

Section 10. That the rights and privileges granted by this ordinance are granted upon the conditions herein contained and also upon the following considerations and conditions to wit:

(a) That Portland General Electric Company shall, within thirty (30) days from the date of this ordinance, file with the City its written acceptance of this ordinance, subject to all the terms, obligations, restrictions and provisions of this ordinance, and upon the expiration of the allotted time for the acceptance of this ordinance, the same not having been accepted unconditionally, then this ordinance shall become wholly void, inoperative and of no effect.

(b) That in consideration of the rights and privileges herein granted, the Company shall pay to the City a franchise fee of 3½% for the period from August 1, 1972 to December 31, 1972, both days inclusive and for each full calendar year during the life of this franchise beginning with the year 1973 an annual fee of three and one half per cent (3-1/2%) of the gross revenue as defined herein for the immediately preceding calendar year.

Gross revenue as used in this ordinance shall be deemed to include any revenue earned within the City from the sale of electric energy after adjustment for the net write-off of uncollectible accounts computed on the average annual rate for the entire Company and excluding sales of electric energy to large industrial customers with nominal demands of 3,000 kw or greater and also excluding sales of electric energy sold by the Company to any public utility when the public utility purchasing such electric energy is not the ultimate consumer. A public utility as defined herein is any individual, partnership, cooperative, corporation or government agency buying electric energy and distributing such electric energy to those utilizing such service.

(c) That in consideration of the agreement of the Company to make such payments, the City agrees that no license, tax or charge on the business, occupation or franchise of the Company shall be imposed upon, exacted from or required of the Company by the City during the term of this ordinance, but this provision shall not exempt the property of the Company from lawful ad valorem taxes.

(d) That on or before the first day of March, 1973, and on or before said day of each year thereafter during the term of this franchise, the Company shall file with the City a statement under oath showing the amount of gross revenue of the Company within the City on the basis outlined in paragraph (b) hereof for the calendar year immediately preceding the year in which the statement is filed. The annual franchise fee for the year in which the statement is filed shall be computed on the gross revenue so reported. Such franchise fee shall be payable annually on or before the first day of April beginning in the year 1973. Upon receipt of such annual payment the City shall issue its receipt therefor, which shall be full acquittance of the Company for the payment. If controversy arises as to the amount of gross revenue within the meaning of this ordinance, the amount of such gross revenue as determined by the Public Utilities Commissioner of Oregon after examination of the Company's records shall be deemed the correct amount. Any difference of payment due either the City or the Company through error or otherwise shall be payable within fifteen (15) days of discovery of such error. Should the Company fail or neglect to pay any of said annual payments provided for in this Section for thirty (30) days after any annual payment shall become due and payable and after thirty (30) days' written notice from the City, the City, by its properly constituted authority, may at its option either continue this franchise in force and/or proceed by suit or action to collect said payment or declare a forfeiture of this franchise because of the failure to make such payment but without waiving the right to collect earned franchise payments.

(e) That the City reserves the right to cancel this franchise at any time upon one year's written notice to the Company in the event that the City decides to engage in public ownership of light and power facilities and the public distribution of electric energy.

(f) That the Company shall permit the City to string wires on poles of the Company for municipal fire, police and water departments, and for municipal telephone, telegraph and traffic signal systems and to attach to any pole, city fire alarm and police signals, provided that such wires and signals shall be strung so as to interfere as little as possible with the wires of the Company and to conform to the provisions of the National Electrical Safety Code; and further, that the City shall indemnify and hold the Company

harmless from loss or damage resulting from damage to property or injury or death to City employees or the public arising from or connected with the use of said poles by the City.

(g) That the Company shall not during the term of this franchise sell, assign, transfer or convey this franchise without the consent of the Common Council of the City expressed by ordinance first obtained, and that upon obtaining such consent all of the provisions shall inure to and bind the successors and assigns of the Company; and whenever the Portland General Electric Company shall be mentioned in this ordinance, it shall be understood to include such successors or assigns in interest of the Portland General Electric Company as shall have been so consented to by the Common Council.

(h) That the Company shall render the service hereby authorized to be supplied upon equal terms without unjust discrimination or undue preference to any users within the City.

Section 11. That the rates to be charged by the Company for electric energy shall be such as may be fixed and/or approved by the Public Utilities Commissioner of Oregon, or any other governmental official, commission or body having jurisdiction.

Section 12. That the Company hereby agrees and covenants to indemnify and save harmless the City and the officers thereof against all damages, costs and expenses whatsoever to which it or they may be subjected in consequence of negligence of the Company, or its agents or servants, in any manner arising from the rights and privileges hereby granted.

Section 13. That the franchise hereby granted supplements the Public Utility Commissioner's order of January 21, 1963, under ORS Chapter 757.

Section 14. That all rights, authority and grants herein contained or conferred are also conditioned upon the understanding and agreement that these privileges in the streets, alleys, roads and other public ways and places of the City are not to operate in any way so as to be an enhancement of the Company's properties or values or to be an asset or item of ownership in any appraisal thereof.

Section 15. Upon acceptance by the Company of the franchise herein granted, all rights and obligations arising under Ordinance No. 556-A shall terminate.

Section 16. That because it is necessary for the peace, health and safety of the people of the City that an arrangement be made immediately with the Company governing the continued use of public property within the City, an emergency is hereby declared to exist, and this ordinance shall be in full force and effect upon its passage by the Council and approval by the Mayor.

Passed by the Council this 7<sup>th</sup> day of August, 19 72.

Approved by the Mayor this 7<sup>th</sup> day of August, 19 72.

