

CHRIS BURDIN
DEPUTY ATTORNEY GENERAL
IDAHO PUBLIC UTILITIES COMMISSION
PO BOX 83720
BOISE, IDAHO 83720-0074
(208) 334-0314
IDAHO BAR NO. 981

RECEIVED
2022 DEC -6 PM 5:10
IDAHO PUBLIC
UTILITIES COMMISSION

Street Address for Express Mail:
11331 W CHINDEN BLVD, BLDG 8, SUITE 201-A
BOISE, ID 83714

Attorney for the Commission Staff

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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

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

BACKGROUND

On October 14, 2022, Greylock Energy Holdings, LLC (“Greylock”), filed an application with the Idaho Public Utilities Commission (“Commission”) for approval of a Stock and Ownership Interests Purchase Agreement (“Agreement” or “PSA”) between Greylock and Israel Ray as the majority, and only known, shareowner in the Atlanta Power Company (“Company”). The Agreement provides for Greylock to purchase all of the assets of the Company including its Certificate of Public Convenience and Necessity (“CPCN”) for the provision of electric service to the approximately seventy-five (75) individual customers in and around the community of Atlanta, Idaho.

Greylock has filed for approval for the sale and purchase of Atlanta Power. The Agreement provides for a purchase price of \$365,000 as well as other terms and conditions.

Greylock asserts that the proposed transaction is consistent with the public interest and that Greylock has both the financial and technical ability as well as the *bona fide* intent to operate and maintain the subject property in the public interest.

Greylock represents that upon acquisition of the Utility, Greylock will have, and will be able to maintain, the financial ability to operate the Company consistent with good utility practices and Commission orders. Further, Greylock does not propose any rate increase by reason of this transaction as its owners have personally assumed financial responsibility for all transaction costs associated with Greylock's acquisition of the Atlanta Power Company.

Greylock represents that it is an Idaho limited liability company formed for the purpose of acquiring, owning, and operating the Company. Greylock has two owners each with a fifty percent ownership interest who are comanagers. Both owners of Greylock represent they have significant, relevant, and extensive experience running and operating electric utilities.

Staff Report December 28, 2018

The December 28, 2018, Staff Report ("2018 Staff Report") was a result of Commission Order No. 34017, which directed Staff to investigate and report on health and safety issues related to Atlanta Power's operation under the existing ownership. Within the report, Staff documented numerous issues that posed risks to safety and system reliability.

On March 29, 2018, Staff travelled to Atlanta, Idaho to investigate the overall condition of the system and specific concerns related to Case No. ATL-E-18-01. Due to weather and road conditions, Staff could not investigate the entire distribution system.

On May 15, 2018, Staff returned to Atlanta, Idaho to continue its investigation. Staff found the overhead distribution system consisted of utility poles, attachments, and power transformers that exhibit a range of conditions. Some equipment appeared to have been recently upgraded while some equipment was derelict or in need of repair or replacement. Staff noted several low-hanging lines and many utility poles that were rotted at the base or leaning. Staff also noted safety concerns in the powerhouse regarding unprotected pulleys and belts.

In Case No. ATL-E-18-01, Staff encountered a lack of response to its requests for information (both formal and informal). Another major impediment to investigating and attempting to resolve the case was that Mr. Israel Ray, the only person authorized to do business

on behalf of Atlanta Power, was unavailable. It appeared that some issues, such as hiring or contracting with people to maintain, operate, and, if necessary, repair the system were addressed. Staff remained concerned about a number of issues including how the system was being maintained; the condition of lines, utility poles, and other equipment; maintaining an adequate supply of diesel fuel for the back-up generator; and unresolved safety issues. Staff was concerned that service reliability would continue to be an issue.

Onsite Meetings - August 2022

On August 16, 2022, Staff traveled to Atlanta, Idaho to meet with the Company's owner and the buyers to discuss aspects of the Company's sale specific to items developed from Case No. ATL-E-22-01 and Commission Order No. 35465. Staff also performed a two-day general inspection of the system. The intent of the inspection was to review the current overall condition of the system and determine progress made since issuance of the 2018 Staff Report. Staff conducted a visual assessment of the system and discussed its status with the current owner and the buyers.

