

## DECISION MEMORANDUM

**TO:** COMMISSIONER KJELLANDER  
COMMISSIONER REDFORD  
COMMISSIONER SMITH  
COMMISSION SECRETARY  
COMMISSION STAFF

**FROM:** DON HOWELL  
DEPUTY ATTORNEY GENERAL

**DATE:** AUGUST 17, 2012

**SUBJECT:** PACIFICORP'S APPLICATION FOR APPROVAL OF A SERVICE TERRITORY AGREEMENT BETWEEN ITSELF AND IDAHO POWER TO PROVIDE SERVICE TO A WIND QF, CASE NO. PAC-E-12-13

On August 16, 2012, PacifiCorp dba Rocky Mountain Power filed an "Joint Application" seeking the Commission's approval of a contract between itself and Idaho Power Company to allow Rocky Mountain to serve a customer located in Idaho Power's service territory. The parties have entered to a "Service Area Exception Agreement" pursuant to the provisions of the Electric Supplier Stabilization Act ("ESSA") and specifically *Idaho Code* § 61-333(1).

### THE APPLICATION

In an agreement dated August 14, 2012, Rocky Mountain and Idaho Power have agreed to allow Rocky Mountain to provide "station service" to a wind qualifying facility (Power County Wind Park North) which is located in the certificated service territory of Idaho Power in Power County, Idaho. In Order No. 30284, the Commission approved a power purchase agreement (PPA) between Rocky Mountain and the QF. The Application maintains that the amount of electric power generated by the QF "is insufficient to serve the Facility." Application at 2. The Application states that the nearest Idaho Power facilities are approximately five miles from the point where Rocky Mountain interconnects with the wind facility. *Id.* at 2-3. Rather than Idaho Power supplying station service to the QF delivering generation to Rocky Mountain, the utilities have agreed to allow Rocky Mountain to provide such service to the facility. The

parties contemplate no changes in their certificated service territories. Agreement at § 2.2. The parties have requested that the Commission process this Application under Modified Procedure.

### **THE ESSA**

*Idaho Code* § 61-333(1) provides that electric suppliers may 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.” Under the ESSA, both Rocky Mountain and Idaho Power are defined as electric suppliers. *Idaho Code* § 61-332A(4). After notice and opportunity for hearing, the Commission may approve agreements allocating service territories and customers between electric suppliers only upon finding that the allocation is in conformance with the purposes of the ESSA. *Idaho Code* § 61-333(1). The purposes of the ESSA are to: (1) discourage duplication of facilities; (2) prohibit “pirating” of consumers; (3) stabilize service territories and consumers; and (4) promote harmony between electric suppliers. *Idaho Code* § 61-332(2).

### **STAFF RECOMMENDATION**

Pursuant to the parties’ Application, Staff recommends that the joint Application be processed under Modified Procedure in compliance with *Idaho Code* §§ 61-333 and 61-334B.

### **COMMISSION DECISION**

Does the Commission concur that this matter should be processed under Modified Procedure?



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Don Howell  
Deputy Attorney General

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