

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	
FOR APPROVAL OF A SERVICE AREA)	CASE NO. PAC-E-12-13
EXCEPTION AGREEMENT BETWEEN)	
PACIFICORP DBA ROCKY MOUNTAIN)	
POWER AND IDAHO POWER COMPANY)	
TO PROVIDE STATION SERVICE AT THE)	
POWER COUNTY WIND PARK NORTH)	ORDER NO. 32646
LLC LOCATED IN POWER COUNTY,)	
IDAHO)	

On August 16, 2012, PacifiCorp dba Rocky Mountain Power filed a “Joint Application” seeking the Commission’s approval of a “Service Area Exception Agreement” between itself and Idaho Power Company. Under the terms of the Agreement, Rocky Mountain will be allowed to provide “station service” to a wind generating project providing power to Rocky Mountain. In this case the wind project (Power County Wind Park North) is located in Idaho Power’s service territory.¹ The utilities have executed their Agreement pursuant to the provisions of the Electric Supplier Stabilization Act (“ESSA”) and specifically *Idaho Code* § 61-333(1).

On August 22, 2012, the Commission issued a Notice of Modified Procedure requesting public comment on the parties’ Allocation Agreement. Order No. 32623. The only comments submitted were from the Commission Staff and it recommended approval of the Agreement. In this Order, the Commission grants the Application and approves the Agreement.

THE APPLICATION AND AGREEMENT

In their Service Area Exception Agreement dated August 14, 2012, the utilities agree to allow Rocky Mountain to provide “station service” to the wind qualifying facility which is located in the certificated service territory of Idaho Power in Power County, Idaho. The term “station service” typically refers to the electric service provided to a generating facility when the facility is not generating sufficient power to meet its own electric requirements for lighting, heat, operating instruments, and other equipment. The Application maintains that the amount of

¹ In Order No. 32084 issued October 6, 2010, the Commission approved a Power Purchase Agreement (PPA) between Rocky Mountain and Power County Wind.

electric power generated by Power County Wind “is insufficient to serve the Facility.” Application at 2. The Application further states that the nearest Idaho Power facilities are approximately five miles from the point where Rocky Mountain interconnects with the wind project. *Id.* at 2-3. Rather than Idaho Power supplying station service to the wind project delivering generation to Rocky Mountain, the utilities have agreed to allow Rocky Mountain to provide such service. The utilities contemplate no changes in their certificated service territories. Agreement at § 2.2. The utilities also requested that the Commission process the Application under Modified Procedure.

THE ESSA

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 Rocky Mountain and Idaho 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/or customers between electric suppliers only upon finding that the allocation is in conformance with the purposes of the ESSA. *Idaho Code* § 61-333(1). The purposes of the ESSA are to: (1) discourage duplication of facilities; (2) prohibit “pirating” of consumers; (3) stabilize electric suppliers’ service territories and consumers; and (4) promote harmony between electric suppliers. *Idaho Code* § 61-332(2).

STAFF COMMENTS

In its comments, Staff noted that the Agreement will allow the parties to avoid duplication of services and facilities, and promote harmony between the utilities. Because the wind park is interconnected with Rocky Mountain’s network, Rocky Mountain may efficiently provide station service to the wind park. Consequently, there is no need for Idaho Power to build facilities to serve the wind project. Comments at 3. Staff also noted that station service is typically provided by the public utility purchasing power from the QF. Based upon its review of the Application and Agreement, Staff recommended that the Commission approve the Agreement. *Id.*

COMMISSION FINDINGS

Based upon our review of the Application and the comments, we find that the Application for approval of a customer exchange agreement should be granted. We further find that

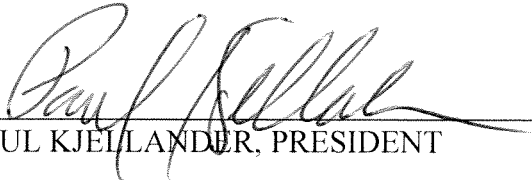
the Agreement is consistent with the purposes of the ESSA by avoiding the unnecessary duplication of facilities while providing the wind project with station service. Further, both electric suppliers support the Agreement. Therefore, we find it is appropriate for the Commission to issue this Order approving the Application and Agreement. *Idaho Code* § 61-333(1).

ORDER

IT IS HEREBY ORDERED that the Joint Application submitted by PacifiCorp dba Rocky Mountain Power and Idaho Power Company seeking approval of a “Service Area Exception Agreement” is granted. The Commission also approves the Agreement to allocate the wind project customer to Rocky Mountain for purposes of providing station service.

THIS IS A FINAL ORDER. Any person interested in this Order (or in issues finally decided by this Order) or in interlocutory Orders previously issued in this Case No. PAC-E-12-13 may petition for reconsideration within twenty-one (21) days of the service date of this Order with regard to any matter decided in this Order or in interlocutory Orders previously issued in this case. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. See *Idaho Code* § 61-626.

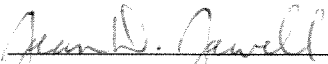
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 21st
day of September 2012.


PAUL KJELLANDER, PRESIDENT


MACK A. REDFORD, COMMISSIONER


MARSHA H. SMITH, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

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