Melvin M. Hamberg  
Mayor of Sandy

ATTEST: Ruth Louder  
Recorder of the City of Sandy

ACCEPTANCE OF FRANCHISE

WHEREAS, City of Sandy, OREGON, under date of  
August 7, 1972, passed ORDINANCE NO. 3-72, entitled as follows,

to wit:

An ordinance granting Portland General Electric Company, an Oregon Corporation, its successors and assigns, for a period of twenty years from and after the effective date of this ordinance, the right and privilege to erect, construct, maintain and operate within the corporate limits of Sandy, Oregon, as such limits now exist or may be hereafter constituted, an electric light and power system with the poles, wires, fixtures, underground circuits and equipment necessary or convenient to supply said City and the inhabitants thereof and others with electric energy for light, power and other purposes, upon, over, along, under and across the streets, alleys, roads and other public ways and places within the corporate limits of said City, fixing the terms and conditions thereof, and providing for the manner of determination of the effective date thereof.

NOW, THEREFORE, the undersigned, Portland General Electric Company, the grantee named in said Ordinance, does for itself and its successors and assigns accept the terms, conditions and provisions of Ordinance No. 3-72 and agrees to be bound thereby and comply therewith.

IN WITNESS WHEREOF, the Portland General Electric Company has caused this instrument to be executed by its officers as below subscribed this 17<sup>th</sup> day of August, 1972.

PORTLAND GENERAL ELECTRIC COMPANY

Ed J. Binsenden  
Assistant Vice President

Attest: Walter H. Hoge  
City Secretary

Franchise Recorded  
August 18, 1972  
Ruth Louder,  
City Recorder



\*

\* P G E m a i l \*

R00

VIEW THE NOTE

E01

From: E68871 --PORTLZ  
To: E41765 --UMRSCS3

Date and time 05-21-91 11:12:00

FROM: Weber, Robert

TO: MATTHEWS, GORDON PGEMAIL/UMRSCS3

DATE: 05-21-91

TIME: 11:09

CC:  
SUBJECT: Oregonian Poll on taxation  
PRIORITY:  
ATTACHMENTS:

-----  
File 704:OREGONIAN (PORTLAND)\_1989-20 May 1991  
(c) 1991 Oregonian Publishing Co \*

4/9/1  
05832287  
POLL RESULTS

PF1 Alternate PFs PF2 File NOTE PF3 Keep PF4 Erase PF5 Forward Note  
PF6 Reply PF7 Resend PF8 Print PF9 Help PF10 Next PF11 Previous PF12 Return

\*

\* P G E m a i l \*  
VIEW THE NOTE

A00  
E01

POLL RESULTS

OREGONIAN (PO) - WEDNESDAY November 28, 1990

By: The Oregonian

Edition: FOURTH Section: GRAPHICS Page: D06

Word Count: 131

TEXT:

Here are findings of a poll conducted by Moore information:

Q: As you may be aware, the property tax limitation measure passed. In your opinion, should state and local governments and school districts find other sources of income to replace property tax cuts or do you think they should be forced to live without replacing the property tax cuts?

Other sources of revenue ... 71

Forced to live without replacing property tax cuts ... 19

Don't know ... 10

Q: Which one of the following do you think state and local governments  
PF1 Alternate PFs PF2 File NOTE PF3 Keep PF4 Erase PF5 Forward Note  
PF6 Reply PF7 Resend PF8 Print PF9 Help PF10 Next PF11 Previous PF12 Return

\*

\* P G E m a i l \*

R00

VIEW THE NOTE

E01

Q: Which one of the following do you think state and local governments and school districts should pursue to replace revenue lost of the property tax limitation measure?

Sales tax ... 50

Increasing the income tax ... 9

Increase other taxes and fees ... 20

Don't know ... 22

SOURCE: Moore Information.

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DESCRIPTORS: SURVEY; POLL; STATISTICS

4/9/2

05832271

FIND OTHER REVENUE, POLL SAYS

PF1 Alternate PFs PF2 File NOTE

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PF4 Erase

PF5 Forward Note

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\* P G E m a i l \*  
VIEW THE NOTE

ADD  
E01

FIND OTHER REVENUE, POLL SAYS  
OREGONIAN (PO) - WEDNESDAY November 28, 1990  
By: BARNES C. ELLIS - of the Oregonian Staff  
Edition: FOURTH Section: LOCAL STORIES Page: D01  
Word Count: 513

TEXT:

Summary: The survey indicates Oregonians want some other source to replace declining property tax money when Measure 5 takes effect

Seven in 10 Oregonians believe that state and local governments should find other sources of income to replace property tax cuts under Measure 5, according to a poll released Tuesday.

The poll by Moore Information, a Portland public opinion research firm, also found that more than half of those responding favored a sales tax. Increasing other types of taxes drew far less support.

State Rep. Ted Calouri, R-Beaverton, praised the poll as "a directional kind of thing." He said it showed support for other taxes to replace property taxes, which ultimately are limited under Measure 5 to \$15 per

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\* P G E m a i l \*

A00

VIEW THE NOTE

E01

property taxes, which ultimately are limited under Measure 5 to \$15 per \$1,000 of assessed value.

But Don McIntire, a chief sponsor of the measure passed by voters Nov. 6, blasted the poll as something that would "give sustenance and succor to those legislators of ours who are still lusting after a sales tax."

McIntire, who opposes a sales tax, claimed that the poll was skewed by the way its questions were phrased. The key question in the poll asked whether governments and school districts should find other sources of income to replace property tax cuts or whether they should "be forced to live without replacing the property tax cuts."

"What this poll proves is that Oregonians are not a miserly lot," McIntire said.

