



RECEIVED  
2007 JUN -5 AM 9:13  
IDAHO PUBLIC  
UTILITIES COMMISSION

201 South Main, Suite 2300  
Salt Lake City, Utah 84111

June 4, 2007

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

PAC-E-07-12

**Re: Verified Joint Application of Fall River Rural Electric Cooperative, Inc. and Rocky Mountain Power for an Order Approving the Sale and Transfer of Property**

Dear Ms. Jewell:

Rocky Mountain Power, a division of PacifiCorp, hereby submits for filing an original and seven copies of its joint Application of Fall River Rural Electric Cooperative, Inc. and Rocky Mountain Power for approval of the sale and transfer of property.

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](mailto: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](mailto:Brian.Dickman@PacifiCorp.com)

Communications relating to this proceeding should be served on the following representative for Fall River Rural Electric Cooperative, Inc.:

Dee M. Reynolds  
General Manager  
Fall River Rural Electric Cooperative, Inc.  
1150 North 3400 East  
Ashton, Idaho 83420  
[Dee.Reynolds@fallriverelectric.com](mailto:Dee.Reynolds@fallriverelectric.com)

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](mailto:datarequest@pacificorp.com)

By Fax: (503) 813-6060



Parties have provided a joint communication explaining the proposed transaction and this application to all potentially interested persons, and have also notified them of their opportunity to express their opinion regarding the proposed transfer. A copy of the joint communication plan is attached hereto as Exhibit D. As such, given the reasons set forth herein, the Parties urge the Commission to proceed under a modified procedure.

## **II. JURISDICTION**

Fall River is a non-profit rural electric cooperative duly organized under the laws of the state of Idaho. Fall River operates a rural electric system for the convenience of its members in and around the city of Driggs, Idaho. RMP operates a retail electric system in certain areas of southeastern Idaho, one of which is an area immediately adjacent to Fall River's existing service territory. 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 §61-328 no public utility "shall . . . sell, lease, assign or transfer . . . any such property or certificate of convenience and necessity . . . except when authorized to do so by order of the public utilities commission." Furthermore, §61-333(1) provides that the Commission "shall, after notice and opportunity for hearing, review and approve or reject contracts between . . . cooperatives and public utilities" that allocate territories, consumers, and future consumers.

## **III. BACKGROUND**

RMP is authorized to do and is doing business in the state of Idaho. RMP provides electric service to approximately 912,000 customers in Idaho, Utah, and Wyoming. The company serves approximately 67,000 customers in Idaho, with about 150 of those customers in

Teton County.

Formed in 1938, Fall River is one of the oldest rural electric cooperatives in the west. Based in Ashton, Idaho, Fall River is a member owned cooperative serving approximately 13,000 members in Idaho, Montana, and Wyoming. Fall River operates more than 1,800 miles of distribution lines and maintains an office, operations crew, and service center located in Driggs, Idaho in Teton County. Fall River serves approximately 5,400 members in the Teton County.

Over the years Rocky Mountain Power and Fall River Electric Cooperative, Inc. have both provided service to customers in the Teton County Basin, often within close proximity of each other. However, as the Teton basin experiences growth, the potential for the duplication of facilities increases, presenting planning and operational issues for both utilities and their customers.

As both companies have considered their approach to serving new customers in the basin and the need to avoid the duplication of facilities, Fall River has developed a proposal which RMP supports, to have RMP transfer certain electric customers and service territory to Fall River. The facilities to be transferred to Fall River are described with greater specificity in the Asset Purchase Agreement attached hereto as Exhibit A, and include the following:

- 132 wood poles,
- 26.2 miles of wire,
- Six enclosures
- 5.34 miles of insulated cable,
- 15 pole transformers, 1 phase,
- 28 pad transformers, 1 phase

In addition to the physical assets, the Parties are requesting approval to transfer a portion of RMP's certificated service territory to Fall River. A copy of a map depicting RMP's certificated service territory and the proposed service territory to be transferred to Fall River is attached

hereto as Exhibits B and C, respectively. The specific service territory to be transferred to Fall River is further described as follows:

- T. 6 N., R. 44 E., B.B.&M., Sections 20, 26, 27, 28 ,29 , 30 , 32, and 33.
- T. 5 N., R. 44 E., B.B.&M., Sections 4, 5, 8, 9, 16, and 17.

#### **IV. STANDARD OF REVIEW**

Idaho Code §61-328 provides that before the Commission authorizes any transaction involving the sale or transfer of any public utility property, the Commission shall find:

- (a) That the transaction is consistent with the public interest;
- (b) That the cost of and rates for supplying service will not be increased by reason of such transaction; and
- (c) That the applicant for such acquisition or transfer has the bona fide intent and financial ability to operate and maintain said property in the public service.

RMP and Fall River respectfully submit that approval of the attached asset purchase agreement is consistent with the public interest because of the closer proximity of Fall River resources (such as office, line crews, and service centers) that are located in Driggs, Idaho as compared to RMP's, which are located in Rexburg, Idaho. As such, it is expected that the proximity of these resources will benefit the transferred customers by enhancing response time for restoration and service calls. The transfer of the customers to Fall River is also expected to maintain, if not improve, service reliability due to the extensive power delivery system of Fall River in the Teton County Basin and anticipated future infrastructure investment to be made by Fall River. It is further expected that Fall River will serve the transferred customers from existing facilities, eliminating the need of RMP to construct facilities that are adjacent to Fall River's facilities, consequently eliminating any unnecessary duplication of facilities.

Fall River submits that its rates for supplying service to the transferred customers will not be increased by reason of the transaction because Fall River has agreed to serve the customers

located in the Service Territory under RMP's rate structure for a period of five years from the closing date of the transaction. Following this five year period, transferred customers will be subject to Fall River rates as established for its members at that time. RMP also submits that the cost of service and rates for the remaining customers of RMP will not increase in any material way as a result of the proposed transfer of facilities and customers from RMP to Fall River.

