

**BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION**

In re the Application of PacifiCorp)	DOCKET NO. UE-031519
)	
)	ORDER NO. 01
For an Order Approving an Interim)	
Service Territory Agreement)	
Between PacifiCorp and Columbia)	ORDER APPROVING
Rural Electric Association Pursuant)	PACIFICORP'S PARTICIPATION
to Chapter 54.48 RCW)	IN AN INTERIM SERVICE
)	TERRITORY AGREEMENT
.....)	

BACKGROUND

1 On September 22, 2003, PacifiCorp filed with the Commission, pursuant to Chapter 54.48 RCW, 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 Oregon.

FINDINGS AND CONCLUSIONS

2 (1) The absence of any service territory agreement in growth areas of southern Washington and the presence of overlapping franchise rights in the same territory has caused duplicate investment in electric plant that is contrary to established statutory policy, as the Commission noted in its Order in Docket No. UE-011085. Duplicating and sometimes crossing facilities create concerns involving safety, quality of service, and reliability.

- 3 (2) The parties agree that studying the feasibility of a long-term service territory agreement is in their mutual interest and in the interest of their customers and the communities that they serve. They have requested the approval of an interim agreement to facilitate the good faith development of a long-term agreement.
- 4 (3) The Interim Agreement states that each company's existing customers will continue being served by their current utility and that the parties will not accept applications for service from existing customers of the other utility, with the exception of one customer whose application for service was pending at the time the interim agreement was executed. The Agreement will last until January 15, 2004, before which time the parties have stated that they will seek to submit a long-term Service Territory Agreement for Commission review and approval.
- 5 (4) The Washington Utilities and Transportation Commission has jurisdiction over the subject matter of this Petition pursuant to RCW 54.48.030.
- 6 (5) This matter was brought before the Commission at its regularly scheduled open meeting on October 8, 2003. 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 Chapter 54.48 RCW encouraging the use of service territory agreements. PacifiCorp's participation in the Agreement should be approved.

ORDER

THE COMMISSION ORDERS:

- 7 (1) PacifiCorp's participation in the proposed interim service territory agreement that is contained in the memorandum of understanding with Columbia Rural Electric Association filed by PacifiCorp on September 22, 2003, is in the public interest and is approved, from the date of this Order through January 15, 2004.

DATED at Olympia, Washington, and effective this 8th day of October, 2003.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

RICHARD HEMSTAD, Commissioner

PATRICK J. OSHIE, Commissioner