

**GNR-E-03-11**

**Exhibit 1 as referenced  
on page 2 – item 2  
on the application**

received  
July 9, 2003

## **SERVICE AREA STABILIZATION AGREEMENT**

AGREEMENT made this 14 day of May, 2003, by and between the CITY OF HEYBURN, of P. O. Box 147, Heyburn, Idaho 83336 ("HEYBURN") and RIVERSIDE ELECTRIC COMPANY, LIMITED, of P. O. Box 12, Rupert, Idaho 83350 ("RIVERSIDE").

### **1. RECITALS:**

1.1 Heyburn and Riverside are electric non-profit corporations organized in the State of Idaho and distributing electric energy to their respective members.

1.2 The service areas of Heyburn and Riverside, in part, are adjacent and contiguous to each other.

1.3 The parties have, in recent years, had an oral understanding relative to the respective service areas, however, the parties deem it appropriate to reduce their respective understandings to this written Agreement and to have the same approved by the Idaho Public Utilities Commission pursuant to Idaho Code § 61-333.

In consideration of the recitals, the covenants and conditions herein contained and by statutory authority the parties agree:

2. **TERRITORY DEFINED:** Exhibit "A", attached to this Agreement and made a part hereof by reference, describes the line which divides the service territories of the parties, with Riverside's service territory lying very generally North and East of Heyburn's. Exhibit "B" provides an area map depicting the territories of the respective parties as they are contiguous to each other. All of the area west and south

## **SERVICE AREA STABILIZATION AGREEMENT - 1**

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of the red line, identified on Exhibit "B", shall be the Heyburn territory and all territory north and east of the red line shall be the Riverside territory. Heyburn shall serve all new customers in its defined area and Riverside shall serve all customers in its defined area.

3. **EXISTING CUSTOMERS:** To the extent that either party is currently providing service to customers within the service area assigned to the other party by this Agreement, said parties shall continue to serve said customer, except as provided on Exhibit "C". Otherwise, Heyburn or Riverside shall not be required to withdraw from the service area allocated to the other, but the right to continue to serve existing customers within the service area of the other party shall not be construed to authorize extension of service to new customers within the service area allocated to Heyburn and Riverside by this Agreement.

The customers set forth on Exhibit "C" have been contacted by at least one of the parties hereto and such customers have expressed no objection to the change of electrical provider as set forth herein. The change of service will be coordinated by the parties, but shall take place not later than 17 days from the effective date of this Agreement. Neither party will charge any of the said customers any connection or disconnect fee and all cost and effort of the work done to accomplish the change of service shall be born by the parties hereto. However, nothing herein contained shall prevent either party from requiring payment of applicable deposits nor payment of any membership fees, in the case of Riverside.

4. **DISTRIBUTION LINE ACQUIRED FROM HEYBURN:** Heyburn

## **SERVICE AREA STABILIZATION AGREEMENT - 2**

owned a certain 12.5 kV distribution line, extending approximately 0.9 miles from the Riverton Substation to where it connects to the Riverside and Farmers' Electric Company, Limited ("Farmers") systems. Said line is entirely or largely within the Heyburn service territory. The parties have entered into an agreement dated April 2, 2003 where by Riverside has acquired such distribution line. It is agreed that the said distribution line, for purposes of Idaho Electrical Supplier Stabilization Act, Idaho Code Section 61-332, et. seq., is not a "service line" as defined in Idaho Code Section 61-332A(10) and accordingly shall not be considered as having any applicability in determining any new service under Idaho Code Section 61-332C or otherwise, should such question arise.

5. **CAPTIONS:** The captions of the paragraphs of this Agreement are for identification purposed only and the captions shall not be construed to define nor limit the express provisions of the respective paragraphs.

6. **ATTORNEY FEES:** The prevailing party in any action arising under this Agreement shall be entitled to reasonable attorney fees and costs in addition to all other relief afforded by the court.

7. **OTHER CUSTOMERS:** Nothing contained herein shall prohibit the parties from entering into a written agreement to permit the service of a new customer by party whose distribution system is located in the service area of the other, if the new customer can be served more efficiently and safely from the existing service lines of the other party or by the extension of existing service lines. Such agreement shall be in writing, authorized by the respective governing board of each party, and

when executed shall be appended to this Agreement. The entering into such agreement is discretionary with either party and neither party shall have the right of action against the other for the exercise of such discretion.

8. **TERM:** This Agreement shall remain in full force and effect so long as each of the parties shall continue to operate as electric suppliers under their present form of ownership. In the event either party should terminate operations as an electric supplier, the boundary lines established by the respective service area shall remain in effect as to the successors in interest. In the event either or both parties merge, consolidate, sell or otherwise become a different entity this Agreement shall nevertheless remain in full force and effect as to the successor in interest of the respective parties.

