

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION
COMMISSION

For an Order Approving an Interim)	
Service Territory Agreement Between)	
PacifiCorp and Columbia Rural Electric)	DOCKET NO. UE-011085
Association)	
)	ORDER APPROVING
)	PACIFICORP'S
)	PARTICIPATION IN AN
)	INTERIM SERVICE
.....)	TERRITORY AGREEMENT

BACKGROUND

- 1 On July 31, 2001, PacifiCorp filed with the Commission an Application requesting approval of an Interim Service Territory Agreement with Columbia Rural Electric Association (CREA). PacifiCorp is an investor-owned utility serving customers in southern Washington. CREA is an electric cooperative serving customers in Washington and northern Oregon.
- 2 The absence of any service territory agreement in growth areas of southern Washington and the presence of multiple franchise rights in the same town has caused duplicate investment, contrary to established statutory policy. The parties concurred that a service territory agreement was in their interest, and have recognized that they cannot negotiate effectively while competitive pressures distract them. Therefore, the parties requested the imposition of a simple agreement on an interim basis to facilitate a long-term agreement as being the most effective way to proceed.
- 3 The Interim Territory Agreement states that each company's existing customers will continue being served by their current utility and CREA will not solicit new franchise arrangements to acquire new customers. The Agreement will last until December 31, 2001, before which time the parties have stated that they will see to submit a long-term Service Territory Agreement will be submitted for Commission review.

CONCLUSIONS OF LAW

- 4 1. The Washington Utilities and Transportation Commission has jurisdiction over the subject matter of this proceeding.

- 5 2. This matter was brought before the Commission at its regularly scheduled open meeting on October 24, 2001. The Commission has reviewed the terms of the proposed Interim Service Territory Agreement. Those terms are consistent with the public interest and the public policy set forth in RCW Ch. 54.48 encouraging the use of service territory agreements. PacifiCorp's participation in the Agreement should be approved in its entirety.

ORDER

- 6 THE COMMISSION ORDERS That PacifiCorp's participation in the proposed interim service territory agreement which is contained in the memo of understanding with Columbia Rural Electric Association filed by PacifiCorp on July 31, 2001, is approved from the date of this Order through December 31, 2001.

DATED at Olympia, Washington, and effective this 24th day of October, 2001.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

RICHARD HEMSTAD, Commissioner

PATRICK J. OSHIE, Commissioner