

**BEFORE THE PUBLIC UTILITY COMMISSION**

**OF OREGON**

UA 107

In the Matter of	)	
	)	ORDER
SALEM ELECTRIC	)	
	)	
Application for an Order to Allocate	)	
Adjacent Unserved Territory.	)	

**DISPOSITION: APPLICATION APPROVED**

On January 19, 2005, Salem Electric filed an application with the Public Utility Commission of Oregon (Commission), pursuant to ORS 758.435 and OAR 860-025-0025, requesting an order to allocate a limited portion of PacifiCorp’s unserved adjacent territory to Salem Electric (“Subject Territory”), which will become a part of Salem Electric’s exclusive service territory. The Service Territory consists of approximately 21.9 acres lying in Polk County, which is immediately adjacent and bordered on two sides by Salem Electric’s existing exclusive allocated service territory. A description of the property is attached as Appendix A and is incorporated by reference.

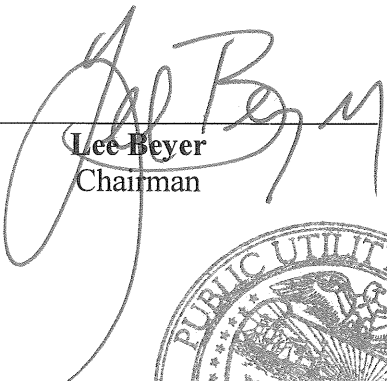
PacifiCorp serves the territory adjacent to the Subject Territory, but acknowledges that it would be mutually beneficial for Salem Electric to serve the Subject Territory. No transfer of equipment, plant or facilities between Salem Electric and PacifiCorp is required in connection with the allocation of the Subject Territory to Salem Electric, because none currently exists. Salem Electric has existing distribution facilities located to the East of the Subject Territory. Extension of electric facilities through the Subject Territory would be installed as part of a line extension for the area from existing Salem Electric facilities.

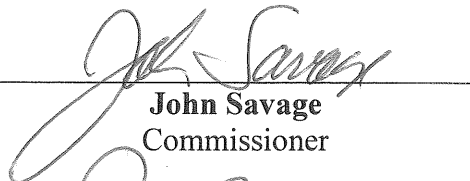
Staff finds that transferring the unserved adjacent territory of PacifiCorp to Salem Electric will best facilitate the provision of economic, safe, efficient, and reliable services. The transfer is acceptable and not contrary to the public interest.


**ORDER**

IT IS ORDERED that the application filed by Salem Electric for authority to allocate unserved adjacent territory to Salem Electric, which will become a part of Salem Electric's exclusive service territory, is approved.

Made, entered, and effective APR 01 2005.

  
\_\_\_\_\_  
**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.

RECEIVED

ORDER NO. 05-164

MAR 22 2005

PUBLIC UTILITY COMMISSION OF OREGON  
INTEROFFICE CORRESPONDENCE

Public Utility Commission of Oregon  
Administrative Hearings Unit Division

DATE: March 21, 2005

TO: Jodi Skeel  
Law Clerk

FROM: Paul Rossow *PR*  
Electric Rates & Planning

SUBJECT: UA 107-Salem Electric Application for an Order to Allocate Adjacent Unserved Territory.

This memo provides information regarding allocating adjacent unserved territory to Salem Electric from PacifiCorp.

**Background**

On January 19, 2005, Salem Electric filed an application requesting the Public Utility Commission of Oregon for an order to allocate a very limited portion of PacifiCorp's unserved adjacent territory (Subject Territory) as part of Salem Electric exclusive service territory. PacifiCorp also serves territory adjacent to the Subject Territory, but has acknowledged in two separate letters that it would be mutually beneficial for Salem Electric to serve the requested territory.

Salem Electric has received a request to serve an area called Vineyard View Subdivision, the majority of which lies within Salem Electric's existing territory requiring an extension through the unserved adjacent territory lying to the East. Currently, no utility service is provided in the unserved adjacent territory, nor equipment, plant or facilities exist in the Subject Territory. No transfer of equipment, plant or facilities between Salem Electric and PacifiCorp is required in connection with allocation of the Subject Territory to Salem Electric.

**Description**

The property sought to become a part of Salem Electric's exclusive territory from PacifiCorp consists of approximately 21.9 acres lying in Polk County which currently contains no customers.

Since the original plan for development came into existence about 1977, the Subject Territory sometimes referred to as the Eagle View Estates Subdivision has not been developed, thus the Eagle View Estates Subdivision was not recorded, and the Subject Territory therefore remains a part of the property known as McNary Orchards. Immediately adjacent to the Subject Territory, lies another subdivision known as the Vineyard View Subdivision, which is within Salem Electric service territory.

Salem Electric has existing distribution facilities located to the East of the Subject Territory. Extension of electric facilities through the Subject Territory would be installed as part of a line

extension for the Vineyard View Subdivision from existing Salem Electric facilities lying to the East. Thus, allowing the available facilities to provide electric service to the Subject Territory as development occurs in the near future.

**Conclusion**

Based on my review of Salem Electric's Application, I find the transfer of allocating adjacent unserved territory to Salem Electric from PacifiCorp will best facilitate the provision of economical, safe, efficient, and reliable service to this adjacent unserved territory. The approval of this Application will enable PacifiCorp to avoid the cost and expense of upgrading or constructing new facilities, and Salem Electric will be providing exclusive electric utility service within the area-preventing the duplication of facilities. I find the transfer of unserved territory acceptable and not contrary to the public interest.