

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE JOINT)	
APPLICATION OF IDAHO FALLS POWER)	CASE NO. PAC-E-07-08
AND ROCKY MOUNTAIN POWER FOR AN)	
ORDER APPROVING A CUSTOMER)	ORDER NO. 30318
<u>ALLOCATION AGREEMENT</u>)	

On May 2, 2007, Idaho Falls Power and Rocky Mountain Power filed a Joint Application for approval of a Customer Allocation Agreement pursuant to the Electric Supplier Stabilization Act (ESSA), *Idaho Code* §§ 61-332 *et seq.* Idaho Falls Power is a municipal electrical supplier and is not subject to the jurisdiction of the Commission. Rocky Mountain Power operates an electric system adjacent to Idaho Falls and is subject to regulation by the Commission. Based upon our review, we grant the Application and approve the parties' Agreement.

The City of Idaho Falls recently annexed a parcel of land being developed for a subdivision. Upon completion of the subdivision, Idaho Falls Power will provide electric service to it. Two buried electric distribution lines currently traverse the subdivision property and provide electric service to irrigation pumps owned by Mr. Oler. Rocky Mountain Power currently provides electricity to Mr. Oler's pumps. Construction of the subdivision will require that the two buried lines be removed, leaving it economically infeasible for Rocky Mountain Power to continue to provide service Mr. Oler's pumps. Idaho Falls Power will be able to provide service to Mr. Oler.

An existing Customer Allocation Agreement prohibits Idaho Falls Power from serving new customers outside of the city limits unless such service is provided pursuant to the Commission's approval. See Order No. 29895. The Application states that Rocky Mountain Power, Idaho Falls Power, the developer of the subdivision, and Mr. Oler are all in agreement that it is in everyone's best interest for Idaho Falls Power to provide service to Mr. Oler's pumps. Idaho Falls Power and Rocky Mountain Power have entered into a Customer Allocation Agreement in which Idaho Falls Power assumes the obligation to provide service to Mr. Oler's pumps and Mr. Oler consents to being served by Idaho Falls Power. Because the subdivision developer is already proceeding with necessary improvements, the parties requested that the

Commission process their Joint Application by Modified Procedure, but shorten the comment period to seven days.

Idaho Code § 61-333(1) provides that electric suppliers may 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.” Under the ESSA, both Idaho Falls Power and Rocky Mountain Power are defined as electric suppliers. *Idaho Code* § 61-332A(4). After notice and opportunity for hearing, the Commission may approve agreements allocating service territories and customers between electric suppliers only upon finding that the allocation is in conformance with the purposes of the ESSA. *Idaho Code* § 61-333A(1). As set out in *Idaho Code* § 61-332(2), the purpose of the ESSA is to discourage duplication of facilities; prohibit “pirating” of consumers; stabilize service territories and consumers; and promote harmony between electric suppliers.

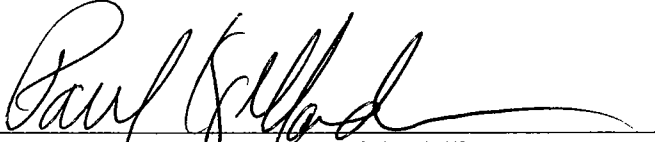
Idaho Code § 61-333(1) requires the Commission to review consumer and territory allocation Agreements between electric suppliers. Pursuant to this statute, we must determine whether the allocation of service territory and future customers is in conformance with the provisions and the purposes of the ESSA. After reviewing the Agreement, we grant the Application and approve the Customer Allocation Agreement. In particular, the Agreement avoids duplication of services, stabilizes service territories and customers, and promotes harmony between Idaho Falls Power and Rocky Mountain Power. Based upon these findings, we conclude that the Customer Allocation Agreement comports with the purposes of the ESSA.

ORDER

IT IS HEREBY ORDERED that Idaho Falls Power and Rocky Mountain Power’s Joint Application and Customer Allocation Agreement is approved.

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.

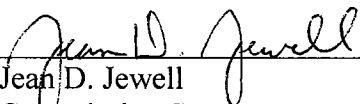
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 23rd
day of May 2007.


PAUL KJELLANDER, PRESIDENT


MARSHA H. SMITH, COMMISSIONER


MACK A. REDFORD, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

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