

DECISION MEMORANDUM

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

FROM: DON HOWELL
DEPUTY ATTORNEY GENERAL

DATE: DECEMBER 19, 2012

SUBJECT: APPLICATION FOR APPROVAL OF A CUSTOMER EXCHANGE AGREEMENT BETWEEN ROCKY MOUNTAIN POWER AND FALL RIVER ELECTRIC COOPERATIVE, CASE NO. PAC-E-12-15

On December 13, 2012, PacifiCorp dba Rocky Mountain Power filed an Application seeking the Commission's approval of a contract between Rocky Mountain and Fall River Electric Cooperative to exchange an electric customer. The Agreement was executed pursuant to the provisions of the Electric Supplier Stabilization Act (ESSA) and specifically *Idaho Code* § 61-333(1). The "Service Area Exception Agreement" was executed by the parties on October 31, 2012. Rocky Mountain requests that the Application and the Agreement be processed under Modified Procedure.

THE APPLICATION

The parties propose to exchange one current customer. More specifically, Rocky Mountain will allow Fall River to serve a customer's residence in Tetonia, located within Rocky Mountain's service territory. Rocky Mountain's service to the residence was provided by an underground distribution feeder running through the customer's cultivated agricultural field. Application at 3.

On June 15, 2012, Rocky Mountain's service to the residence was interrupted. "In order to restore service expeditiously without destroying a significant portion of the customer's planted crop, [Rocky Mountain], in conjunction with Fall River and the customer, agreed to connect the customer's residential load to the adjacent electric distribution facilities owned by

Fall River.” *Id.* Fall River’s service territory is adjacent to the customer’s residence and serves the customer’s potato cellar “in close proximity to his residence.” *Id.*

To avoid an expensive repair of underground facilities and the unnecessary disruption of the customer’s field, Rocky Mountain and Fall River subsequently entered into an Agreement to allow Fall River to permanently serve the customer’s residence. Consequently, the electric suppliers subsequently entered into an agreement to transfer the customer’s residential load from Rocky Mountain to Fall River. The parties’ Agreement was attached to the Application.¹

In their Agreement, the parties agree that their respective certificated service areas will remain unchanged as the result of allowing Fall River to provide service to the customer’s residence. Agreement at § 2.2. The Agreement further provides that either party may terminate the Agreement upon six months written notice to the other party. § 4.1. In the event the Agreement is terminated, then Rocky Mountain may purchase from Fall River any of the electrical distribution facilities used by Fall River to serve the residential load in question at Fall River’s depreciated book value. *Id.* at § 4.2.

STAFF RECOMMENDATION

Given the agreement of the electric suppliers and the customer, Staff concurs with the parties’ recommendation that this Application be processed under Modified Procedure.

COMMISSION DECISION

Does the Commission concur that this matter should be processed under Modified Procedure?



Don Howell
Deputy Attorney General

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¹ Although the Service Area Exception Agreement was filed as a confidential document, the Company maintains that the only confidential information contained in the Agreement was the name and address of the customer. Consequently, the Company agreed to redact the name of the customer and his street address, and to disclose the redacted Agreement as a public document.