There have been minimal improvements since Staff conducted its assessment in 2018. The buyers presented Staff with an overview of their plans to address previously identified system issues, as well as findings from an Engineering Study conducted by the Boise State University Senior Design Team.¹ The buyers presented their understanding of what is required to bring the system into a safe and reliable level of operation. The Atlanta Power generation and distribution system, although operational, will need repairs and upgrades to progress toward meeting utility industry safety and reliability standards.

The hydro-turbine generator is operational and provides the main source of power for the system. The backup diesel generator is assumed to be operational, but the 1500 gallons of fuel storage may be inadequate if the hydro system becomes inoperable for extended periods of time. Power quality is an issue as evidenced by dimming lights when system loads increase. The system study performed by electrical engineering students from Boise State University showed an imbalance in the hydro-turbine's generator. The study identified comparatively large swings in customer loads relative to the system size as the likely causes of unbalanced phases in the distribution system.

¹ Final Design Report Team Atlanta May 5, 2022.

Approximately 40 percent of the distribution system is made up of newer poles, transformers, and wire conductors, which were likely installed in or around 2015. The rest of the system is older and would benefit from upgrades and repairs. The upgrades and repairs are necessary due to deteriorating utility poles and vintage transformers in need of replacement. Wire conductor within the distribution system is a mix of old copper conductor and newer stranded steel core aluminum conductor likely installed in 2015.

In discussing the system with the buyers, they recognize the need to improve the system and the need to make necessary repairs. As a demonstration of their intent, the buyers have identified upgrades needed by the system and have developed a five-year plan to implement the improvements. The plan was submitted to the Commission as justification necessary to receive authorization for the transfer of the CPCN.

STAFF ANALYSIS

Staff reviewed the Company's PSA and accompanying documents, Commission orders, customer complaints, responses to production requests, and the CPCN transfer filing to determine if the sale of the Company and transfer of the CPCN complies with statutory requirements. Additionally, Staff conducted an onsite assessment to determine the status of the system and gauge any progress made in resolving system deficiencies identified earlier from the 2018 Staff Report. Staff assessed and quantified the value of the assets contained within the PSA as described in greater detail below.

In Case No. ATL-E-22-01, Staff submitted three production requests seeking answers to a total of 22 questions. On August 15, 2022, the Company filed a limited response to the first production request and in summary stated that it did not have the data sought by Staff in its requests. On October 26, 2022, the Company filed a response to Production Request No. 3 and provided Company billing data in paper and electronic formats. The Company's response to Production Request No. 3 is described in greater detail in the Value of Company Assets section of these comments. After multiple requests and ultimately a Motion to Compel for the owner to provide answers to production requests, the Company filed a supplemental response on November 18, 2022. In general, Staff found the owners responses to its production requests to be depthless and lacking transparency, which in some of the responses demonstrated the current owner's dereliction in operating the Company and system.

Based upon its review, Staff recommends the Commission: (1) approve the sale of the Company under the PSA with recommended modifications, and (2) approve the transfer of CPCN Certificate Number 300 to the Company's new owners. Staff believes the sale of the Company is supported by the intent of Idaho Code §61-328, and it is consistent with prior Commission orders.

A. Sale of the Company

1. Compliance with Commission Order No. 35465

In Order No. 35465, the Commission ordered the Company to complete the following to avoid penalties:

- Select an attorney to draft a contract and bill of sale.
- Submit a first draft of the written PSA by August 5, 2022.
- Submit a fully executed PSA by August 26, 2022.
- Work with Staff to file a case with the Commission seeking approval of the transfer of the Company's CPCN by September 2, 2022.

Staff believes the Company complied with the first three items in the Order. The Company retained the services of both Christopher Nunez and Brad Purdy. The Company filed a rough draft of the PSA, Promissory Note, and Pledge and Security Agreement on August 5, 2022. The Company then filed a final signed version of the same three documents with the Commissions on August 26, 2022. However, the filing for the transfer for the CPCN did not occur until October 14, 2022.

