



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

August 16, 2012

**VIA OVERNIGHT DELIVERY**

Idaho Public Utilities Commission  
Office of the Secretary  
RECEIVED

Jean D. Jewell  
Commission Secretary  
Idaho Public Utilities Commission  
472 W. Washington  
Boise, ID 83702

AUG 16 2012

Boise, Idaho

**Re: CASE NO. PAC-E-12-13  
IN THE MATTER OF THE APPLICATION FOR APPROVAL OF A SERVICE  
AREA EXCEPTION AGREEMENT BETWEEN IDAHO POWER AND ROCKY  
MOUNTAIN POWER TO PROVIDE STATION SERVICE AT THE POWER  
COUNTY WIND PARK NORTH, LOCATED IN POWER COUNTY, IDAHO**

Dear Ms. Jewell:

Enclosed for filing in the above mentioned matter are seven (7) copies of Rocky Mountain Power and Idaho Power's Joint Application for approval of a Service Area Exception Agreement.

Very truly yours,

Jeffrey K. Larsen  
Vice President, Regulation & Government Affairs

Enclosures

Daniel E. Solander (ISB# 8931)  
Rocky Mountain Power  
201 South Main Street, Suite 2300  
Salt Lake City, Utah 84111  
Telephone: (801) 220-4014  
Email: [daniel.solander@pacificorp.com](mailto:daniel.solander@pacificorp.com)

Idaho Public Utilities Commission  
Office of the Secretary  
RECEIVED

AUG 16 2012

Boise, Idaho

*Attorney for Rocky Mountain Power*

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

<b>IN THE MATTER OF THE</b>	)	
<b>APPLICATION FOR APPROVAL OF</b>	)	<b>CASE NO. PAC-E-12-13</b>
<b>A SERVICE AREA EXCEPTION</b>	)	
<b>AGREEMENT BETWEEN IDAHO</b>	)	<b>JOINT APPLICATION OF</b>
<b>POWER AND ROCKY MOUNTAIN</b>	)	<b>ROCKY MOUNTAIN POWER AND</b>
<b>POWER TO PROVIDE STATION</b>	)	<b>IDAHO POWER COMPANY</b>
<b>SERVICE AT THE POWER COUNTY</b>	)	
<b>WIND PARK NORTH, LOCATED IN</b>	)	
<b>POWER COUNTY, IDAHO</b>	)	

Rocky Mountain Power, a division of PacifiCorp (“Rocky Mountain Power” or the “Company”), and Idaho Power Company (“Idaho Power”) pursuant to provisions of the Electric Stabilization Act, I.C. § 61-333, hereby jointly makes application to the Idaho Public Utilities Commission (“Commission”) for approval of the Service Area Exception Agreement (“Agreement”) between Rocky Mountain Power and Idaho Power, which provides for Rocky Mountain Power to supply electric station service at the Power County Wind Park North, which is located in the certificated service area of Idaho Power in Power County, Idaho. In support of this Application, Rocky Mountain Power states as follows:

1. Rocky Mountain Power is authorized to do and is doing business in the state of Idaho. The Company provides retail electric service to approximately 72,400 customers in

the state of Idaho and is subject to the jurisdiction of the Commission. Rocky Mountain Power is a public utility in the state of Idaho pursuant to Idaho Code § 61-129.

2. Idaho Power is a corporation incorporated under the laws of the state of Idaho, and is subject to the jurisdiction of the Commission. Idaho Power is engaged in the business of generating, purchasing, transmitting, and distributing electric energy and providing retail electric service in the states of Idaho and Oregon. Idaho Power's principal offices are situated in Boise, Idaho, and its address is 1221 West Idaho Street, Boise, Idaho, 83702.

3. As provided in the Purchase Power Agreement ("PPA") dated August 10, 2010, between Rocky Mountain Power and Power County Wind Park North, LLC, Rocky Mountain Power shall purchase generation output of the electric power generation wind facility ("Wind Facility") located in the certificated service territory of Idaho Power in Power County, Idaho.

