

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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IDAHO PUBLIC
UTILITIES COMMISSION

IDAHO POWER COMPANY)
COMPLAINANT VS. CITY OF EAGLE,)
IDAHO, RESPONDENT)
)
)

CASE NO. IPC-E-04-04

Rebuttal and Supplemental Testimony of

Don C. Reading, Ph.D.

Ben Johnson Associates, Inc.

on behalf of

The City of Eagle

September 3, 2004

1 **Q. Would you please state your name and address?**

2 A. Don Reading, Ben Johnson Associates, Boise, Idaho. The address is 6070 Hill Road,
3 Boise, Idaho.

4
5 **Q. Are you the same Don Reading who filed direct testimony and exhibits in this**
6 **docket?**

7 A. Yes.

8
9 **Q. What is the scope of your rebuttal testimony?**

10 A. I have reviewed the direct testimony of Staff Witness Randy Lobb and I have three
11 observations in relation to his positions. First, Mr. Lobb makes no distinction between
12 the potential loss between higher and lower valued properties from the installation high
13 voltage transmission lines . He goes on to say the utility should be able to put in its
14 transmission lines where it “deems appropriated”. This approach leaves no incentive for
15 the power company to look at its impact on property values and to weigh only its own
16 benefits. Second, by quoting the Idaho Land Use Planning Act, he states that it is
17 appropriate to place transmission lines in existing utility easements. What he does not
18 recognize is that utilities have easements along virtually all roads in cities like Eagle.
19 Third, he agrees with Mayor Merrill and recommends city comprehensive plans include
20 designated transmission corridors. I agree, and cities need to be informed about a utilities
21 long-run transmission plans. Unless there is better coordination between city and utility
22 planning the Commission can expect more cases like this one.

23

24 **Q. Could you please discuss your first point dealing with the economic impact of high**
25 **voltage transmission lines on high valued property?**

26 B. On page 3 of his direct testimony Mr. Lobb states:

27

28 “While I do not necessary dispute the potential economic impact such overhead lines may
29 have on adjacent property, I believe it is inappropriate to require the general body of
30 Idaho Power customers to pay significantly higher rates to provide underground facilities

1 for the aesthetic benefit of local communities and landowners.” [Direct Testimony of
2 Randy Lobb, p. 3, lines 8-13.]

3
4 He also states:

5
6 “I believe it likely that large overhead power lines can negatively affect local property
7 values wherever they are located.” [Direct Testimony of Randy Lobb, p.10, lines13-15.]

8
9 As I stated in my direct testimony there are no high voltage transmission lines along
10 important corridors such as Warm Springs, Harrison Boulevard, and Capitol Boulevard in
11 Boise. Property values in areas such as this are too valuable to be spoiled by
12 transmission lines. A blanket policy that does not recognize this will only lead to more
13 confrontations between cities and utilities and to more hearing like this one.

14
15 **Q. Does the power company have any incentive to recognize this difference between**
16 **higher and lower valued properties?**

17 C. No. According to Mr. Lobb Idaho Power should be able to:

18
19 “In my opinion, the Company should be allowed in situations like these to reasonably extend and
20 upgrade its transmission/distribution facilities, as it deems appropriate. [Direct Testimony of
21 Randy Lobb, p.9, lines 4-7.]

22
23 The problem is the Company’s only incentive to meet its obligations as a service provider
24 is what it “deems appropriate”. This does not include the value of adjacent property or a
25 cities existing comprehensive plan. Mr. Lobb also states:

26
27 “However, I believe overhead transmission facilities are the standard of construction for
28 Idaho Power Company.” [Direct Testimony of Randy Lobb, p. 12, lines 2-4.]

29
30 With this “standard of construction” the Company has only the benefit to its system
31 without considering the costs it is imposing on property owners or the development

1 opportunities of cities. Mr. Lobb appears to find this appropriate without taking into
2 account the degree of potential harm done to the city and its property owners. What is
3 missing is any attempt at a rational cost/benefit analysis. The power company is looking
4 only at the most inexpensive way to meet its needs without regard to any level of costs
5 imposed on the city and property owners.

6
7 **Q. Lets turn to your second point. What does Mr. Lobb say about the Company's**
8 **planned route along highway 44 or bypass routes and the Idaho Land Use Planning**
9 **Act?**

10 D. On page 10 of his Direct Testimony Mr. Lobb states that both State Street and the bypass
11 routes are along public roadways and thus are consistent with the Idaho Land Use
12 Planning Act. What he fails to recognize is that the Company has a utility right of way
13 along almost all roads within the City. This is to be expected and is true with other cities
14 as well. This approach does not deal with the essence of the dispute in this Docket. What
15 is important is that growing cities understand that they need to understand utilities
16 transmission plans and establish utility corridors to route high voltage power lines around
17 their visual entry corridors and high value downtown areas.

18
19 **Q. That leads us to your third point. Do you agree with Mr. Lobb that cities need to**
20 **include utility corridors in their comprehensive plans?**

21 E. Yes. As Mayor Merrill stated in her role as President of the Association of Idaho Cities:

22
23 "I plan to educate growing cities like Eagle about the dangers of how public utilities can

1 affect property values, result in adverse health perceptions, has impacts on years of
2 careful planning and zoning, and stunt future development. Clearly, utility corridors need
3 to be planned well in advance. Since the cities are given little or no help in this area I
4 would like to see the AIC take a more active role in helping to address this problem. I am
5 also the legislative chair for the AIC and will encourage a review of relevant statutes
6 addressing large utility poles in the territorial limits of Idaho Cities. “[Direct Testimony
7 of Nancy Merrill, p. 7, lines 17-23.]
8

9 I recommend the Commission support this effort by instructing the Staff and ordering the
10 Company to participate in this effort. I believe without a serious effort by all parties that
11 the contested issues in this case will continue to occur with cities throughout the state.
12 The Company and Staff are concern about any extra costs from transmission construction
13 be passed on to all ratepayers. It should be remembered that all ratepayers share in the
14 cost of hearings like this and any litigation that may follow. Resolving these issues in a
15 less contentions manner will be essential for the cost effective expansion of transmission
16 facilities.
17

18 **Q. Does this end your testimony as of September 1, 2004?**

19 **F. Yes.**
20