In the poll, 71 percent of respondents favored finding other sources of revenue.

Among those who voted for Measure 5, 66 percent believed that governments should look for other sources of funding.

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\* P G E m a i l \*

R00

VIEW THE NOTE

E01

governments should look for other sources of funding.

When read a list of options for raising revenue, 55 percent of all respondents favored a sales tax on goods except food and medicine. About half of the respondents supported increasing corporate income tax rates and increasing fees on car licenses.

Even more, 70 percent, favored increasing taxes on beer, liquor and tobacco products.

But only 9 percent supported increasing the state income tax.

Respondents also overwhelmingly rejected increasing taxes on gasoline or putting a surtax on utility bills.

Portland City Commissioner Mike Lindberg said he had discussed the poll with Mayor Bud Clark, but the two agreed it should have no effect on plans to try to cut \$37 million from the city budget.

"We're going to continue with this same process of identifying what the cuts would be if we cut the \$37 million," Lindberg said, "looking at  
PF1 Alternate PFs PF2 File NOTE PF3 Keep PF4 Erase PF5 Forward Note  
PF6 Reply PF7 Resend PF8 Print PF9 Help PF10 Next PF11 Previous PF12 Return

\*

\* P G E m a i l \*

A00  
E01

VIEW THE NOTE

cuts would be if we cut the \$37 million," Lindberg said, "looking at opportunities for new revenue, and offering options and choices to the public throughout the process if they want to buy back some of those services."

Moore Information, which conducted surveys for 48 political clients during the 1990 elections, cautioned that sales tax support should be viewed skeptically. In 1985, before voters turned thumbs down on a sales tax in a September election, several polls showed a majority supporting the idea.

Moore Information interviewed 400 respondents statewide during the telephone poll, conducted Nov. 19-20. The poll has a 5 percent margin of error.

The company conducted the poll at its own expense.

CAPTION:  
GRAPH

Graphic -- Graph by The Oregonian/POLL RESULTS.

PF1 Alternate PFs PF2 File OTE PF3 Keep PF4 Erase PF5 Forward Note  
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\* P G E m a i l \*  
VIEW THE NOTE

A00  
E01

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DESCRIPTORS: SURVEY; POLL; STATISTICS

|

E N D O F N O T E

PF1 Alternate PFs PF2 File OTE PF3 Keep PF4 Erase PF5 Forward Note  
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PORTLAND GENERAL ELECTRIC COMPANY

City Recorder  
Sandy, OR 97055

March 21, 1986

Subject: Computation of Franchise Fee

In compliance with the provision of Section 10(d) of Ordinance No. 3-72, there is shown below the gross revenue derived by Portland General Electric Company from the sales of electric energy within the City of Sandy, Oregon, \* during the calendar year 1985.

Sales of electric energy	\$1,857,302.50
Deduct - net write-off of uncollectible accounts	<u>8,705.18</u>
Gross revenue	<u>\$1,848,597.32</u>

1986 Franchise fee based on above-shown 1985 gross revenue	\$64,700.91
--	-------------

\* Please continue to notify us of any annexations as they occur so that our record of earnings may be properly maintained.


OATH

State of Oregon            )  
                                  ) ss:  
County of Multnomah    )

I, Peter M. Stevens, being first duly sworn, depose and say: That I am the Manager of Corporate Accounting of Portland General Electric Company, that the foregoing statement was prepared under my supervision, and that to the best of my knowledge and belief the same is true and complete.

  
\_\_\_\_\_  
Peter M. Stevens

Subscribed and sworn to before me this 21st day of March, 1985.

  
\_\_\_\_\_  
Notary Public of Oregon

My commission expires November 15, 1989



**PORTLAND GENERAL ELECTRIC COMPANY**

ELECTRIC BUILDING  
621 S.W. ALDIER STREET  
PORTLAND, OREGON 97205

July 26, 1972

Mrs. Ruth Loundree  
Recorder  
City of Sandy  
Sandy, Oregon

Dear Mrs. Loundree:

Following up on our conversation earlier this week, I had a visit with Mr. Paul Biggs, attorney for the City of Sandy, to clear up the matter of our proposed franchise agreement. I offered, and he agreed, to have this proposed franchise ordinance resubmitted in a revised form similar to that which has been approved by two other cities using his legal counsel.

Pages two and three have been rewritten in order to make space at the end of Section 2 which gives the city the right to renegotiate the franchise fee payable by the company after the first ten-year interval. It is our feeling that an automatic increase (which would have to be shown on the billing to the customer) may not be advantageous to, nor desired by, the city at such time as this might occur. The proposed change gives the city the opportunity to consider such matters when they might occur.

Mr. Neil Jackson or Mr. T. W. Lowry, our managers in Sandy and Gresham Division respectively, will be able to describe the matter further if you so desire.

Sincerely,

A. D. Fragall  
Commercial Supervisor  
Division Operations

ADF:vs

Attachment

1948  
1949  
1950

The following table shows the increase in the total  
number of persons in the United States, which increase  
has been made possible by the Government's policy of  
expanding the production of goods and services.

# City of Gresham

1973

4-11-73

Mayor Melvin N. Haneberg  
Sandy City Hall  
Sandy, Oregon

Dear Mayor Haneberg:

I am writing you regarding the proposed new franchise for the City of Gresham. The City's present franchise expires on 12/31/73. Therefore this is the last opportunity for the new proposal is at this time.

The League of Oregon is a non-profit organization and would want to be considered for the franchise.

