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Attorney for the Commission Staff

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF THE APPLICATION )  
FOR APPROVAL OF A SERVICE AREA ) CASE NO. PAC-E-12-13  
EXCEPTION AGREEMENT BETWEEN )  
PACIFICORP DBA ROCKY MOUNTAIN )  
POWER AND IDAHO POWER COMPANY ) COMMENTS OF THE  
TO PROVIDE STATION SERVICE AT THE ) COMMISSION STAFF  
POWER COUNTY WIND PARK NORTH )  
LLC, LOCATED IN POWER COUNTY, )  
IDAHO. )**

**COMES NOW** the Staff of the Idaho Public Utilities Commission, by and through its Attorney of Record, Donald L. Howell II, Deputy Attorney General, and submits the following comments in response to Order No. 32623 issued on August 22, 2012.

**BACKGROUND**

On August 16, 2012, PacifiCorp dba Rocky Mountain Power filed a "Joint Application" seeking the Commission's approval of a "Service Area Exception Agreement" between itself and Idaho Power Company. Under the terms of the Agreement, Rocky Mountain will be allowed to provide "station service" to a wind developer providing power to Rocky Mountain. The term "station service" typically refers to the electric service provided to a generating facility when the facility is not generating sufficient power to meet its own electric requirements for lighting, heat,

operating instruments, and other equipment. In this case the wind developer (Power County Wind Park North) is located in Idaho Power's service territory.<sup>1</sup> The utilities have executed their Agreement pursuant to the provisions of the Electric Supplier Stabilization Act ("ESSA") and specifically *Idaho Code* § 61-333(1).

## THE APPLICATION

In their Service Area Exception Agreement dated August 14, 2012, the utilities agree to allow Rocky Mountain to provide "station service" to a wind qualifying facility which is located in the certificated service territory of Idaho Power in Power County, Idaho. The Application maintains that the amount of electric power generated by Power County Wind "is insufficient to serve the Facility." Application at 2. The Application further 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 wind facility, the utilities have agreed to allow Rocky Mountain to provide such service. The utilities contemplate no changes in their certificated service territories. Agreement at § 2.2. The utilities also 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/or 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 electric suppliers' service territories and consumers; and (4) promote harmony between electric suppliers. *Idaho Code* § 61-332(2).

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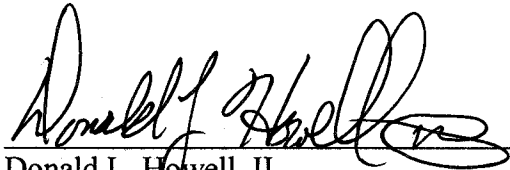
<sup>1</sup> In Order No. 32084 issued October 6, 2010, the Commission approved a Power Purchase Agreement (PPA) between Rocky Mountain and Power County Wind.

## STAFF REVIEW AND RECOMMENDATION

After reviewing the Application and Agreement, Staff believes that the Agreement is in conformance with the provisions and purposes of the ESSA. More specifically, the Agreement will allow the parties to avoid duplication of services and facilities, and promote harmony between the electric suppliers. *Idaho Code* § 61-332(2). Because the wind park is interconnected with Rocky Mountain's network, Rocky Mountain may efficiently provide station service to the wind park. This avoids the need for Idaho Power to build facilities to serve the wind facility. Application at 2-3. Staff further notes that station service is typically provided by the public utility purchasing power from qualifying facilities.

Based upon our review of the Application and the Service Area Agreement, Staff recommends that the Commission approve the Agreement.

Respectfully submitted this 12<sup>th</sup> day of September 2012.



Donald L. Howell, II  
Deputy Attorney General

Technical Staff: Rick Sterling

i:umisc:comments/pace12.13dhrs comments

## CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 12<sup>TH</sup> DAY OF SEPTEMBER 2012, SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN CASE NO. PAC-E-12-13, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:

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SECRETARY

CERTIFICATE OF SERVICE