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Attorney for the Commission Staff

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION FOR)	
APPROVAL OF THE CUSTOMER TRANSFER)	CASE NO. PAC-E-18-06
AGREEMENT BETWEEN ROCKY MOUNTAIN)	
POWER AND THE CITY OF IDAHO FALLS.)	COMMENTS OF THE
)	COMMISSION STAFF
)	
)	
)	

STAFF OF the Idaho Public Utilities Commission, by and through its Attorney of record, Edward Jewell, Deputy Attorney General, submits the following comments.

BACKGROUND

On July 23, 2018, Rocky Mountain Power, a division of PacifiCorp ("Company"), filed an Application requesting authority to sell and transfer certain electric facilities to the City of Idaho Falls, Idaho ("City"). These facilities supply electric service to locations at or near South Holmes Avenue, Idaho Falls, Bonneville County. On September 11, 2018, the Commission issued Order No. 34142, Notice of Application and Notice of Modified Procedure, with a comment deadline of October 25, 2018, and directed a telephonic public hearing be held on October 16, 2018.

On October 3, 2018, the Company filed an amended Application requesting that its Application be processed under Modified Procedure. In its amended Application, the Company explains that its original Application had incorrectly included a caption that referenced an asset

transfer, and that it incorrectly referenced *Idaho Code* §61-328. In its amended Application, the Company requests that its Application be processed as a customer transfer, and not as an asset transfer as requested in its original Application. The Commission subsequently issued Order No. 34169, vacating the October 16, 2018 hearing.

Pursuant to provisions of the Electric Supplier Stabilization Act (“ESSA”), *Idaho Code* §§61-332 through 61-334C, the Company now applies for approval of an agreement which transfers two customers from the Company to the City of Idaho Falls. Both the Company and the City of Idaho Falls are electric suppliers under the ESSA. In response to Staff’s production requests, the Company provided e-mails from the two customers (CenturyLink and Cable One) indicating their support of the transfer.

In its amended Application, the Company explains that it had been discussing relocation of its facilities with the City in order to accommodate a road widening project for South Holmes Avenue. On May 23, 2018, the City served Rocky Mountain Power with a Notice and Order to Vacate Construction Zone. The Company and City continued negotiations until June 13, 2018, when the City filed a Verified Complaint in the Seventh District Court alleging Trespass. The Company agreed to relocate its facilities the next day. Subsequently, the Company’s facilities have been de-energized and removed.

According to the Company, the load and revenue associated with service to the communications facilities are minimal, and the Company and City have agreed to transfer service at no cost to any party. Amended Application at 3.

STAFF ANALYSIS

Staff agrees that the revenue associated with service to the two communications facilities is small, totaling \$2,045.20 for the final 12 months of service. Response to Staff’s Production Request No. 4. Staff furthermore acknowledges that the costs associated with the facilities have largely been depreciated, and that the remaining book value of these facilities is also small (\$1,485.12). Response to Staff’s Production Request No. 12. These costs, as well as the costs of removing the facilities, will ultimately be borne by the general body of Rocky Mountain Power ratepayers.

Staff is concerned by the mechanism employed by the City to induce the Company to relocate its facilities without compensation, and that the City might resort to similar means in the

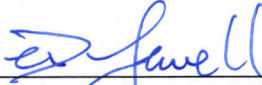
future. Although the dollar amounts in this particular case are small, the cumulative effects of multiple mandates to relocate the Company's facilities without compensation could be substantial. Staff recommends that the Company work with the City to develop an agreement detailing who should bear the burden of such costs in future cases.

Despite its concerns, Staff believes that it is likely that the costs the Company would incur opposing the City in this particular case would be far greater than any compensation it might recover through litigation. Staff therefore recommends that the Commission authorize transfer of electric service for the customers described in the Company's July 20, 2018 Customer Transfer Agreement with the City of Idaho Falls.

STAFF RECOMMENDATION

Staff recommends that the Commission approve the Company's Application, approving the Company's July 20, 2018 Customer Transfer Agreement with the City of Idaho Falls.

Respectfully submitted this 25th day of October 2018.



Edward Jewell
Deputy Attorney General

Technical Staff: Mike Morrison
Brad Iverson-Long
Kevin Keyt

i:umisc/comments/pace18.6ejkkblmm comments

CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 25th DAY OF OCTOBER 2018, SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN CASE NO. PAC-E-18-06, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:

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