2. Staff Review of the PSA

Order No. 35465 required the PSA to contain a contingency plan in the event of default or breach to protect the Company's customers. The contingency plan ensures the Company continues to provide safe and reliable power and responsive customer service in the future regardless of ownership. The PSA does not address or contain the required contingency plan. Staff recommends that the Commission order the Company to file an amendment to the PSA to include the required contingency plan.

Order No. 35465 also required the PSA to contain terms for the lease of Mr. Israel Ray's land where the diesel backup generator is located. The PSA does not contain any such terms. However, a real estate property exchange or "land swap" is defined within Section 6.4 of the PSA, which may negate the need for a lease. Staff believes a full legal description that defines the land

swap is required and recommends that the Commission order the Company file an amendment to the PSA to include those items.

Staff also performed an analysis to quantify the system impact of the *Payment Via Power Bill Credit* defined within Section 6.3 of the PSA. The credit within the PSA provides up to a maximum of 6,000 kilowatt hour (“kWh”) per month for the Seller not to be billed for any future use during his lifetime. However, the Seller’s residence has never been metered and no consumption information was provided as a result of Staff’s discovery requests to quantify whether the 6,000 kWhs was reasonable. Staff believes that if the 6,000 kWh per month were fully used by the current owner, it may constrain system capacity for remaining customers in the short term and may require the Buyers to add capacity to the system.

To determine whether the 6,000 kWhs is reasonable, Staff reviewed recently provided 2021 system billing data. The highest residential monthly peak consumption across all residential customers was 4,015 kWhs that occurred in February of 2021. Staff believes that this amount provides a basis for an amount that the Seller is not likely to exceed given the lack of metered data from his residence and to ensure the seller is not billed for reasonable future use during his lifetime as long as he maintains normal residential consumption patterns. Staff recommends the monthly kWh credit be limited to 4,015 kWhs per month. Regardless of the maximum amount set for the *Payment Via Power Bill Credit*, the Seller’s residence will need to be metered to ensure the monthly credit from his contingency liability account is applied to his electric consumption up to the maximum amount, and that he is billed for any amount over his maximum monthly limit.

3. Idaho Code § 61-328

The Application for the sale and purchase of assets must follow Idaho Code §61-328 for the sale of property by electric utilities. The statute requires that:

- the transaction is consistent with the public interest;
- the cost of and rates for supplying service will not be increased by reason of such transaction; and
- the applicant for such acquisition or transfer has the bona fide intent and financial ability to operate and maintain said property in the public service.

i. Transaction Consistent with Public Interest

Staff believes that the sale of Atlanta Power to prospective owners, Nick Jones, and Gene Haught, is consistent with the public interest. Staff’s conclusion is based on:

- The absence of system and operational improvements under the current owner; and
- System and Operational improvements likely to happen under new ownership.

a. Absence of System and Operation Improvements under Current Owner

Staff determined that there have been minimal investments or improvements to the system over the last four years to address system deficiencies under the current ownership. Staff performed an assessment of the Company’s system and operations through an onsite visit in August of 2022 to identify any changes or improvements to address deficiencies identified in the 2018 on-site assessment. As a result of the 2022 assessment, Staff found little evidence of any physical and operational changes to improve system reliability and safety under the current owner since 2018. Because of the failure of the existing owner to make any significant improvements to the system over time and address the concerns identified in the 2018 Staff Report, Staff believes that new and capable ownership is needed.

Staff’s recent assessment of the system relative to the 2018 Staff Report shows little to no physical improvement to the system under existing ownership. Staff continued to find derelict and broken equipment, low-hanging lines, questionable methods used for routing and securing lines, and many utility poles that were rotted at the base or leaning. Staff is concerned that the Atlanta Power distribution system does not currently comply with the National Electrical Safety Code (“NESC”) or the Occupational Safety and Health Administration (“OSHA”) guidelines.

