

DECISION MEMORANDUM

**TO: COMMISSIONER KJELLANDER
COMMISSIONER SMITH
COMMISSIONER HANSEN
COMMISSION SECRETARY
COMMISSION STAFF
LEGAL STAFF**

FROM: DON HOWELL

DATE: JULY 9, 2003

**RE: APPLICATION FOR APPROVAL OF A SERVICE TERRITORY
AGREEMENT BETWEEN THE CITY OF HEYBURN AND RIVERSIDE
ELECTRIC COMPANY, CASE NO. GNR-E-03-11**

On July 3, 2003, the City of Heyburn and Riverside Electric Company filed an Application for approval of their "Service Area Stabilization Agreement." The Electric Stabilization Act (ESSA) requires that all contracts to allocate territories, consumers, and future consumers be submitted to the Commission for its review.

THE APPLICATION

The parties' Service Area Stabilization Agreement is dated May 14, 2003. The parties state in the Agreement that they had a pre-existing oral understanding relative to their respective service areas and have now agreed to reduce these understandings to writing. Agreement at ¶ 1.3. As more specifically described in Exhibit A to their Agreement, Riverside's service territory generally is located north and east of the City's service territory. Each party shall serve all new customers in their respective service territories. *Id.* at ¶ 2.

The Agreement also provides that the parties will exchange two customers; one from Riverside to the City and the other from the City to Riverside. *Id.* ¶ 3; Exhibit C. The Agreement states that these two customers have been contacted regarding the proposed transfer and the "customers have expressed no objection to the change of electric provider...." *Id.* at ¶ 3. These customers will not be charged any connection or disconnection fee and all cost of the work done to accomplish the change in service shall be borne by the parties to the Agreement. *Id.*

The Agreement also notes that Riverside has acquired a 12.5 KV distribution line owned by the City. *Id.* at ¶ 4. The parties further agree that this line shall not be considered a “service line” for purposes of determining which electric supplier may serve a new consumer pursuant to *Idaho Code* § 61-332C.

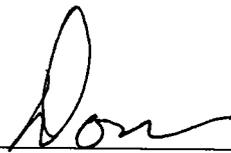
The parties assert that their Agreement comports with the purposes of the ESSA. More specifically, the parties assert that their Agreement provides for stability of service to consumers, eliminates duplication of services, and provides for the safety in their respective territories. Application at ¶ 3.

STAFF RECOMMENDATION

Given the Agreement of the parties, Staff recommends that the Application be processed under Modified Procedure.

COMMISSION DECISION

Does the Commission concur that this Application should be processed under Modified Procedure?



Don Howell

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