4. Through the existing interconnection between the Wind Facility and Rocky Mountain Power's system, Rocky Mountain Power serves electric station service requirements ("Facility Load") to the Wind Facility when generation output is insufficient to serve the Facility Load, which is located in the certificated service territory of Idaho Power in Power County, Idaho. Exhibit A shows the location of the Wind Facility located in the certificated service territory of Idaho Power, and the relative locations of the Rocky Mountain Power interconnection with the Wind Facility and the location of the nearest Idaho Power electric facilities located at Sagebrush Estates. In consideration of the existing interconnection of Rocky Mountain Power and the location of the nearest Idaho Power facilities located at Sagebrush Estates, approximately 5 miles from that interconnection,

Rocky Mountain Power has agreed to continue to serve the Facility Load, and Idaho Power has agreed to allow Rocky Mountain Power to serve the Facility Load.

5. Pursuant to terms of the Electric Service Stabilization Act, I.C. § 61-333, Rocky Mountain Power and Idaho Power have entered in to the Agreement dated August 14, 2012, wherein Rocky Mountain Power agrees to continue to serve the Facility Load, in the certificated service area of Idaho Power, and Idaho Power agrees to allow Rocky Mountain Power to serve the Facility Load.

6. The companies hereby jointly petition the Commission for approval of the Agreement, wherein Rocky Mountain Power agrees to continue to serve the Facility Load, in the certificated service area of Idaho Power, and Idaho Power agrees to allow Rocky Mountain Power to serve the Facility Load.

7. Communications regarding this Application should be addressed to:

**If to Rocky Mountain Power:**

Ted Weston  
Daniel E. Solander  
201 South Main, Suite 2300  
Salt Lake City, Utah 84111  
Telephone: (801) 220-2963  
Fax: (801) 220-2798  
Email: [ted.weston@pacificorp.com](mailto:ted.weston@pacificorp.com)  
[daniel.solander@pacificorp.com](mailto:daniel.solander@pacificorp.com)

**If to Idaho Power Company:**

Julia Hilton  
Lisa Nordstrom  
1221 West Idaho Street  
Boise, Idaho 83702  
Telephone: (208) 388-6117  
Email: [jhilton@idahopower.com](mailto:jhilton@idahopower.com)  
[lnordstrom@idahopower.com](mailto:lnordstrom@idahopower.com)

In addition, the Company respectfully requests that all data requests regarding this matter be addressed to one or more of the following:

By e-mail (preferred)

[datarequest@pacificorp.com](mailto:datarequest@pacificorp.com)

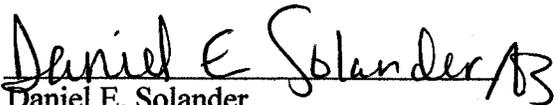
By regular mail

Data Request Response Center  
PacifiCorp  
825 NE Multnomah, Suite 2000  
Portland, OR 97232

WHEREFORE, Rocky Mountain Power and Idaho Power respectfully request that the Commission process this application under Modified Procedure issuing a final order approving the Service Area Exception Agreement dated August 14, 2012 between Rocky Mountain Power and Idaho Power.

DATED this 16<sup>th</sup> day of August, 2012.

Respectfully submitted,

By   
Daniel E. Solander

Attorney for Rocky Mountain Power

## **SERVICE AREA EXCEPTION AGREEMENT**

This Service Area Exception Agreement ("Agreement") is entered into by and between Idaho Power Company ("Idaho Power"), whose address is 1221 West Idaho Street, Boise, Idaho 83702; and Rocky Mountain Power, a division of PacifiCorp, an Oregon corporation whose address is 201 South Main Street, Suite 2400, Salt Lake City, Utah 84111 (individually referred to herein as the "Party" and collectively as the "Parties"). This Agreement shall be effective upon the date of the last signature affixed hereto.

### **ARTICLE 1.**

#### **RECITALS AND BACKGROUND**

1.1 Rocky Mountain Power is a provider of wholesale and retail electric service in the state of Idaho. Rocky Mountain Power's retail certificated service territory encompasses portions of the state of Idaho, including portions of Oneida, Bannock, Franklin, Caribou, and Bear Lake Counties.

1.2 Idaho Power is a provider of retail electric service in the state of Idaho. Idaho Power's retail certificated service territory encompasses portions of the state of Idaho, including areas within Power County.

