

DECISION MEMORANDUM

**TO: COMMISSIONER KJELLANDER
 COMMISSIONER SMITH
 COMMISSIONER REDFORD
 COMMISSION SECRETARY
 COMMISSION STAFF
 LEGAL**

FROM: WELDON STUTZMAN

DATE: JUNE 12, 2007

**SUBJECT: CASE NO. PAC-E-07-12
 JOINT APPLICATION OF FALL RIVER RURAL ELECTRIC
 COOPERATIVE, INC. AND ROCKY MOUNTAIN POWER FOR AN
 ORDER APPROVING THE SALE AND TRANSFER OF PROPERTY**

On June 5, 2007, Fall River Rural Electric Cooperative, Inc. (Fall River) and Rocky Mountain Power (Rocky Mountain) filed a joint Application requesting approval of the sale and transfer of property from Rocky Mountain to Fall River. Fall River is a rural electric cooperative that provides service for its members in and around the City of Driggs, Idaho. Rocky Mountain is a public utility subject to regulation by the Commission and provides service in southeastern Idaho, including in an area immediately adjacent to Fall River's existing service territory. The Application states that both companies have provided service to customers in the Teton County Basin, and as the Basin experiences growth, the potential for the duplication of facilities increases, presenting planning and operational issues for both companies. Accordingly, the parties reached an agreement to transfer certain electric facilities from Rocky Mountain to Fall River, along with a service territory that would affect approximately 150 customers of Rocky Mountain.

The Application states that the agreement is in the public interest because of the closer proximity of Fall River facilities to the affected customers. The Application also asserts that the transfer will not increase rates for the affected customers because Fall River has agreed to serve the customers under Rocky Mountain's rate structure for a period of five years. The Application also states that the transfer is consistent with the Idaho Electric Supplier

Stabilization Act, which is intended to promote harmony among and between electric suppliers and to discourage duplication of electric facilities.

The parties request that their Application be processed by Modified Procedure. Staff recommends that the joint Application of Rocky Mountain Power and Fall River for a transfer of assets be processed by Modified Procedure.

COMMISSION DECISION

Should the joint Application of Rocky Mountain Power and Fall River Rural Electric for the sale and transfer of property be processed by Modified Procedure?



Weldon Stutzman

bls/M:PAC-E-07-12_ws