

UE-161204 / Pacific Power & Light Company

March 2, 2017

WUTC Data Request 4

WUTC Data Request 4

REQUESTED BY: David Panco

In RCW 54.48.020, the legislature declared that:

the duplication of the electric lines and service of public utilities and cooperatives is uneconomical, may create unnecessary hazards to the public safety, discourages investment in permanent underground facilities, and is unattractive, and thus is contrary to the public interest and . . . that it is in the public interest for public utilities and cooperatives to enter into agreements for the purpose of avoiding or eliminating such duplication.

Please list and provide copies of any service territory agreements currently in place between Pacific Power and any other electric service provider in order to avoid “duplication of electric lines and service of public utilities and cooperatives” within the state of Washington. Further, please list and describe any attempts that have been made since 2000 to establish electric service territory agreements to avoid “duplication of electric lines and service of public utilities and cooperatives,” and describe the results of those attempts.

Response to WUTC Data Request 4

Please see Attachment WUTC 4 for a copy of the service area agreement with Benton Rural Electric Association.

In 2001, the Company and Columbia REA met to discuss the duplication of electrical service and a possible service territory agreement to prevent further duplication. The Washington Utilities and Transportation Commission (WUTC) assigned an administrative law judge to the negotiations on October 25, 2001. After several months of negotiations the Company and Columbia REA reached an agreement in principle. However, in the process of formalizing the service territory agreement, Columbia REA repeatedly rejected provisions entirely consistent with the prior agreement in principle. Ultimately, negotiations were terminated on May 17, 2002.

In 2003, the Company and Columbia REA met again in an effort to negotiate a service territory agreement. The same WUTC administrative law judge was assigned to the negotiations. Initially, the Company and Columbia REA reached an agreement regarding the items that were non-negotiable or “off the table.” After several months of negotiations, the Company and Columbia REA again reach an agreement in principle. However, in the process of formalizing the service territory agreement, Columbia REA demanded inclusion of a provision

Despite PacifiCorp's diligent efforts, certain information protected from disclosure by attorney-client privilege or other applicable privileges or law may have been included in response to these data requests. Accordingly, PacifiCorp reserves its right to seek the return of any privileged or protected materials that may have been inadvertently disclosed, and respectfully advise that any inadvertent disclosure should not be considered a waiver of any applicable privileges or rights. PacifiCorp respectfully requests that you inform PacifiCorp immediately if you become aware of any such materials in these responses.

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that the Company and Columbia REA previously agreed was non-negotiable or “off the table.” In July 2004, the administrative law judge declared an impasse.

In addition to seeking a service territory agreement with Columbia REA, in the 2005 legislative session, Pacific Power sponsored HB 2179 that would have helped avoid further duplication of electrical service. The bill received a hearing but, unfortunately, never made it out of committee.

PREPARER: Ariel Son & Bill Clemens

SPONSOR: To Be Determined

Despite PacifiCorp's diligent efforts, certain information protected from disclosure by attorney-client privilege or other applicable privileges or law may have been included in response to these data requests. Accordingly, PacifiCorp reserves its right to seek the return of any privileged or protected materials that may have been inadvertently disclosed, and respectfully advise that any inadvertent disclosure should not be considered a waiver of any applicable privileges or rights. PacifiCorp respectfully requests that you inform PacifiCorp immediately if you become aware of any such materials in these responses.



825 NE Multnomah, Suite 2000
Portland, Oregon 97232

October 21, 2015

***VIA ELECTRONIC FILING
AND OVERNIGHT DELIVERY***

Steven V. King
Executive Director and Secretary
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive SW
P.O. Box 47250
Olympia, WA 98504-7250

RE: Pacific Power & Light Company's Petition for an Order Approving a Service Territory Agreement between PacifiCorp and Benton Rural Electric Association

Pacific Power & Light Company, a division of PacifiCorp (Pacific Power or Company), petitions the Washington Utilities and Transportation Commission for an order approving a service territory agreement between PacifiCorp and Benton Rural Electric Association.

It is respectfully requested that all formal correspondence and Staff requests regarding this petition be addressed to:

By e-mail (preferred): datarequest@pacificorp.com

By regular mail: Data Request Response Center
PacifiCorp
825 NE Multnomah Street, Suite 2000
Portland, Oregon, 97232

Please contact Ariel Son, Manager, Regulatory Projects, at 503-813-5410 if you have any informal questions.