1.3 As provided in the Power Purchase Agreement between Rocky Mountain Power and Power County Wind Park North, LLC, Rocky Mountain Power shall purchase generation output of the electric power generation wind facility ("Wind Facility") located in the certificated service territory of Idaho Power in Power County, Idaho. Through the interconnection between the Rocky Mountain Power electric system and the Wind Facility, Rocky Mountain Power also serves electric station service requirements ("Facility Load") to the Wind Facility when the generation output is insufficient to serve the Facility Load.

1.4 In accordance with the terms and conditions of this Agreement and as authorized by the Electric Service Stabilization Act, I.C. § 61-333, Rocky Mountain Power agrees to continue to serve the Facility Load, in the certificated service area of Idaho Power, and Idaho Power agrees to allow Rocky Mountain Power to serve the Facility Load.

WHEREAS, the Parties agree that in consideration of the established interconnection between Rocky Mountain Power and the Wind Facility, Idaho Power consents to Rocky Mountain Power serving the Facility Load that is located within Idaho Power's service territory in Power County, Idaho, subject to the other terms and conditions of this Agreement. The Parties acknowledge and agree that such service provided by Rocky Mountain Power shall be provided subject to the tariffs, rules, and regulations of the Idaho Public Utilities Commission ("Commission").

### **ARTICLE 2.**

#### **LIMITATIONS**

2.1 The Parties agree that, except as noted in this Article, this Agreement applies only to the Facility Load.

**2.2** The Parties agree that as a result of this Agreement, the certificated service territory of Rocky Mountain Power and Idaho Power shall remain unchanged and that certificated territory is neither given up nor acquired by either utility as a result of this Agreement. Rocky Mountain Power and Idaho Power will each at all times retain all legal and regulatory rights to serve loads in the geographic location identified in its respective certificate of public convenience and necessity. Further, the Parties agree that no certificated territory shall become dually certificated by Rocky Mountain Power or Idaho Power as a result of this Agreement, and the Parties acknowledge that any such change would require the approval of the Commission.

**2.3** In the event the Wind Facility , or any subsequent owner of the Wind Facility expands further into the Idaho Power service territory in either a contiguous or non-contiguous fashion, Idaho Power will retain legal and regulatory rights to serve the Facility Load in its territory as afforded in its certificate of public convenience and necessity, and Rocky Mountain Power will not seek authority to serve in a permanent or temporary capacity the Facility Load through dual certification or expansion of its certificate to serve without the consent of Idaho Power.

**2.4** The Parties agree that regardless of the size of the Facility Load, Rocky Mountain Power's service to the Facility Load within the Idaho Power service territory may be temporary and is subject to termination of this Agreement as further provided for in Article 4.

### **ARTICLE 3. IMPLEMENTATION**

**3.1** The Parties agree that Rocky Mountain Power may continue service to the Facility Load in the Idaho Power service territory in accordance with this Agreement immediately coincident with the Commission Order approving this Agreement.

### **ARTICLE 4. TERMINATION**

**4.1** This Agreement shall terminate upon the occurrence of any of the following:

**4.1.1** Idaho Power provides Rocky Mountain Power six-months written notice of Idaho Power's intent to terminate this Agreement and to begin serving the Facility Load.

**4.1.2** Rocky Mountain Power provides Idaho Power six-months written notice of Rocky Mountain Power's intent to terminate this Agreement and to cease serving the Facility Load.

**4.1.3** In the event of termination under this Article 4.1, the Parties will negotiate in good faith for Idaho Power to purchase from Rocky Mountain Power any of the functioning and in-service electric distribution facilities owned by Rocky Mountain Power and used solely to serve the Facility Load, whether in the service territory of Rocky Mountain Power or Idaho Power whether or not useful to Idaho Power in serving the Facility Load or other customers of Idaho Power, at Rocky Mountain Power's depreciated book value. If, subject to good faith negotiations, Idaho Power purchases any of the functioning and in-service electric distribution facilities owned by Rocky Mountain Power, whether in the service territory of Rocky Mountain Power or Idaho Power, that

are not useful to Idaho Power in providing service to its customers, Idaho Power will remove such facilities at its own expense.