If the local section of the League is not selected, we would be disappointed after the

W. Williams  
Member

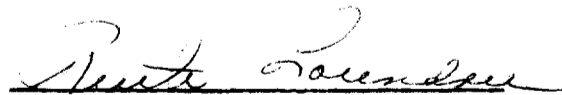
AFFIDAVIT OF POSTING

STATE OF OREGON        )  
                                  ) ss  
COUNTY OF CLACKAMAS    )


I, Ruth Loundree, being first duly sworn on oath do depose and say that I am the duly elected, qualified and acting city Recorder of the City of Sandy, Clackamas County, State of Oregon; that on the 3rd day of October, 1966, I posted in Five Conspicuous places in the City of Sandy, Oregon, copies of Ordinance No. 556 GRANTING PORTLAND GENERAL ELECTRIC COMPANY, AN OREGON CORPORATION, ITS SUCCESSORS AND ASSIGNS, for a period of 20 (Twenty) years from and after the effective date of this Ordinance, the right and privilege to erect, construct, maintain and operate within the corporate limits of the City of Sandy, Oregon, as such limits now exist or may be hereafter constituted, an electric light and power system with the poles, wires, fixtures, underground circuits and equipment necessary or convenient to supply said City and the inhabitants thereof and others with electric energy for light, power and other purposes, upon, over, along, under and across the streets, alleys, roads and other public ways and places within the corporate limits of said City, fixing the terms and conditions thereof, and providing for the manner of determination of the effective date thereof. A copy of said Ordinance No. 556 is attached hereto and made a part of this Affidavit as follows:

1. One copy at the City Hall, Sandy, Clackamas County, Oregon
2. One copy at the U.S. Post Office, Sandy, Clackamas County, Oregon
3. One copy on the Bulletin Board of the Thriftway Market, Sandy, Clackamas County, Oregon
4. One copy at the Clackamas County Bank, Sandy, Clackamas County, Oregon
5. One copy at Loundree's Paints & Supplies, Sandy, Clackamas County, Oregon

The said Ordinance was posted no e than two weeks prior to final passage and adoption.

  
Ruth Loundree,  
City Recorder

Subscribed and ~~sworn~~ sworn to before me this 14<sup>th</sup> day of October 1966.

  
Notary Public for Oregon

My Commission expires: 5-25-69

February 28, 1967

City Recorder  
Sandy, Oregon

Subject: Computation of 3% Franchise Fee

In compliance with the provision of Section 9(d) of Ordinance No. 556, there is shown below the gross revenue derived by Portland General Electric Company from the sales of electric energy within the City of Sandy, Oregon, during the calendar year 1966.

Sales of electric energy	\$129,575.52
Deduct - net write-off of uncollectible accounts	392.61
Gross revenue	<u>\$129,182.91</u>

Franchise fee based on 3% of above-shown gross revenue \$3,875.49

OATH

State of Oregon        )  
                          ) ss:  
County of Multnomah)

I, Harry L. Clark, being first duly sworn, depose and say: That I am the Assistant Treasurer of Portland General Electric Company, that the foregoing statement was prepared under my supervision, and that to the best of my knowledge and belief the same is true and complete.

Harry L. Clark  
Harry L. Clark

Subscribed and sworn to before me this 28th day of February, 1967.

Walter Staten  
Notary Public for Oregon

My commission expires:  
November 13, 1969

February 27, 1964

City Recorder  
Sandy, Oregon

Dear Sir:

In compliance with the provision of Section 9(d) of Ordinance No. 530, there is shown below the Gross Revenue derived by Portland General Electric Company from the sales of electric energy within the City of Sandy, Oregon, during the calendar year 1963.

Sales of electric energy	\$103,673.74
Deduct - Net write-off of uncollectible accounts	<u>311.95</u>
Gross Revenue	<u>\$103,361.79</u>


OATH

State of Oregon        )  
                          ) ss:  
County of Multnomah)

I, L. G. Park, being first duly sworn, depose and say: That I am the Assistant Treasurer of Portland General Electric Company, that the foregoing statement was prepared under my supervision and that to the best of my knowledge and belief the same is true and complete.

  
\_\_\_\_\_  
L. G. Park

Subscribed and sworn to before me this 27th day of February, 1964.

  
\_\_\_\_\_  
Notary Public for Oregon

My commission expires:  
November 13, 1965

February 26, 1965

City Recorder  
Clatsop, Oregon

Subject: Computation of 3% Franchise Fee

In compliance with the provision of Section 9(d) of Ordinance No. 530, there is shown below the gross revenue derived by Portland General Electric Company from the sales of electric energy within the City of Seaside, Oregon, during the calendar year 1964.

Sales of electric energy	\$112,171.04
Deduct - net write-off of uncollectible accounts	358.12
Gross revenue	<u>\$111,812.92</u>

Franchise fee based on 3% of above-shown gross revenue \$3,354.56.

OATH

State of Oregon        )  
                          ) ss:  
County of Multnomah)

I, Harry L. Clark, being first duly sworn, depose and say: That I am the Assistant Treasurer of Portland General Electric Company, that the foregoing statement was prepared under my supervision, and that to the best of my knowledge and belief the same is true and complete.

Harry L. Clark  
Harry L. Clark

Subscribed and sworn to before me this 26th day of February, 1965.

Maabel Slater  
Notary Public for Oregon

My commission expires:  
November 13, 1965





February 19, 1970

City Recorder  
Sandy, Oregon

Subject: Computation of Franchise Fee

In compliance with the provision of Section 9(d) of Ordinance No. 556, there is shown below the gross revenue derived by Portland General Electric Company from the sales of electric energy within the City of Sandy, Oregon,\* during the calendar year 1969.

