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State of Utah
Department of Commerce
Division of Public Utilities

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ACTION REQUEST RESPONSE

To: Public Service Commission

From: Division of Public Utilities

Chris Parker, Director
Artie Powell, Energy Section Manager
Charles Peterson, Technical Consultant
Justin Christensen, Utility Analyst

Date: July 22, 2014

Subject: Docket No. 14-035-73: In the Matter of the Application of Rocky Mountain Power for Approval of its Agreement for Electric Service to Additional Customers with Beaver, Blanding, Bountiful, Ephraim, Fairview, Holden Town, Hurricane, Hyrum, Kaysville, Lehi, Levan, Logan, Manti, Monroe, Morgan, Mt. Pleasant, Murray, Nephi, Oak City, Paragonah, Parowan, Price, Provo, Spring City, Springville, and St. George, (collectively referred to hereafter as the “Municipalities”)

RECOMMENDATION: (Approve)

The Utah Division of Public Utilities (Division) recommends that the Public Service Commission of Utah (Commission) approve the Customer Service Agreements between Rocky Mountain Power and the Municipalities.¹

¹ The Agreement with Springville lists two customers, service to which was previously approved by the Commission in Docket No. 13-035-185.

ISSUE

In an application dated June 12th, 2014, Rocky Mountain Power (RMP or the Company) requests that the Commission approve its agreement with the Municipalities, whereby the Company and Municipalities agree pursuant to Utah Code Annotated § 63G-4-201, 203 and Utah Administrative Code R746-100-3 that the Municipalities will continue to provide electric service to the Customers listed in the agreements, who are located outside the boundaries of the twenty-six separate Utah Municipalities.

DISCUSSION

SB 180, which was passed in the 2013 legislative session and became effective on May 14, 2013, provides a framework for the transfer of customers between a municipality that provides electric service and an electric corporation and grandfathers in service by municipalities to customers living outside the municipal boundaries under certain circumstances. SB 180 amended Utah Code Annotated § 10-8-14 to include the following:

(3) (a) Except as provided in Subsection (3)(b), (5), or (9), a municipality may not sell or deliver the electricity produced or distributed by its electric works constructed, maintained, or operated in accordance with Subsection (1) to a retail customer located beyond its municipal boundary.

(b) A municipality that provides retail electric service to a customer beyond its municipal boundary on or before June 15, 2013, may continue to serve that customer if:

(i) on or before December 15, 2013, the municipality provides the electrical corporation, as defined in Section [54-2-1](#), that is obligated by its certificate of public convenience and necessity to serve the customer with an accurate and complete verified written notice described in Subsection (3)(c) that identifies each customer served by the municipality beyond its municipal boundary;

(ii) no later than June 15, 2014, the municipality enters into a written filing agreement for the provision of electric service with the electrical corporation; and

(iii) the Public Service Commission approves the written filing agreement in accordance with Section [54-4-40](#).

The Division understands that the customers listed on the contracts were acquired by the various municipalities over a period covering decades. In compliance with the above statute, the Company and Municipalities have entered into the Customer Service Agreements that have been filed with the Commission for approval.

The Division has reviewed the petition, the included Customer Service Agreements, and the responses to data requests sent to the Company. The Division believes that the Customer Service Agreements included in the Petition comply with the applicable statutes. Therefore, the Division recommends that the Commission approve these agreements.

Conclusion

Given these factors, the Division recommends Commission approval of RMP's Customer Service Agreements with the Municipalities.

CC David Taylor, Rocky Mountain Power
Michele Beck, Office of Consumer Services
Cheryl Murray, Office of Consumer Services
Service List