Fall River further submits that it has the bona fide intent and financial ability to operate and maintain the subject Service Territory in the public service. As previously noted, Fall River has been providing electric service to its members for nearly 70 years. Fall River also has the financial ability to operate and maintain the subject Service Territory, as is indicated in the company's most recent fiscal year end results where Fall River had total annual revenues of \$19.0 million, net operating margin of \$2.0 million, total assets of \$70.5 million, with member equity of \$20.2 million.

Furthermore, 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 River by such electric suppliers.

RMP and Fall River respectfully submit that authorizing the parties to proceed with the transaction contemplated by the attached Asset Purchase Agreement furthers the purposes of the Act by: (1) promoting harmony between Fall River and RMP because the Parties have negotiated

a mutually beneficial resolution regarding the provisioning of electric service to the customers to be transferred to Fall River; (2) eliminating needless duplication of electric facilities by permitting Fall River to serve the transferred customers with existing facilities, consequently eliminating any need to build duplicate facilities; (3) stabilizing the territories and consumers served with electricity by Fall River and RMP by utilizing the existing infrastructure to efficiently serve the transferred customers, consequently enhancing the constancy of energy suppliers in Teton County, and enhancing the public safety and reliability of energy supply; 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 Fall River and RMP as it relates to the Act. The Parties have also committed to work together to resolve any existing and future service territory alignment issues within the next 12 months, and will jointly submit any allocation agreement to the Commission for approval.

Based upon the foregoing, the Commission should approve the sale and transfer of the Assets to Fall River from RMP because it conforms to the provisions and purposes of the Act.

**V.**  
**PRAYER FOR RELIEF**

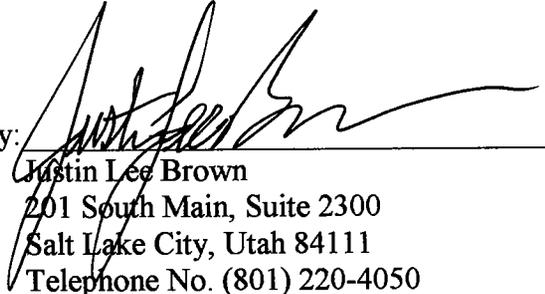
The Parties respectfully request that this Commission proceed pursuant to a modified procedure pursuant to Rules 201 through 204 and issue an order as follows:

1. Approving the attached asset purchase agreement and authorizing the sale and transfer of the Assets and the subject Service Territory from RMP to Fall River.
2. Amending RMP's existing certificate of convenience and necessity to reflect the transfer of the subject Service Territory to Fall River.
3. Such other relief as the Commission deems necessary and proper.

DATED this 22 day of May, 2007.

----SIGNATURES ON THE FOLLOWING PAGE----

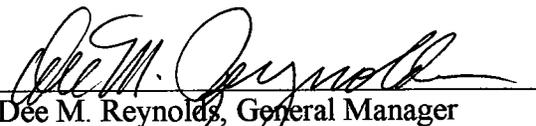
ROCKY MOUNTAIN POWER

By: 

Justin Lee Brown  
201 South Main, Suite 2300  
Salt Lake City, Utah 84111  
Telephone No. (801) 220-4050  
Facsimile No. (801) 220-3299  
[justin.brown@PacifiCorp.com](mailto:justin.brown@PacifiCorp.com)

*Attorney for Rocky Mountain Power*

FALL RIVER RURAL ELECTRIC  
COOPERATIVE, INC.

By: 

Dee M. Reynolds, General Manager  
1150 North 3400 East  
Ashton, Idaho 83420  
Telephone No. (208) 652-7431  
Facsimile No. (208) 652-7825  
[Dee.Reynolds@fallriverelectric.com](mailto:Dee.Reynolds@fallriverelectric.com)

**VERIFICATION**

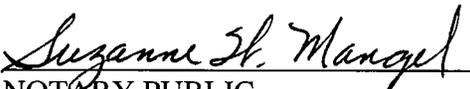
STATE OF UTAH                    )  
  )ss.  
COUNTY OF SALT LAKE    )

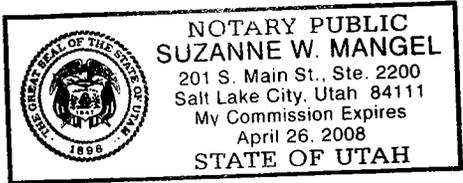
Carol L. Hunter, being first duly sworn, deposes and states:

1.     I am the Vice President of Services for Rocky Mountain Power; and
2.     I have read the foregoing Verified Joint Application for Approval of the Sale and Transfer of Property and know the contents thereof, and based upon information and belief, the contents are true of my own knowledge and I believe them to be true.

  
\_\_\_\_\_  
CAROL L. HUNTER

SUBSCRIBED AND SWORN to before me  
this 24<sup>th</sup> day of May 2007.

  
\_\_\_\_\_  
NOTARY PUBLIC



**EXHIBIT A**

## ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT (the "Agreement") is made and entered into as of the \_\_\_\_ day of May 2007 by and between Rocky Mountain Power, a division of PACIFICORP, an Oregon corporation ("Seller"), and Fall River Rural Electric Cooperative, Inc., an Idaho non-profit corporation ("Purchaser").

A. Seller is engaged in the business of generating, transmitting and distributing electric energy and in connection therewith owns certain distribution facilities located near Driggs, Idaho, consisting of a certificate of convenience and necessity for the subject area and the distribution facilities, as more fully described on Schedule "1.1" attached hereto and by this reference made a part of this Agreement (the "Assets").