Sales of electric energy	\$156,654.10
Deduct - net write-off of uncollectible accounts	612.20
Gross revenue	<u>\$156,041.90</u>

Franchise fee based on above-shown gross revenue \$4,681.26

\* Please continue to notify us of any annexations as they occur so that our record of earnings may be properly maintained.

OATH

State of Oregon )  
                  ) ss:  
County of Multnomah)

I, Harry L. Clark, being first duly sworn, depose and say: That I am the Assistant Treasurer of Portland General Electric Company, that the foregoing statement was prepared under my supervision, and that to the best of my knowledge and belief the same is true and complete.

Harry L. Clark  
Harry L. Clark

Subscribed and sworn to before me this 19th day of February, 1970.

J. H. [Signature]  
Notary Public for Oregon

My commission expires  
November 13, 1973



February 14, 1966

City Recorder  
Sandy, Oregon

Subject: Computation of 3% Franchise Fee

In compliance with the provision of Section 9(d) of Ordinance No. 530, there is shown below the gross revenue derived by Portland General Electric Company from the sales of electric energy within the City of Sandy, Oregon, during the calendar year 1965.

Sales of electric energy	\$116,514.92
Deduct - net write-off of uncollectible accounts	<u>420.97</u>
Gross revenue	<u>\$116,093.95</u>

Franchise fee based on 3% of above-shown gross revenue \$3,482.82.

OATH

State of Oregon        )  
                          ) ss:  
County of Multnomah)

I, Harry L. Clark, being first duly sworn, depose and say: That I am the Assistant Treasurer of Portland General Electric Company, that the foregoing statement was prepared under my supervision, and that to the best of my knowledge and belief the same is true and complete.

Harry L. Clark  
Harry L. Clark

Subscribed and sworn to before me this 14th day of February, 1966.

Mabel Staten  
Notary Public for Oregon

My commission expires:  
November 13, 1969

PORTLAND GENERAL ELECTRIC COMPANY

621 S. W. ALDER STREET  
 PORTLAND, OREGON 97205

No. 20274

8-30 350  
 9-64 5506

**PURCHASE ORDER**

SUBJECT TO CONDITIONS ON REVERSE SIDE

City of Sandy  
 Water Department  
 P. O. Box 83  
 Sandy, Oregon

DATE January 2, 1969

PLEASE SHIP TO PORTLAND GENERAL ELECTRIC COMPANY

PLEASE PLACE ORDER NUMBER ON ALL  
 PACKAGES, INVOICES AND MEMORANDA

CARE OF N. H. Burman  
 1510 S. E. Water Avenue  
 Portland, Oregon

AND MAIL INVOICES IN TRIPLICATE TO  
 GENERAL ACCOUNTING DEPT., 203 ELECTRIC BLDG.  
 621 S. W. ALDER ST., PORTLAND, OREGON 97205

VIA

QUANTITY	DESCRIPTION	CODE	PRICE
	<p>Provide, during January 1969 and monthly there-                      after during 1969, or until further notice:                      Water service to Sandy Substation.</p>		

SHIPMENT

PORTLAND GENERAL ELECTRIC COMPANY

CASH TERMS

BY Red Mudge PURCHASING AGENT

F O B

DIRECT TELEPHONE CALLS TO MR. Frank M. Adams

FREIGHT ALLOWANCE

BUYER

DISTRIBUTION LINE EASEMENT

KNOW ALL MEN BY THESE PRESENTS, That CITY OF DALY a municipal corporation of Oregon

(hereinafter called "the Grantors," whether one or more than one), for and in consideration of the payment of the sum of one and no/100th Dollars (\$ 1.00), the receipt of which is hereby acknowledged, hereby grant, sell and convey to Portland General Electric Company, an Oregon corporation,

(hereinafter called "the Grantee," whether one or more than one), its successors and assigns, a perpetual easement and right of way over, under and across the following described parcel of land situated in Clackamas County,

Oregon, being a strip of land 200 (0) feet in width, extending five (5) feet on each side of a center line more particularly described as follows:

beginning at a point 54° 31' 1.511.3 feet from the southwest corner of the southeast quarter of the southeast quarter of Section 26, T.2S., R.3E., W.M., running thence 27° 30' 1.237.95 feet.

TO HAVE AND TO HOLD the above described easement and right of way unto the Grantee, its successors and assigns, together with the present right to top, limb or fell trees located on land owned by the Grantors, adjacent to the above described right of way, which danger trees will be determined by the Grantee.

Said easement and right of way shall be for the following purposes, namely: the perpetual right to enter upon and to erect, maintain, repair, rebuild, operate and patrol electric power lines, including the right to erect such poles, wires, cables, guys, supports and appurtenances as are necessary thereto, together with the present and future right to clear said right of way and keep the same clear of brush, timber, structures and fire hazards, including the right to restrict the growth of trees and brush on said right of way by the use of chemical sprays.

Grantors shall have the right to use the lands subject to the above described easement for all purposes not inconsistent with the uses and purposes herein set forth, except Grantors shall not build or erect any structure upon the right of way without the prior written consent of the Grantee.

If the Grantee, its successors and assigns, shall fail to use said right of way for the purposes above mentioned for a continuous period of five years after construction of said power lines, then and in that event this right of way and easement shall terminate and all rights and privileges granted hereunder shall revert to the Grantors, their heirs and assigns.

The Grantors hereby warrant that they are possessed of a marketable title to the property covered by this easement, and have the right to grant the same.

The Grantors, for themselves and their heirs and assigns, covenant to and with the Grantee, its successors and assigns, that the Grantee, its successors and assigns, shall peaceably enjoy the rights and privileges herein granted.

