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201 South Main, Suite 2300
Salt Lake City, Utah 84111
IDAHO PUBLIC UTILITIES COMMISSION

May 1, 2007

VIA OVERNIGHT DELIVERY

Ms. Jean D. Jewell
Commission Secretary
Idaho Public Utilities Commission
PO Box 83720
Boise, ID 83720-0074

PAC-E-07-08

Re: Joint Application of Idaho Falls Power and Rocky Mountain Power for Approval of a Customer Allocation Agreement

Dear Ms. Jewell:

Rocky Mountain Power, a division of PacifiCorp, hereby submits for filing an original and seven copies of its Joint Application of Idaho Falls Power and Rocky Mountain Power for Approval of a Customer Allocation Agreement.

Communications relating to this proceeding should be served on the following representatives for Rocky Mountain Power:

Justin Lee Brown
Senior Counsel
Rocky Mountain Power
201 South Main Street, Suite 2300
Salt Lake City, Utah 84111
Justin.Brown@PacifiCorp.com

Brian Dickman
Manager, Idaho Regulatory Affairs
Rocky Mountain Power
201 South Main Street, Suite 2300
Salt Lake City, UT 84111
Brian.Dickman@PacifiCorp.com

Communications relating to this proceeding should be served on the following representative for Idaho Falls Power:

Peter Richardson
Richardson & O'Leary PLLC
515 N. 27th Street
P.O. Box 7218
Boise, Idaho 83702
peter@richardsonandoleary.com

Rocky Mountain Power
Joint Application
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In addition, it is respectfully requested that all formal correspondence and Staff requests regarding this material be addressed to:

By E-mail (preferred): datarequest@pacificorp.com

By Fax: (503) 813-6060

By Regular mail: Data Request Response Center
PacifiCorp
825 NE Multnomah, Suite 2000
Portland, OR 97232

Sincerely,

Handwritten signature of Jeffrey K. Larsen in black ink.

Jeffrey K. Larsen
Vice President, Regulation

Enclosure

cc: Service List

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 1st day of May, 2007, I served a true and correct copy via U.S. Mail, of the foregoing Joint Application of Idaho Falls Power and Rocky Mountain Power for Approval of a Customer Allocation Agreement. Copies of this application were provided to the following parties:

Peter Richardson
Richardson & O'Leary PLLC
515 N. 27th Street
P.O. Box 7218
Boise, Idaho 83702
peter@richardsonandoleary.com

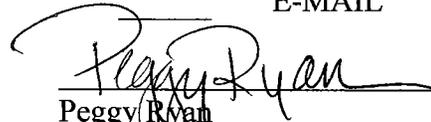
XX

Hand Delivered
U.S. Mail
Overnight Mail
E-MAIL

David Oler
1110 East 97 North
Idaho Falls, Idaho 83404

XX

Hand Delivered
U.S. Mail
Overnight Mail
E-MAIL



Peggy Ryan
Supervisor, Regulation Administration

thereof, the Parties state as follows:

**I.
MODIFIED PROCEDURE**

For the reasons discussed below, the Parties respectfully request that the Commission proceed pursuant to an expedited form of modified procedure pursuant to Rules 201 through 204 of the Commission's Rules of Procedure.

**II.
JURISDICTION**

The City is a municipal corporation duly organized under the laws of the state of Idaho. The City operates a municipal electric system for the convenience of its citizens. It is not subject to the jurisdiction of this Commission. RMP operates an electric system in an area immediately adjacent to and surrounding the City. RMP is a public utility and is subject to regulation by this Commission pursuant to the public utility laws of the state of Idaho. Pursuant to Idaho Code §61-333(1), the Commission "shall, after notice and opportunity for hearing, review and approve or reject" all customer allocation agreements between a municipality and a public utility.

**III.
BACKGROUND**

The City recently annexed into its boundaries a parcel of land upon which a subdivision is currently being developed. (The subdivision is identified on the map attached hereto as Exhibit A.) Upon completion of the subdivision, the City will provide electric service pursuant to an existing customer allocation agreement that was approved by this Commission in Case No. PAC-E-05-07. That existing customer allocation agreement prohibits the City from serving new customers outside of the City limits unless such service is provided pursuant to this Commission's approval.

