

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF)	
UNITED ELECTRIC CO-OP, INC. AND THE)	CASE NO. GNR-E-03-3
CITY OF BURLEY FOR AN ORDER)	
APPROVING A SERVICE TERRITORY)	NOTICE OF APPLICATION
AGREEMENT PURSUANT TO <i>IDAHO CODE</i>)	
§ 61-333(1).)	NOTICE OF MODIFIED
)	PROCEDURE
)	
)	ORDER NO. 29289

On June 20, 2003, United Electric Co-op, Inc. and the City of Burley filed an Application for approval of a Service Territory Agreement pursuant to the Idaho Electric Suppliers Stabilization Act (ESSA). United is the successor entity following the consolidation of Rural Electric Company and Unity Light & Power. Both United and the City supply electric service to their respective consumers in adjacent and contiguous service territories. *Idaho Code* § 61-332A(4).

NOTICE OF APPLICATION

The parties asked the Commission to approve their "Service Territory Agreement" dated May 21, 1985, and two subsequent "amendments" dated November 19, 1996¹ and May 6, 2003, respectively. The 1985 Agreement and its subsequent amendments establish service territories for each party. The Agreement and the amendments also recognize that the parties serve customers located in the other party's service area. The Application states that the initial Agreement and the two amendments were negotiated to settle and establish service territories between the parties, to provide stability and safety in service to consumers, and to eliminate duplication of services. Application at ¶ 3.

The 1996 amendment provides that the City shall have the right to install its own streetlights, pumps and other facilities for the delivery of city services located within United's

¹ The first amendment (identified as Exhibit No. 2) is actually a "Service Area Agreement" entered into between Rural Electric Company and the City of Burley. As previously mentioned, United is the successor to Rural Electric. This Agreement superseded a Service Area Agreement between Burley and Rural Electric dated June 6, 1988.

service territory. Exhibit No. 2, ¶ 8. United also agrees to deliver electrical service to the City's facilities within United's service area.

THE ESSA

The purpose of the ESSA is to promote harmony among and between electric suppliers furnishing electricity within Idaho. More specifically, the ESSA: (1) prohibits the "pirating" of consumers already served by another supplier; (2) discourages duplication of electric facilities; (3) actively supervises certain conduct of electric suppliers; and (4) stabilizes the territories and consumers served by such electric suppliers. *Idaho Code* § 61-332. Under the ESSA, all agreements or contracts for the allocation of service territories or consumers shall be filed with the Commission. *Idaho Code* § 61-333(1).

United and the City are defined as "electric supplier[s]" "under the ESSA, *Idaho Code* § 61-332A(2-4). *Idaho Code* § 61-333(1) provides that any electric supplier may contract with any other electric supplier 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." This section further provides that the Commission may, after notice and opportunity for hearing, "approve or reject contracts between cooperatives, ... [and] between municipalities and cooperatives." The Commission "shall approve such contracts only upon finding that the allocation of territories or consumers is in conformance with the provisions and purposes of" the ESSA. *Id.*

NOTICE OF MODIFIED PROCEDURE

YOU ARE HEREBY NOTIFIED that *Idaho Code* § 61-333(1) requires electric suppliers to file all contracts that allocate service territories, consumers, or future consumers with the Commission. This section further provides that the Commission shall approve all such contracts if such contracts are in conformance with the provisions and purpose of the ESSA.

YOU ARE FURTHER 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

twenty-one (21) days from the service date of this Notice. 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 to the Commission and the Applicants 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, ID 83702-5983

WILLIAM A. PARSONS
PARSONS, SMITH & STONE, LLP
PO BOX 910
BURLEY, ID 83318
wparsons@pmt.org

Attorney for United Electric Co-op

R. C. STONE
PARSONS, SMITH & STONE, LLP
PO BOX 910
BURLEY, ID 83318
rcstone@pmt.org

Attorney for City of Burley

These 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 may do so by accessing the Commission's home page located at www.puc.state.id.us. Click the "Comments and Questions" icon, and complete the comment form, using the case number as it appears on the front of this document. These comments must also be sent to the Applicants at the e-mail addresses listed above.

YOU ARE FURTHER NOTIFIED that the Application in Case No. GNR-E-03-3 can be reviewed at the Commission's office and at the Commission's web site www.puc.state.id.us under the "file room" icon.

YOU ARE FURTHER NOTIFIED that all proceedings in this case will be held pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code and specifically *Idaho Code* §§ 61-332 and 61-333(1).

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.*

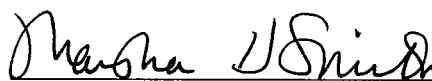
ORDER

IT IS HEREBY ORDERED that this Application be processed under Modified Procedure. Persons interested in submitting written comments regarding this matter should do so within 21 days of the service date of this Order.

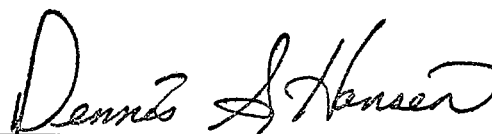
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 8th day of July 2003.



PAUL KJELLANDER, PRESIDENT

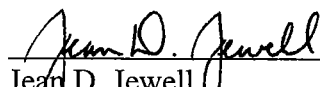


MARSHA H. SMITH, COMMISSIONER



DENNIS S. HANSEN, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

vld/O: GNRE0303_dh