

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER)
COMPANY'S APPLICATION TO) **CASE NO. IPC-E-16-07**
TRANSFER TITLE OF MOBILE HOME)
METER PEDESTALS) **ORDER NO. 33546**

On April 12, 2016, Idaho Power Company asked the Commission to approve its transfer of 18 meter pedestals in the Mobile Manor Mobile Home Park. On April 14, the Industrial Customers of Idaho Power (ICIP) filed a Petition to Intervene in the case under Rule 71, which Idaho Power timely opposed per Rule 75. The Commission considered the Petition and granted ICIP intervention. Order No. 33512. The Commission issued a Notice of Application and Notice of Modified Procedure, Order No. 33522, and a Notice of Technical Hearing, Order No. 33523, which was conducted on June 20, 2016. Staff timely filed the only written comments. Idaho Power did not file a reply. The Commission now grants the Company's Application.

BACKGROUND

Before March 31, 1981, Idaho Power installed, owned, and maintained mobile home pedestals¹ as part of facilities for electric service to most mobile homes. Application at 1. After March 31, 1981, new mobile homes have been served by pedestals owned and maintained by customers per Idaho Power's Rule H, Section (2)(g). *Id.* at 2. Any pedestals still owned by Idaho Power predate 1981 and their replacement parts are no longer manufactured, but must be made by Idaho Power. *Id.* To avoid the expense of maintaining and repairing these pedestals, "and to promote consistency of ownership among customers, Idaho Power seeks to transfer title of Company-owned pedestals to the customer whenever possible." *Id.*

A. The Agreement

Idaho Power entered into a Transfer of Title Agreement² to transfer, convey and assign 18 meter pedestals occupying mobile home spaces in Mobile Manor Mobile Home Park in Bannock County, Idaho, to Kathleen C. Parrish. Agreement at 1-2. The Agreement provides that Idaho Power will update the pedestals if and when the Commission approves the Agreement, but that the Company "does not warrant the upgrades or the Pedestals to any degree." *Id.* at 3.

¹ Pedestals are comparable to meter bases attached to buildings, but are customer-owned. Application at 2.

² Idaho Power has submitted a copy of the Agreement as an attachment to its Application.

Rather, Mobile Manor agrees to accept the pedestals “AS IS” and “WITH ALL FAULTS.” *Id.* (capitalization original). According to the Agreement, “No money was or will be exchanged as a result of the transaction.” Application at 3.

B. The Application

Idaho Power’s Application seeks approval of its proposed Transfer of Title Agreement with Ms. Parrish. Idaho Power asserts that it satisfies the requirements set forth in *Idaho Code* § 61-328 for a utility’s sale of property. Application at 2-3. The Company contends the transaction is “consistent with the public interest because it allows Idaho Power to treat similarly-situated customers in a like manner” by ensuring Mobile Manor’s mobile home owners own their pedestals just as other mobile home owners who established service after 1981. *Id.* at 3. Also, “The up-front costs of updating the pedestals will be more than offset by the elimination of long-term maintenance and repair costs of continued utility ownership.” *Id.* “Over time, because the transaction reduces Idaho Power’s costs of maintenance, the Company’s expenses will decrease.” *Id.*

STAFF COMMENTS

Staff noted that the Commission has jurisdiction in this matter under *Idaho Code* §§ 61-501, 503, but that Section 61-328 does not apply, as outlined in Commission Order No. 33514. As discussed in Order No. 33514, Staff used the factors set forth in Section 61-328 “as guidance [for] evaluating [Idaho Power’s] proposal to transfer assets.” *See* Order No. 33514 at 9. The Section 61-328(3) considerations are: that (a) the transaction is consistent with the public interest; (b) the cost of and rates for supplying service will not be increased by reason of the transaction; and (c) the applicant acquiring the property has the bona fide intent and financial ability to own and maintain the property in the public service.

As to the public interest consideration, Staff asserted there is no basis to conclude the Company’s Agreement with Ms. Parrish is contrary to the public interest. Staff also stated that the transaction will reduce Idaho Power’s costs of maintaining the assets, thus “the Company’s expenses will decrease in the long term.” Comments at 3-4. Staff thus believes the record supports that the Agreement is consistent with the public interest.

Regarding the impact to costs and rates, Staff believes the transaction will not affect current rates charged to other customers. Staff determined that, under the Company’s proposed accounting treatment, the “rate base amounts net to zero,” and annual depreciation expense is

less than \$50, thus not impacting rates. *Id.* at 4. As to the third factor, Staff believes it does not apply here because the property is not and would not be maintained in the public service upon transfer to Ms. Parrish. *Id.* at 3.

DISCUSSION AND FINDINGS

This Commission recently declared that *Idaho Code* § 61-328 does not apply in cases seeking approval of a transfer of utility-owned assets that are not used to serve the public or a portion thereof. Order No. 33514 at 9. We determined that “the public or a portion thereof” does not contemplate situations in which utilities’ services are offered “to one person or corporation under a contract.” *Id.*, citing *Humbird Lumber Co. v. Idaho PUC*, 39 Idaho 505, 511, 228 P. 271, 273 (1924). Here, the meter pedestals have been and will be used to serve only those mobile homes owned by Ms. Parrish. Therefore, we find that Section 61-328 does not apply in this situation.

Because Section 61-328 does not apply, a technical hearing was not required. *See* Order No. 33514 at 8-9. However, we set the hearing in this matter prior to issuance of Order No. 33514.³ No party at the very brief hearing added anything substantive to the record. Although ICIP intervened in this matter and entered an appearance at the technical hearing, the Industrial Customers filed no comments and presented no supporting or opposing testimony at hearing.

Using the Section 61-328 considerations as guidance, per Order No. 33514, we generally find that the transaction is consistent with the public interest and will not increase rates. We note, as we did in Order No. 33514, that the Commission has no authority to infringe on a utilities’ right to contract unless such contract is contrary to the public interest. Comments at 3, citing Order No. 33514 at 7; *Afton Energy v. Idaho Power Co.*, 111 Idaho 925, 928, 729 P.2d 400, 403 (1986). We find no evidence in the record that Idaho Power’s agreement with Ms. Parrish is contrary to the public interest. Indeed, the transfer will ultimately lead to a decrease in Idaho Power’s maintenance expenses, which also supports the public interest. Any impact on the annual depreciation expense from retiring the 18 pedestals from plant-in-service is de minimis.

Accordingly, we approve Idaho Power’s agreement to transfer the 18 meter pedestals to Ms. Parrish.

³ Oral ruling was issued at the Commission’s May 2, 2016 decision meeting (before Order No. 33514’s May 10, 2016 issue date), although the Notices in Order Nos. 33522 and 33523 were issued subsequently.

ORDER

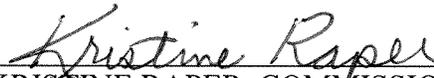
IT IS HEREBY ORDERED that Idaho Power's Application to transfer title of mobile home meter pedestals is granted.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. See *Idaho Code* § 61-626.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 22nd day of June 2016.



PAUL KJELLANDER, PRESIDENT

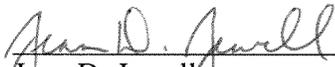


KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

O:IPC-E-16-07_djh3