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IDAHO PUBLIC
UTILITIES COMMISSION

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE INVESTIGATION OF ,
ATLANTA POWER COMPANY SERVICE)
AND CUSTOMER RELATIONS) **CASE NO. ATL-E-22-02**
)
) **ATLANTA POWER**
) **REPLY COMMENTS**
)

The Atlanta Power Company (hereinafter “Atlanta Power,” “Atlanta” or “the Company”) hereby submits its Reply Comments in response to Staff’s comments filed in this proceeding on December 6, 2022.

I. INTRODUCTION

Staff’s Reply Comments are, understandably, extensive and contain facts and information dating back to IPUC Case No. ATL-E-22-01 and, to some extent, further back than that. While, as explained below, Atlanta does not necessarily agree with certain conclusions and statements contained in those comments, it does understand and appreciates Staff’s desire to set forth some of the history involving Atlanta Power for the purpose of perspective.

Incidentally, the undersigned began representation of Atlanta Power in roughly late July, 2022, and though a thorough history of the reasons that the owner of Atlanta Power, Mr. Israel Ray, is important to understand, the matter currently before the Commission is focused on the ATLANTA POWER REPLY COMMENTS

proposed sale of the Company to Mr. Gene Haught, an Atlanta Power employee, and Mr. Nick Jones (hereinafter referred to individually or collectively as “buyers”) a technical expert and instructor in design, analysis and functioning of an electric grid and its more esoteric aspects (sometimes referred to herein as the “buyers,”). As Staff notes in its comments, Mr. Haught, who has had considerable experience handling the daily tasks and problem solving of the Atlanta Power system while living in Atlanta is literally the “boots on the ground” individual who handles a multitude of tasks related to the Atlanta power system, as well as his other tasks helpful to the Atlanta residents. Mr. Jones is highly experienced in the more technical aspects of an electrical grid and is an instructor at the Northwestern Lineman College near Meridian, Idaho. As Staff further notes in its Comments, the experience and abilities of both these gentlemen will be of tremendous value to the Company should the proposed sale between Atlanta and the buyers be approved.

II. ATLANTA POWER’S POSITION

A. Background

Staff and the Commissioners are, no doubt, well aware of the remote and challenging nature of Atlanta, Idaho and the many difficulties maintaining an electrical system in some of Idaho’s most extreme weather conditions. While Atlanta’s system has had its share of challenges due to the nature and location of the Company’s electric system, Staff notes that, in the past several years, the quality of service has improved and customer complaints much reduced. Atlanta is confident that, given their respective talents, Mr. Gene Haught and Mr. Nick Jones will improve the system to the greatest, and most feasible extent possible.

B. Specific reply to Staff’s Comments

Atlanta points out that, during the November 29, 2022 public workshop, there were very few comments made. Further, to the best of the undersigned's knowledge, no public comments were made during the December 13, 2022 virtual customer hearing.

Despite Atlanta's alleged failure to comply with Staff requests, whether formal or informal, Staff ultimately proposed approval, subject to conditions and amendments set forth below, of the three documents (often referred to as the Purchase and Sales Agreement "PSA") submitted by Atlanta Power, with the invaluable expertise of Mr. Christopher Nunez, acting on behalf of Atlanta Power and who did the yeoman's work on drafting the three PSA documents (often referred to as the "PSA"), the undersigned who has handled the IPUC aspect of this case, and Mr. Peter Richardson, representing Greylock Energy Holdings LLC and, therefore by association, Mr. Haught and Mr. Jones, the owners of Greylock. The PSA documents were timely filed with the Commission, pursuant to Commission Order No. 35465, on August 26, 2022. The documents were signed by Mr. Israel Ray, Mr. Gene Haught and Mr. Nick Jones.