For example, in its 2018 assessment, Staff documented exposed pulleys and drive belts on the hydro-turbine generator inside the powerhouse posing a significant hazard. Although a makeshift railing was in place separating building access from the generator drive, Staff believed the makeshift railing inadequately protected personnel entering or working within the building. As of the August 2022 site visit, this safety concern has not been resolved.

Staff also noted that poor communication between the Company and its customers was prevalent and an ongoing issue, hitting a pinnacle in 2018. In January 2018, Staff received reports that the Company was becoming increasingly hard to contact. *December 28, 2018 Staff Report at 8.* Customers could call the owner, Mr. Israel Ray, or the bookkeeper, Linda Churches, directly,

or they could call a 1-800 number that would route calls to Mr. Israel Ray. Staff found that the 1-800 number was disconnected and Mr. Israel Ray was no longer answering calls or returning messages from Staff or the Company's customers.

Another more recent example showing the absence of concern to maintain reliable service is the lack of investment needed to obtain an adequate fuel supply for the back-up diesel generator. Due to the small tank size and the system's remote location, fuel delivery for the generator must be coordinated with other users in the immediate area to spread delivery costs across a larger quantity of fuel. The remote location of the system does not allow for deliveries during winter due to the road being closed. Without an adequate fuel supply, the arrival of winter could pose reliability and safety concerns. Staff believes the buyers and current owner arranged for a 400-gallon fuel delivery in October prior to the winter season; however, the limiting size of the tank and the amount of fuel may not be adequate depending on the need for the back-up generator.

b. System and Operational Improvements likely to happen under New Owners

Staff believes that the Public Interest will be best served by authorizing the sale of the Company to buyers Mr. Jones and Mr. Haught. As a result of their involvement, the Company has experienced a reduction in the number of customer complaints filed with the Commission since 2017 and, as will be further described in the *Bona Fide Intent and Financial Ability* section below, both buyers have already made contributions to maintain the Company's operations, demonstrating their technical capabilities and motivation while acting on their own initiative over the past several years. Staff believes these qualities will be necessary to improve the system and the Company's operations in the future.

Specifically, Utilities are expected to make an initial response to an informal complaint within 24-hours from receipt. A full response is required within ten business days. Rule 403.01 of Utility Customer Relations Rules IDAPA 31.21.01.

Mr. Haught has been responsive in acknowledging and providing a full response within the required timeframes. Additionally, Mr. Haught has been readily available when Consumer Staff has contacted him and responsive in returning phone calls in a timely manner.

In 2017, Staff received 13 informal complaints filed against Atlanta Power. Over the past four years (2018 through 2021), Staff received a total of seven informal complaints, a significant reduction when compared to 2017. Year-to-date ("YTD") 2022, Staff has received only one

informal complaint. Staff notes that customers are being served significantly better since local assistance was put in place. Table No. 1 shows the types of informal complaints received from 2017 to 2022 YTD.

Table No. 1: Informal Customer Complaints by Year

Year	Complaints Filed Against Atlanta Power
2022	Power off in evening, back-up generator not working
2021	Leaning pole
	Nothing has progressed with sale
	Sale still not complete
2020	Leaning pole
2019	<i>Note: no complaints filed against Atlanta Power</i>
2018	Failing to provide adequate service
2017	Wants deposit returned
	Generator out of fuel (3 complaints)
	Fluctuation in service
	Placed on another rate without notice
	Power outage
	Issue with service line to dwelling
	Claims generator should be supplying more power
	Claims generator needs tune up
	Turbine is down, and generator is running constantly
	Power outages
	Failure to purchase fuel for generator

ii. Costs and Rates

Staff believes that Customer rates will not increase as a result of the sale and CPCN transfer. Greylock is not proposing any changes or increases to rates due to this transaction. In its Application, “Greylock does not propose any rate increase by reason of this transaction as its owners have personally assumed financial responsibility for all transaction costs associated with Greylock's acquisition of the Atlanta Power Company.” *Application at 2.*

iii. Bona Fide Intent and Financial Ability

Staff believes new ownership of the Company through this sale will result in ongoing and meaningful improvement to the system's reliability and its operation. Staff believes that the new potential owners have:

- shown their technical capabilities to operate, maintain, and repair the system and have demonstrated their intention and motivation to make the necessary changes to upgrade the system and improve its reliability; and
- demonstrated financial ability to operate the Company's system by obtaining the necessary capital to purchase it and demonstrates willingness to invest in it.

a. Technical Capabilities and Motivation of the New Owners

Staff believes that improvements to the system and the Company's operation are likely to improve under the new owners because of the buyer's demonstrated technical expertise and motivation to improve the system.

