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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION) Case No. GNR-E-02-3
OF UNITED ELECTRIC CO-OP INC., FOR)
APPROVAL OF AN AGREEMENT) APPLICATION AND REQUEST
PURSUANT TO IDAHO CODE 61-333) FOR MODIFIED PROCEDURE
_____)

United Electric Co-Op Inc. (United), hereby applies to the Commission for approval of an agreement pursuant to Idaho Code 61-333, and in support thereof respectfully shows as follows:

I.

United is an Idaho corporation and is a cooperative electrical supplier within the meaning of Idaho Code 61-332A(2), (4). United provides electric service to its members in Minidoka and Cassia Counties, Idaho and has its principal place of business at: 1330 21st Street, Heyburn ID 83338.

II.

The City of Heyburn (Heyburn) is an Idaho municipal corporation situated in Minidoka County, Idaho and is a municipality within the meaning of Idaho Code 61-332A(3). For many years Heyburn has owned and operated an electric distribution system providing service to residents of the city. It serves approximately 1300 customers.

III.

Heyburn has determined that the best interests of its citizens would be served by transferring its electric distribution system to United. After the transfer Heyburn would cease

providing electric service and United would provide service to all of Heyburn's current and future customers.

IV.

To effectuate the transfer the City of Heyburn issued a Request For Proposals on or about January 28, 2002. United submitted a Purchase Proposal for the City of Heyburn Electrical Distribution System. Heyburn accepted United's proposal with certain minor modifications. The parties are currently negotiating the details of a definitive agreement.

V.

The transfer is in the public interest as United has the ability to provide safe, reliable and economic service to the residents of Heyburn. Further, the agreement promotes harmony among and between electric suppliers furnishing electricity within the state, discourages duplication of electric facilities and stabilizes the territories and consumers served with electricity. Heyburn and United have had and do have a Territory Agreement that has been operative for a number of years. A copy of the territory map is attached as Exhibit A (United is designated as "Rural" on said map. Rural is now known as United, by consolidation with Unity Light and Power, effective January 1, 1998). No other territories of utilities are affected by the proposed transfer by Heyburn to United.

VI.

United believes the public interest does not require a hearing to consider the issues presented by this Application and requests that the matter be processed by modified procedure pursuant to IPUCRP 201. Further, in order to finalize the transaction in an expeditious manner, United requests that the comment period be shortened to 14 days from the date of the Commission's notice.

VII.

United will be represented in the matter by, and all pleadings and notices should be served upon:

William Parsons
PARSONS SMITH & STONE LLP
137 West 13th Street
P.O. Box 910
Burley, Idaho 83318

With a copy to:

Steven A. Tuft
TUFT LAW OFFICE, P.A.
P.O. Box 759
Burley, Idaho 83318
Heyburn City Attorney

WHEREFORE United respectfully requests:

1. That the Commission determine this matter may be processed under modified procedure.
2. That the Commission issue its notice of modified procedure with a 14 day comment period.
3. That the agreement for transfer of the Heyburn system and its customers to United be approved based upon the requirements of Idaho Code 61-333 to be effective upon final consummation of the sale by Heyburn to United.
4. That United shall file with the Commission Secretary a copy of the final transfer agreement upon its execution and voter approval by the Heyburn residents and approval of the Board of Directors of United.
5. For such other and further relief as is appropriate in the circumstance.

DATED this 6th day of May, 2002

PARSONS SMITH & STONE LLP

William A. Parsons