Two existing buried electric distribution lines traverse the site of the proposed

subdivision and provide service to two separate pumps owned by a Mr. Dave Oler. (The location of the distributions lines and the two pumps are also shown on Exhibit A.) The two pumps in question are currently served by RMP and are not located within the City limits. The construction of the subdivision will require that the two buried lines be removed, thereby leaving RMP with no economic method of continuing to serve Mr. Oler's pumps. The City, on the other hand, has an existing distribution line immediately adjacent to Mr. Oler's pumps and can immediately and economically provide electric service to Mr. Oler's pumps. However, the City is prohibited, absent an order from this Commission, from providing such service.

RMP, Mr. Oler, the developer of the subdivision, and the City are all in agreement that it is in everyone's best interests for the City to provide electric service to Mr. Oler's pumps. For RMP to provide service it would literally have to 'underhang' a new distribution line on existing poles owned by the City. This would cause needless duplication of service facilities and would be prohibitively costly.

To prevent such duplication of service, the City and RMP have entered into the attached Customer Allocation Agreement in which the City assumes the obligation of providing electric service to Mr. Oler's two pumps, and Mr. Oler consents to the provisioning of electric service to his two pumps by Idaho Falls. (A duly executed copy of the agreement is attached hereto as Exhibit B.)

The developer is actively proceeding with making the necessary improvements to the annexed land for construction of the residential subdivision. The two buried distribution lines are in immediate danger of being removed, if indeed they have not already been removed. Therefore, the Commission is urged to approve this application in an expedited manner.

**IV.
STANDARD OF REVIEW**

Idaho Code §61-333(1) provides that the Commission shall approve customer allocation agreements only upon a “finding that the allocation of territories or consumers is in conformance with the provisions and purposes of this act.” The “act” that is referenced in §61-333(1) is the Electric Supplier Stabilization Act (“Act”). The purposes of the Act are found at Idaho Code §61-332(2), and they are as follows:

This act ...[is] designed to promote harmony among and between electric suppliers furnishing electricity within the state of Idaho, prohibit the “pirating” of consumers of another electric supplier, discourage duplication of electric facilities, actively supervise certain conduct of electric suppliers as it relates to this act, and stabilize the territories and consumers served with electricity by such electric suppliers.

The City respectfully submits that approval of the attached Customer Allocation Agreement furthers the purposes of the Act by: (1) promoting harmony between the City and RMP because the Parties have negotiated a mutually beneficial resolution regarding the provisioning of electric service to Mr. Oler’s two pumps; (2) eliminating needless duplication of electric facilities by permitting the City to serve Mr. Oler’s two pumps; (3) stabilizing the territories and consumers served with electricity by the City and RMP by utilizing the existing infrastructure to efficiently serve Mr. Oler’s two pumps; and (4) the submission of this application to the Commission, who’s subsequent review and decision is satisfactory evidence of active supervision of the conduct of the City and RMP as it relates to the Act.

Based upon the foregoing, the Commission should approve the Customer Allocation Agreement between the City and RMP because it conforms with the provisions and purposes of the Act.

V.
PRAYER FOR RELIEF

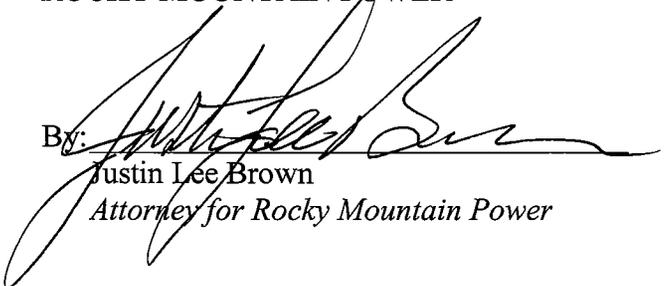
The Parties respectfully request that this Commission issue its order approving the attached Customer Allocation Agreement and that the Commission proceed pursuant to an expedited form of modified procedure pursuant to Rules 201 through 204. Rule 204 provides that the Commission must allow 21 days for notice to be effective “unless otherwise provided by the notice of modified procedure.” Due to the fact all potentially interested persons are already aware of this application and, in fact, are in agreement that it should be approved, and due to the uncertainty surrounding removal of the existing service lines and the immediate ability of the City to step in and provide service, the Commission is urged to use its discretion and shorten the notice period to no longer than seven days. No prejudice or harm should befall any party or person as a result of a shortened notice period.