Demonstrating his technical capabilities, Mr. Haught has operated the system over the past three years to reasonably ensure continued generation from the system, while also serving in a customer service role. Since 2018, Company availability, responsiveness, system reliability, and dispute resolution have greatly improved due to his involvement. According to Mr. Haught, he took over responsibility for maintaining the electrical system and handling customer questions, complaints, and inquiries in 2018. He ensured customers were informed to contact him regarding power outages, inquiries, concerns, and questions. When there were billing issues, these calls were forwarded to the Company's bookkeeper for investigation. For planned power outages, customers are now notified by phone the day before the outage occurs. To assist and to ensure responsiveness, Mr. Haught recruited a local resident, Jim Frazier, as a backup to respond to power outages and customer calls. Since both Mr. Haught and Mr. Frazier are fulltime residents, they are typically aware of all power outages before being called by a customer. Some customers choose to discuss system problems or issues with Mr. Haught in person.

Mr. Jones has also worked to improve customer relations for the Company, but more importantly, Mr. Jones has demonstrated his technical skills and capabilities and his understanding of power delivery necessary to repair the distribution system. Mr. Jones has prior experience as a lineman and is technically credentialed as an instructor at a lineman school. These skills will be necessary for future improvement to the Company's system.

Both buyers have shown their motivation to improve the Company's system and provide better service to its customers. As new owners, both will have a financial stake in the business but will also have a stake as members of the community receiving electric service from the Company that they own. Their interest in long-term success of the Company is demonstrated by the development of a 5-year plan that identifies planned improvements that Staff believes will make the system safer and more reliable.

b. Financial Ability

In its Application, Greylock asserts it "will have, and will be able to maintain, the financial ability to operate the Utility consistent with good utility practices and this Commission's orders." *Id.* Additionally, Greylock states in its Application that its owners personally assumed financial responsibility for all transaction costs associated with Greylock's acquisition of the Atlanta Power Company.

4. Value of the Company's Assets

Due to the Company's inability to provide adequate records of its Plant-in-Service, Staff developed the basis for valuing it. Atlanta Power's Plant-in-Service and inventory valuation is estimated to be \$292,580. The value of the Company's assets in service are derived from current benchmark prices for both material and installation costs sourced from other electric utilities regulated by the Commission. These values were adjusted to account for the year of installation, escalation, and depreciation from the assets expected life. Any assets placed into service prior to the last General Rate Case in 2008, Case No. ATL-E-08-02, were considered fully depreciated consistent with the approved depreciation rates established in Case No. ATL-E-08-01.

During the August 2022 site visit, Staff made its assessment to identify each of the asset's approximate year of installation. This assessment along with benchmark pricing provided the basis for determining the asset valuation. Current benchmark pricing for each of the assets were adjusted to account for a 2 percent escalation rate considering the estimated year of installation from Staff's onsite assessment. This adjusted asset pricing at the time of installation was depreciated based on the type of asset and its expected life, which is consistent with straight line depreciation accounting methods and booked valuation. Asset lives for utility poles, power transformers, and wire conductors were all based on asset equivalent lives of the benchmarked item. Lastly, current asset valuation accounted for depreciation from the year of installation to the time of the proposed purchase of the Company. Materials that are part of the sale but not placed into service are valued

at the current market price. Table No. 2 below provides the summary of Staff's estimated net value of the Company's assets.