B. Purchaser desires to purchase from Seller, and Seller desires to sell to Purchaser, Seller's interest in the Assets upon the terms and subject to the conditions of this Agreement.

C. In addition to the Assets identified in Schedule 1.1, the Seller is transferring a portion of its service territory covered by its current certificate of convenience and necessity to Purchaser pursuant to the terms and conditions of this Agreement, which only includes the service territory in which the Assets are located and that is contiguous with Purchaser's existing service territory. The service territory that is being transferred by Seller to Purchaser is described with more specificity as follows:

- T. 6 N., R. 44 E., B.B.&M., Sections 20, 26, 27, 28 ,29 , 30 , 32, and 33.
- T. 5 N., R. 44 E., B.B.&M., Sections 4, 5, 8, 9, 16, and 17.

NOW, THEREFORE, in consideration of the foregoing recitals and the agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, do hereby agree as follows:

### ARTICLE 1

#### PURCHASE AND SALE OF ASSETS

**1.1 Purchased Assets.** On the terms and subject to the conditions contained in this Agreement, at the Closing, Purchaser shall purchase, and Seller shall sell, convey, assign, and transfer to Purchaser all its right, title and interest in the Assets as described with particularity on Schedule "1.1". Expressly excluded from this sales transaction is the revenue, due the Seller, that is earned prior to the close of the sale, whether billed or not billed, and shall remain a receivable of the Seller and the rights to said revenue is not transferred to the Purchaser by this Agreement.

**1.2 Asset Purchase Price.** The purchase price for the Assets shall be \$297,529 (the "Asset Purchase Price").

## ARTICLE 2.

### CLOSING

**2.1 Closing.** This transaction shall close within 7 days of the issuance of the Idaho Public Utilities order approving this Agreement, on a date acceptable to both parties, (the "Closing") at the offices of the Seller in Salt Lake City, Utah. At the Closing and subject to the terms and conditions hereof, the following will occur:

**2.1.1 Deliveries by Seller.** Seller shall deliver to Purchaser such instruments of transfer and conveyance properly executed and acknowledged by Seller in customary form mutually agreed to by the Seller and Purchaser necessary to transfer to and vest in Purchaser all of Seller's right, title and interest in and to the Assets.

**2.1.2 Deliveries by Purchaser.** Purchaser shall deliver to Seller the Asset Purchase Price in immediately available funds, by way of wire transfer to an account designated by Seller.

**2.2 Prorations.** Items of expense and income (if any) affecting the Assets and the assumed liabilities that are customarily pro-rated, including, without limitation, real and personal property taxes, utility charges, charges arising under leases, insurance premiums, and the like, shall be pro-rated between Seller and Purchaser as of Closing.

## ARTICLE 3.

### TERMINATION

**3.1 Termination.** This Agreement may be terminated only as follows:

**3.1.1** At any time prior to Closing, by mutual written consent of the Seller and Purchaser; or

**3.1.2** By one party upon written notice to the other if there has been a material default or breach under this Agreement by the other party, which is not cured by the earlier of the Closing or 30 days after receipt by the other party of written notice specifying with particularity such breach or default.

**3.1.3** By either party if this Agreement is not approved by the Idaho Public Utilities Commission upon terms and conditions that are acceptable to both parties. Such notice of termination under this provision shall be given within 30 days of the issuance of such order unless both parties agree upon a joint request for rehearing or appeal.

**3.2 Effect of Termination.** If there has been a termination pursuant to Section 3.1.2, then this Agreement shall be deemed terminated and all further obligations of the parties hereunder

shall terminate, except that the obligations set forth in Sections 4.4, 5.1, 5.6, and 5.7 shall survive. In the event of such termination of this Agreement, there shall be no liability for damages on the part of a party to another under and by reason of this Agreement or the transaction contemplated hereby except as set forth in Section 5.6, and except for the intentionally fraudulent acts by a party, the remedies for which shall not be limited by the provisions of this Agreement. The foregoing provisions shall not, however, limit or restrict the availability of specific performance or other injunctive or equitable relief to the extent that specific performance or such other relief would otherwise be available to a party hereunder.

## ARTICLE 4.

### REPRESENTATIONS AND COVENANTS

4.1 Purchaser and Seller hereby represent, covenant, and agree that those customers within the subject area near Driggs, Idaho that were previously served by the Assets prior to Closing shall be served by Purchaser following the Closing of this transaction, and Purchaser agrees to be responsible for reliable service to these customers following the Closing.

4.2 Purchaser and Seller hereby agree that the Purchaser has the sole obligation and right to serve customers in the service territory to be transferred to Purchaser as described below:

- T. 6 N., R. 44 E., B.B.&M., Sections 20, 26, 27, 28 ,29 , 30 , 32, and 33.
- T. 5 N., R. 44 E., B.B.&M., Sections 4, 5, 8, 9, 16, and 17.

4.3 Purchaser and Seller hereby understand and agree that only those customers within the specific service territory described above and located near Driggs, Idaho that were previously served by the Assets shall be served by Purchaser following the Closing of this transaction. Purchaser and Seller agree that its certificate, once amended, will allow Seller to serve other areas within Teton County as allowed under its certificate and nothing herein nor in the expected order from the Idaho Public Utility Commission shall be read to exclude service within Seller's amended certificate covering its remaining service territory.

4.4 Purchaser and Seller hereby represent, covenant, and agree that they will work with each other to resolve any existing and future service territory alignment issues within the next twelve months and further agree to jointly submit an allocation agreement to the Idaho Public Utilities Commission for approval as may be required by Idaho's Electric Suppliers Stabilization Act.