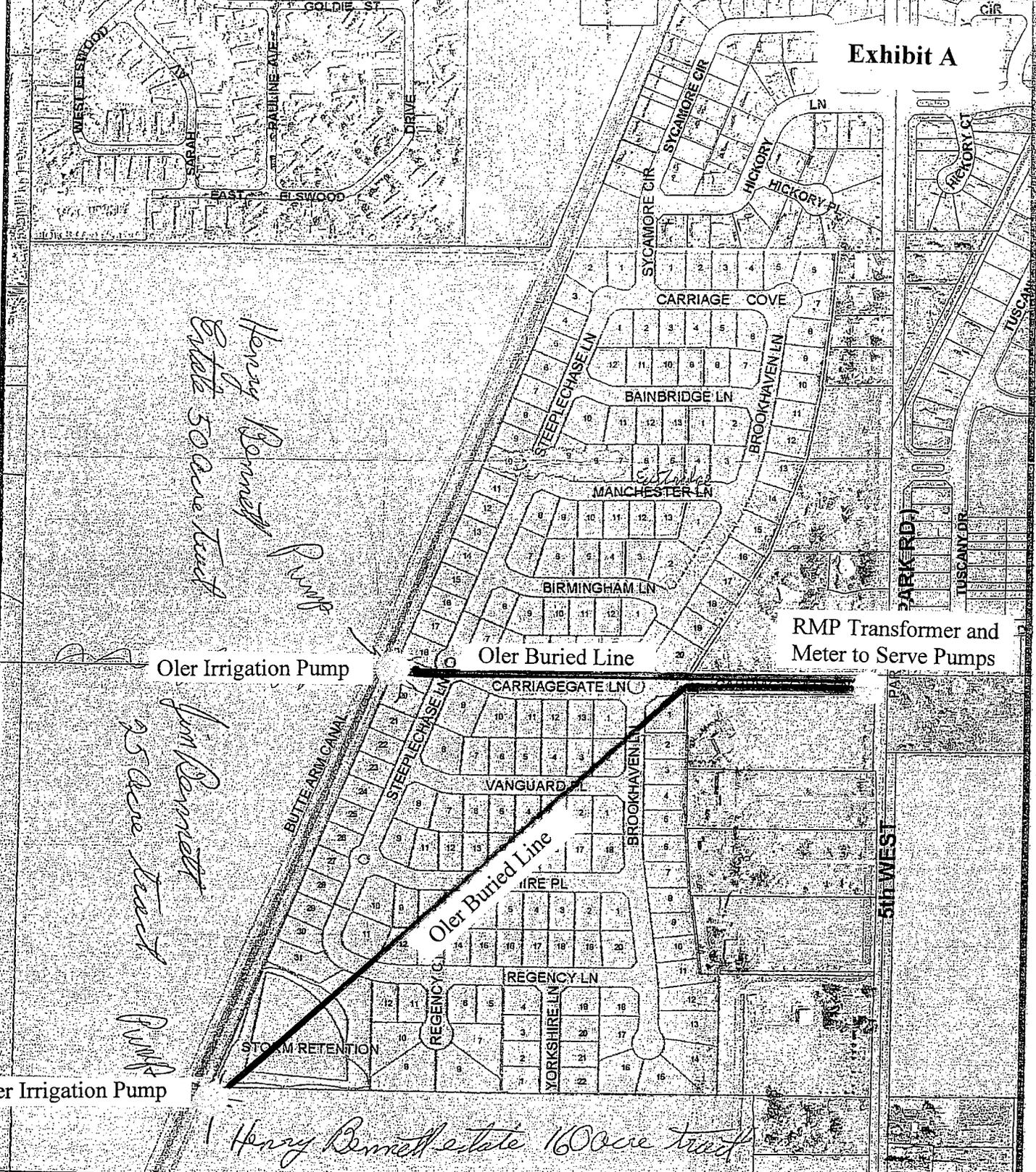
DATED this 30th day of April, 2007.

