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Attorney for the Commission Staff

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE JOINT)	
APPLICATION OF IDAHO POWER COMPANY)	CASE NO. IPC-E-17-10
AND THE CITY OF RUPERT TO APPROVE A)	
TERRITORY ALLOCATION AGREEMENT.)	COMMENTS OF THE
)	COMMISSION STAFF
)	

COMES NOW the Staff of the Idaho Public Utilities Commission, by and through its Attorney of record, Sean Costello, Deputy Attorney General, and in response to the Notice of Application and Notice of Modified Procedure issued in Order No. 33811 on July 12, 2017, in Case No. IPC-E-17-10 to submit the following comments.

BACKGROUND

On June 29, 2017, Idaho Power Company ("Idaho Power") and the City of Rupert ("Rupert") (collectively the "Parties") applied to the Commission under the Electric Supplier Stabilization Act (ESSA), *Idaho Code* §§ 61-332 *et seq.*, for an Order approving the Parties' Territory Allocation Agreement ("Agreement"). The ESSA enables electric utilities to allocate territories and customers if certain conditions are satisfied.

Under the Agreement, the Parties propose that Rupert be allowed to serve an Idaho Power customer who operates grain bins on 1.98 acres of property in Idaho Power's service territory. The Parties' ask the Commission to process the Application by Modified Procedure.

The ESSA prohibits an electric supplier (e.g., a utility, municipality, or co-op) from serving another electric supplier's existing or former customers. *Idaho Code* § 61-332B. As an exception to this general rule, the ESSA allows electric suppliers to contract 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." *Idaho Code* § 61-333(1). Such contracts must be submitted to the Commission for approval. *Id.* In sum, contracts reviewed under the ESSA will be approved if, after notice and opportunity for hearing, the Commission finds that the agreement conforms with the purposes of the ESSA. *See Idaho Code* §§ 61-333(1) and 61-334B(1). Section 61-332(2) states the purposes of the ESSA are to: (1) promote harmony between electric suppliers; (2) prohibit the "pirating" of consumers; (3) discourage duplication of electric facilities; (4) actively supervise the conduct of electric suppliers; and (5) stabilize service territories and consumers.

With this Application, the Parties ask the Commission to approve their Agreement to allow Rupert to provide three phase 480 volt service to grain bins on 1.98 acres in Idaho Power's service territory. Application at 1-2. Although this parcel is in Idaho Power's territory, the parcel is closer to Rupert's power lines. Consequently, if Rupert is allowed to serve the parcel, the customer will not need to invest as much money to obtain three phase 480 volt service. *Id.* at 3. Idaho Power has agreed to release its rights to serve the grain bins on the customer's 1.98 acre parcel, and Rupert has agreed to serve the grain bins on that parcel. *Id.*

According to the Application, approving the Agreement and allowing Rupert to install facilities and provide electric service offers benefits including lowering customer line extension charges, avoiding facilities duplication between electric suppliers, and avoiding future disputes between the Parties. *Id.*

STAFF REVIEW

This application falls under the Electric Supplier Stabilization Act (ESSA). Staff reviewed the Agreement for the service territory allocation associated with Case No. IPC-E-17-10 and supports the exception request.

The utilities have agreed to an allocation of service territory to each utility as set forth in their Agreement and designated on a map of the service area (Attachment 2 of the Application). According to the Agreement, Idaho Power Company will allow the City of Rupert to provide

three phase electric service to the 1.98 acre portion of Luke Adams's parcel in order to reduce the cost Mr. Adams would incur to extend service to the grain bins at that location. Idaho Power Company retains the right to be the sole provider of single and three phase residential and irrigation electrical service to Mr. Adams on the remainder of the 350 acre parcel.

This exception request furthers ESSA's purposes by avoiding duplication of facilities and promoting harmony between suppliers. Staff confirms the Agreement is in conformance with the provisions and intent of the ESSA.

RECOMMENDATIONS

After reviewing the Application and accompanying agreement, Staff recommends the Commission approve the Agreement.

Respectfully submitted this 2nd day of August 2017.



Sean Costello
Deputy Attorney General

Technical Staff: Rachelle Farnsworth

CERTIFICATE OF SERVICE


I HEREBY CERTIFY THAT I HAVE THIS 2nd DAY OF AUGUST 2017, SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN CASE NO. IPC-E-17-10, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:

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