Table No. 2: Net Asset Valuation

<u>Description</u>	<u>Amount</u>
Utility Poles	\$116,886
Power Transformers	\$ 14,825
Wire Conductor	\$112,348
Air Compressor	\$ 4,957
Frequency Controller	\$ 8,750
Net Plant-in-Service	\$257,766
Materials & Supplies/Inventory	\$ 34,814
Total Assets	\$292,580

The total Plant-in-Service for the Company is \$257,766. Most of the Company's valuation is attributed to the distribution plant, which includes utility poles valued at \$116,886, power transformers valued at \$14,825, and wire conductor valued at \$112,348. Other equipment used to operate and maintain the hydro plant is valued at \$13,707. The Company also owns 5 utility poles, 3 power transformers, and 1 roll of wire conductor valued at \$34,814, which are held in inventory but not included in Plant-in-Service.

Because Atlanta Power had no documentation on plant material or installation costs, Staff considered plant asset valuation based on a like-kind approach. That is, if an asset was installed in Atlanta Power's system and pricing was available to a comparable asset from one of the other regulated electric utilities, then this cost was used to estimate the Company's installed cost.

Under the PSA, the buyers would purchase the Company and its assets from the current owner to serve existing customers. There are additional assets that the buyers would be purchasing. The Company has fuel in the tank for the generator, accounts receivable, and funds in a current bank account. All of these are included in the total assets of the Company. The accounts receivable has been confirmed from documentation provided by Atlanta Power's billing clerk. The quality of the accounts receivable may be compromised as some of the accounts are

significantly delinquent. The amount in the bank account included in the PSA could not be determined. Staff requested copies of the bank statements in Production Request No. 21 (Case No. ATL-E-22-01) on September 2, 2022. The Company replied on November 18, 2022, with “The undersigned did not draft the Purchase Sale Agreement but, nonetheless, will respond to this Request as quickly as possible.”

Table No. 3: Company Assets

Components	Totals
Net Plant in Service	\$257,766
Materials & Supplies/Inventory	\$ 34,814
Fuel	\$ 1,821
Accounts Receivable	\$ 67,323
Cash (Bank Account Balance)	\$???
Total Company Assets	\$361,724

B. CPCN TRANSFER

Upon Commission approval of the sale of Atlanta Power Company to Greylock Energy Holdings, LLC, Staff recommends the Commission transfer CPCN Certificate No. 300 to the new owners of the Company. Through Commission Order No. 21261, the Company currently holds CPCN Certificate No. 300 which identifies the boundaries of the Company’s service area. The Commission order specifically delimits the certificated area in the following manner:

Begin at NW Corner Section 19, Township 6 North, Range 11 E.B.M. thence eastward to NE corner of Section 22; thence southward to NE corner Section 34; thence eastward to NE corner Section 31, Township 6 N, Range 12 E.B.M.; thence southward to SE corner Section 19, Township 5 N, Range 12 E.B.M.; thence westward to SW corner Section 24, Township 5 N, Range 10 E.B.M.; thence northward to NW corner Section 1; thence eastward to SW corner Section 31, Township 6 N, Range 11 E.B.M.; thence northward to NW corner Section 19, Township 6 N, Range 11 E.B.M., the POINT OF BEGINNING

Staff reviewed the stated service area based on the description and attached map within Order No. 21261. The certificated area as described within the order is consistent with the area

in and around Atlanta, Idaho. Staff believes it is consistent with the current service area provided by the Atlanta Power Company. Given the remote location of Atlanta, Idaho, and it being surrounded by Federal land, it is unlikely the service territory will expand to overlap with any other electric utility.

C. CUSTOMER COMMENTS, NOTICE, PRESS RELEASE, AND PUBLIC WORKSHOP

1. Customer Comments

The Commission received five customer comments in Case No. ATL-E-22-01, Order No. 35302. One comment was submitted by Ms. Drake. Ms. Drake indicated that several of the issues in her initial formal complaint had been resolved. She stated that Mr. Israel Ray enlisted the services of Mr. Haught, who is a fulltime resident of Atlanta, and that Mr. Haught is assisting with power outages, has provided excellent customer service, and recruited assistants, which includes Mr. Jones, who is a training specialist at Northwestern Lineman College in Meridian, Idaho.