RICHARDSON & O’LEARY P.L.L.C.

By 
Peter Richardson ISB #3195
Attorney for Idaho Falls Power

ROCKY MOUNTAIN POWER

By: 
Justin Lee Brown
Attorney for Rocky Mountain Power



RMP Transformer and Meter to Serve Pumps

Oler Irrigation Pump

Oler Buried Line

Oler Buried Line

Oler Irrigation Pump

Carriagegate Preliminary Plat



SCALE: 1" = 400'

CUSTOMER ALLOCATION AGREEMENT

AGREEMENT made this 31 day of March, 2007 by and between the CITY OF IDAHO FALLS ("CITY"), whose mailing address is P.O. Box 50220, Idaho Falls, Idaho, 83405; ROCKY MOUNTAIN POWER, A DIVISION OF PACIFICORP, an Oregon corporation ("RMP"), whose address is 201 South Main Street, Suite 2400, Salt Lake City, Utah 84111; and MR. DAVID OLER ("OLER") whose address is 1110 East 97 South, Idaho Falls, Idaho 83404.

WITNESSETH:

WHEREAS, OLER owns certain agricultural property located outside the territorial boundaries of the CITY OF IDAHO FALLS, which property has historically been irrigated with the use of two irrigation pumps, both of which are served by buried electrical distribution lines owned by OLER, and connected to electrical distribution lines owned by RMP;

WHEREAS, the parcel of land in which the OLER owned buried distribution lines lie, has been annexed into the CITY and is being developed as a residential subdivision which will be served by the CITY;

WHEREAS, such development required that the OLER owned buried distribution lines be removed, and; whereas, RMP has no other power lines in the vicinity from which it can conveniently and economically provide continued service to the two irrigation pumps owned by OLER;

WHEREAS, the CITY has an existing power line immediately adjacent to OLER's two irrigation pumps, and; whereas, the CITY can conveniently and economically provide electrical service to OLER;

WHEREAS, OLER has requested that his electrical service for the two irrigation pumps be transferred to and served by the CITY, and; whereas, RMP is willing to allow such transfer and the CITY is willing to provide such service, all subject to the terms and conditions of this Agreement;

WHEREAS, the CITY and RMP have an existing agreement, dated August 26, 2005 (the "Allocation Agreement") providing for the allocation of customers and service territory between the CITY and RMP, which has been approved by the Idaho Public Utilities Commission ("IPUC"). The Allocation Agreement specifically requires that the IPUC approve any transfer of any consumer previously receiving electric service from the CITY or RMP to the other, only upon mutual consent of the consumer and approval by the IPUC, pursuant to Idaho Code Section 61-334(B).

WHEREAS, the parties to this agreement desire to, and/or are willing, to accomplish a transfer of the electrical service of OLER's irrigation pumps to the CITY;

NOW, THEREFORE, the parties hereto agree as follows:

1. **Transfer of Electric Service.** RMP hereby consents to the transfer of the electrical service for OLER'S irrigation pumps to the CITY, and the CITY agrees to provide electrical service to such irrigation pumps, subject to the terms and conditions hereof. The location of such pumps and the two buried distribution lines, which will be abandoned, are shown on Exhibit A, attached hereto. OLER, further hereby consents to such transfer of electric service to the CITY and further agrees that the CITY's delivery of such electrical service shall be subject to the terms and conditions of this Agreement.

