ISSUED: May 8, 2009

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UA 141 & UA 143

In the Matters of PACIFICORP, dba PACIFIC POWER Application for Allocation of Exclusive Service Territory (UA 141) and WASCO ELECTRIC COOPERATIVE, INC. Application for Allocation of Exclusive Service Territory (UA 143)	**PREHEARING CONFERENCE MEMORANDUM**

DISPOSITION: PACIFIC POWER TO FILE EXPLANATORY STATEMENT

A joint prehearing conference was held in the above dockets on May 7, 2009. Appearing at the conference were Raymond Kindley, on behalf of Wasco Electric Cooperative, Inc. (Wasco), Michelle Mishoe, on behalf of PacifiCorp, dba. Pacific Power (Pacific Power)[1], and David Hatton on behalf of the Staff of the Public Utility Commission of Oregon (Staff).

The subject matter of these applications is the allocation of the service areas in the Hay Canyon area, in Sherman County, Oregon (Hay Canyon). During the conference, I asked questions of Wasco and Pacific Power intended to clarify their respective positions. It is my understanding that Wasco now serves three customers in the unallocated area (adjacent to its exclusive service territory). By its application, Wasco requests that the Commission designate the area encompassing those three customers as Wasco's exclusive territory.

The three customers include two long-term domestic customers and the Iberdola wind farm (Iberdola). Iberdola consists of 48 turbines. Of the 48 turbines, 31 are located within Wasco's exclusive territory. Wasco provides retail "station service" to all 48 turbines. Wasco provides that service through a full requirements contract with the Bonneville Power Administration.

Pacific Power currently serves four customers in Hay Canyon. Although in its application Pacific Power has requested that it be allocated all of Hay Canyon[2], at the prehearing

[1] Pacific Power filed a petition to intervene in docket UA 143 on March 30, 2009. Wasco did not oppose the petition. The petition is granted.

[2] *See* Pacific Power's application, docketed as UA 141.

conference, Pacific Power indicated that it does not request that it be allocated the area encompassing the two domestic customers. However, Pacific Power does request that it be allocated the remainder of Hay Canyon, including the area encompassing the 17 turbines now served by Wasco.

At the conference, I invited Pacific Power to file a statement that explains how it might be in the public interest to allocate to Pacific Power the area encompassing the 17 turbines now served by Wasco. I indicated that, in its statement, Pacific Power should address factual issues related to the apparent duplicative service, including Pacific Power's cost of providing that service and what public benefits might be realized were the Commission to allocate that territory to Pacific Power. Pacific Power's statement should also explain whether it proposes to serve only the 17 turbines in Hay Canyon, or whether it proposes to serve all 48 turbines. It should include the cost of Pacific Power's facilities needed to serve the turbines, the cost and source of the energy that Pacific Power plans to use to serve the turbines, and the proposed rate it would charge for that service.

Pacific Power may also describe what additional load it may plan to serve using those facilities, including a possible expansion of Iberdola.

Pacific Power shall file its statement not later than May 21, 2009.

Wasco may file a response to Pacific Power's statement, not later than June 1, 2009.

Pacific Power may file a reply to Wasco, not later than June 8, 2009.

After receipt of the respective pleadings, I will consider whether to reopen docket UA 141 and whether a second prehearing conference is necessary.

At the conference, Mr. Hatton, on behalf of Staff, offered to send to the parties a prior Commission order and other documentation that he believes may assist the parties and the Commission in resolving this matter. Mr. Hatton shall provide those materials in the ordinary course of business.

Dated at Salem, Oregon, this 8th day of May, 2009.

Patrick Power
Administrative Law Judge