4.2 Notwithstanding anything to the contrary herein, service provided to the Wind Facility shall be subject to conditions and terms of service as approved by the Commission in Rocky Mountain Power's tariffs.

#### **ARTICLE 5. NOTICE**

5.1 Any notice required to be given hereunder shall be deemed to have been given when it is sent, with postage prepaid, by registered or certified mail, return receipt requested, to the Parties hereto at their respective addresses as follows:

**To Idaho Power:**

Idaho Power Company  
General Counsel  
1221 West Idaho Street  
P.O. Box 70  
Boise, Idaho 83707

**To Rocky Mountain Power:**

Rocky Mountain Power  
Attn: Manager, Service Area  
201 South Main Street, Suite 2300  
Salt Lake City, Utah 84111

**With a copy to:**

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

#### **ARTICLE 6. COVENANTS, REPRESENTATIONS, AND CONDITIONS**

6.1 The Parties agree that this Agreement reflects unique circumstances relevant to the Facility Load and therefore should not be considered by the Commission in any pending or future deliberation, decision, or order regarding which utility should provide service to the Wind Facility and that no Party shall request such consideration.

6.2 The above-stated recitals are incorporated into this Agreement and made a part of it by this reference to the same extent as if the recitals were set forth in full at this point.

**6.3** The Parties agree that this Agreement represents a compromise in the positions of all Parties. As such, evidence of conduct or statements made in the negotiations and discussions held in connection with this Agreement shall not be admissible as evidence in any proceeding before the Commission or a court of competent jurisdiction.

**6.4** This Agreement is conditioned upon Commission review and approval. In the event that the Commission rejects or materially modifies this Agreement, or otherwise refuses to endorse and approve the provisions of this Agreement, or should this Agreement or any of its provisions be disapproved by any court of competent jurisdiction, then no Party shall be bound by the terms of this Agreement. Rather, in that event, each of the Parties shall be entitled to present in pleadings, applications, testimony, and exhibits the positions that they determine best represent their individual interests.

**6.5** The Parties agree that the Agreement is in the public interest and that the terms and conditions set forth herein are reasonable and just, and the Parties agree to advocate in good faith, subject to any conditions set forth herein, and that the Commission approve this Agreement in its entirety.

**6.6** All negotiations relating to this Agreement are privileged and confidential.

**6.7** To the fullest extent permitted by law, each of the Parties hereto waives any right it may have to a trial by jury in respect to litigation directly or indirectly arising out of, under, or in connection with this Agreement. Each Party further waives any right to consolidate any action in which a jury trial has been waived with any other action in which a jury trial cannot be or has not been waived.

**6.8** Execution of this Agreement shall not be deemed to constitute an acknowledgment by any of the Parties of the validity, or invalidity, of any particular method, theory, or principle of regulation. The Agreement shall not be admissible as evidence in any other proceeding and no Party shall be deemed to have agreed that any principle, method, or theory of regulation employed in arriving at this Agreement is appropriate for resolving any issue in any other proceeding.

**SIGNATURE PAGE FOLLOWS**

IN WITNESS WHEREOF, the Parties have duly executed this Agreement on the dates below.

