

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

<b>IN THE MATTER OF THE JOINT</b>	)	<b>CASE NO. IPC-E-23-33</b>
<b>APPLICATION OF IDAHO POWER</b>	)	
<b>COMPANY AND UNITED ELECTRIC CO-</b>	)	<b>ORDER NO. 36085</b>
<b>OP, INC., TO APPROVE A TERRITORY</b>	)	
<b>ALLOCATION AGREEMENT</b>	)	
	)	

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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 Joel Hobbs.

On December 15, 2023, the Commission issued a Notice of Application and Notice of Modified Procedure. Order No. 36031.

**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. Hobbs wished to receive electric service from United to serve a new residence presently located within Idaho Power's service territory. *Id.*

The Parties represented that it would be less expensive for Mr. Hobbs to interconnect to United's system for single-phase service to the new residence than it was to interconnect to Idaho Power's system. *Id.* at 2-3. The Parties believed that the Agreement benefited Mr. Hobbs with lower line extension charges, would avoid duplication of facilities, and would avoid disputes between the Parties. *Id.* at 3-4.

### 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 single-phase electric service to the Hobbs property in order to reduce the cost Mr. Hobbs would incur to extend service to the residence.

Staff noted that under the Application, Idaho Power retained the right to be the sole provider of other property owned by Mr. Hobbs as described below:

**Excepting therefrom, Cassia County Parcel RP10S22E300590 further described as:**

TOWNSHIP 10 SOUTH, RANGE 22 EAST OF THE BOISE MERIDIAN, CASSIA COUNTY, IDAHO

Section 30: Part of the NE $\frac{1}{4}$ , more particularly described as follows:

Beginning at the East  $\frac{1}{4}$  Corner of Section 30, said corner marked by a  $\frac{5}{8}$  inch rebar; Thence North 00°07'35" West (North, rec.) along the east line of Section 30 for a distance of 1439.70 feet (1439.60 feet, rec.) to a  $\frac{1}{2}$  inch rebar which shall be the Point of Beginning;

Thence South 00°07'35" East along the east line of Section 30 for a distance of 145.27 feet;

Thence South 53°37'50" West for a distance of 31.00 feet to a  $\frac{1}{2}$  inch rebar; Thence South 53°37'50" West for a distance of 195.96 feet to a  $\frac{1}{2}$  inch rebar;

Thence North 11°46'10" East (North 120401 East, rec.) for a distance of 81.18 feet to a  $\frac{1}{2}$  inch rebar;

Thence North 34°46'17" East (North 35°40' East, rec.) for a distance of 77.96 feet (78.0 feet, rec.) to a  $\frac{1}{2}$  inch rebar;

Thence North 41°41'03" East (North 42°37' East, rec.) for a distance of 182.56 feet (180.75 feet, rec.) to the Point of Beginning.

Staff believed that this exception request furthered the ESSA's purposes by avoiding duplication of facilities and promoting harmony between suppliers, and Staff believed 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.

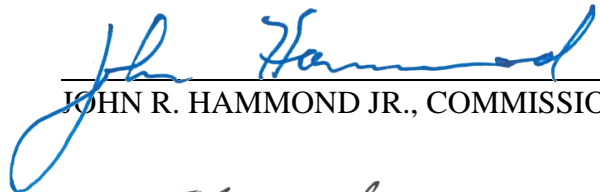
### **ORDER**

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 8<sup>th</sup> day of February 2024.

  
ERIC ANDERSON, PRESIDENT

  
JOHN R. HAMMOND JR., COMMISSIONER

  
EDWARD LODGE, COMMISSIONER

ATTEST:

  
Monica Barrios-Sanchez  
Commission Secretary

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