

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE JOINT)	CASE NO. PAC-E-17-12
APPLICATION OF THE CITY OF IDAHO)	
FALLS AND ROCKY MOUNTAIN POWER)	ORDER NO. 33943
FOR APPROVAL OF A SERVICE)	
ALLOCATION AGREEMENT)	
)	

On October 12, 2017, the City of Idaho Falls (the City) and Rocky Mountain Power (Rocky Mountain) jointly applied to the Commission for approval of their Service Allocation Agreement under the Idaho Electric Supplier Stabilization Act (ESSA), *Idaho Code* §§ 61-332 through 61-334C. The parties asked that the Application be processed by Modified Procedure. The Commission issued a Notice of Application and Notice of Modified Procedure. Order No. 33921. Staff filed the only comments. Neither Rocky Mountain nor the City filed a reply. The Commission now approves the Agreement.

THE APPLICATION AND COMMENTS

Rocky Mountain and the City (together, the Applicants) requested approval of a previous electric consumer exchange agreement in 2005. Application at 3 (referring to Case No. PAC-E-15-07). That agreement was in place for ten years. *Id.* After the initial ten-year term, the City chose not to renew the agreement and instead told Rocky Mountain it wanted to negotiate a new service territory agreement. *Id.* The Applicants thus negotiated the Agreement that is the subject of this Application. *Id.*

The Applicants asserted the Agreement conforms to all the provisions and purposes of the ESSA. *Id.* at 3-4. The Applicants stated that, if approved, the Agreement would become effective with five-year terms and a clause allowing automatic extensions for consecutive five-year periods unless one party notifies the other of its intent not to renew. *Id.* at 4.

Staff reviewed the Application and Agreement. Staff assessed that the Agreement complies with the purposes of the ESSA, and recommended that the Commission approve it.

DISCUSSION AND FINDINGS

Under the ESSA, the Commission has authority to approve or reject a contract between a municipality and a public utility. *Idaho Code* § 61-333. However, the Commission has jurisdiction over only the public utility in such proceeding. *Id.* Under the ESSA, 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.” *Idaho Code* § 61-333(1). Also under the ESSA, a municipality may extend its electric services to annexed areas served by a public utility upon just compensation to the utility. *Idaho Code* § 61-333B. Both Rocky Mountain and the City are electric suppliers as defined in the ESSA. *Idaho Code* § 61-332A(4).

The Commission shall approve agreements allocating service territories and customers between electric suppliers only upon finding that the allocation is in conformance with the purposes of the ESSA. *Idaho Code* § 61-333A(1). The purposes of the ESSA are to: (1) promote harmony between electric suppliers; (2) prohibit “pirating” of consumers; (3) discourage duplication of electric facilities; (4) actively supervise the conduct of electric suppliers; and (5) stabilize service territories and consumers served by such suppliers. *Idaho Code* § 61-332(2).

The Commission has examined the Applicants’ Agreement and finds it complies with the purposes of the ESSA. The Agreement includes language addressing “newly annexed area[s],” and prohibiting “partial transfer of consumers in annexed area[s],” thus providing more clarity between the City and Rocky Mountain. Agreement at 2 (capitalization modified). This promotes harmony between the electric suppliers and prohibits pirating of consumers. Also, the Agreement addresses service territories between the City and Rocky Mountain to prevent duplication of services. We find the Agreement serves to supervise the electric suppliers’ conduct and stabilize the service territories and consumers served by the City and Rocky Mountain. Accordingly, we find the Agreement consistent with the ESSA, and we approve it.

ORDER

IT IS HEREBY ORDERED that the Application to approve the Agreement between the City of Idaho Falls and Rocky Mountain Power is approved.

THIS IS A FINAL ORDER. Any person interested in this Order 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. 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 5th
day of December 2017.



PAUL KJELLANDER, PRESIDENT




KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Diane M. Hanian
Commission Secretary

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