

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF THE CITY OF IDAHO ) CASE NO. PAC-E-25-21**  
**FALLS’ AND ROCKY MOUNTAIN )**  
**POWER’S JOINT APPLICATION FOR ) ORDER NO. 36950**  
**APPROVAL OF A NEW SERVICE )**  
**ALLOCATION AGREEMENT )**  
**)**

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On November 12, 2025, Rocky Mountain Power, a division of PacifiCorp (“Company”), and the City of Idaho Falls (“City”) (collectively, “Applicants”) applied to the Idaho Public Utilities Commission (“Commission”) requesting approval of a new service allocation agreement (“Agreement”) (“Application”).

On December 16, 2025, the Commission issued a Notice of Application and a Notice of Modified Procedure setting written comment deadlines. Order No. 36875. Commission Staff (“Staff”) filed comments. The Commission received no public comments or Company reply comments.

With this Order, the Commission approves the Applicants’ proposed service allocation Agreement.

**BACKGROUND**

In 2005, the Commission approved an electric consumer exchange agreement between the Applicants. Order No. 29895. In 2017, the Commission approved a replacement service allocation agreement between the Applicants that replaced the 2005 agreement. Order No. 33943.

**THE APPLICATION**

According to the Applicants, the Agreement maintains the key provisions of the existing 2017 service allocation agreement. Application at 4. However, the Agreement would allow the City to request the Company begin transferring a customer to the City’s electrical system while awaiting Commission approval of the transfer. *Id.* The Applicants represented that the purpose of the Agreement is to expedite the transfer of electric customers. *Id.*

The Applicants stated that any pre-Commission-approved customer transfer under the Agreement would only begin after the City provides security for any reconnection costs that would result from the Commission’s ultimate denial of the transfer. *Id.* Should the Commission deny a transfer that has already been initiated, the City would be responsible for all costs associated with

returning the customer to the Company's system, and the Company would retain ownership of any newly installed City facilities. *Id.*

The Applicants contended that the Agreement complies with the Idaho Electric Supplier Stabilization Act ("ESSA") by promoting harmony among electric suppliers, prevents pirating of customers, and discouraging duplication of services. *Id.* at 5.

#### **STAFF COMMENTS**

Staff reviewed the Application, the 2017 service allocation agreement, and the Agreement. Staff Comments at 2. Based on its review, Staff recommended the Commission approve the Agreement and require the Applicants submit a compliance filing containing an executed copy of the Agreement. *Id.*

Staff emphasized that while the Agreement would allow the Applicants to begin the process of transferring customers prior to obtaining authorization from the Commission, the City would be prohibited from serving transfer customers without Commission approval. *Id.* at 3. Staff also noted that under the Agreement, the City would assume the risk of absorbing costs incurred through initiating a later-denied transfer. *Id.*

Staff believed the Agreement conformed with the purpose and intent of the ESSA. *Id.* Staff agreed with the Applicants' assertion that the Agreement would promote harmony among electric suppliers and prevent pirating of customers. *Id.* Additionally, Staff believed the Agreement would allow for supervision of electric suppliers' conduct. According to Staff, the additional language in the Agreement would potentially allow for the duplication of electric services if the Commission denied a customer transfer after the City had installed new facilities in preparation of the transfer, but Staff believed the Agreement contained safeguards rendering that possibility unlikely. *Id.*

#### **COMMISSION FINDINGS AND DECISION**

Under the ESSA electric suppliers are allowed to contract for the purpose of "allocating territories, consumers, and future consumers ... and designating which territories and consumers are to be served by which contracting electric supplier." *Idaho Code* § 61-333(1). Also under the ESSA, a municipality may extend its electric services to annexed areas served by a public utility upon just compensation to the utility. *Idaho Code* § 61-333B. Both Applicants are electric suppliers as defined in the ESSA. *Idaho Code* § 61-332A(4).

Prior to taking effect, the Commission must approve any agreements allocating service territories and customers between electric suppliers based on a finding that the agreement conforms

with the provisions and purposes of the ESSA. *Idaho Code* § 61-333(1). The ESSA is intended “to promote harmony among and between electric suppliers ... within the state of Idaho, prohibit the ‘pirating’ of consumers of another electric supplier, discourage duplication of electric facilities, actively supervise certain conduct of electric suppliers ..., and stabilize the territories and consumers served with electricity by such electric suppliers.” *Idaho Code* § 61-332.

The Commission has reviewed the record and finds that the Applicants’ proposed modification to their service allocation Agreement adheres to the provisions and purposes of the ESSA. The Commission is satisfied that the Agreement promotes harmony among electric suppliers, has a low risk of creating duplicative electric facilities, provides for supervision of electric suppliers’ conduct, and stabilizes the territories and consumers served by allowing for cooperation between the Applicants. Additionally, we note that the Agreement protects the Company’s ratepayers from bearing the costs associated with initiated but later-denied customer transfers.

### **ORDER**

IT IS HEREBY ORDERED that the Applicants’ proposed Agreement is approved.

IT IS FURTHER ORDERED that the Applicants shall submit an executed copy of the Agreement as a compliance filing within 30 days of 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 upon 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. *Idaho Code* §§ 61-626.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho, this 2nd day of March 2026.

  
EDWARD LODGE, PRESIDENT

  
JOHN R. HAMMOND JR., COMMISSIONER

  
DAYN HARDIE, COMMISSIONER

ATTEST:

  
Monica Barrios-Sanchez  
Commission Secretary  
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