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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. 14-035-72: 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, Brigham City, Eagle Mountain, Enterprise, Ephraim, Hurricane, Hyrum, Lehi, Levan, Logan, Morgan, Murray, Nephi, Parowan, Price, and Provo, (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.

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 Admin. Code R746-100-3 that the Company will continue to provide electric service to Customers listed in the agreements who are located within the municipal boundaries of the eighteen separate Utah Municipalities.¹

DISCUSSION

SB 180 passed in the 2013 legislative session and became effective on May 14, 2013 amending Utah Code Annotated §54-3-31. SB 180 provides a framework to allow the Company to continue to serve customers within the municipal boundaries of municipality that otherwise provides electric service to its customers within its municipal boundaries. Utah Code Annotated §54-3-31 provides for this service as follows:

(1) This section applies to an electrical corporation that:

(a) (i) provides electric service to a customer on or before June 15, 2013, within the municipal boundary of a municipality that provides electric service; or

(ii) provides electric service to a customer within an area:

(A) established by an agreement dated on or before June 15, 2013, with a municipality; and

(B) within the municipal boundary of a municipality that provides electric service; and

(b) intends to continue providing service to that customer.

(2) Notwithstanding Section [54-3-30](#), if an electrical corporation provides electric service to a customer as described in Subsection (1), and the municipality provides electric service to another customer within its municipal boundary, the electrical corporation may continue to provide electric service to the customer within the municipality's boundary after the termination of, or in the absence of, a written agreement, if:

¹ The Company had originally included a Customer Service Agreement with Helper City. In a letter to the Commission dated July 11, 2014, the Company withdrew the Helper City Agreement from this application because that Agreement had already been approved by the Commission in Docket No. 14-035-18.

(a) the electrical corporation provides, on or before December 15, 2013, the municipality with an accurate and complete verified written notice, in accordance with Subsection (3), identifying each customer within the municipality served by the electrical corporation on or before June 15, 2013;

(b) the electrical corporation enters into a written agreement with the municipality:

(i) (A) prior to the termination of any prior written agreement; or

(B) in the absence of a written agreement; and

(ii) no later than June 15, 2014; and

(c) (i) except as provided in Subsection (2)(c)(ii), the commission approves the agreement in accordance with Section [54-4-40](#); or

(ii) for an electrical cooperative that meets the requirements of Subsection [54-7-12](#)(7), the governing board of the electrical cooperative approves the agreement.

(3) The written notice provided in accordance with Subsection (2)(a) shall include for each customer:

(a) the customer's meter number;

(b) the location of the customer's meter by street address, global positioning system coordinates, metes and bounds description, or other similar method of meter location;

(c) the customer's class of service; and

(d) a representation that the customer was receiving service from the electrical corporation on or before June 15, 2013.

(4) The agreement entered into in accordance with Subsection (2) shall require the following:

(a) The electrical corporation is the exclusive electric service provider to a customer identified in the notice described in Subsection (2)(a) unless the municipality and electrical corporation subsequently agree, in writing, that the municipality may provide electric service to the identified customer.

(b) If a customer who is located within the municipal boundary and who is not identified in Subsection (2)(a) requests service after June 15, 2013, from the electrical corporation, the electrical corporation may not provide that customer electric service unless the electrical corporation subsequently submits a request to and enters into a written agreement with the municipality in accordance with Section [54-3-30](#).

(5) (a) Unless otherwise agreed in writing by the electrical corporation and the municipality, the electrical corporation may terminate an agreement entered into in accordance with Subsection (2)(b) by giving written notice of termination to the municipality:

(i) no earlier than two years before the day of termination; or

(ii) within a period of time shorter than two years if otherwise agreed to with the municipality.

(b) Upon termination of an agreement in accordance with Subsection (5)(a):

(i) (A) the electrical corporation shall transfer an electric service customer located within the municipality to the municipality; and

(B) the municipality shall provide electric service to the customer; and

(ii) the electrical corporation shall transfer a facility in accordance with and for the value as provided in Section [10-2-421](#).

(6) This section may not be construed to modify or terminate any written franchise agreement or other agreement that expressly provides for electric service by an electrical corporation to a customer within a municipality that was entered into between an electrical corporation and a municipality on or before June 15, 2013.

The Division understands that the customers listed on the contracts have been served by the Company for a period going back 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 application, 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 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