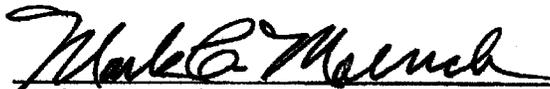
IDAHO POWER COMPANY



\_\_\_\_\_  
Rex Blackburn  
General Counsel

Dated this 8<sup>th</sup> day of August, 2012

ROCKY MOUNTAIN POWER

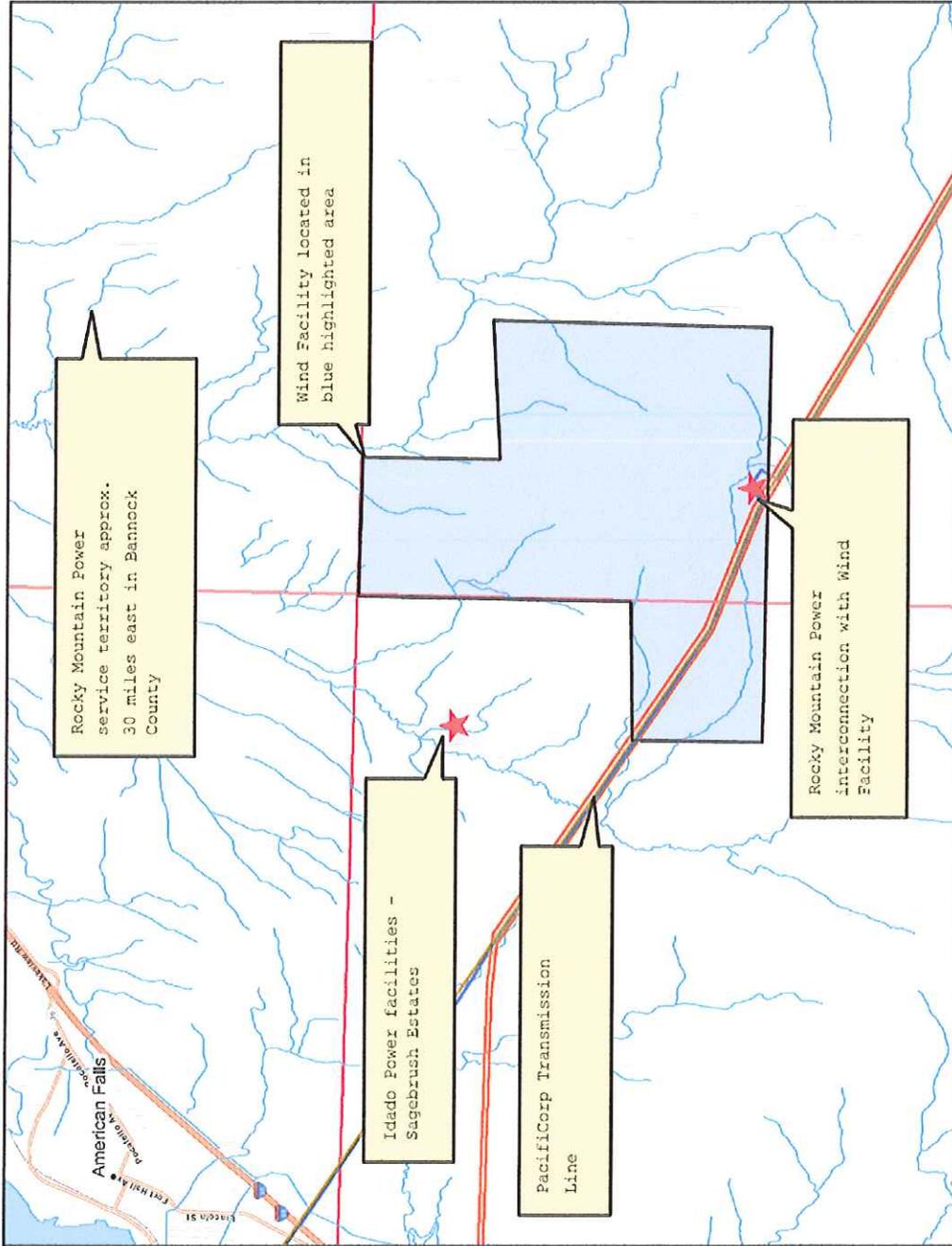


\_\_\_\_\_  
Mark C. Moench  
Senior Vice President and General Counsel

Dated this 14 day of August, 2012



# Power County



## Legend

- Towns
- Ocean
- Transmission Lines
  - 500 KV
  - 345 KV
  - 230 KV
  - 161 KV
  - 138 KV
  - 115 KV
  - 69 KV
  - 57 KV
  - 46 KV
  - Other
- Rivers
- Lakes
- Townships



Scale: 1:77,743



Data are collected from a variety of City, County, State, Federal and Private sources. PacifiCorp GIS makes no warranty as to the accuracy, reliability, or completeness of this data for individual or aggregate use. Maps and data from PowerMap are not to be released to nor put into any location that is accessible electronically or otherwise available to Market Affiliates.