

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE JOINT)	CASE NO. IPC-E-23-32
APPLICATION OF IDAHO POWER)	
COMPANY AND UNITED ELECTRIC CO-)	ORDER NO. 36083
OP, INC., TO APPROVE A TERRITORY)	
ALLOCATION AGREEMENT)	
)	

On November 29, 2023, Idaho Power Company (“Idaho Power”) and United Electric Co-op, Inc. (“United”) (collectively the “Parties”) filed a joint application (“Application”) with the Idaho Public Utilities Commission (“Commission”), under the Electric Supplier Stabilization Act (“ESSA”), *Idaho Code* §§ 61-332 *et seq.*, requesting an order approving a Territory Allocation Agreement (“Agreement”) for electrical service for Aaron Hepworth.

On December 15, 2023, the Commission issued a Notice of Application and Notice of Modified Procedure. Order No. 36030.

BACKGROUND

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).

THE APPLICATION

The Parties represented that they each own and operate electrical power systems that provide electric service to customers in Southern Idaho, and that the Parties currently have specific

service territories in accordance with the terms and conditions of the ESSA. Application at 2. The Parties represented that Mr. Hepworth wishes to receive electric service from United for a new irrigation pump presently located within Idaho Power's service territory. *Id.*

The Parties represented that it would be less expensive for Mr. Hepworth to interconnect to United's system for three-phase service to the irrigation pump than it was to interconnect to Idaho Power's system, and that Mr. Hepworth already had one or more service accounts with United. *Id.* at 2-3. The Parties believed that the Agreement benefited Mr. Hepworth with lower line extension charges, would avoid duplication of facilities, and would avoid disputes between the Parties. *Id.* at 3.

STAFF COMMENTS

Staff reviewed the Agreement and Staff supported the exception request. Staff reasoned that the Parties have agreed to an allocation of service territory to each utility as set forth in the Agreement, which is designated on a map included as Attachment 2 of the Application. Staff noted that according to the Agreement, Idaho Power would allow United to provide three phase electric service to the Hepworth property in order to reduce the cost Mr. Hepworth would incur to extend service to the irrigation pump.

Staff noted that under the Application, Idaho Power retained the right to be the sole provider of single and three phase residential and irrigation electrical service to Mr. Hepworth on the remaining 194.65 acres of the property as described below:

TOWNSHIP 9 SOUTH, RANGE 25 EAST, OF THE BOISE MERIDIAN, CASSIA COUNTY, IDAHO

Section 16: That part of the East ½ lying South and East of the Southside Canal:

Excepting therefrom, the NE¼ of the NE¼ of said Section 16 lying South and East of the Southside Canal.

Staff believed that this exception request furthered the ESSA's purposes by avoiding duplication of facilities and promoting harmony between suppliers, and Staff believed that the Agreement was in conformance with the provisions and intent of the ESSA. Staff recommended that the Commission approve the Agreement.

COMMISSION FINDINGS AND DECISION

The ESSA generally prohibits an "electric supplier" from serving another electric supplier's existing or former customers. *Idaho Code* § 61-332B. An "electric supplier" is any public utility, cooperative, or municipality supplying or intending to supply electric service to a

consumer. *Idaho Code* § 61 -332A(4). The purposes of the ESSA's 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. *Idaho Code* § 61-332(2).

As an exception to the general rule barring electric suppliers from serving each other's customers, 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). However, the contracts are subject to Commission approval. *Id.* Specifically, the Commission must approve the contract if, after notice and opportunity for hearing, the Commission finds that the allocation conforms with the purposes of the ESSA. *Idaho Code* §§ 61-333(1) and 61-334B(1).

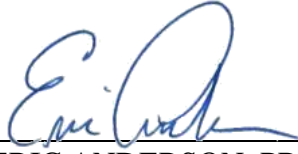
The Commission finds that the Parties are "electric suppliers" as defined in the ESSA. Having reviewed the Agreement, the comments, and all submitted materials, the Commission finds that the Agreement conforms with the purposes of the ESSA because it will avoid the duplication of facilities and promote harmony between the Parties.

ORDER

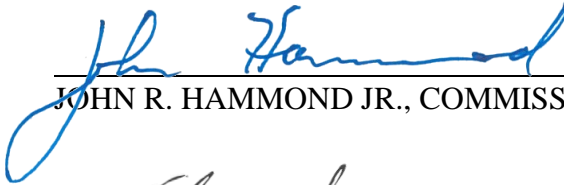
IT IS HEREBY ORDERED that the Territory Allocation Agreement is approved as filed.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date upon this Order regarding any matter decided in this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. *Idaho Code* §§ 61-626 and 62-619.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho, this 8th day of February 2024.



ERIC ANDERSON, PRESIDENT



JOHN R. HAMMOND JR., COMMISSIONER



EDWARD LODGE, COMMISSIONER

ATTEST:



Monica Barros-Sanchez
Commission Secretary

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