## ARTICLE 5.

### MISCELLANEOUS PROVISIONS

5.1 **Assignment; Binding Effect; Survival.** The rights under this Agreement shall not be assignable or transferable nor the duties delegable by Purchaser or Seller without the prior written consent of the other. No provision contained in this Agreement shall be construed to give any third person any claim, action, or right of subrogation against any party hereto. Except as may be otherwise expressly set forth in this Agreement, any representations and covenants that are contained in this Agreement shall survive the Closing.

**5.2 Captions; Counterparts.** Captions and paragraph headings used herein are for convenience only and are not a part of this Agreement and shall not be used in construing it. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

**5.3 Entirety of Agreement; Amendments.** This Agreement (including the Schedules hereto) contains the entire understanding between the parties concerning the subject matter of this Agreement except as expressly provided for herein, and it supersedes all prior understandings and agreements, whether oral or written, between the parties with respect to the subject matter hereof and thereof. This Agreement may be amended or modified only by an agreement in writing signed by each of the parties hereto.

**5.4 Commission Approval.** This Agreement is subject to approval by the Idaho Public Utilities Commission, as well as all other applicable regulatory agency approvals.

**5.5 Notices.** All notices, requests, demands, waivers, consents and other communications hereunder shall be in writing, shall be delivered either in person, by overnight air courier or by mail, and shall be deemed to have been duly given and to have become effective, as follows: (a) upon receipt if delivered in person; (b) one (1) Business Day after having been delivered to an air courier for overnight delivery; or (c) three (3) Business Days after having been deposited in the U.S. mail as certified or registered mail, return receipt requested, all fees prepaid, directed to the parties or their permitted assignees at the following addresses (or at such other address as shall be given in writing by a party hereto):

If to Seller, addressed to:

Rocky Mountain Power  
Attn: Vice President, Services  
201 South Main Street, Suite 2400  
Salt Lake City, Utah 84111

With a copy to:

Rocky Mountain Power  
Attn: General Counsel  
201 South Main Street, Suite 2400  
Salt Lake City, Utah 84111

If to Purchaser, addressed to:

Fall River Rural Electric Cooperative, Inc.  
Attn: General Manager  
1150 North 3400 East  
Ashton, Idaho 83420

**5.6 Indemnification.**

**5.6.1** Subject to, and without in any way limiting or diminishing, any other covenants, warranties, representations, or agreements that are contained herein or the

rights or remedies available to the Purchaser or Seller for the breach hereof, Purchaser shall indemnify and hold Seller harmless against and in respect of the following:

(a) Any and all liabilities, demands, claims or suits against Seller arising out of the inaccuracy or breach of any representation, covenant, or warranty made by Purchaser in this Agreement.

(b) Any and all liabilities, demands, claims or suits against Seller resulting or arising, directly or indirectly, from Purchaser's negligent, intentional or illegal acts or omissions that are or were in breach of any duty or obligation Purchaser owed to Seller, or any third parties, whether such duties arise under this Agreement, by contract, at law or in equity.

(c) Any and all liabilities, demands, claims or suits against Seller resulting or arising directly or indirectly from the Assets after Closing.

**5.6.2** Subject to, and without in any way limiting or diminishing, the other covenants, warranties, representations, or agreements herein contained or the rights or remedies available to the Purchaser for the breach hereof, Seller shall indemnify and hold Purchaser and Company harmless against and in respect of the following:

(a) Any and all liabilities, demands, claims or suits against Purchaser arising out of the inaccuracy or breach of any representation, covenant, or warranty made by Seller in this Agreement.

(b) Any and all liabilities, demands, claims or suits against Purchaser resulting or arising, directly or indirectly, from Seller's negligent, intentional or illegal acts or omissions that are or were in breach of any duty or obligation Seller owed to Purchaser, or any third parties, whether such duties arise under this Agreement, by contract, at law or in equity.

(c) Any and all liabilities, demands, claims or suits against Purchaser resulting or arising directly or indirectly from the Assets prior to Closing.

**5.7 Exclusive Remedy.** In the absence of actual fraud, Section 5.6 shall be the exclusive remedy of all parties for monetary damages for breach of this Agreement and each of the parties hereby waives any other claim, cause of action or remedy for monetary damages, including economic or consequential damages that it might assert against the other, whether under statutory or common law or any other legal requirement.

**5.8 Arbitration.** The parties to this Agreement hereby agree to submit any dispute hereunder to binding arbitration in lieu of a legal action in a court of competent jurisdiction. The parties hereby agree that either party may submit a dispute for arbitration and request for a hearing on an expedited basis, not to exceed 180 days from the date of filing the request for arbitration. To the extent the parties cannot agree on an arbitrator, the arbitration service or governing body in which the request for arbitration was filed shall appoint the arbitrator. The costs of the binding arbitration shall be shared by the parties. If absolutely necessary to preserve

the party's rights or to avoid irreparable harm, the parties may seek injunctive relief in a court of competent jurisdiction. The prevailing party shall be entitled to recover its share of the arbitration costs as well as their other costs of litigation, and reasonable attorneys' fees.

**5.9 Construction.** This Agreement and any documents or instruments delivered pursuant hereto shall be construed without regard to the identity of the person who drafted the various provisions of the same. Each and every provision of this Agreement and such other documents and instruments shall be construed as though the parties participated equally in the drafting of the same. Whenever in this Agreement the context so suggests, references to the masculine shall be deemed to include the feminine, references to the singular shall be deemed to include the plural, and references to "or" shall be deemed to be disjunctive but not necessarily exclusive.

