

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF ROCKY MOUNTAIN )  
POWER’S APPLICATION FOR APPROVAL ) CASE NO. PAC-E-20-06  
OF THE PIONEER ROAD / RUSTIC LANE / )  
17<sup>TH</sup> SOUTH ASSET TRANSFER )  
AGREEMENT BETWEEN ROCKY ) ORDER NO. 34767  
MOUNTAIN POWER AND THE CITY OF )  
IDAHO FALLS )  
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On May 22, 2020, Rocky Mountain Power (“Company”) applied for approval of its asset transfer agreement (“Agreement”) with the City of Idaho Falls (“City”). Under the Agreement, the City would buy Company electric facilities that the City needs to serve ten customers. The Company submitted its Application under the Idaho Electric Supplier Stabilization Act (“ESSA”)—*Idaho Code* §§ 61-332 through 61-334C—and *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).”

On June 23, 2020, the Commission issued a Notice of Application and Modified Procedure, setting an August 3, 2020 comment deadline and an August 10, 2020 reply comment deadline. Commission Staff filed the only comments, and the Company did not file reply comments. Pursuant to *Idaho Code* § 61-328, a public telephonic customer hearing was held on July 7, 2020.

Having reviewed the record, the Commission enters this Order approving the Company’s Application.

**THE APPLICATION**

The Company and the City signed a service allocation agreement in 2017 to reduce duplication of service and promote stability in their respective service areas. 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 ten of the Company’s customers in Idaho Falls: five customers on Rustic Lane, one customer on Pioneer Road, and the four customers on 17<sup>th</sup> South. The City will purchase the electric facilities from the Company to serve these customers and will also compensate the Company for the lost revenue from the

customers. Under the service allocation agreement, just compensation for lost revenues is the “amount equal to 167 percent of the total of the respective customers’ electric bills from the prior twelve-month period.” Application at 3. The Company requested the Commission approve the Agreement.

### **STAFF COMMENTS**

Staff recommended the Commission approve the Company’s Application. Staff determined the transaction complied with the ESSA, the Idaho electric utility asset transfer statute, and previous Commission orders. Upon its review, Staff believes the \$37,612 purchase price represents the fair market value of assets being transferred, plus the associated transaction costs and 167% of the transferred customer’s previous 12 months of electric bills, and conforms to the requirements of Idaho Code and prior Commission orders. Staff also verified that the method used to calculate the value of the transaction is consistent with the method prescribed in the 2017 service allocation agreement.

Staff noted the legal/transaction costs contradict pricing guidelines provided by the Company during discovery in Case Nos. PAC-E-19-02 and PAC-E-19-06. Staff suggested that updated legal/transaction cost guidelines should be included in the next update to the service allocation agreement.

Through production requests, Staff confirmed the transaction is in the public interest, that the cost of and rates for supply service will not be increased by the transaction, and that the City has the bona fide intent and financial ability to operate and maintain the transferred property in the public service. *See Idaho Code* § 61-328(3). Staff also learned through production request responses that some customers being transferred to the City requested the transfer, and therefore those customers received no additional notification of this transaction. Those customers who did not request the transfer were contacted by the Company directly.

### **COMMISSION FINDINGS AND DECISION**

The Commission has jurisdiction over this matter under *Idaho Code* §§ 61-328 and 61-333. The Commission has reviewed the record, including the Agreement and comments of Staff. We find the Agreement satisfies the ESSA (*Idaho Code* §§ 61-332 through 61-334C), *Idaho Code* § 61-328, the 2017 service allocation agreement, and this Commission’s prior orders. Accordingly, we find it reasonable and in the public interest to approve the Application and Agreement.

**ORDER**

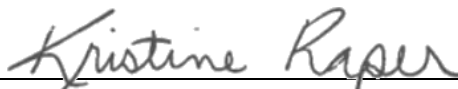
IT IS HEREBY ORDERED that the Company's Application is approved. The sale of electric facilities and transfer of service territory as contemplated in the Company's Agreement with the City is approved, effective on the service date of this Order.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order about 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. *See Idaho Code* § 61-626.

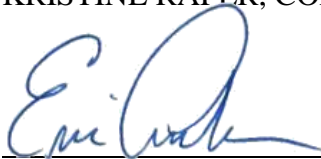
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 1<sup>st</sup> day of September 2020.



PAUL KJELLANDER, PRESIDENT

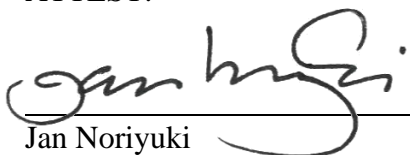


KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Jan Noriyuki  
Commission Secretary

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