

**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 ) NOTICE OF APPLICATION**  
**PURSUANT TO IDAHO CODE § 61-333. )**  
**) NOTICE OF MODIFIED PROCEDURE**  
**)**  
**) ORDER NO. 29020**

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On May 6, 2002, United Electric Co-op, Inc. filed an Application notifying the Commission of United's intent to purchase the City of Heyburn's municipal electric system. United was formed in 1998 when the Rural Co-op was consolidated with Unity Light and Power. Application at 2. The Application is made pursuant to the Idaho Electric Supplier Stabilization Act (ESSA) and specifically *Idaho Code* § 61-333.

**NOTICE OF APPLICATION**

United is a cooperative electric supplier within the meaning of the ESSA. United provides services to its members in Minidoka and Cassia Counties. Its principal office is located in Heyburn. The City of Heyburn is an Idaho municipal corporation and is an electric supplier within the meaning of the ESSA. The City has owned and operated its electrical distribution system for many years and serves approximately 1300 customers.

Heyburn has determined that it would be in the best interest of its citizens to transfer the City's electric system to United. Following the transfer, Heyburn would cease to provide service to its customers and United would provide service to all of Heyburn's current and future customers. The parties have reached an agreement in principle and are currently negotiating the final agreement.

The parties assert that the Agreement is in the public interest. More specifically, the Application states that the Transfer Agreement promotes harmony among and between electric suppliers and discourages duplication of facilities. In addition, the Agreement stabilizes the territories and consumers served by electric suppliers. Heyburn and United have had a territory agreement for a number of years. A copy of the territory map is attached to the Application.

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Given the limited scope of this transaction and the agreement of the parties, United believes that this matter may be appropriately handled under Modified Procedure. In order to finalize this transaction in an expedited basis, United requests that the comment period be shortened to 14 days from the date of the Commission's Notice.

### **THE STABILIZATION ACT**

*Idaho Code* § 61-333 provides that all agreements which allocate territory or customers between electric suppliers such as United and the City be filed with the Commission. Section 61-333(1) provides that electric suppliers may contract in writing "for the purpose of allocating territories, consumers and future consumers between the electric suppliers and designating which territory and consumers are to be served by which contracting electric supplier." This section further provides that all such contracts shall be filed with the Commission. *Id.* After notice and opportunity for hearing, the Commission shall approve or reject contracts between municipalities and cooperatives. This section and *Idaho Code* § 61-334(1) restricts the Commission's jurisdiction over cooperatives and municipalities to that authorized in the ESSA. For example, the Commission neither sets the rates nor prescribes the customer service rules for co-ops and municipalities.

As set out more fully in *Idaho Code* § 61-332, the purposes of the ESSA are to: (1) promote harmony among and between electric suppliers; (2) prohibit the "pirating" of consumers served by another supplier; (3) discourage duplication of electric facilities; (4) stabilize the territory and consumers served by the suppliers; and (5) actively supervise certain conduct of the suppliers.

### **NOTICE OF MODIFIED PROCEDURE**

YOU ARE HEREBY NOTIFIED that the Commission has determined that the public interest may not require a formal hearing in this matter and will proceed under Modified Procedure pursuant to Rules 201 through 204 of the Idaho Public Utilities Commission's Rules of Procedure, IDAPA 31.01.01.201 through -204.

YOU ARE FURTHER NOTIFIED that any person desiring to state a position on this Application may file a written comment in support or opposition with the Commission within fourteen (14) days from the date of this Notice. The Commission finds that there is good cause to expedite consideration of this matter. IDAPA 31.01.01.202.02. The comment must contain a

statement of reasons supporting the comment. Persons desiring a hearing must specifically request a hearing in their written comments. Written comments concerning this application shall be mailed or e-mailed to the Commission and the Applicant at the addresses reflected below:

COMMISSION SECRETARY  
IDAHO PUBLIC UTILITIES COMMISSION  
PO BOX 83720  
BOISE, IDAHO 83720-0074

Street Address for Express Mail:

472 W WASHINGTON ST  
BOISE, IDAHO 83702-5983

WILLIAM PARSONS  
PARSONS, SMITH & STONE, LLP  
PO BOX 910  
BURLEY, ID 83318  
E-mail: [wparsons@pmt.org](mailto:wparsons@pmt.org)

STEVEN A. TUFT  
TUFT LAW OFFICE, PA  
PO BOX 759  
BURLEY, ID 83318  
E-mail: [tuftlaw@pmt.org](mailto:tuftlaw@pmt.org)

All comments should contain the case caption and case number shown on the first page of this document.

Persons desiring to submit comments via e-mail to the Commission may do so by accessing the Commission's homepage located at [www.puc.state.id.us](http://www.puc.state.id.us) under the heading "Contact Us." Once at the "Contact Us" page, select "Email Case Comments or Questions," fill in the case number as it appears on the front of this document, and enter your comments.

YOU ARE FURTHER NOTIFIED that this Application can be reviewed during regular business hours at the Idaho Public Utilities Commission, 472 West Washington Street, Boise, Idaho. In addition, the Application may be viewed by accessing the Commission's Website at [www.puc.state.id.us](http://www.puc.state.id.us) under the "File Room" icon and selecting the appropriate topic heading.

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000 et seq. and specifically *Idaho Code* § 61-333.

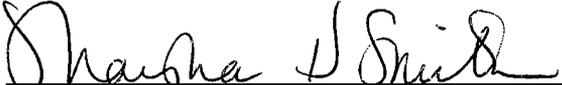
### **ORDER**

IT IS HEREBY ORDERED that this matter be processed under Modified Procedure. Persons intending to submit written comments must do so no later than 14 days from the date of this Notice.

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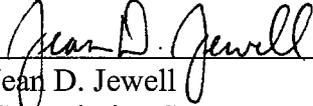
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 10<sup>th</sup>  
day of May 2002.

  
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PAUL KJELLANDER, PRESIDENT

  
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MARSHA H. SMITH, COMMISSIONER

  
\_\_\_\_\_  
DENNIS S. HANSEN, COMMISSIONER

ATTEST:

  
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Jean D. Jewell  
Commission Secretary

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