

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

AR 513

In the Matter of)	
)	
An Amendment to Adopt the 2007 National)	COMMENTS OF PORTLAND
Electric Safety Code)	GENERAL ELECTRIC COMPANY
)	RE: ARC FLASH HAZARDS
)	MITIGATION
_____)	

1. Is a six (6) month extension going to be adequate time for utilities to achieve compliance with the Arc Flash Rule? Note industry comments at <http://www.puc.state.or.us/PUC/safety/arcflash.shtml>, which include arguments both for and against delaying implementation of the Arc Flash Rule.

Answer: The six (6) month extension will be adequate for PGE to meet the requirements of the Arc Flash Rule at a minimal level. That is, PGE will have performed all of the necessary calculations and, barring manufacturing delays, will have procured the appropriate clothing. However, for the utilities that are relying on the tables provided in the rules, the six (6) month extension may only be adequate if the IEEE issues revisions of the tables prior to the implementation of the rule.

2. What is going to be gained by the delayed implementation of the Arc Flash Rule?

Answer: For PGE, the additional six months will permit us to perform more trials of the different types of clothing so that our purchases are more likely to be successful. Also, it will give us time to develop appropriate training regarding the use of the clothing and to develop processes and procedures that will mitigate risks to employees. The likely outcome of all this is that our employees will be able to work more safely.

In addition, delaying the implementation of the rule makes it more likely that the Federal and/or State OSHA will have provided their own guidance and standards regarding Arc Flash protection. If that happens, it is less likely that utilities will be forced to spend money to comply with one set of standards (NESC), only to find that they must comply with another set of standards with different or more onerous requirements, necessitating additional expenditures.

3. What are the fiscal and economic impacts caused by this delay? For example, are there savings to the utility industry and to utility workers?

Answer: The impact of this delay will be to allow PGE to better analyze where our money needs to be spent to provide the best protection for our employees. Given the extra time, we are less likely to over- or under-spend to meet the requirements of the rule.

4. What is the cost to comply with the Arc Flash Rule?

Answer: For Transmission and Distribution employees, PGE expects to spend \$307,000 on protective clothing and \$40,000 on development and implementation of training in order to meet its responsibilities under the Rule by the implementation date. For Generation employees, PGE expects to spend \$150,000 on protective clothing and \$20,000 on development and implementation of training in order to meet its responsibilities under the Rule by the implementation date. Costs will also be incurred in the future as

new employees are hired and clothing is replaced due to wear and tear. In addition, in order to mitigate arc flash risks, PGE expects to spend an estimated \$90,000 in 2008, \$450,000 in 2009 and \$550,000 in 2010 on modifications to substation equipment, as well as \$100,000 in 2009 and 2010 for modifications to existing generation plant electrical distribution equipment or new equipment.

5. What is the impact of the Arc Flash Rule compliance on state agencies, units of local government and the public (ORS 183.335(2)(b)(E))? For example, what is the cost to municipal electric utilities? What are costs (or savings) associated with delaying the Arc Flash Rule?

Answer: PGE does not have the information to answer the question with regard to state agencies and units of local government. With regard to the impact of compliance on the public, it should be minimal as the purpose of the rule is to protect utility workers. There should likewise be no cost to the public for delaying implementation of the rule.

6. What is the cost of compliance effect on small business (ORS 183.336)? For example, are there small businesses that include utility contractors and utility service providers who will be impacted? How are they impacted by delaying implementation of the Arc Flash Rule?

Answer: As PGE does not typically use small businesses to provide the goods and services that are affected by this rule, we cannot estimate or report on the matters covered in this question.

7. How were small businesses involved in the development of this rule?

Answer: Other than small PUDs and coops, PGE is not aware of any small businesses that were involved in the development of this rule.

DATED this 29th day of July, 2008.

Respectfully Submitted,

/s/ BARBARA W. HALLE

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