IN WITNESS WHEREOF, the Grantors have caused this easement to be executed this 2nd day of

December, 1968.

Harold L. Eds (SEAL)  
Mark [unclear] (SEAL)  
\_\_\_\_\_  
\_\_\_\_\_  
(SEAL)  
(SEAL)

STATE OF OREGON }  
County of \_\_\_\_\_ } ss.

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me, the undersigned, a Notary Public in and for said County and State, personally appeared \_\_\_\_\_

to me known to be the individuals described in and who executed the foregoing instrument, and acknowledged that they executed the same freely and voluntarily.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my notarial seal this, the day and year in this instrument first written.

\_\_\_\_\_  
Notary Public for Oregon  
\_\_\_\_\_  
My commission expires \_\_\_\_\_



INTER-OFFICE COMMUNICATION  
PORTLAND GENERAL ELECTRIC COMPANY

Date December 15, 1966

To Mr. T. W. Lowry

From J. L. Williams

Subject City of Sandy Franchise Acceptance

I enclose herewith two executed copies of "Acceptance of Franchise" with the City of Sandy. Will you kindly file these forms of Acceptance with the Recorder of the City of Sandy and return one copy to me with satisfactory evidence that same has been duly filed.

Enc.  
cc: H.S. Johnson



ACCEPTANCE OF FRANCHISE

WHEREAS, the City of SANDY, OREGON, under date of December 5, 1966, passed ORDINANCE NO. 556, entitled as follows, to-wit:

An ordinance granting Portland General Electric Company, an Oregon corporation, its successors and assigns, for a period of 20 years from and after the effective date of this ordinance, the right and privilege to erect, construct, maintain and operate within the corporate limits of the City of Sandy, Oregon, as such limits now exist or may be hereafter constituted, an electric light and power system with the poles, wires, fixtures, underground circuits and equipment necessary or convenient to supply said City and the inhabitants thereof and others with electric energy for light, power and other purposes, upon, over, along, under and across the streets, alleys, roads and other public ways and places within the corporate limits of said City, fixing the terms and conditions thereof, and providing for the manner of determination of the effective date thereof.

NOW, THEREFORE, the undersigned, Portland General Electric Company, the grantee named in said Ordinance, does for itself and its successors and assigns accept the terms, conditions and provisions of Ordinance No. 556 and agrees to be bound thereby and comply therewith.

IN WITNESS WHEREOF, PORTLAND GENERAL ELECTRIC COMPANY has caused this instrument to be executed by its duly authorized officers as below subscribed this 7<sup>th</sup> day of December, 1966.

PORTLAND GENERAL ELECTRIC COMPANY

By *Richard J. ...*  
Vice President

Attest:

*Harold ...*  
Secretary

*Received Dec. 13 1966*  
*Booked and Indexed Dec. 13 1966*  
*Paul ...*  
*City Clerk*

PORTLAND GENERAL ELECTRIC COMPANY

621 S.W. ALDER STREET  
 PORTLAND, OREGON 97205

B 30-350

No.

243

**PURCHASE ORDER**

SUBJECT TO CONDITIONS ON REVERSE SIDE

City of Sandy  
 Water Department  
 P. O. Box 83  
 Sandy, Oregon

DATE January 3, 1967

PLEASE SHIP TO **PORTLAND GENERAL ELECTRIC COMPANY**

PLEASE PLACE ORDER NUMBER ON ALL PACKAGES, INVOICES AND MEMORANDA

CARE OF N. H. Burman  
 1510 S. E. Water Avenue  
 Portland, Oregon

AND MAIL INVOICES IN TRIPPLICATE TO  
 GENERAL ACCOUNTING DEPT., 203 ELECTRIC BLDG.  
 621 S. W. ALDER ST., PORTLAND, OREGON 97205

VIA

QUANTITY	DESCRIPTION	CODE	PRICE
	Provide, during January 1967 and monthly thereafter during 1967, or until further notice: Water service to Sandy Substation.		

SHIPMENT

CASH TERMS

F. O. B.

FREIGHT ALLOWANCE

PORTLAND GENERAL ELECTRIC COMPANY

BY *Frank M. Adams*  
 PURCHASING AGENT

DIRECT TELEPHONE CALLS TO MR. Frank M. Adams  
 BUYER

ORDINANCE NO. 550 - 4

AN ORDINANCE GRANTING A NON-EXCLUSIVE GAS UTILITY FRANCHISE TO NORTHWEST NATURAL GAS COMPANY, AND FIXING TERMS, CONDITIONS AND COMPENSATION OF SUCH FRANCHISE.

THE CITY OF SANDY, OREGON DOES ORDAIN AS FOLLOWS:

Section 1. Definitions and Explanations.

- (1) As used in this ordinance:
  - (a) "Bridge" includes a structure erected within the City to facilitate the crossing of a river, stream, ditch, ravine or other place, but does not include a culvert.
  - (b) "City" means the City of Sandy and the area within its boundaries, including its boundaries as extended in the future.
  - (c) "Council" means the legislative body of the City.
  - (d) "Grantee" means the corporation referred to in Section 2 of this ordinance.
  - (e) "Gas mains" includes all gas transmission and distribution facilities located on or under any street, bridge or public place within the City.
  - (f) "Person" includes an individual, corporation, association, firm, partnership and joint stock company.
  - (g) "Public place" includes any city-owned park, place or grounds within the City that is open to the public but does not include a street or bridge.
  - (h) "Street" includes a street, alley, avenue, road, boulevard, thoroughfare or public highway within the City, but does not include a bridge.
- (2) As used in this ordinance, the singular number may include the plural and the plural number may include the singular.
- (3) Unless otherwise specified in this ordinance, any action authorized or required to be taken by the City may be taken by the Council or by an official or agent designated by the Council.

