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Attorneys for Greylock Energy Holdings, LLC

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF)	CASE NO. ATL-E-22-02
GREYLOCK ENERGY HOLDINGS, LLC FOR)	
APPROVAL OF ITS STOCK AND OWNERSHIP)	REPLY COMMENTS OF GREYLOCK
INTERESTS PURCHASE AGREEMENT WITH)	ENERGY HOLDINGS, LLC
ISRAEL RAY FOR THE ACQUISITION OF THE)	
ATLANTA POWER COMPANY)	
)	
)	
)	

COMES NOW, Greylock Energy Holdings, LLC (“Greylock”), pursuant to the NOTICE OF SCHEDULE issued by the Idaho Public Utilities Commission (“Commission”) on November 16, 2022, in Order No. 35597, in the above captioned matter and hereby provides its Reply Comments to the Commission Staff’s (“Staff”) Initial Comments, (“Comments”).

BACKGROUND

Greylock appreciates the thoroughness and breadth of the Staff’s Initial Comments. Those comments address many of the outstanding issues of concern raised by the Commission in this and related antecedent dockets. The Commission and its Staff have struggled for many years trying to find a resolution to the knotty problem of securing long-term reliable, adequate and reasonably priced electric service for the citizens of Atlanta, Idaho. Greylock’s owners are well versed in those struggles because they are Atlanta Power customers and Atlanta, Idaho residents.

Mr. Haught is a full-time permanent resident. Mr. Jones is a permanent part-time resident. Therefore, they have been directly impacted, along with all of Atlanta's other residents, by the ongoing saga that is the Atlanta Power Company's shortcomings in its dealings with its customers and this Commission.

Because of their familiarity with the problems faced by their hometown utility, and their obvious civic commitment, Mr. Jones and Mr. Haught have agreed to incur *significant* costs, both *personal and financial*, to endeavor to bring this utility into compliance with its public service obligations. Doing so will not be easy, will not be instant, will not be painless and will not be without financial and personal cost. But as their Application demonstrates, they have a clear-eyed vision (evidenced by their first five-year plan), for how to finally bring this utility into compliance with its public service obligations.

Mr. Haught and Mr. Jones have done all they can to craft a viable solution to the Atlanta Power Company's intractable inability to provide electric service in the public interest. They have demonstrated their commitment to operate the utility in full compliance with this Commission's requirements relative to reports, billing, safety, maintenance and all other customer relation requirements. Greylock's owners has been forthright, patient, creative and as noted above, will also incur significant financial and personal costs to rehabilitate this troubled electric utility. Furthermore, Greylock's owners are *personally absorbing all costs* of prosecuting this application. They are also personally absorbing the costs of conducting the due diligence associated with the purchase as well as the many other significant and sundry costs associated with this proceeding and the purchase and sales transaction to facilitate the acquisition of this distressed utility.

CONTINGENCY PLAN

The Atlanta Power Company and its owner are in an untenable dilemma. The only potentially viable solution is, quite frankly, the offer on the table that has been tendered by Greylock Energy Holdings. Nevertheless, Staff expressed concern, in its Initial Comments, that Atlanta did not include in the purchase agreement “the contingency plan described in Order No. 34565.”¹ That order, No. 34565, provides the following with respect to a “contingency plan:”

The PSA [purchase and sale agreement] must describe contingency plans in the event of default or breach that protects the Company’s customers to ensure that, regardless of ownership, the Company continues to provide safe, reliable power and customer service to its customers.²

Greylock appreciates the Commission’s hopes with respect to finding a failsafe or backup plan in the event of a default or breach of the PSA by Greylock (the buyer). Greylock is interested in understanding further the parameters of the Commission’s contemplated “contingency plan.”

The costs, timing, mechanics (including responsible party) for the heretofore unidentified and undefined “contingency plan” must be explicitly understood in advance of consummating the purchase and sale of this utility. To the extent a well understood and documented contingency plan is compatible with the existing financial and personal commitments made by Mr. Haught and Mr. Jones they will be amenable to considering its adoption and proceeding to consummating the PSA (purchase and sales agreement). However, Mr. Jones and Mr. Haught do not have unlimited financial and personal resources to devote to this endeavor. They have already essentially committed the maximum financial and personal resources that are available to

¹ Staff Comments at p. 15.

² Order No. 34565 at p. 14.

them to consummate this transaction and to also embark on their initial five-year plan for the utility's operation and maintenance and for the implementation of much needed capital improvements.

CONCLUSION

As noted above, Greylock appreciates Staff's thoughtful comments which appear to be reasonable and manageable. The one uncertainty, as discussed above, is Staff's recommendation relative to a "contingency plan." While a failsafe backup plan may be possible in a perfect world³, it will have to be further defined and quantified before Greylock can opine either as to its reasonableness or, equally importantly - as to its possible impact on Greylock's ability to consummate the transaction contemplated under the current PSA.

Respectfully Submitted:
This this 15th day of December 2022.



Peter J. Richardson
Attorney for
Greylock Energy Holdings

³ Greylock is unaware of such a mandate for other similarly situated, investor owned utilities operating in Idaho, such as small water companies that only have a handful of ratepayers that operate without a backup contingency in the event of the financial failure of the owner(s).

CERTIFICATE OF SERVICE

I hereby certify that I have this 15th day of December 2022, served the foregoing **REPLY COMMENTS OF GREYLOCK ENERGY HOLDINGS** in Docket No. ATL-E-22-02 by electronic mail only to the following:

Secretary
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A handwritten signature in blue ink, appearing to read "Peter D. Kuhn", with a long horizontal flourish extending to the right.