**5.10 Waiver and Severability.** The failure of a party to insist, in any one or more instances, on performance of any of the terms, covenants and conditions of this Agreement shall not be construed as a waiver or relinquishment of any rights granted hereunder or of the future performance of any such term, covenant or condition, but the obligations of the parties with respect thereto shall continue in full force and effect. No waiver of any provision or condition of this Agreement by a party shall be valid unless in writing signed by such party or operational by the terms of this Agreement. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be valid, binding and enforceable under applicable law, but if any provision of this Agreement is held to be invalid, void (or voidable) or unenforceable under applicable law, such provision shall be ineffective only to the extent held to be invalid, void (or voidable) or unenforceable, without affecting the remainder of such provision or the remaining provisions of this Agreement.

**5.11 Governing Law.** This Agreement shall be governed in all respects, including validity, interpretation and effect, by the laws of the state of Idaho applicable to contracts made and to be performed wholly within the state of Idaho.

**5.12 Exculpation.** PURCHASER AGREES THAT THE ASSETS ARE BEING SOLD ON AN "AS IS" BASIS AND IN "WITH ALL FAULTS" CONDITION, AND, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, SELLER MAKES NO WRITTEN OR ORAL REPRESENTATION OR WARRANTY, EITHER EXPRESS OR IMPLIED, WITH RESPECT TO THE FITNESS, MERCHANTABILITY, OR SUITABILITY OF THE ASSETS FOR ANY PARTICULAR PURPOSE.

**5.13 Reasonable Efforts.** The parties hereto agree to take all reasonable actions and to do all reasonable things necessary, proper or advisable under applicable laws to consummate and make effective, as soon as reasonably practicable, the transaction contemplated hereby, including the satisfaction of all conditions thereto set forth herein.

IN WITNESS WHEREOF, the parties have duly executed this Agreement on the date first above written.

PURCHASER:

Fall River Rural Electric Cooperative, Inc.

By: Dee M. Reynolds

Name: Dee M. Reynolds

Title: General Manager / CEO

SELLER:

