

From: [PUCWeb Notification](#)
To: [Jan Noriyuki](#)
Subject: Notice: A comment was submitted to PUCWeb
Date: Wednesday, February 23, 2022 11:00:07 AM

The following comments were submitted via PUCWeb:

Name: Steven Meade
Submission Time: Feb 23 2022 10:25AM
Email: smeade@idalaw.com
Telephone: 208-331-1170
Address: 10180 West Hickory Court
Boise, ID 83704

Name of Utility Company: Atlanta Power Company Inc

Case ID: ATL-E-22-01

Comment: "First, I would like to address Mr. Ray's complaints about the appraisal. I would refer the Commission's attention to the staff report dated June 12, 2019. You will see there that both parties agreed to utilize Scott Kaster. Each party agreed that in their opinion, he had the requisite knowledge of electrical systems to adequately perform the task. I sent Mr. Kaster's appraisal to Mr. Ray. He may not have received it, but given the Commission's attempts to locate and contact him, I hope you believe me over Mr. Ray's claim that he never received a copy. After we got the appraisal back, Mr. Mike Gillespie and I, Mr. Gene Ray, Israel Ray and the IPUC staff met via telephone conference to discuss the appraisal and see if we could come to an agreement. At one point in the conversation, the IPUC staff asked Mike and I to leave the call so the IPUC staff could have a discussion with the Ray Brothers. When we were allowed to rejoin the call we found out that the Ray Brothers had accepted our offer of \$300,000 to purchase Atlanta Power, however, there were two caveats: Mr. Ray would receive power to his residence for life at no cost, and the newest boom truck would not be part of the deal as it was Mr. Ray's personal property and did not belong to Atlanta Power. Mr. Gillespie and I agreed to those terms. Thereafter, I drafted a agreement of sale which was sent to Israel. I also sent to them a proposed bill of sale to sell Atlanta Power to us and deeds to transfer the land. I used the bill of sale which transferred Atlanta Power to Lynn Stevenson and Israel Ray as a template. In the contract I attempted to put side boards on the requirement that we provide power to Israel's cabin. I was concerned with the open-endedness of term "power to Israel's cabin for life." For example, what if he decided to commercially grow orchids at his cabin and it consumed all the power generated. This would not have been a good bargain. On another point, Mr. Ray also offered to sell us the line truck for \$40,000, but we declined his offer. After we sent the contract to Israel, we heard back from Israel that the contract was not acceptable because I had only given him enough power in the contract to generate power to one light bulb. I apologized for the mistake re-drafted the contract and sent it to him. Also, Gene Ray had reviewed the contract and found issues with it and felt that it could, in his opinion, be much simpler. However, there was no negotiation. There were no suggestions on what they wanted changed. This was the last we heard from Israel or Gene Ray for some time. Later I was told that the land upon which the generator sits was not part of the deal because Israel had severed the land from Atlanta Power and deeded it to an LLC he created. This caused me some concern because Mr. Kaster's appraisal of \$300,000 included "all equipment, land, parts and buildings associated with generating and maintaining the entire