9. **EFFECTIVE DATE AND RETAINED MUNICIPAL RIGHTS OF HEYBURN:** This Agreement shall be effective upon its execution by the respective parties. The parties are not required to obtain approval by the Idaho Public Utilities Commission ("IPUC"), as cities are exempt from such approval process; but, it is the intention of the parties to obtain such approval. When executed, a copy of this Agreement shall be recorded in the office of the County Recorder, County of Minidoka, State of Idaho. As provided in Idaho Code Section 61-333(1), nothing herein contained shall be construed as meaning that Heyburn submits to any regulatory oversight of the IPUC nor is this Agreement intended in any manner to reflect any waiver by Heyburn of any rights it may have under Idaho Code Section 61-333B to condemn annexed service territory.

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10. **ENTIRE AGREEMENT & MODIFICATION:** This Agreement constitutes the entire understanding of the respective parties. All prior negotiations and understandings are deemed merged herein. This Agreement may only be modified in writing executed by the authorized officers of the parties.

**IN WITNESS WHEREOF** the parties have executed this Agreement the day and year first above written.

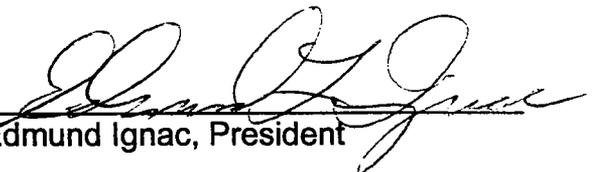
CITY OF HEYBURN

By   
Cleo K. Cheney, Mayor

ATTEST:

  
Linda Dayley, City Clerk

RIVERSIDE ELECTRIC COMPANY,  
LIMITED.

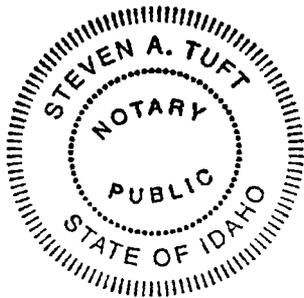
By   
Edmund Ignac, President

STATE OF IDAHO )  
 ) ss.  
County of Minidoka )

On this 14 day of May, 2003, before me the undersigned, a Notary Public in and for said State, personally appeared **CLEO K. CHENEY**, as Mayor and **LINDA DAYLEY**, as City Clerk, known to me to be the persons whose names are subscribed to the foregoing instrument as Mayor and City Clerk and acknowledged to me that they executed the same as such Mayor and City Clerk.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal on the day and year in this instrument first above written.

(SEAL)



[Signature]  
Notary Public for Idaho  
Residing at: Burley  
Commission Expires: 3-15-2003

STATE OF IDAHO )  
 ) ss.  
County of Minidoka )

On this 15 day of May, 2003, before me the undersigned, a Notary Public in and for said State, personally appeared ~~EDWARD IGNAC~~ Edmund IGNAC, as Board President known to me to be the Board President, of Riverside Electric Limited, the Corporation that executed the instrument or the person who executed the instrument on behalf of said Corporation, and acknowledged to me that such Corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal on the day and year in this instrument first above written.

(SEAL)

[Signature]  
Notary Public for Idaho  
Residing at: Heyburn  
Commission Expires: 5-24-2004

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## EXHIBIT "A"

(Description of Line Dividing Service Territories)

TOWNSHIP 10 SOUTH, RANGE 23 EAST, BOISE MERIDIAN, MINIDOKA COUNTY, IDAHO.

SECTION 15 &  
SECTION 22: ELECTRICAL SERVICE AREA EASTERN BOUNDARY LINE  
SITUATED WITHIN SECTIONS 15 AND 22 AND MORE  
PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID SECTION 15, MARKED BY AN ALUMINUM SURVEY CAP AND RUNNING THENCE ALONG THE EAST LINE THEREOF SOUTH 0°23'16" EAST 1324.90 FEET TO THE NORTHEAST CORNER OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 15;

THENCE ALONG THE EAST LINE THEREOF SOUTH 0°23'26" EAST 1324.89 FEET TO THE NORTHEAST CORNER OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 15;

THENCE ALONG THE NORTH LINE THEREOF SOUTH 89°36'35" WEST 670.24 FEET TO THE INTERSECTION THEREOF WITH THE CENTERLINE OF THE MINIDOKA IRRIGATION DISTRICT LATERAL 434;

THENCE ALONG SAID CENTERLINE AS FOLLOWS:

SOUTH 16°12'54" WEST 28.77 FEET;

SOUTH 51°07'09" WEST 18.79 FEET;

NORTH 88°54'24" WEST 136.66 FEET;

SOUTH 48°01'12" WEST 29.72 FEET;

SOUTH 0°24'40" WEST 923.92 FEET;

THENCE CONTINUING ALONG SAID CENTERLINE, AND THE SOUTHWESTERLY EXTENSION THEREOF, SOUTH 46°11'59" WEST 629.77 FEET TO THE INTERSECTION OF SAID SOUTHWESTERLY EXTENSION WITH THE EAST LINE OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 15;

THENCE ALONG LAST SAID EAST LINE SOUTH 0°14'35" EAST 115.47 FEET TO THE INTERSECTION THEREOF WITH THE NORTH LINE OF THAT REAL