ROCKY MOUNTAIN POWER

By: A. Richard Walje

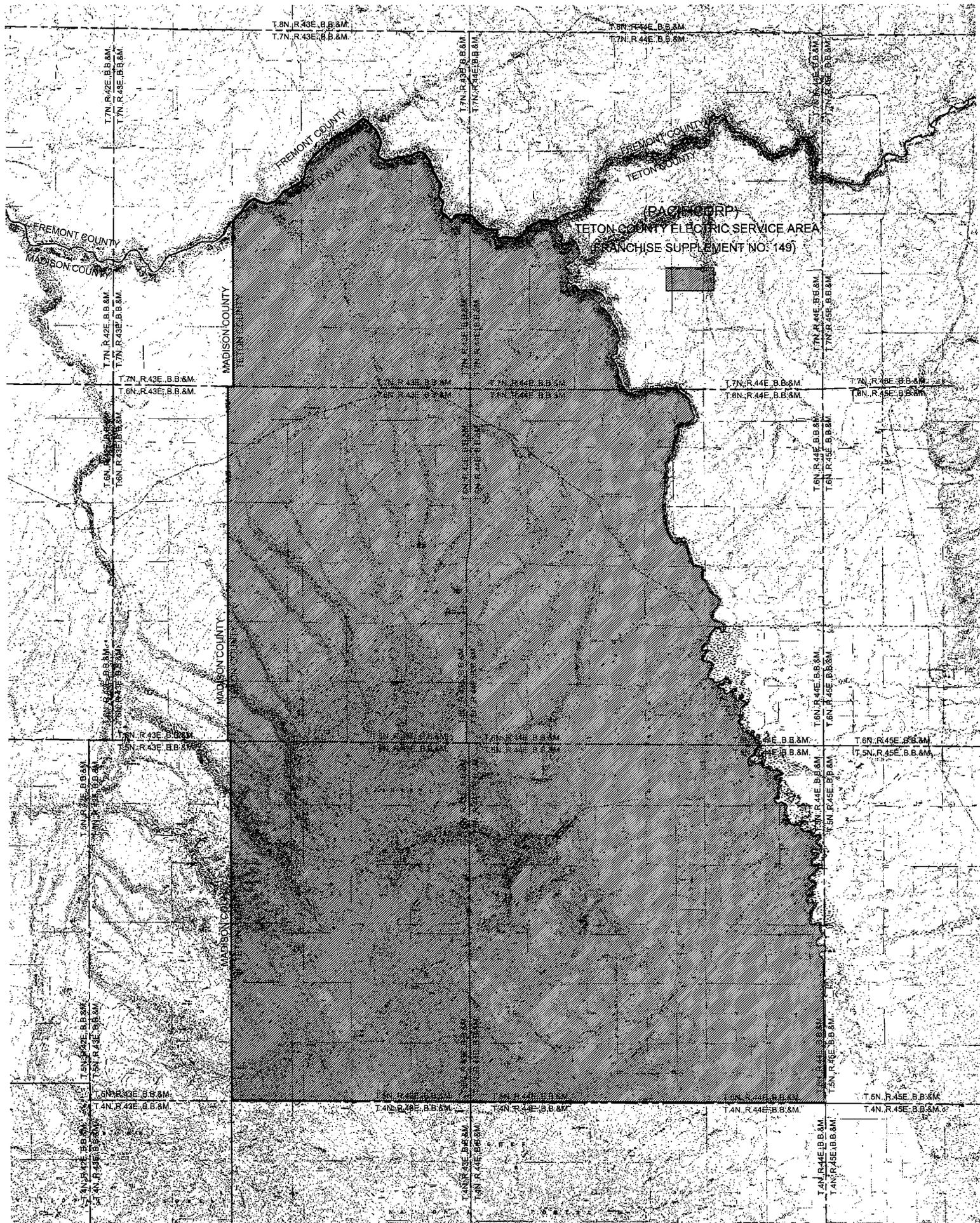
Name: A. Richard Walje

Title: President

**Description of Purchased Assets  
Schedule 1.1**

<b>Quantity</b>	<b>UOM</b>	<b>Asset</b>
10	EA	30' pole
110	EA	35' pole
1	EA	35' pole
2	EA	40' Pole
5	EA	40' Pole
1	EA	40' Pole
1	EA	40' pole
1	EA	40' Pole
2	EA	45' Pole
520	FT	#2 Triplex
600	FT	1/0 triplex
80	FT	1/0 triplex
3,060	FT	#2 acsr
1,308	FT	#6 copper
60,350	FT	8-30 stl
72,312	FT	6-80 stl
6	EA	1P ground sleeve
5,000	FT	#2 25kva urd primary
3,200	FT	#2 25kva urd primary
12,943	FT	#2 primary urd 7.2
1,825	FT	#2 primary urd 7.2
1,500	FT	1/0 25kv urd primary
260	FT	1/0 urd triplex
120	FT	1/0 urd triplex
1,735	FT	4/0 urd triplex
500	FT	4/0 urd triplex
150	FT	4/0 urd triplex
350	FT	4/0 urd triplex
640	FT	4/0 urd triplex
220	FT	350 urd triplex
3	EA	10kva 120/240 ovh
6	EA	25 kva 120/240 ovh
3	EA	15kva 120/240 ovh
1	EA	5kva 120/240 pole 7.2
1	EA	50kVA 120/240 ovh
1	EA	50kVA 120/240 ovh
1	EA	50' kva 120/240 pole 7.2
12	EA	25kva 120/240 pad 7.2
2	EA	25kva 120/240 pad 7.2
8	EA	50kva 120/240 pad 7.2
2	EA	25kva 120/240 pad
1	EA	25kva 120/240 pad
1	EA	25kva 120/240 pad
1	EA	75kva 120/240 pad 7.2
1	EA	167 120/240 pad 7.2

## **EXHIBIT B**



(PACIFICORP)  
TETON COUNTY ELECTRIC SERVICE AREA  
(FRANCHISE SUPPLEMENT NO. 149)

T.8N., R.43E., B.B.&M.  
T.7N., R.43E., B.B.&M.

T.8N., R.44E., B.B.&M.  
T.7N., R.44E., B.B.&M.

T.7N., R.42E., B.B.&M.  
T.7N., R.43E., B.B.&M.

T.7N., R.43E., B.B.&M.  
T.7N., R.44E., B.B.&M.

T.7N., R.44E., B.B.&M.  
T.7N., R.45E., B.B.&M.

FREMONT COUNTY  
MADISON COUNTY

FREMONT COUNTY  
TETON COUNTY

FREMONT COUNTY  
TETON COUNTY

T.7N., R.42E., B.B.&M.  
T.7N., R.43E., B.B.&M.

MADISON COUNTY  
TETON COUNTY

T.7N., R.43E., B.B.&M.  
T.6N., R.43E., B.B.&M.

T.7N., R.44E., B.B.&M.  
T.6N., R.44E., B.B.&M.

T.7N., R.44E., B.B.&M.  
T.6N., R.44E., B.B.&M.

T.7N., R.44E., B.B.&M.  
T.6N., R.44E., B.B.&M.

T.7N., R.45E., B.B.&M.  
T.6N., R.45E., B.B.&M.

T.6N., R.42E., B.B.&M.  
T.6N., R.43E., B.B.&M.

MADISON COUNTY  
TETON COUNTY

T.7N., R.43E., B.B.&M.  
T.6N., R.43E., B.B.&M.

T.7N., R.44E., B.B.&M.  
T.6N., R.44E., B.B.&M.

T.7N., R.44E., B.B.&M.  
T.6N., R.44E., B.B.&M.

T.7N., R.44E., B.B.&M.  
T.6N., R.44E., B.B.&M.

T.6N., R.44E., B.B.&M.  
T.6N., R.45E., B.B.&M.

T.6N., R.45E., B.B.&M.  
T.5N., R.45E., B.B.&M.

T.6N., R.42E., B.B.&M.  
T.5N., R.42E., B.B.&M.

T.5N., R.42E., B.B.&M.  
T.4N., R.42E., B.B.&M.

T.6N., R.43E., B.B.&M.  
T.4N., R.43E., B.B.&M.

T.6N., R.44E., B.B.&M.  
T.4N., R.44E., B.B.&M.

T.6N., R.44E., B.B.&M.  
T.4N., R.44E., B.B.&M.

T.6N., R.44E., B.B.&M.  
T.4N., R.44E., B.B.&M.

T.5N., R.44E., B.B.&M.  
T.4N., R.45E., B.B.&M.

T.5N., R.45E., B.B.&M.  
T.4N., R.45E., B.B.&M.

T.5N., R.42E., B.B.&M.  
T.4N., R.42E., B.B.&M.

T.5N., R.43E., B.B.&M.  
T.4N., R.43E., B.B.&M.

T.5N., R.44E., B.B.&M.  
T.4N., R.44E., B.B.&M.