Section 2. Rights Granted. Subject to the conditions and reservations contained in this ordinance, the City hereby grants to NORTHWEST NATURAL GAS COMPANY, a corporation, the right, privilege and franchise to construct, maintain and operate a gas utility system within the City, to install, maintain and operate on and under the streets and bridges and public places of the City, facilities for the transmission and distribution of gas to the City and its inhabitants and to other customers and territory beyond the limits of the City, and to transmit, distribute and sell gas; and, all other rights, privileges and franchises necessary or incident to the business of providing gas service.

Section 3. Use of Bridges and Public Places by Grantee.

(1) Before the Grantee may use or occupy any bridge or public place, the Grantee shall first obtain permission from the City so to do and shall comply with any special conditions the City desires to impose on such use or occupation.

(2) The compensation paid by the Grantee for this franchise includes compensation for the use of bridges and public places located within the City as authorized.

Section 4. Duration. This franchise is granted for a period of twenty (20) years from and after the effective date of this ordinance.

Section 5. Franchise Not Exclusive. This franchise is not exclusive, and shall not be construed as a limitation on the City in:

- (1) granting rights, privileges and authority to other persons similar to or different from those granted by this ordinance; and
- (2) constructing, installing, maintaining or operating any city-owned public utility.

Section 6. Public Works and Improvements Not Affected by Franchise. The City reserves the right to:

- (1) construct, install, maintain and operate any public improvement, work or facility;
- (2) do any work that the City may find desirable on, over or under any street, bridge or public place; and
- (3) vacate, alter or close any street, bridge or public place.

(4) Whenever the City shall excavate or perform any work in any of the present and future streets, alleys and public places of the City, or shall contract, or issue permits, for such excavation or work where such excavation or work may disturb Grantee's gas mains, pipes and appurtenances, the City shall notify Grantee sufficiently in advance of such contemplated excavation or work to enable Grantee to take such measures as may be deemed necessary to protect such gas mains, pipes, and appurtenances from damage and possible inconvenience or injury to the public. In any such case, the Grantee, upon request, shall furnish maps or drawings to the City or contractor, as the case may be, showing the approximate location of all its structures in the area involved in such proposed excavation or other work.

(5) Whenever the City shall vacate any street or public place for the convenience or benefit of any person or governmental agency and instrumentality other than the City, Grantee's rights shall be preserved as to any of its facilities then existing in such street or public place.

Section 7. Continuous Service. The Grantee shall maintain and operate an adequate system for the distribution of gas in the City. The Grantee shall use due diligence to maintain continuous and uninterrupted 24-hour a day service which shall at all times conform at least to the standards common in the business and to the standards adopted by state authorities and to standards of the City which are not in conflict with those adopted by the state authorities. Under no circumstances shall the Grantee be liable for an interruption or failure of service caused by act of God, unavoidable accident, or other circumstances beyond the control of the Grantee through no fault of its own.

Section 8. Safety Standards and Work Specifications.

(1) The facilities of the Grantee shall at all times be maintained in a safe, substantial and workmanlike manner.

(2) For the purpose of carrying out the provisions of this section, the City may provide such specifications relating thereto as may be necessary or convenient for public safety or the orderly development of the City. The City may amend and add to such specifications from time to time.

Section 9. Control of Construction. The Grantee shall file with the City maps showing the location of any construction, extension or relocation of its gas mains in the streets of the City and shall obtain from the City approval of the location and plans prior to commencement of the work. The City may require the Grantee to obtain a permit before commencing the construction, extension or relocation of any of its gas mains.

Section 10. Street Excavations and Restorations.

(1) Subject to the provisions of this ordinance, the Grantee may make necessary excavations for the purpose of constructing, installing,

maintaining and operating its facilities. Except in emergencies, prior to making an excavation in the traveled portion of any street, bridge or public place, and, when required by the City, in any untraveled portion of any street, bridge or any public place, the Grantee shall obtain from the City approval of the proposed excavation and of its location.

(2) Except as provided in subsection (3) of this section, when any excavation is made by the Grantee, the Grantee shall promptly restore the affected portion of the street, bridge, or public place to the same condition in which it was prior to the excavation. The restoration shall be in compliance with specifications, requirements and regulations of the City in effect at the time of such restoration. If the Grantee fails to restore promptly the affected portion of a street, bridge or public place to the same condition in which it was prior to the excavation, the City may make the restoration, and the cost thereof shall be paid by the Grantee.

(3) At its option, the City may restore or resurface the affected portion of any street, bridge or public place excavated by the Grantee, and the cost thereof shall be paid by the Grantee.

#### Section 11. Location and Relocation of Facilities

(1) All facilities of the Grantee shall be placed so that they do not interfere unreasonably with the use by the City and the public of the streets, bridges and public places and in accordance with any specifications adopted by the City governing the location of facilities.

(2) The City may require, in the public interest, the removal or relocation of facilities maintained by the Grantee in the streets of the City, and the Grantee shall remove and relocate such facilities within a reasonable time after receiving notice so to do from the City. The cost of such removal or relocation of its facilities shall be paid by the Grantee, but when such removal or relocation is required for the convenience or benefit of any person, governmental agency or instrumentality other than the City, Grantee shall be entitled to reimbursement for the reasonable cost thereof from such person, agency or instrumentality.