power plant and grid system.” (Please note that Mr. Kaster’s had no knowledge of Mr. Ray’s claim that the newest line truck was not apart of Atlanta Power’s assets, so we were already out \$40,000.00.) It was conveyed to us that we would have to come up with a plan to move the diesel generator and associated diesel tank. From the Co-Op’s perspective the diesel generator and tank sat squarely within the utility easement and did not need to be moved. However, this is the regressive form of bargaining we had to deal with. In all fairness, Mr. Ray’s communication and mine was not the best. He refuses to call me or communicate with me. Originally when I was contacted about buying Atlanta Power Mr. Gene Ray wanted \$1,500,000.00 for Atlanta Power. When I told him that Atlanta Power wasn’t worth that much he took offense. I was talking with Gene Ray because Israel was in a hospital in Arizona and was not communicating with anyone and Gene was running the business in his brother’s absence. When the Ray Brothers discovered that I was an attorney, their distaste for me only grew stronger as they despise attorneys. I have called Israel’s daughters as a back-channel form of communication trying to get a hold of Israel or try to get him to negotiate but this has not been successful. I did communicate somewhat with Mr. Ray through Gene Haught. Mr. Haught was a member of the Co-Op board and an employee of Mr. Ray’s. I was given some of Israel’s records from the IPUC. Specifically, I was given his revenue records. In addition, Israel supplied me with credit card statements. The reason I need this information was to get funding to purchase Atlanta Power. I reviewing Mr. Ray’s “records” it was hard to tell what expenses were actually associated with Atlanta Power and which expenses were his personal expenses. On the charge card statements were expenses for travel, food from grocery stores, etc. I literally had to go back through his IPUC records from when he last requested a rate increase and create a budget. I was meticulous in my work because from my perspective if this did not pencil out, there would be no chance of getting a loan. Moreover, I had to assure myself and the members of the Co-Op we could make this work. During this time frame I also started the process of applying to Internal Revenue Service for 501(c) status which also required that I have a budget. I went to U.S.D.A Rural and made application for a loan. It was denied because I could not show them two years’ worth of books. I went to Will Hart, Executive Director of the Idaho Consumer-Owned Utilities Association. Mr. Hart provided me with names for two banks and gave me the name of another Co-Op. I filled out loan application for both banks and was denied because I could not provide any history of revenue and expenses. I also contacted the Co-Op to see if they were interested. They were not because again we could not provide any history of revenue and expenses. I did finally find a lender, Randy Hopkin who would loan us the money, but at the same time I met Nick Jones. Mr. and Mrs. Jones and I have a valid verbal contract to lend the Co-Op enough money to purchase Atlanta Power and provide a safety net for the Co-Op to meet its expenses and make needed repairs to the distribution system. Our agreement provided that after two years, we would make application to U.S.D.A. Rural and borrow the money from them to pay Mr and Mrs. Jones back. The thought was that the two-year loan period would give us the necessary time to establish “the books of the Co-Op” and we could make application for a loan. Moreover, Mr. Jones was a lineman instructor our at the Lineman’s College and he prepared several bids for me to make needed repairs to the system. With this we let Mr. Ray know that we were ready to write him a check and consummate the deal. Again, no response. In Mr. Ray’s response, he discusses the money that he has invested in Atlanta Power. The fact is that Mr. Ray came to the Commission and requested rate increases to pay for the funds he expended in making repairs to Atlanta Power, or in the alternative he could have. In my opinion after examining Mr. Ray’s “books,” Atlanta Power is his own private piggy bank, and has been so for many years. This same sentiment is reflected in his response. He states: “because all I am trying to do here is get back some of my money for retirement.” Later he goes on and states: “I have invested \$375,000 of my own personal money.... At this point, I am trying to get back \$365,000.”

This offer that he has put together with Gene Haught and Nick Jones in my opinion is a shell game. He will lead them on as he has done to both the Commission and the Co-Op over the last couple of years and continue to bleed the company dry living off of the earnings, while continuing to keep Atlanta Power running on a shoestring budget. This is why it is imperative that the Commission use its power to appoint a receiver and impose the fines. In addition, I sincerely hope that the Commission commences an investigation into the safety of Atlanta Power but that this investigation also includes an audit of Mr. Ray's "books." Finally, in my opinion at no time did Mr. Ray engage in "good faith" negotiations. It is also my opinion that Mr. Haught and Mr. Jones face an uphill battle of trying to put together a contract to purchase Atlanta Power because Mr. Ray refuses to engage an attorney or even consult with one. I would suggest that any negotiations between any parties to a sale of Atlanta Power include a professional mediator that can report back to the commission about Mr. Ray's regressive bargaining, lack of communication, and/or stall tactics. "

From: [PUCWeb Notification](#)
To: [Jan Noriyuki](#)
Subject: Notice: A comment was submitted to PUCWeb
Date: Wednesday, February 23, 2022 2:00:07 PM

The following comment was submitted via PUCWeb:

Name: Robert Bartimoccia
Submission Time: Feb 23 2022 1:51PM
Email: bygreylock@wildblue.net
Telephone: 208-864-2119
Address: 210 w Yuba Vista Dr
Atlanta, ID 83716-5035

Name of Utility Company: Atlanta Power

Case ID: ATL-E-22-01

Comment: "I believe that Gene and Nick buying the power plant would be the best option. Nick was going to loan the money to the co-op. If they defaulted he was stuck. This way noone has to come up with all the purchase price at once. 15 yrs @ 3% is a lot easier on the customers. Still being regulated by the PUC is also better with the way feuding in little towns go. Nick has the expertise and connections for parts to improve the system. Gene has been taking care of the system for awhile now and making improvements where he can. The billing can also be handled by someone in Atlanta. Won't be perfect but I think we'll see many improvements. "