Staff, in its Comments, ultimately "recommends that the Commission approve the Purchase Sales Agreement and authorize the transfer of CPCN Certificate Number 300 to the new owners..." Staff's Comments, filed December 6, 2022, conditioned its recommendation for such approval of the sale on six specific requirements (*See, Staff Comments, p.15*). Atlanta did not have formal notice or knowledge of these additional six proposed conditions until December 6. That said, Atlanta intends to cooperate to the best of its ability in responding to Staff's recommended six conditions for Commission approval of the sale of Atlanta to the buyers. Atlanta does, however, acknowledge that due to the unique complexity of this particular case, it took longer than expected to provide some of the discovery requests submitted to Atlanta by Staff, though some of the requests could simply not be responded to due to lack of data and

information sought. Regardless, Atlanta, to the best of its ability, did provide Supplemental Responses to Staff's discovery requests by the November 18, 2022 deadline imposed by the Commission in Order No. 35594.

Regarding Staff's conditions for recommending approval of the proposed sale of the Company, only conditions 1-3 apply directly to Atlanta, while conditions 4-6 apply to the buyers. Staff's proposed conditions:

1. Order the seller [i.e., Atlanta] to amend the PSA to include the contingency plan described in Order No. 35465;

Response: As Staff is aware, the PSA was a negotiated document that involved considerable time and back and forth negotiations in order to come to a mutually satisfactory purchase/sale agreement between Atlanta and buyers. The PSA was physically signed and executed by Atlanta and buyers before it was filed with the Commission on August 26, 2022. Nonetheless, Atlanta intends to cooperate with addressing the Contingency Plan as much as possible, once it better understands what the plan should contain. Incidentally, Mr. Gene Haught's 5-year plan, submitted to Staff some time ago, might address some of the objectives of such a contingency plan. Though the undersigned has reviewed Order No. 36465, it remains unclear as to the precise expectations the Commission has in this regard and would greatly appreciate clarification of what the Contingency Plan should entail, whose responsibility it is to implement the plan, especially in the event that the proposed sale is approved, and any other guidance that the Commission is willing to provide. Again, it is Atlanta's desire to fully cooperate to the extent the Commission wishes for clarification or elaboration of this issue.

2. Order the Seller to amend the PSA to provide complete legal descriptions of the land swap described in Section 6.4 of the PSA, indicating clear ownership of the seller and buyer.

Response: Though Staff was provided with aerial photos of the area initially proposed for a land swap, Atlanta realizes that this is not a precise legal description. The parties incurred challenges in finding a surveyor available to provide an accurate legal description of the land that will be transferred to buyers before the early snowfall, making such a survey impossible until well into spring. In addition, the parties have discussed the possibility of a more expedited process whereby buyers would have a legal right to utilize the property in question. The possibility of an easement or right of way might be such a means to expedite the process. According to Elmore County, however, any transfer of land using these alternative procedures still requires a legal description. The possibility of a basic written agreement, pending filing and approval of an easement between the parties that they are entitled to use of the land necessary for operation of the Atlanta Power system has also been discussed.

Either way, the undersigned is awaiting a further response from Elmore County regarding these possibilities. It is certainly seller's desire to ensure that buyers have access to the land they need in order to continue running the electric system as soon as approval of the sale is, hopefully, received.

3. Order the Seller to amend the PSA to limit the monthly maximum consumption to 4015 kWh at the Seller's residence.

As stated in response to prior recommended conditions, Seller and Buyers executed a document in August with all parties agreeing upon a 6000 kWh monthly maximum consumption. As part of the negotiations, Mr. Ray reduced his sale price by approximately \$155,000, which

will be credited against whatever rates he would otherwise pay. In return, the \$6000 kWh was the quid pro quo for that portion of the PSA negotiations and signed agreement. Again, Mr. Ray cannot unilaterally amend the PSA the buyers agreed to.

That said, Mr. Ray would appreciate the opportunity to communicate with Staff regarding an analysis to better determine what his likely consumption will be per month. Incidentally, Mr. Ray will soon have constructed a second home on his property which will obviously increase consumption. Again, Atlanta would greatly appreciate the ability to discuss this with Staff at its earliest convenience.

DATED, this 15th day of December 15, 2022.



Brad M. Purdy

CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE ON THIS 15th DAY OF DECEMBER, 2022,
SERVED THE FOREGOING REPLY COMMENTS OF ATLANTA POWER COMPANY IN
CASE NOS. ATL-E-22-01 and ATL-E-22-02 BY HAND-DELIVERING, EMAILING,
AND/OR FAXING A COPY THEREOF TO THE FOLLOWING:

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