

DECISION MEMORANDUM

TO: COMMISSIONER KJELLANDER
COMMISSIONER RAPER
COMMISSIONER ANDERSON
COMMISSION SECRETARY
COMMISSION STAFF
LEGAL

FROM: MATT HUNTER
DEPUTY ATTORNEY GENERAL

DATE: MARCH 5, 2020

SUBJECT: IN THE MATTER OF ROCKY MOUNTAIN POWER'S APPLICATION
FOR APPROVAL OF THE SUNNYSIDE/HOLMES STREET ASSET
TRANSFER AGREEMENT BETWEEN ROCKY MOUNTAIN POWER
AND THE CITY OF IDAHO FALLS; CASE NO. PAC-E-20-01

On February 24, 2020, Rocky Mountain Power ("Company") filed an Application requesting approval of an asset transfer agreement ("Agreement") between the Company and the City of Idaho Falls ("City"). Under the Agreement, the City will purchase certain electric facilities currently owned and used by the Company to provide electric service to three customers. The Company submits its Application under *Idaho Code* § 61-328, which states that the Commission "shall issue a public notice and *shall conduct a public hearing* upon the application (emphasis added)."

THE APPLICATION

The Company and the City entered into a service allocation agreement in 2017 to reduce duplication of service and promote stability in their respective service areas. Application at 2. The Commission approved the service allocation agreement in Case No. PAC-E-17-12, Order No. 33943.

Under the Agreement, the City will provide electric service to three of the Company's customers in Idaho Falls: the first on Holmes Avenue, the second on South 25th East, and the third on Sunnyside Road. *Id.* at 1. The City will purchase the electric facilities from the Company necessary to serve these customers and will also compensate the Company for the lost revenue from the customers. *Id.* Under the service allocation agreement, "just compensation for

lost revenues is the amount equal to 167% of the total of the respective customers' electric bills from the prior twelve-month period." *Id.* at 3.

The Company requests the Commission approve the Agreement, and that the case be processed under Modified Procedure. *Id.* at 4.

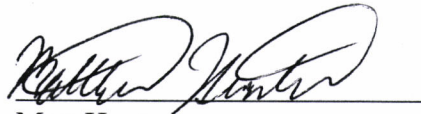
STAFF RECOMMENDATION

Staff recommends the Commission issue a Notice of Application, Notice of Modified Procedure, and a Notice of Telephonic Public Hearing. Staff recommends comments due by April 7, 2020 and reply comments due by April 14, 2020. Staff recommends the Commission schedule a telephonic public hearing in the same time frame in order to comply with the public hearing requirement in *Idaho Code* § 61-328.

COMMISSION DECISION

Does the Commission wish to:

1. Issue a Notice of Application, Notice of Modified Procedure, and Notice of Telephonic Public Hearing; and
2. Set an April 7, 2020 comment due date and an April 14, 2020 reply comment due date?



Matt Hunter
Deputy Attorney General