Sincerely,

R. Bryce Dalley
R. Bryce Dalley
Vice President, Regulation

Enclosures

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of

PACIFIC POWER & LIGHT COMPANY,
a division of PacifiCorp

For an Order Approving a Service Territory
Agreement between PacifiCorp and Benton
Rural Electric Association

DOCKET UE-15_____

PETITION OF PACIFICORP

I. INTRODUCTION

1 Pacific Power & Light Company, a division of PacifiCorp (Pacific Power or
Company), petitions the Washington Utilities and Transportation Commission
(Commission) for an order approving the following service territory agreement between
PacifiCorp and Benton Rural Electric Association (Benton REA) relating to certain
service areas in Yakima County, Washington (Agreement):

Agreement for the Prevention and Elimination of Duplicative Electric
Facilities between PacifiCorp and Benton REA dated July 29, 2015,
attached as Exhibit 1.

2 This petition may bring into issue the following statutes: RCW 54.48.010, RCW
54.48.020, RCW 54.48.030, and RCW 80.04.010.

II. BACKGROUND

3 PacifiCorp supplies electric services to approximately 1.8 million customers in six
states (including Washington, California, Oregon, Utah, Idaho, and Wyoming). Pacific
Power owns facilities for the transmission, distribution, and sale of electric energy, and
currently provides electric service to over 132,000 retail customers in various areas
within the State of Washington, including Yakima County. Pacific Power is subject to

the regulatory authority of the Commission as to its rates, services, facilities, accounting, and practices.

4 Pacific Power's name and address:

Pacific Power Washington Dockets
825 NE Multnomah Street, Suite 2000
Portland, Oregon 97232
washingtondockets@pacificorp.com

Cynthia Hansen Mifsud
Senior Counsel
825 NE Multnomah Street, Suite 1800
Portland, Oregon 97232
cynthia.hansen@pacificorp.com

In addition, PacifiCorp respectfully requests that all data requests be addressed to:

By e-mail (preferred) datarequest@pacificorp.com

By regular mail Data Request Response Center
825 NE Multnomah Street, Suite 2000
Portland, Oregon 97232

5 Benton REA is a not-for-profit electric cooperative affiliated with Touchstone Energy Cooperative and operates exclusively in the State of Washington. Benton REA owns facilities for the transmission, distribution, and sale of electric energy and currently provides electric service to over 15,000 customers in various portions of Yakima County, Washington.

6 The current service areas of PacifiCorp and Benton REA are contiguous at certain locations in Yakima County, Washington.

7 Pacific Power and Benton REA previously entered a service area agreement dated August 28, 1990, in resolution of certain service territory disputes between the parties (Prior Agreement). The Prior Agreement was approved by the Commission on October 3, 1990, and had a twenty-five (25) year term limit, as permitted under RCW 54.48.030.

8 Pacific Power and Benton REA entered into the Agreement, which is substantially similar to the Prior Agreement, in order to maintain their existing agreements, including their agreement regarding the existing boundary between their contiguous service areas, upon the expiration of the Prior Agreement.

III. REQUEST FOR APPROVAL OF THE AGREEMENT

9 RCW 54.48 authorizes public utilities to enter into agreements for the designation of boundaries of adjoining service areas. RCW 54.48.010(1) defines the term “public utility” as “any privately owned public utility company engaged in rendering electric service to the public for hire...and any city or town engaged in the electric business.” Pacific Power and Benton REA are “public utilities” within the meaning of RCW 54.48.010(1).

10 In enacting RCW 54.48, the legislature declared that it is in the public interest for public utilities to enter into service area agreements for the purpose of avoiding or eliminating duplication of the electric lines and service of such public utilities. See RCW 54.48.020.

11 RCW 54.48.030 provides that participation in such agreement by “any public utility which is an electrical company under RCW 80.04.010, excepting cities and towns, shall be approved by the [Commission].” RCW 80.40.010 defines an “electrical company” as “any corporation...owning, operating or managing any electric plant for hire within this state.” Pacific Power is an “electrical company” under RCW 80.04.010.

12 The purpose of the Agreement is to avoid duplication of electric facilities by Pacific Power and Benton REA by establishing procedures for service to new customers, exploring the elimination of existing duplication of electric facilities and providing for

studies to support the establishment of mutually agreeable areas to be serviced exclusively by Pacific Power or Benton REA.

13 The Agreement states that existing customers will continue to be served by their existing utility and neither Pacific Power nor Benton REA shall serve, attempt to serve or offer to serve any customer already receiving electric service from the other unless authorization is given by the existing utility in writing. Further, the Agreement states that service to any new customer or new load shall be provided by the party having existing electric distribution facilities closest to the new customer.

14 The term of the Agreement is up to twenty-five (25) years, as permitted under RCW 54.48.030.

15 The terms of the Agreement are consistent with, and fulfill the policies embodied in, RCW 54.48.020 and RCW 54.48.030, and its approval by the Commission is in the public interest.