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PROPERTY CONVEYED AS PARCEL No. 1 TO LARRY & PAM JENSEN AND TO RANDY & JULIE JENSEN BY THE WARRANTY DEED RECORDED APRIL 30, 1998 AS INSTRUMENT No. 435063, MINIDOKA COUNTY RECORDS;

THENCE ALONG LAST SAID NORTH LINE SOUTH 89°33'47" WEST 1321.16 FEET TO THE INTERSECTION THEREOF WITH THE WEST LINE OF SAID SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 15;

THENCE ALONG LAST SAID WEST LINE SOUTH 0°09'12" EAST 1122.90 FEET TO THE NORTHWEST CORNER OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 22;

THENCE ALONG THE NORTH LINE THEREOF NORTH 89°33'48" EAST 1322.92 FEET TO THE NORTHEAST CORNER OF SAID NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 22;

THENCE ALONG THE EAST LINE THEREOF SOUTH 0°24'13" EAST 259.77 FEET TO THE INTERSECTION THEREOF WITH THE APPROXIMATE CENTERLINE OF M.I.D. LATERAL 434;

THENCE ALONG SAID APPROXIMATE CENTERLINE AS FOLLOWS:

NORTH 83°11'33" WEST 141.25 FEET;

SOUTH 62°06'51" WEST 40.00 FEET;

SOUTH 13°05'51" WEST 52.00 FEET;

SOUTH 12°27'09" EAST 175.00 FEET, AND

SOUTH 40°04'51" WEST 262.23 FEET TO THE INTERSECTION THEREOF WITH THE EAST AND NORTH LINE OF THAT REAL PROPERTY CONVEYED TO THE CITY OF HEYBURN BY THE WARRANTY DEED RECORDED AUGUST 5, 1998 AS INSTRUMENT No. 436727, MINIDOKA COUNTY RECORDS;

THENCE ALONG SAID EAST AND NORTH LINE SOUTH 0°20'54" EAST 53.29 FEET AND NORTH 89°39'06" EAST 176.49 FEET TO THE WEST LINE OF THE FOXBORO SUBDIVISION AS SHOWN ON THE OFFICIAL PLAT THEREOF RECORDED MAY 22, 1995 AS INSTRUMENT No. 418537, MINIDOKA COUNTY RECORDS;

THENCE ALONG LAST SAID WEST LINE SOUTH 28°38'11" EAST 68.13 FEET TO THE INTERSECTION THEREOF WITH THE SOUTH LINE OF SAID LANDS OF THE CITY OF HEYBURN;

THENCE ALONG LAST SAID SOUTH LINE SOUTH 89°39'06" WEST 305.29 FEET TO THE INTERSECTION THEREOF WITH THE AFORESAID APPROXIMATE CENTERLINE OF M.I.D. LATERAL 434;

THENCE ALONG SAID APPROXIMATE CENTERLINE AS FOLLOWS:

SOUTH 40°04'51" WEST 216.95 FEET;

SOUTH 51°54'51" WEST 100.00 FEET;

SOUTH 22°19'51" WEST 141.00 FEET;

SOUTH 51°22'51" WEST 124.00 FEET, AND

SOUTH 62°23'51" WEST 200.00 FEET TO THE INTERSECTION THEREOF WITH THE NORTH LINE OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 22;

THENCE ALONG LAST SAID NORTH LINE SOUTH 89°40'53" WEST 353.74 FEET TO THE NORTHWEST CORNER THEREOF;

THENCE ALONG THE WEST LINE OF SAID SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 22 SOUTH 0°27'34" EAST 1317.87 FEET TO THE NORTHWEST CORNER OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 22;

THENCE ALONG THE NORTH LINE THEREOF NORTH 89°47'58" EAST 1320.36 FEET TO THE NORTHEAST CORNER THEREOF;

THENCE ALONG THE EAST LINE THEREOF SOUTH 0°17'32" EAST 1320.38 FEET TO THE SOUTHEAST CORNER OF SAID NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 22;

THENCE ALONG THE SOUTH LINE THEREOF SOUTH 89°48'17" WEST 1318.86 FEET TO THE SOUTHEAST CORNER OF GOVERNMENT LOT 5 OF SAID SECTION 22;

THENCE ALONG THE SOUTH LINE OF SAID LOT 5 SOUTH 89°48'17" WEST 430.00 FEET, MORE OR LESS, TO THE NORTHEASTERN BANK OF THE SNAKE RIVER.

**EXHIBIT "B"**

(Area of Map Depicting Dividing Line Between Service Territories)

**MAP IN CASE FILE**

## EXHIBIT "C"

(Customers to be Changed by This Agreement)

<u>Customer</u>	<u>Address</u>	<u>Past Provider</u>	<u>New Provider</u>
Ed Krause	1602 "A" St. Heyburn, ID 83336	Heyburn	Riverside
Gibson Truck & Auto	1840 Highway 30 Heyburn, ID 83336	Riverside	Heyburn