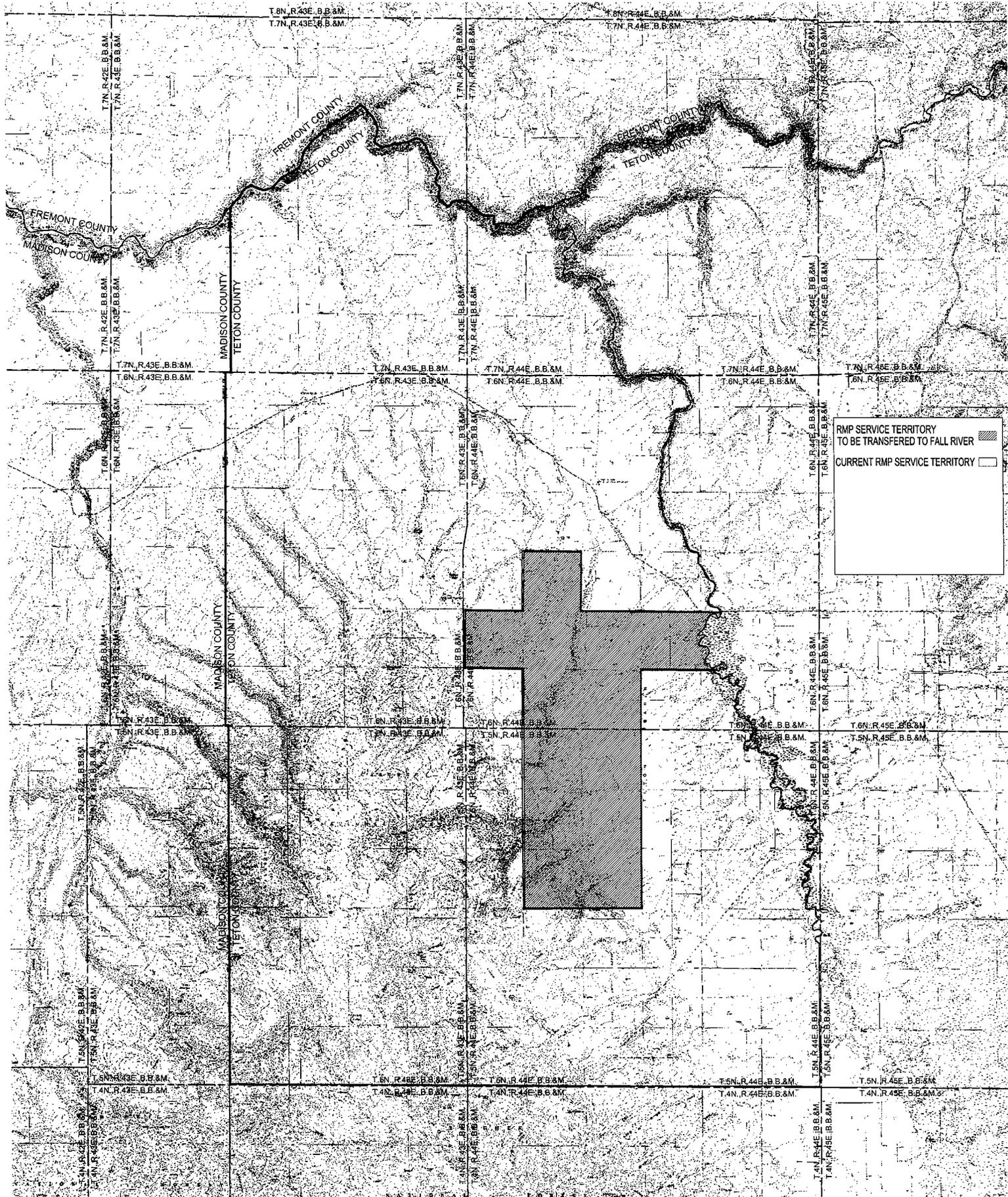
T.5N., R.44E., B.B.&M.  
T.4N., R.44E., B.B.&M.

T.5N., R.44E., B.B.&M.  
T.4N., R.44E., B.B.&M.

T.4N., R.44E., B.B.&M.  
T.4N., R.45E., B.B.&M.

T.5N., R.45E., B.B.&M.  
T.4N., R.45E., B.B.&M.

## **EXHIBIT C**



RMP SERVICE TERRITORY  
TO BE TRANSFERRED TO FALL RIVER   
CURRENT RMP SERVICE TERRITORY 

T.8N, R.43E, B.B.&M.  
T.7N, R.43E, B.B.&M.

T.8N, R.44E, B.B.&M.  
T.7N, R.44E, B.B.&M.

T.7N, R.42E, B.B.&M.  
T.7N, R.43E, B.B.&M.

T.7N, R.43E, B.B.&M.  
T.7N, R.44E, B.B.&M.

T.7N, R.44E, B.B.&M.  
T.7N, R.45E, B.B.&M.

FREMONT COUNTY  
TETON COUNTY

FREMONT COUNTY  
TETON COUNTY

FREMONT COUNTY  
MADISON COUNTY

MADISON COUNTY  
TETON COUNTY

T.7N, R.42E, B.B.&M.  
T.6N, R.42E, B.B.&M.

T.6N, R.43E, B.B.&M.  
T.6N, R.44E, B.B.&M.

T.7N, R.43E, B.B.&M.  
T.6N, R.43E, B.B.&M.

T.6N, R.44E, B.B.&M.  
T.6N, R.45E, B.B.&M.

T.7N, R.44E, B.B.&M.  
T.6N, R.44E, B.B.&M.

T.6N, R.45E, B.B.&M.  
T.6N, R.46E, B.B.&M.

T.7N, R.44E, B.B.&M.  
T.6N, R.44E, B.B.&M.

T.6N, R.45E, B.B.&M.  
T.6N, R.46E, B.B.&M.

T.7N, R.45E, B.B.&M.  
T.6N, R.45E, B.B.&M.

T.6N, R.46E, B.B.&M.  
T.6N, R.47E, B.B.&M.

T.6N, R.42E, B.B.&M.  
T.6N, R.43E, B.B.&M.

T.6N, R.43E, B.B.&M.  
T.6N, R.44E, B.B.&M.

T.6N, R.43E, B.B.&M.  
T.6N, R.44E, B.B.&M.

T.6N, R.44E, B.B.&M.  
T.6N, R.45E, B.B.&M.

T.6N, R.44E, B.B.&M.  
T.6N, R.45E, B.B.&M.