IV. CONCLUSION

16 In accordance with RCW 54.48.030, Pacific Power respectfully requests that the Commission issue an order approving the Agreement.

Respectfully submitted this 21st day of October, 2015,


By: 
Cynthia Hansen Mifsud
Senior Counsel
Pacific Power
825 NE Multnomah Street, Suite 1800
Portland, OR 97232

Exhibit 1

Agreement for the Prevention and Elimination of Duplicative Electric Facilities between PacifiCorp and Benton REA

AGREEMENT FOR THE PREVENTION AND ELIMINATION OF DUPLICATIVE ELECTRIC FACILITIES

This Agreement for the Prevention and Elimination of Duplicative Electric Facilities (“Agreement”) dated July 29, 2015, is by and between PacifiCorp, an Oregon corporation, and Benton Rural Electric Association (“Benton”), a nonprofit corporation organized under the laws of the State of Washington.

RECITALS

WHEREAS, PacifiCorp and Benton each own facilities for the transmission, distribution, and sale of electric energy in various portions of Yakima County, Washington, and have mutually concluded that the duplication of such facilities is contrary to prudent electric utility practice and adverse to the interest of their customers and to that of their construction, service and maintenance personnel; and

WHEREAS, the Legislature of the State of Washington, in enacting Revised Code of Washington Chapter 54.48, declared that the duplication of electric lines and services is contrary to the public interest, and that it is in the public interest for public utilities and cooperatives to enter into agreements for the purpose of avoiding or eliminating such duplication; and

WHEREAS, pursuant to said legislative policy, PacifiCorp and Benton in accordance with the terms of this Agreement desire to eliminate existing duplications of their electric facilities, prevent further duplication of their facilities, and encourage the orderly extension of service into areas not currently served by either PacifiCorp or Benton.

NOW, THEREFORE, IT IS AGREED by the parties hereto as follows:

SECTION 1: PURPOSE

The purpose of this Agreement is to avoid duplication of electric facilities by PacifiCorp and Benton by establishing procedures for service to new customers, exploring the elimination of existing duplication of electric facilities, and providing for studies having as an objective the establishment of mutually agreeable areas serviced exclusively by PacifiCorp or Benton.

SECTION 2: SERVICE TO EXISTING CUSTOMERS

Except upon authorization given in writing, neither PacifiCorp nor Benton shall serve, or attempt to serve, or offer to serve, any load receiving electric service from the other.

SECTION 3: SERVICE TO NEW CUSTOMERS

In order to prevent duplication of electric facilities, service to any new customer or new load shall be provided by the party having existing electric distribution facilities closest to the service entrance of such new customer or new load on the date written application is made by the new customer or new load for such service. However, for economic reasons, by mutual consent in writing, the closest utility may release the new customer or new load to the other utility.

SECTION 4: PREVENTION AND ELIMINATION OF DUPLICATIVE FACILITIES

PacifiCorp and Benton may meet, confer and conduct studies for the prevention and possible elimination of duplicative electric facilities by the establishment of areas in which one party shall provide electric service to the exclusion of the other. Such areas shall be described in amendments to this Agreement, which amendments shall be filed with the Washington Utilities and Transportation Commission.

SECTION 5: TERM AND TERMINATION

This Agreement and any amendments hereto shall become effective upon the later of the effective date of an order of the Washington Utilities and Transportation Commission approving this Agreement or amendment, or approval by the Board of Trustees of the Benton Rural Electric Association. This Agreement, together with any amendments, shall continue in full force and effect until the earlier of July 1, 2040 or such time as declared unlawful or unenforceable, in whole or in any material part, by the Washington Utilities and Transportation Commission, court order, or legislative or regulatory action.

SECTION 6: CHOICE OF LAW

This Agreement shall be interpreted in accordance with the laws of the State of Washington.

SECTION 7: JURY TRIAL WAIVER

To the fullest extent permitted by law, PacifiCorp and Benton each waives any right it may have to a trial by jury in respect of litigation directly or indirectly arising out of, under or in connection with this agreement. PacifiCorp and Benton further waives any right to consolidate, or to request the consolidation of, any action in which a jury trial has been waived with any other action in which a jury trial cannot be or has not been waived.

SECTION 8: SUCCESSORS AND ASSIGNS

This Agreement shall be binding upon, and inure to the benefit, of the successors and assigns of Benton and PacifiCorp.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

SIGNATURES

BENTON RURAL ELECTRIC
ASSOCIATION

By: Michael Freepons

Name: Michael Freepons

Title: President

PACIFICORP

By: [Signature] *mlm*

Name: Stefan A. Bird

Title: President & CEO
Pacific Power, a
division of Pacificorp