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IDAHO PUBLIC
UTILITIES COMMISSION

Monica Moen
Attorney

September 22, 2004

President Kjellander and Members of the Commission
Idaho Public Utilities Commission
472 W. Washington Street
P.O. Box 83720
Boise, ID 83720-0074

Re: *Idaho Power Company v. City of Eagle, Idaho*
IPC-E-04-04

Dear Chairman Kjellander and Members of the Commission:

The following information is supplied to the Idaho Public Utilities Commission (the "Commission") in response to a request from the Commission to consider the feasibility of a certain route for the extension of Idaho Power's 138-kV transmission line through the City of Eagle as suggested by persons presenting testimony at the Commission's September 9, 2004 public hearing on the above-referenced matter. In particular, the Commission requested that the Parties in this matter determine the feasibility of routing the proposed transmission line in a southwesterly direction from the Eagle Substation to the Highway 44 Bypass along the route of an existing drainage ditch (the "Drainage Ditch Route").

The information concerning the alternative routes described below is presented to the Commission by all the Parties in this case. Individuals representing the Parties to this matter met on Monday, September 13, 2004, to walk the Drainage Ditch Route and to discuss the alternatives. Although other options were considered, the two routes presented below represent the consensus of the group as to the best choices with respect to the Drainage Ditch Route. Due to numerous issues, including, but not limited to, access and tree cover, the group did not feel that following the course of the drainage ditch was a viable alternative. The two alternative alignments considered by the Parties are identified as the Alley-Eagle Road Route and the 2nd Street-Plaza Route. These routes are described below.

Alley-Eagle Road Route: The "Alley-Eagle Road Route," illustrated in yellow on the enclosed aerial photo, extends westerly from the Eagle substation through an existing alley located south of State Street to Eagle Road. At Eagle Road, this alignment continues south along the east side of Eagle Road to the northwest corner of Albertsons. At the northwest corner of Albertsons, the proposed transmission line would cross to the west side of Eagle Road and continue in a southerly direction along the northerly boundary of Zamzows. At the southwest corner of the Zamzows' property, the line would proceed across the Highway 44 Bypass to the south side of the Bypass and continue west to the Star Substation.

Although the estimated cost of this route has not yet been precisely determined, it is likely to cost more than either the State Street or Bypass routes suggested by Idaho Power. The higher cost is attributed to the need to purchase several hundred feet of right-of-way and overhang easements across private property. Should the City choose to underground the existing distribution line along Eagle Road from the point where the transmission line exits the alley and continues south to the Bypass, Idaho Power estimates that cost to be approximately \$300,000.00. The cost to the City to underground any joint use facilities located on this route is not included in this estimate. Should this route be selected, and the City decide to fund the underground distribution/joint facilities work, the Company would prepare a more detailed work order cost estimate in conjunction with the design engineering associated with burying the distribution line.

The "Alley-Eagle Road Route" has the following characteristics:

1. This alignment uses the existing distribution alignment along an existing alley located west of the Eagle Substation through a predominantly commercial transition area.
2. This alignment through the City's central business district avoids most residential areas.
3. The segment of this alignment that extends from the alley and south along Eagle Road is partially screened by existing tree canopy.
4. From approximately the drainage ditch and continuing south, the line becomes visually prominent along Eagle Road.
5. The process of acquiring private easements for portions of the transmission line, for self-supporting steel poles required at corners of the alignment and for any conductors that may overhang onto private property produce issues of uncertainty, increased costs and likely project delay.
6. This alignment may require additional substation work between \$300,000 and \$500,000, provided that the City and the Company can address the Conditional Use Permit issues. As an alternative, electrical connection to the existing 138 kV line may be able to circumvent the Eagle Substation but this solution must be further examined.
7. If the City desires to pay for burying the existing distribution lines and any joint use facilities sharing the existing poles located along the east side of Eagle Road (between the alley and the Eagle Road/Bypass intersection, the Company can erect shorter poles for the transmission line.
8. The segment of this alignment located along Eagle Road may have to be relocated in the event Eagle Road is widened in the future.
9. This proposed alignment brings new landowners into the process who have not been directly involved to date.

2nd Street-Plaza Route: A second alternative, the "2nd Street-Plaza Route," is illustrated in yellow and orange on the enclosed aerial photo. This alignment proposes use of the same alley segment between the Eagle Substation and continuing westerly to 2nd Street. At 2nd Street, the line would continue southerly along the east side of 2nd Street to Plaza Drive. At Plaza Drive, the line would travel along the southern boundary of Plaza Dr. to the northwest corner of the Albertsons' property. At that point, the line would

continue on the same alignment to the Bypass and the Star Substation as described above for the Alley-Eagle Road Route. Existing distribution lines exist along the 2nd Street segment of this route. Burying the existing distribution facilities along 2nd Street was not contemplated in this alternative.

Although the estimated cost of this route has not yet been precisely determined, it, too, is likely to cost more than either the State Street or Bypass routes suggested by the Company for the reasons cited above and noted below.

The "2nd Street-Plaza Route" has the following characteristics:

1. This route has few trees and existing lines to complicate construction but includes more angles and corner structures which increases the cost of this proposal.
2. Except along 2nd Street where existing apartments are located and development of luxury town homes is under way, this route is located primarily within commercial areas.
3. This alignment also anticipates uncertainty, increased costs and likely project delay due to the need to acquire private easements for portions of the transmission line, for the self-supporting steel poles required at corners of the alignment and to accommodate overhang of the conductors onto private property.
4. This route may require additional substation work between \$300,000 and \$500,000 provided the City and Company can address the Conditional Use Permit issues. Alternatively, electrical connection to the existing 138 kV line may be able to circumvent the Eagle Substation.
5. This alignment brings new landowners into the process who have not been directly involved to date.
6. This route introduces electrical facilities along Plaza Drive where none currently exist.

The Parties to this matter are working diligently to reach a settlement of this dispute. If the Commission should have any questions concerning this matter, please do not hesitate to contact me.

Yours very truly,



Monica Moen

MM:jb
Enclosures – Aerial Photo and Certificate of Service



Eagle
Substation

Town Houses
under construction

Albertsons

Zamzows

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 22nd day of September 2004, I served true and correct copies of the above and foregoing correspondence to President Kjellander and Members of the Idaho Public Utilities Commission, dated September 22, 2004, to the following parties:

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