T.6N, R.45E, B.B.&M.  
T.6N, R.46E, B.B.&M.

T.6N, R.44E, B.B.&M.  
T.6N, R.45E, B.B.&M.

T.6N, R.45E, B.B.&M.  
T.6N, R.46E, B.B.&M.

T.6N, R.45E, B.B.&M.  
T.6N, R.46E, B.B.&M.

T.6N, R.46E, B.B.&M.  
T.6N, R.47E, B.B.&M.

T.5N, R.42E, B.B.&M.  
T.5N, R.43E, B.B.&M.

T.5N, R.43E, B.B.&M.  
T.5N, R.44E, B.B.&M.

T.6N, R.43E, B.B.&M.  
T.5N, R.43E, B.B.&M.

T.5N, R.44E, B.B.&M.  
T.5N, R.45E, B.B.&M.

T.6N, R.44E, B.B.&M.  
T.5N, R.44E, B.B.&M.

T.5N, R.45E, B.B.&M.  
T.5N, R.46E, B.B.&M.

T.6N, R.45E, B.B.&M.  
T.5N, R.45E, B.B.&M.

T.5N, R.46E, B.B.&M.  
T.5N, R.47E, B.B.&M.

T.6N, R.46E, B.B.&M.  
T.5N, R.46E, B.B.&M.

T.5N, R.47E, B.B.&M.  
T.5N, R.48E, B.B.&M.

T.5N, R.42E, B.B.&M.  
T.4N, R.42E, B.B.&M.

T.4N, R.43E, B.B.&M.  
T.4N, R.44E, B.B.&M.

T.5N, R.43E, B.B.&M.  
T.4N, R.43E, B.B.&M.

T.4N, R.44E, B.B.&M.  
T.4N, R.45E, B.B.&M.

T.5N, R.44E, B.B.&M.  
T.4N, R.44E, B.B.&M.

T.4N, R.45E, B.B.&M.  
T.4N, R.46E, B.B.&M.

T.5N, R.44E, B.B.&M.  
T.4N, R.44E, B.B.&M.

T.4N, R.45E, B.B.&M.  
T.4N, R.46E, B.B.&M.

T.5N, R.45E, B.B.&M.  
T.4N, R.45E, B.B.&M.

T.4N, R.46E, B.B.&M.  
T.4N, R.47E, B.B.&M.

T.4N, R.42E, B.B.&M.  
T.4N, R.43E, B.B.&M.

T.4N, R.43E, B.B.&M.  
T.4N, R.44E, B.B.&M.

T.5N, R.43E, B.B.&M.  
T.4N, R.43E, B.B.&M.

T.4N, R.44E, B.B.&M.  
T.4N, R.45E, B.B.&M.

T.5N, R.44E, B.B.&M.  
T.4N, R.44E, B.B.&M.

T.4N, R.45E, B.B.&M.  
T.4N, R.46E, B.B.&M.

T.5N, R.44E, B.B.&M.  
T.4N, R.44E, B.B.&M.

T.4N, R.45E, B.B.&M.  
T.4N, R.46E, B.B.&M.

T.5N, R.45E, B.B.&M.  
T.4N, R.45E, B.B.&M.

T.4N, R.46E, B.B.&M.  
T.4N, R.47E, B.B.&M.

**EXHIBIT D**

May 8, 2007

[Customer]  
[Address]

Dear [Customer]:

At Rocky Mountain Power, customer service is our top priority and we continually evaluate options for improving the quality of service provided to our customers. The purpose of this letter is to inform you of developing challenges in the Teton County Basin and a proposed solution for these challenges.

For many years, Rocky Mountain Power and Fall River Rural Electric Cooperative have both provided service to customers in the Teton County Basin, often within close proximity of each other. However, as the Teton Basin experiences growth, the potential for the duplication of facilities increases and presents planning and operational challenges for both utilities and their customers.

As we have considered solutions to the growing needs of the area, we have proposed to the Idaho Public Utilities Commission the transfer of electric service for our existing customers in the Teton County Basin to Fall River Rural Electric Cooperative.

If this proposal is approved by the Commission, you are one of the customers that would be served by Fall River. Your electric service would come from a company that currently serves about 5,400 customers in Teton County, including many of your neighbors and local businesses.

Expected benefits of this transaction include:

- Improved response time for restoration and service calls due to the proximity of Fall River service centers and line crews.
- Improved service reliability due to the extensive power delivery system of Fall River in the Teton County Basin and expected future infrastructure investment by Fall River.
- Fall River's commitment to maintain Rocky Mountain Power's rate structure for a period of five years from the close of this transaction.

It is important for you to know that the proposed customer transfer to Fall River is not final, and will not be final until it has been approved by the Idaho Public Utilities Commission. Shortly after May 8, 2007, Rocky Mountain Power and Fall River Electric expect to file a joint application with the Idaho Public Utilities Commission requesting approval of the proposed customer transfer. The Commission's evaluation process will provide you an opportunity to express your opinion regarding the proposed transfer. Your comments can be sent to the Commission at P.O. Box 83720, Boise, Idaho 83720, or by visiting its website at [www.puc.state.id.us](http://www.puc.state.id.us).

A public meeting will be hosted by Fall River Electric on May 11, 2007 at 6:00 p.m. in the Teton Middle School auditorium. Representatives of Fall River and Rocky Mountain Power will be available to explain the proposed transfer and answer your questions.

Please direct further questions about the proposed transfer to Glen Pond, Rocky Mountain Power, at (208) 359-4285.

Sincerely,

A handwritten signature in black ink that reads "Karen Gilmore". The signature is written in a cursive style with a small dot above the letter 'i' in "Gilmore".

Karen Gilmore  
Vice President, Customer Services  
Rocky Mountain Power