

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF ROCKY MOUNTAIN ) CASE NO. PAC-E-23-02**  
**POWER’S APPLICATION FOR APPROVAL )**  
**OF THE ASSET TRANSFER AGREEMENT )**  
**BETWEEN ROCKY MOUNTAIN POWER ) ORDER NO. 35786**  
**AND THE CITY OF IDAHO FALLS — )**  
**BELLIN ROAD #1 )**  
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On February 9, 2023, Rocky Mountain Power, a division of PacifiCorp (“Company”), and the City of Idaho Falls (“City”) (together the “Parties”) applied to the Commission for approval of an Asset Transfer Agreement (“Agreement”) between the Company and the City (“Application”).<sup>1</sup> The Application outlined a process whereby the City would purchase certain electric facilities currently owned and used by the Company, which serves one customer (“Customer”), at a location in the immediate vicinity of Bellin Road, Idaho Falls, Idaho. The Company submitted its Application for approval under the Idaho Electric Supplier Stabilization Act (“ESSA”), *Idaho Code* §§ 61-332 *et. seq.*, and the electric utility asset transfer statute, *Idaho Code* § 61-328.<sup>2</sup>

On March 10, 2023, the Commission issued a Notice of Application, Notice of Modified Procedure, and Notice of Telephonic Hearing. Order No. 35702. The Commission held a telephonic hearing on April 27, 2023. No members of the public testified. Staff filed comments supporting the Application. No other comments were received. The Company did not file a reply.

Based on our review of the record, the Commission now issues this final Order approving the Company’s Application.

**BACKGROUND**

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. The Commission approved the service allocation agreement in Case No. PAC-E-17-12, Order No. 33943. The Customer has requested that their electric service be transferred to the City. The Company and the

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<sup>1</sup> A less redacted copy of the Application was filed on February 21, 2023.

<sup>2</sup> The Company requested its Application be processed under Modified Procedure. Typically, the use of Modified Procedure contemplates written submissions without a live public hearing. However, *Idaho Code* § 61-328(2) states the Commission “shall issue a public notice and *shall conduct a public hearing* upon the application.” *Idaho Code* § 61-328(2) (emphasis added).

City have agreed to transfer electric service and the City has agreed to purchase the facilities described in Attachment No. 1 of the Company's February 21, 2023, filing. Under the Service Allocation Agreement, the City compensates the Company for lost revenues arising from the Customer's departure in the amount equal to 167% of each customer's electric bills from the most recent 12 months of active provision of electric service. The City will pay separation costs and legal/transactional costs based on the amount of the transaction. The City will also purchase poles, wires, cross arms, insulators, guys, and other facilities no longer needed or required by the Company to service the customers.

### **THE APPLICATION**

The Customer requested its "electric service be transferred to the City . . . . The Company and the City have agreed to transfer electric service and the City has agreed to purchase the facilities described in Exhibit A." Application at 3.

The Company asserted the Agreement complies with *Idaho Code* § 61-328 and is in the public interest. The Company asserts the City has the intent and ability to provide electric service to the Customer.

The City has agreed to pay the Company 167% of the Customer's previous 12 months' electric bills, plus the value of the transferred assets, tax gross-up, separation costs, and legal and transactional costs pursuant to the terms of the 2017 Service Allocation Agreement. The total sale price in the contemplated transaction is \$13,631. Exhibit A.

### **THE COMMENTS**

Staff analyzed the data provided by the Company. "Staff verified that the sale price listed in the Agreement includes the replacement book value of the existing assets, the separation costs, the lost customer revenue, and the legal & transaction costs." Staff Comments at 3. Staff concluded the asset transfer will not negatively impact other customers. Staff also verified the Company's depreciation determinations were correct.

Importantly, Staff also evaluated the Company's Application under *Idaho Code* § 61-328(3) and believed the proposed asset transfer promotes the public interest, will not increase the Customer's rates, and that the City has the bona fide intent and financial ability to maintain service for the Customer. Accordingly, Staff believed the proposed asset transfer complies with all requirements of *Idaho Code* § 61-332 and *Idaho Code* § 61-328. Staff also believed the proposed asset transfer complied with the Company's and the City's 2017 Service Allocation Agreement.

## COMMISSION FINDINGS AND DISCUSSION

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 Commission Staff. We find the Agreement satisfies the ESSA, *Idaho Code* § 61-332 *et seq.*, and the electric utility transfer statute, *Idaho Code* § 61-328. Specifically, as required by *Idaho Code* § 61-328(3), the Commission finds that the asset transfer is consistent with the public interest, will not increase the cost of rates for supplying service, and the City has the bona fide intent and financial ability to operate and maintain the relevant property for public service. The Commission also finds the asset transfer to be consistent with the 2017 Service Allocation Agreement, and this Commission's prior orders. Based on the record, the Commission finds the Agreement conforms to the ESSA's provisions and purposes because it will avoid facility duplication and promote harmony between the electric suppliers. Accordingly, we find it reasonable to approve the Application and the Agreement.

## ORDER

IT IS HEREBY ORDERED that the Company's Application is approved. The sale of electric facilities and transfer of service territory from the Company to the City is approved, effective upon the issuance 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 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. *See Idaho Code* § 61-626.

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DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 22<sup>nd</sup> day of May 2023.



ERIC ANDERSON, PRESIDENT

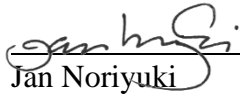


JOHN R. HAMMOND JR., COMMISSIONER



EDWARD LODGE, COMMISSIONER

ATTEST:



Jan Noriyuki  
Commission Secretary

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