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BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UA 105

In the Matter of)	
)	
PACIFICORP, dba PACIFIC POWER & LIGHT, and CONSUMERS POWER, INC.)	ORDER
)	
Joint Application for Approval of Allocation of Service Territory)	

DISPOSITION: JOINT APPLICATION APPROVED

On June 24, 2004, PacifiCorp, dba Pacific Power & Light (PacifiCorp), and Consumers Power, Inc. (Consumers) filed a Joint Application (Application) for approval of allocation of service territory. The Application relates to two parcels referred to as "PacifiCorp Service Territory" and "Consumers Service Territory." The PacifiCorp Service Territory is being transferred to Consumers, and the Consumers Service Territory is being transferred to PacifiCorp. The Consumers Service Territory is approximately 13.3 acres and contains three customers currently served by PacifiCorp, and includes certain related facilities owned and operated by PacifiCorp. The PacifiCorp Service Territory is approximately 1.55 acres and presently contains no customers. Descriptions of the service territories for which this application seeks transfer are attached as Appendix A to this order.

On July 12, 2004, the Commission published notice of the application pursuant to ORS 758.420. On July 22, 2004, the Commission published a second and final notice of the application. Only Commission Staff filed comments. No requests for hearing were received.

The Staff concludes that the proposed allocation of service territory is acceptable and is not contrary to the public interest.

ORS 758.415 provides that the Commission shall approve a contract for the allocation of service territory if it finds that the contract will "eliminate or avoid unnecessary duplicating facilities, and will promote the efficient and economic use and development and the safety of the utility systems of the parties to the contract, while

providing adequate and reasonable service to all territories and customers affected thereby.”

The agreement between PacifiCorp and Consumers memorializes a minor service territory boundary adjustment intended to conform their service territory boundaries to the location of existing customers and facilities. Without the exchange, both PacifiCorp and Consumers would each be required to construct additional facilities to serve the areas being transferred. With respect to the PacifiCorp territory, the exchange will allow contemplated future development to occur entirely within Consumers’ service territory, avoiding a situation where both parties might be required to construct duplicative facilities to serve the same development.

The agreement also promotes efficient, economic, and safe development and operation by allowing PacifiCorp to continue serving existing customers from existing facilities already integrated into its electric system, and by allowing Consumers to serve new customer development from its existing facilities. Absent the exchange, PacifiCorp would be required to: (1) discontinue serving customers and maintaining facilities in the Consumers Service Territory, and (2) construct new facilities to serve contemplated future development in the PacifiCorp Service Territory. Corresponding changes would be required of Consumers. Such changes would potentially involve unnecessary expense, customer inconvenience, and relocation or construction of facilities, all of which are avoided by the service territory exchange in the agreement.

PacifiCorp and Consumers provide safe and reliable service to their utility customers. The agreement will allow them to continue serving the same customers from the same facilities as occurred before the exchange. The exchange will thus ensure adequate and reasonable service to existing customers and to any future development occurring in the areas exchanged.

The Application satisfies the requirements set forth in ORS 758.415 and should be approved.

ORDER

IT IS ORDERED that the joint application filed by PacifiCorp, dba Pacific Power & Light, and Consumers Power, Inc., is approved. The transfer of service territories as described in Appendix A is effective immediately.

Made, entered, and effective _____.

Lee Beyer
Chairman

John Savage
Commissioner

Ray Baum
Commissioner

A party may request rehearing or reconsideration of this order pursuant to ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-014-0095. A copy of any such request must also be served on each party to the proceeding as provided by OAR 860-013-0070(2). A party may appeal this order to a court pursuant to applicable law.