#### Section 12. Compensation.

(1) As compensation for the franchise granted by this ordinance, the Grantee shall pay to the City an amount equal to two per cent (2%) of the gross revenue collected by the Grantee from its customers for gas consumed within the City. Gross revenue shall be computed by deducting from the total billings of the Grantee the total net writeoff of uncollectible accounts and excluding sales of gas at wholesale by the Grantee to any public utility or public agency where the public utility or public agency purchasing such gas is not the ultimate consumer, and by deducting revenues derived from the sale of such gas under a tariff schedule applying to gas supplied for industrial purposes.

(2) The compensation required by this section shall be due for each calendar year, or fraction thereof, within sixty (60) days

after the close of such calendar year or fraction thereof. Within sixty (60) days after the termination of this franchise, compensation shall be paid for the period elapsing since the close of the last calendar year for which compensation has been paid.

(3) The Grantee shall furnish to the City with each payment of compensation required by this section a written statement, under oath, executed by an officer of Grantee showing the amount of gross revenue of the Grantee within the City for the period covered by the payment computed on the basis set out in subsection (1) of this section. The compensation for the period covered by the statement shall be computed on the basis of the gross revenue so reported. If the Grantee fails to pay the entire amount of compensation due the City through error or otherwise, the difference due the City shall be paid by the Grantee within fifteen (15) days from discovery of the error or determination of the correct amount. Any overpayment to the City through error or otherwise shall be offset against the next payment due from the Grantee.

(4) Acceptance by the City of any payment due under this section shall not be deemed to be a waiver by the City of any breach of this franchise occurring prior thereto, nor shall the acceptance by the City of any such payments preclude the City from later establishing that a larger amount was actually due, or from collecting any balance due to the City.

Section 13. Books of Account and Reports. The Grantee shall keep accurate books of account at an office in Oregon for the purpose of determining the amounts due to the City under Section 12 of this ordinance. The City may inspect the books of account at any time during business hours and may audit the books from time to time. The Council may require periodic reports from the Grantee relating to its operations and revenues within the City.

Section 14. Collection Facilities. The Grantee may maintain facilities in the City where its customers may pay their bills for gas service during normal business hours.

Section 15. Supplying Maps Upon Request. The Grantee shall maintain on file, at an office in Oregon, maps and operational data pertaining to its operations in the City. The City may inspect the maps and data at any time during business hours. Upon request of the City the Grantee shall furnish to the City, without charge and on a current basis, maps showing the location of the gas mains of the Grantee in the City.

Section 16. Indemnification. The Grantee shall indemnify and save harmless the City and its officers, agents and employees from any and all loss, cost and expense arising from damage to property and/or injury to or death of persons due to any wrongful or negligent act or omission of the Grantee, its agents or employees in exercising the rights, privileges and franchise hereby granted.

Section 17. Assignment of Franchise. This franchise shall be binding upon and inure to the benefit of the successors, legal representatives and assigns of the Grantee.

Section 18. Termination of Franchise for Cause. Upon the willful failure of the Grantee, after sixty (60) days' notice and demand in writing, to perform promptly and completely each and every term, condition or obligation imposed upon it under or pursuant to this ordinance, the City may terminate this franchise, subject to Grantee's right to a court review of the reasonableness of such action.

Section 19. Remedies Not Exclusive; When Requirement Waived. All remedies and penalties under this ordinance, including termination of the franchise, are cumulative, and the recovery or enforcement of one is not a bar to the recovery or enforcement of any other such remedy or penalty. The remedies and penalties contained in this ordinance, including termination of the franchise, are not exclusive, and the City reserves the right to enforce the penal provisions of any ordinance or resolution and to avail itself of any and all remedies available at law or in equity. Failure to enforce shall not be construed as a waiver of a breach of any term, condition or obligation imposed upon the Grantee by or pursuant to this ordinance. A specific waiver of a particular breach of any term, condition or obligation imposed upon the Grantee by or pursuant to this ordinance shall not be a waiver of any other or subsequent or future breach of the same or of any other term, condition or obligation, or a waiver of the term, condition or obligation itself.

Section 20. Posting of Ordinance. Due to circumstances, the City has insufficient money in its budget to pay for publication of this ordinance and therefore the same shall be posted.

Section 21. Acceptance. The Grantee shall, within thirty (30) days from the date this ordinance takes effect, file with the City its written unconditional acceptance of this franchise and if the Grantee fails so to do, this ordinance shall be void.

Inasmuch as it is necessary for the peace, health and safety of the citizens of Sandy, an emergency is hereby declared and this ordinance shall be in full force and effect immediately upon its passage by the Council and approval by the Mayor.

Passed by the Council this 2nd day of August, 1965.

Signed and approved by the Mayor this 3rd day of August, 1965.

Attest:

*Dorothy Henderson*  
Recorder

*Mike Paluck*  
Mayor



INDEX

<u>Section</u>	<u>Title</u>	<u>Page No.</u>
1	Definitions and Explanations	1
2	Rights Granted	2
3	Use of Bridges and Public Places by Grantee	2
4	Duration	2
5	Franchise Not Exclusive	2
6	Public Works and Improvements Not Affected by Franchise	2-3
7	Continuous Service	3
8	Safety Standards and Work Specifications	3
9	Control of Construction	3
10	Street Excavations and Restorations	3-4
11	Location and Relocation of Facilities	4
12	Compensation	4-5
13	Books of Account and Reports	5
14	Collection Facilities	5
15	Supplying Maps upon Request	5
16	Indemnification	5
17	Assignment of Franchise	6
18	Termination of Franchise for Cause	6
19	Remedies Not Exclusive; When Requirement Waived	6
20	Posting of Ordinance	6
21	Acceptance	6