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Attorney for Commission Staff

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF THE APPLICATION )  
FOR APPROVAL OF A SERVICE AREA ) CASE NO. PAC-E-12-15  
EXCEPTION AGREEMENT BETWEEN )  
PACIFICORP DBA ROCKY MOUNTAIN )  
POWER AND FALL RIVER ELECTRIC ) COMMENTS OF THE  
COOPERATIVE TO EXCHANGE ONE ) COMMISSION STAFF  
CUSTOMER )**

COMES NOW the Staff of the Idaho Public Utilities Commission, by and through its attorney of record, Donald L. Howell, II, Deputy Attorney General, and submits the following comments in response Order No. 32705 issued on January 2, 2013.

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 electric suppliers on October 31, 2012. Rocky Mountain requested that the Application and the Agreement be processed under Modified Procedure.

**BACKGROUND**

**1. The ESSA.**

The purposes of the ESSA are to: (1) promote harmony among and between electric suppliers; (2) prohibit the "pirating" of consumers served by another supplier; (3) discourage

duplication of electric facilities; (4) stabilize the territory and consumers served by the suppliers; and (5) actively supervise certain conduct of the suppliers. *Idaho Code* § 61-332. Section 61-333(1) provides that all service agreements which allocate territory or customers between electric suppliers (such as Rocky Mountain and Fall River) be filed with and approved by the Commission.

## 2. 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.<sup>1</sup>

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, Rocky Mountain may purchase from Fall River any of the electrical

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

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 REVIEW

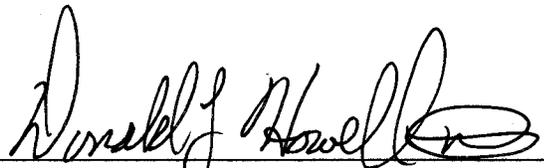
Staff has reviewed the Application and the Service Area Exception Agreement and recommends that the Commission approve the Agreement. As noted in Rocky Mountain's Application, the two electric suppliers agreed to transfer the customer's residential service from Rocky Mountain to Fall River. Given the proximity of Fall River's distribution facility and to avoid disruption to the customer's crop lands, the parties have agreed it would be more efficient for Fall River to supply service to the customer's residence.

*Idaho Code* § 61-332B prohibits an electric supplier from serving a customer already served by another supplier, except as otherwise ordered by the Commission. *Idaho Code* § 61-334B(1) provides that any exception to the anti-pirating provision of the ESSA must be reviewed and approved the Commission. This provision of the ESSA also provides that the Commission may only approve the exchange of a customer after finding that the transfer is consistent with the purposes of the ESSA set out in *Idaho Code* § 61-332.

### STAFF RECOMMENDATION

Staff recommends that the Commission approve the Agreement to transfer a customer's residential service from Rocky Mountain to Fall River. Staff believes transfer of this customer avoids the duplication of electric facilities and promotes harmony between the two suppliers. Consequently, Staff determines that the Service Area Exception Agreement is consistent with the goals of the ESSA set forth in *Idaho Code* § 61-332, and should be approved.

Respectfully submitted this 23<sup>d</sup> day of January 2013.



Donald L. Howell, II  
Deputy Attorney General

i:umisc:comments/pace12.15dh comments

## CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 23<sup>RD</sup> DAY OF JANUARY 2013, SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN CASE NO. PAC-E-12-15, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:

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CERTIFICATE OF SERVICE