2. **Conditions for Delivery of Electrical Service.** OLER agrees that such electric service shall be supplied to OLER, or his heirs, successors or assigns subject to OLER's compliance with the terms and conditions of Chapter 5, Title 8 of the Idaho Falls City Code, as the same currently exists or as may be amended hereafter, and all reasonable regulations and policies promulgated or adopted by the CITY pursuant thereto.

3. **Just Compensation - Waiver.** RMP, for the limited purpose of this agreement and the transaction contemplated herein, agrees to waive any claim to the receipt of just compensation pursuant to paragraph 7 of the Allocation Agreement that would otherwise be payable to RMP on account of any distribution facilities that were previously serving OLER's two irrigation pumps. RMP, the CITY, and OLER each agree that this waiver is for the limited purpose of this agreement and the transaction contemplated herein, only, and that this waiver shall not be used by or construed against any party hereto in any subsequent proceeding for a claim for just compensation pursuant to paragraph 7 of the Allocation Agreement.

4. **Cost of Transfer.** OLER agrees to solely bear the costs of accomplishing such transfer and shall pay or reimburse the CITY or RMP for any costs incurred by either of them in accomplishing such transfer, all as required under the City Code or by RMP's IPUC approved tariff.

5. **Existing Service Entrance.** The CITY and RMP, for the limited purpose of this agreement and the transaction contemplated herein, agree to waive the restrictions pertaining to the supply of electric service to a new service entrance set forth in paragraph 4 of the Allocation Agreement.

6. **Approval by IPUC.** The parties agree that this agreement shall become binding upon the parties only upon the approval and execution of this agreement by all of the parties and approval by the IPUC pursuant to Idaho Code Section 61-334(B). The parties

further agree that upon approval by the IPUC of this agreement, OLER shall be considered as a customer of the CITY for all intents and purposes of the Electrical Supplier Stabilization Act.

7. **Preservation of Transfer Rights.** Nothing herein shall be deemed as or construed to prevent the re-transfer of OLER's electric service for such irrigation pumps to RMP, pursuant to Paragraph 5.2 of the Allocation Agreement. However, in the event of a re-transfer, the CITY hereby agrees to waive any claim for just compensation pursuant to paragraph 7 of the Allocation Agreement, similar to RMP's waiver set forth in paragraph 3 of this agreement.

8. **Notice.** All notices allowed or required to be given under this agreement shall be considered given by depositing such notice in the United States mail with postage prepaid and properly addressed to the party. Notice shall be addressed to the following addresses until notice is given by the respective party of a different address:

Idaho Falls Power
140 So. Capital
Box 50220
Idaho Falls, Idaho 83405

Rocky Mountain Power, a division of PacifiCorp
Office of General Counsel
201 South Main Street, Suite 2400
Salt Lake City, Utah 84111

David Oler Farms
1100 East 97 South
Idaho Falls, Idaho 83404

9. **Interpretation and Venue.** The parties agree that the interpretation of this agreement shall be governed by the laws of the state of Idaho and that the venue or any legal action or suit arising there from shall be in the District Court of the Seventh Judicial District of the State of Idaho or in the United States District Court for the State of Idaho.

10. **Binding Effect.** This agreement shall be binding upon the heirs, successors and assigns of the parties hereto.

11. **Severability.** In the event that any provision of this Agreement shall be determined to be unenforceable or invalid for any reason, such determination shall not affect

the enforceability of the remaining provisions.

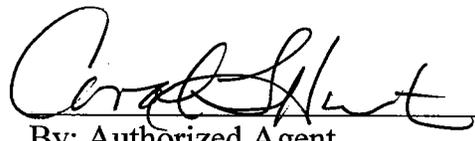
12. **Final Agreement.** This writing evidences the complete and final agreement of the parties hereto, and no prior statement, representation or understanding shall be binding except as expressly set forth herein.

CITY OF IDAHO FALLS

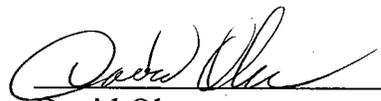


Jared Fuhriman
Mayor

Rocky Mountain Power, a division of PacifiCorp



By: Authorized Agent



David Oler