

DAYN HARDIE
DEPUTY ATTORNEY GENERAL
IDAHO PUBLIC UTILITIES COMMISSION
PO BOX 83720
BOISE, IDAHO 83720-0074
(208) 334-0312
IDAHO BAR NO. 9917

RECEIVED
2020 JUN 25 PM 12:07
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 ROCKY MOUNTAIN)	
POWER'S APPLICATION FOR APPROVAL)	CASE NO. PAC-E-20-05
OF A LEASE AGREEMENT WITH EXTENET)	
SYSTEMS INC.)	
)	COMMENTS OF THE
)	COMMISSION STAFF
)	

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

BACKGROUND

On May 7, 2020, PacifiCorp dba Rocky Mountain Power ("Company") applied to the Commission for an order approving a Lease Agreement ("Lease") between the Company and ExteNet Systems Inc. ("ExteNet"). The Company submitted its Application under *Idaho Code* §§ 61-328 and 61-332, *et. seq.* The Company requested its Application be processed under Modified Procedure.

The Lease allows ExteNet to use Company-owned streetlight poles to place small cell wireless facility attachments throughout the Company's service territory in Idaho. The Lease has a term of ten-years with automatic one-year renewals until terminated by either party.

ExteNet will pay a per-pole application fee, processing and review fee, and an inspection fee. ExteNet will submit applications to the Company to use individual streetlight poles. The

Company will grant or deny those applications. ExteNet estimates it will eventually place cell facilities on 125 streetlight poles.¹ Service to ExteNet will be provided under the Company's Electric Service Regulation No. 4—supply of service to allow unmetered service to small usage devices.

STAFF REVIEW

Staff recommends the Commission approve the lease agreement between the Company and ExteNet. Staff believes the transaction meets the legal requirements set by *Idaho Code* § 61-328. To meet these requirements, the Commission must find that: (1) the transaction is in the public interest; (2) the costs and rates for supplying service will not be increased due to this transaction; and, (3) the applicant has the bona fide intent and financial ability to operate said property.

The transaction is in the public interest because it will generate revenues for the Company which will reduce the cost to serve customers. The Lease includes several provisions that protect the Company, and therefore customers, from any potential liability arising under the Lease. These protections include: mandatory insurance requirements for various situations, an indemnification clause, requirements for ExteNet to maintain and repair its equipment at its own expense, assurances that the Company will not incur outages to meet ExteNet's deployment schedule, sublease and assignment provisions, and provisions for penalties if the Company is required to remove ExteNet's equipment. Additionally, the Company will record the costs associated with the Lease separately, providing customers an additional layer of protection.

The costs to serve customers will not increase due this transaction. ExteNet will pay for the energy that their devices use under Electric Service Regulation No. 4. The Lease also provides for additional revenue for the Company that will be used to credit the cost to supply service to the general body of customers. The Company will separately account for the administrative costs of this program. Staff will be able to review those costs and recommend disallowances of any costs that exceed the benefits of the Lease in any future rate proceedings.

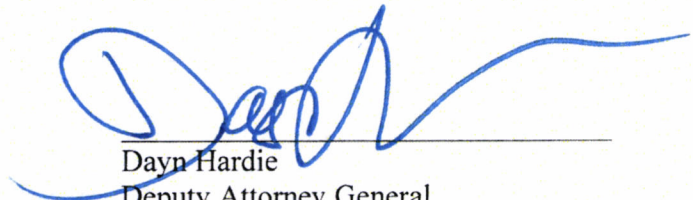
¹ The Application states that the best estimate of the rate of placement is to assume the cell facilities will be placed on 12 streetlight poles per year during the ten-year term of the Lease.

The applicant has the bona fide intent and financial ability to operate the system. ExteNet was founded in 2002 and has a market valuation of \$1.4B. This gives Staff a reasonable level of confidence that ExteNet can maintain its infrastructure installed pursuant to the terms of the Lease.

STAFF RECOMMENDATIONS

Based on its review and the fulfillment of the requirements of *Idaho Code* § 61-328, Staff recommends the Commission approve the Company's Application seeking approval of a Lease between the Company and ExteNet.

Respectfully submitted this 25th day of June 2020.



Dayn Hardie
Deputy Attorney General

Technical Staff: Joe Terry
Kevin Keyt
Rick Keller
Daniel Klein

i:umisc/comments/pace20.5dhjtkrkd comments

CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 25th DAY OF JUNE 2020, SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN CASE NO. PAC-E-20-05, BY E-MAILING A COPY THEREOF, TO THE FOLLOWING:

TED WESTON
ROCKY MOUNTAIN POWER
1407 WN TEMPLE STE 330
SALT LAKE CITY UT 84116
E-MAIL: ted.weston@pacificorp.com

DATA REQUEST RESPONSE CENTER
E-MAIL ONLY:
datarequest@pacificorp.com



SECRETARY

CERTIFICATE OF SERVICE