

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF ROCKY MOUNTAIN)	CASE NO. PAC-E-24-11
POWER’S AND THE CITY OF IDAHO)	
FALLS’ JOINT APPLICATION FOR)	
APPROVAL OF THE HOLMES AVENUE)	ORDER NO. 36415
ASSET TRANSFER AGREEMENT)	
)	

On September 4, 2024, Rocky Mountain Power, a division of PacifiCorp (“Company”), and the City of Idaho Falls (“City”) (together the “Parties”) jointly applied to the Idaho Public Utilities Commission (“Commission”) for approval of an Asset Transfer Agreement (“Agreement”) between the Company and the City. As proposed, the Company would transfer assets required to serve one customer located on or near Holmes Avenue in Idaho Falls to the City. The Application also outlined the City’s compensation to the Company for those assets. The Parties requested their Application be processed by Modified Procedure.

On October 4, 2024, the Commission issued a Notice of Application, Notice of Modified Procedure, and Notice of Telephonic Hearing. Order No. 36343. The Commission held a telephonic hearing on November 4, 2024. No members of the public testified. Commission Staff (“Staff”) filed comments supporting the Application to which the Company did not respond. No other comments were received.

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

BACKGROUND

The Parties 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. Under the Service Allocation Agreement, the City compensates the Company for lost revenues arising from a customer’s departure. Under the Service Allocation Agreement just compensation for lost revenues is the amount equal to 167% of each transferred customer’s electric bills from the most recent 12 months of active provision of electric service. The City also must purchase poles, wires, cross arms, insulators, guys, and other facilities no longer needed or required by the Company to service the customers in addition to paying required legal fees.

The Parties' submitted their 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.

THE APPLICATION

The Parties stated that a customer, on or near Holmes Avenue in the City, requested the Company transfer their electrical service from the Company to the City. The Parties represented that the proposed transaction is in the public interest because it reduces service duplication while also providing the Company just compensation pursuant to the Service Allocation Agreement.

THE COMMENTS

Staff analyzed the data provided by the Parties verifying the total purchase price of \$5,554 accurately reflected the book value of the assets and other associated costs.¹ Staff concluded the asset transfer will not negatively impact other customers. Staff also verified the Parties' depreciation determinations were correct.

Importantly, Staff also evaluated the Parties' Application under the requirements of *Idaho Code* § 61-328(3) and believed that the proposed asset transfer (1) promotes the public interest, (2) will not increase customer rates, and (3) that the City has the bona fide intent and financial ability to maintain service for the customer whose service will be transferred. Staff believed that the Agreement promotes a harmonious transfer of assets and was thus consistent with the intent of *Idaho Code* § 61-332(2). Accordingly, Staff was convinced that the proposed asset transfer complies with all the provisions of the ESSA. Staff also believed the proposed asset transfer complied with the 2017 Service Allocation Agreement. Additionally, Staff believed that the Parties had complied with the Notice requirements of Rule 125 of the Commission's Rules of Procedure. IDAPA 31.01.01.125.

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

¹ Staff noted that it was unable to confirm June and July of 2023 billing revenues because billing statements for those months were not provided by the Company. Using data from the 12-months of billing statements provided by the Company, Staff calculated a nominal monetary difference of approximately \$42 from the amount stated in the Parties' Application. To avoid greater administrative cost than the amount in question, Staff recommended that the Application be approved with the Company not collecting the \$42. The Company did not file any comments objecting to this proposal.

the electric utility transfer statute, *Idaho Code* § 61-328. Specifically, as required by *Idaho Code* § 61-328(3), the Commission finds (1) the asset transfer is consistent with the public interest, (2) the transfer will not increase the cost of rates for supplying service, and (3) the City has the bona fide intent and financial ability to operate and maintain the relevant assets subject to transfer. The Commission finds the asset transfer to be consistent with the 2017 Service Allocation Agreement. The Commission also finds that the reasons for approving this asset transfer are consistent with this Commission's rationale in prior orders. Based on the record, the Commission finds the Agreement conforms to the purpose of the ESSA because it will avoid facility duplication and promote harmony between the Company and the City. Accordingly, we find it reasonable to approve the Application and the Agreement.

ORDER

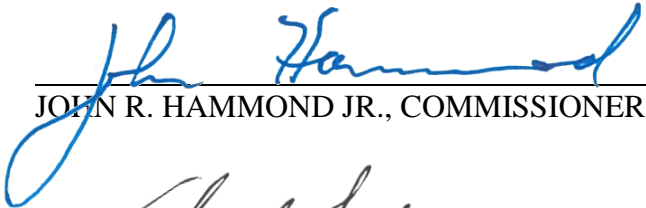
IT IS HEREBY ORDERED that the Parties' Application is approved. The sale of the relevant electric facilities near Holmes Avenue necessary to transfer one customer's service from the Company to the City is approved, effective upon the issuance date of this Order.

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.

///

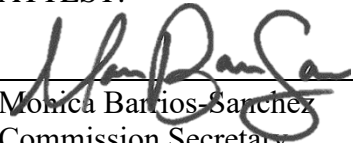
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 9th day of December 2024.


ERIC ANDERSON, PRESIDENT


JOHN R. HAMMOND JR., COMMISSIONER


EDWARD LODGE, COMMISSIONER

ATTEST:


Monica Barrios-Sanchez
Commission Secretary

I:\Legal\ELECTRIC\PAC-E-24-11_HolmesAve/orders\PACE2411_Final_md.docx