

CONTRACT

THIS CONTRACT is made this ____ day of _____, 1980, by and between the CITY OF PORTLAND, a municipal corporation of the State of Oregon, hereinafter called ("City"), and PORTLAND GENERAL ELECTRIC COMPANY, an Oregon corporation, hereinafter called ("PGE").

I.

The purpose of this Contract is to permit the City to assume directly the ownership costs associated with PGE's poles, mast arms and luminaires for which PGE presently makes an investment charge to the City under Option "A" of Schedule 91 of its Tariff. On the effective date of this Contract, all such streetlighting equipment shall become the property of the City and be served under the terms and conditions of Option "B" of Schedule 91; except that:

(a) Approximately 3758 streetlight only ("SLO") poles (standard wood poles used for streetlighting purposes only) are not included. PGE will aid in inventorying this system and offer to sell any SLO poles which it determines are not "in the lead" for \$65 each. The transfer of ownership for SLO poles determined to be not "in the lead" will occur at the time PGE receives from the City payment for and agrees to a description of the pole(s) being purchased, and,

(b) Twin ornamental streetlights shall be maintained only upon written request of the City. All maintenance charges for twin ornamentals will be based on actual cost of maintenance, including the Company's standard overhead and supervision costs.

II.

The purchase price for all the included streetlighting equipment is \$3,000,000 payable in a single payment within one year of the execution of this Contract. Legal ownership of the equipment will pass to the City upon execution of this Contract; however, PGE will be entitled to receive and the City will be obligated to pay investment charges under Schedule 91 (whether or not modified by the Public Utility Commissioner) until the purchase price is received by PGE.

III.

At City's request PGE will convert streetlights from mercury vapor to high pressure sodium at cost including appropriate supervision and other overheads at times and locations mutually suitable to both. This conversion charge may be partially or completely offset by conservation credits which will vary depending on the size of the lamp being replaced. These credits, listed below, shall be applied to the City's regular billings from PGE. The Company is in the process of completing a conservation credit program for all streetlighting customers which must be approved by the Public Utility Commissioner. Mercury vapor lights converted within two years after the date of this Contract shall be converted at the listed conservation credit or the existing conservation credit tariff whichever is greater.

<u>Lumens</u>	<u>Conservation Credit</u>
7,000	\$16.00
10,000	\$20.00
21,000	\$26.50
55,000	\$93.00
Twin Ornaments	\$53.00

IV.

All terms of this Contract are subject to regulatory approval and will become effective when filed with and approved by the Oregon Public Utility Commissioner.

CITY OF PORTLAND

PORTLAND GENERAL ELECTRIC COMPANY

Commissioner of Public Works

Robert H. Short
President

Auditor

Approved as to Form:

City Attorney

ORDINANCE NO. 150024

An Ordinance authorizing a contract between the City of Portland and Portland General Electric Company, in the amount of 3 million dollars, for the purchase of existing street lighting facilities, providing for payment, internally transferring funds within the Street Lighting Fund and declaring an emergency.

The City of Portland ordains:

Section 1. The Council finds:

1. Through its Street Lighting Division, the City currently pays \$650,000 annually to rent certain street lighting facilities which are owned by the Portland General Electric Company (PGE). These facilities have been installed by PGE, at City request, over the past thirty years. In addition to this rent, the City pays PGE \$700,000 annually to maintain these street lighting facilities and \$1,800,000 annually for the electric energy to operate them.
2. As a municipal corporation, the City can finance ownership these street lighting facilities more favorably than can PGE because the City's cost of money is lower than PGE's and because the City has no income or property tax liabilities.
3. PGE is willing to sell certain street lighting facilities to the City for \$3,000,000.
4. By paying \$3,000,000 to purchase these facilities, the City will be relieved of annual rent payments of \$650,000. The initial payment will be recuperated through savings in less than five years. Ownership of these lighting facilities allows the City to qualify for an estimated \$1,500,000 in Federal Highway Administration Interstate Withdrawal funds for street light conversion programs along commercial arterials and for an estimated \$750,000 in energy conservation credits from PGE for conversion programs.
5. As part of the fiscal year 1980-81 Street Lighting Division budget, the City Council appropriated funds to purchase street lighting facilities from PGE. To support this purchase, funds originally appropriated within the contingency must be transferred to the operating budget.
6. The City Street Lighting Division and PGE's Department of Rates and Regulation have negotiated terms and conditions for this purchase, as described in a contract, marked Exhibit A, attached, and by this reference made a part hereof.
7. The proposed contract has been reviewed and recommended by the Commissioner of Public Works, the City Engineer, the Street Lighting Manager, the Budget Office (with respect to financing), the City Attorney (as to form), and Price Waterhouse & Co. (under contract to the City).

Calendar No. 2569

ORDINANCE No. 150024

Title

An Ordinance authorizing a contract between the City of Portland and Portland General Electric Company, in the amount of 3 million dollars, for the purchase of existing street lighting facilities, providing for payment, internally transferring funds within the Street Lighting Fund and declaring an emergency.

THE COMMISSIONERS VOTED AS FOLLOWS:

	Yeas	Nays
Ivancie	1	
Jordan	1	
Lindberg	1	
Schwab	1	
McCready	1	

FOUR-FIFTHS CALENDAR

Ivancie
Jordan
Lindberg
Schwab
McCready

Filed **JUL 10 1980**

GEORGE YERKOVICH
Auditor of the CITY OF PORTLAND

George Yerkovich
Deputy

INTRODUCED BY
COMMISSIONER LINDBERG

NOTED BY THE COMMISSIONER

Affairs
Finance and Administration
Safety
Utilities
Works **MLmjf**

BUREAU APPROVAL

Bureau:
STREET LIGHTING

Prepared By:
MTN/WAH/js

Date:
7-9-80

Budget Impact Review:
 Completed Not required

Bureau Head:
Mary T. Holt

CALENDAR

Consent Regular

NOTED BY

City Attorney
City Auditor
City Engineer