Other comments included one customer stating steady improvement in the electrical system since Mr. Haught and Mr. Jones started working together and supports the effort of them purchasing Atlanta Power. Another customer stated that Mr. Haught has been making improvement where he can, and that Mr. Jones has the experience to improve the system. A fourth customer said that they are now receiving the “best and most reliable power” they have experienced in forty-seven years.

Recently, Staff learned that the Company was unaware of several rules within Utility Customer Relations Rules, IDAPA 31.21.01. Specifically, the Company was unaware of the required customer notification process prior to disconnection of service. Staff recommends that the Consumer Staff informally work with the Company, ensuring it gains an understanding of Utility Customer Relations Rules, IDAPA 31.21.01. In addition to reviewing these rules, Staff recommends that Consumer Staff work informally with the Company to review its notices and other documents to ensure compliance.

2. Customer Notice and Press Release

The Company did not issue a press release and customer notice. Customer notification was done verbally. In February 2022, Mr. Haught began informing customers of the proposed sale in person. When Mr. Haught saw a customer, he informed the customer of his and Mr. Jones intent to purchase Atlanta Power. Ongoing in person verbal communication between Mr. Haught and

customers regarding the status of the proposed sale continue. Mr. Haught said all customers are aware of the proposed sale and often contact him for updates.

3. Public Workshop

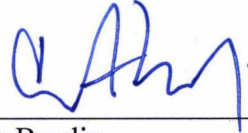
On Tuesday, November 29, 2022, the Commission hosted a virtual public workshop to share information on the Application and answer questions. The workshop was held from 6:00 p.m. to 9:00 p.m. (MST). The public had multiple options to participate either in person, online using Webex, or over the phone. One individual called in, two individuals used Webex, four individuals participated in person, and four members of Commission Staff participated in person. Staff's presentation was approximately thirty minutes in duration followed by a brief question and answer period. Staff continued to monitor both the call-in phone number and Webex for the duration of the workshop.

STAFF RECOMMENDATIONS

Staff recommends that the Commission approve the Purchase Sales Agreement and authorize the transfer of CPCN Certificate Number 300 to the new owners and require the following:

1. Order the seller to amend the PSA to include the contingency plan described in Order No. 35465.
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 buyers.
3. Order the seller to amend the PSA to limit the monthly maximum consumption to 4,015 kWh at the seller's residence.
4. Order the buyers to meet with Commission Staff to learn the requirements associated with being a regulated utility including but not limited to filing requirements, regulatory accounting, reporting, customer relations rules, and the Utility Customer Relations Rules IDAPA 31.21.01. within 30 days of a Final Order.
5. Order the buyers to develop a backup process for meter reading, billing, and accounting functions.
6. Order the buyers to provide updates on the 5-year Improvement Plan as a supplement to the Commission required Annual Report.

Respectfully submitted this 6th day of December 2022.



Chris Burdin
Deputy Attorney General

Technical Staff: Kevin Keyt
Joseph Terry
Rick Keller
Curtis Thaden

i:umisc/comments/atle22.2cbkkjtrkct comments

CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 6th DAY OF DECEMBER 2022, SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN CASE NO. ATL-E-22-02, BY E-MAILING A COPY THEREOF, TO THE FOLLOWING:

PETER J RICHARDSON
RICHARDSON ADAMS PLLC
515 N 27TH STREET
BOISE ID 83702
E-MAIL: peter@richardsonadams.com

CHRISTOPHER R NUNEZ
McANANEY & ASSOCIATES
1101 RIVER ST STE 100
BOISE ID 83702
E-MAIL: crn@mcananey.us

ISRAEL RAY
ATLANTA POWER COMPANY
E-MAIL: israelray1958@gmail.com

ELECTRONIC SERVICE
NICK JONES
E-MAIL: nickcwp@yahoo.com

GENE HAUGHT
E-MAIL: pgfd247@yahoo.com

BRAD M PURDY
ATTORNEY AT LAW
2019 N 17TH STREET
BOISE ID 83702
E-MAIL: bmpurdy@hotmail.com



SECRETARY