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Attorney for the Commission Staff

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF UNITED ELECTRIC)	
CO-OP INC.'S FORMAL COMPLAINT FOR)	CASE NO. C15-E-23-01
VIOLATION OF CONTRACT ENTERED)	
INTO PURSUANT TO THE IDAHO)	
ELECTRIC STABILIZATION ACT)	COMMENTS OF THE
)	COMMISSION STAFF
)	

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 February 22, 2023, United Electric Co-op, Inc. (“United”) filed a formal complaint (“Complaint”) with the Idaho Public Utilities Commission (“Commission”). United alleged that the City of Burley, Idaho (“Burley” or “City”), violated a series of service agreements (“Agreements”) related to the allocation of the respective electric service territory and customers by and between the City and United, which were entered into pursuant to the Idaho Electric Stabilization Act (“ESSA”), and that have been approved by order of the Commission.

On January 11, 2024, United and Burley filed a joint application (“Application”) pursuant to the ESSA to approve a Customer Allocation Agreement. United and Burley request that the

Commission issue an order approving the Customer Allocation Agreement without modification or condition. United and Burley represent that once an order is issued, final, and non-appealable, United will submit a notice of withdrawal of its Complaint.

The ESSA prohibits an electric supplier (e.g., a utility, municipality, or co-op) from serving another electric supplier's existing or former customers. *Idaho Code* § 61-332B. Section 61-332(2) provides that the purposes of the ESSA are to: (1) promote harmony between electric suppliers; (2) prohibit the "pirating" of consumers; (3) discourage duplication of electric facilities; (4) actively supervise the conduct of electric suppliers; and (5) stabilize service territories and consumers. The ESSA enables electric utilities to allocate territories and customers if certain conditions are satisfied. The ESSA allows electric suppliers to contract for the purpose of "allocating territories, consumers, and future consumers . . . and designating which territories and consumers are to be served by which contracting electric supplier." *Idaho Code* § 61-333(1). Such contracts must be submitted to the Commission for approval. *Id.* The Commission will approve contracts reviewed under the ESSA if, after notice and opportunity for hearing, the Commission finds that the agreement conforms with the purposes of the ESSA. *See Idaho Code* §§ 61-333(1) and 61-334B(1).

United and Burley represent that the Customer Allocation Agreement fully resolves the dispute between the parties relative to the provision of electric service to the Suntado milk processing plant ("Suntado"). Application at 2. United and Burley also represent that the Customer Allocation Agreement furthers the purposes and intent of the ESSA by promoting continued harmony between electric suppliers, preventing the pirating of customers, and discouraging the duplication of electric facilities. *Id.* United and Burley conclude that the Customer Allocation Agreement is in the public interest. *Id.*

STAFF ANALYSIS

This Application falls under the ESSA. Staff reviewed the Application for the customer allocation associated with this case, and Staff supports the proposed Customer Allocation Agreement.

According to the Agreement, United will allow the City to provide electric service to Suntado, which is designated on a map included as Exhibit A of the Application. Suntado is located within the service territory of United, but Suntado requested electrical service with the


City. The Agreement includes several terms and conditions that Staff believes are consistent with the purpose of the ESSA. Some important terms and conditions include: (1) The City will bear full responsibility for serving Suntado during the term of Customer Allocation Agreement; (2) The City is prohibited from extending facilities into United's service territory without permission; (3) The City will pay United a Service Allocation Fee of three percent of Suntado's gross billings; and (4) the existing service territory allocation agreements between the City and United are recognized.

Based on its review, Staff believes that the Customer Allocation Agreement furthers the ESSA's purposes by avoiding duplication of facilities and promoting harmony between suppliers, and is in conformance with the provisions and intent of the ESSA.

STAFF RECOMMENDATION

Staff recommends the Commission approve the Customer Allocation Agreement.

Respectfully submitted this 22nd day of February 2024.


Chris Burdin
Deputy Attorney General

Technical Staff: Michael Eldred

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 22ND DAY OF FEBRUARY 2024, SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN CASE NO. C15-E-23-01, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:

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SECRETARY