

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	
OF RAFT RIVER RURAL ELECTRIC)	CASE NO. C11-E-09-01
COOPERATIVE, INC. FOR AN ORDER)	
APPROVING AN ALLOCATION)	
AGREEMENT BETWEEN RAFT RIVER)	
AND IDAHO POWER COMPANY)	
PURSUANT TO THE ELECTRIC SUPPLIER)	ORDER NO. 30967
STABILIZATION ACT)	

On October 30, 2009, Raft River Rural Electric Cooperative filed an Application seeking the Commission's approval of an "Allocation Agreement" between Raft River and Idaho Power Company so Raft River may serve a single customer located in Idaho Power's service territory. Raft River is an electric cooperative operating in southeast Idaho. Both Raft River and Idaho Power are considered "suppliers" under the Electric Suppliers Stabilization Act (ESSA), *Idaho Code* § 61-332 *et seq.*

On December 2, 2009, the Commission issued Order No. 30956 requesting public comment on the parties' Allocation Agreement. Comments were to be filed with the Commission no later than December 16, 2009. The only comments filed were submitted by the Commission Staff.

THE APPLICATION

Raft River and Idaho Power have agreed that "it is in the best interest of all involved for Raft River to provide power to Mr. Benson's property. . . ." Application at 1. Mr. Benson's property is located in Idaho Power's service area. The parties agreed to allow Raft River to supply this single customer with new, three-phase electrical service because Raft River can install the requested service at a lower cost. The parties further recognize that the Agreement is not intended to modify the service territories of either Idaho Power or Raft River.

THE ESSA

Idaho Code § 61-333(1) provides that electric suppliers may contract for the purpose of "allocating territories, consumers, and future consumers . . . and designating which territories and consumers are to be served by which contracting electric supplier." Under the ESSA, both Raft River and Idaho Power are defined as electric suppliers. *Idaho Code* § 61-332A(4). The

Commission is authorized to approve agreements allocating customers between suppliers only upon finding that the allocation is in conformance with the purposes of the ESSA. *Idaho Code* § 61-333(1). As set out in *Idaho Code* § 61-332(2), the purposes of the ESSA are to: (1) discourage duplication of facilities; (2) prohibit "pirating" of consumers; (3) stabilize service territories and consumers; and (4) promote harmony between electric suppliers.

STAFF COMMENTS

Based upon its review, Staff believes that approving the Allocation Agreement between Raft River and Idaho Power is appropriate. More specifically, the agreement to serve this single customer does not adversely affect the customer base or service territories of either supplier and promotes harmony between Raft River and Idaho Power. In addition, the parties agree that it is less expensive for Raft River to supply service to Mr. Benson. Consequently, the Staff recommended that the Commission approve the Allocation Agreement pursuant to its authority under *Idaho Code* § 61-333(1).

FINDINGS

Idaho Code § 61-333(1) requires the Commission to review consumer allocation agreements between public utilities and electric cooperatives. Pursuant to this statute, we must determine whether the allocation of the customer in this case is in conformance with the purposes of the ESSA. After reviewing the Agreement and the Staff's comments, we grant the Application and approve the Allocation Agreement. In particular, we find that the Agreement avoids the installation of expensive distribution facilities to serve a single customer and promotes harmony between Idaho Power and Raft River. We further note that there was no public opposition to the Agreement. Based upon these findings, we conclude that the Allocation Agreement comports with the purposes of the ESSA.

ORDER

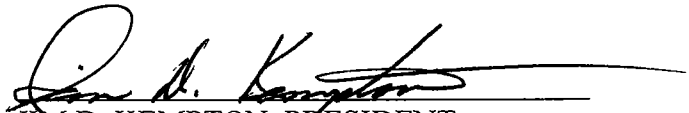
IT IS HEREBY ORDERED that the Customer Allocation Agreement dated August 25, 2009, between Raft River Rural Electric Cooperative and Idaho Power Company is approved.

IT IS FURTHER ORDERED that approval of the Allocation Agreement is not intended to modify the service territories of either Raft River or Idaho Power.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order. Within seven (7)

days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. See *Idaho Code* § 61-626.

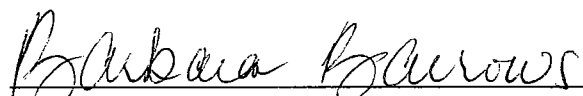
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 22nd
day of December 2009.


JIM D. KEMPTON, PRESIDENT


MARSHA H. SMITH, COMMISSIONER


MACK A. REDFORD, COMMISSIONER

ATTEST:


Barbara Barrows
Assistant Commission Secretary

bls/O:C11-E-09-01_dh2