
IDAHO PUBLIC UTILITIES COMMISSION

For Immediate Release

Case No. IPC-E-04-4

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Pre-hearing conference scheduled for Idaho Power-Eagle dispute

Boise – A pre-hearing conference has been scheduled for March 31 to address a dispute between Idaho Power and the City of Eagle regarding a transmission line the utility says must be built from Eagle to Star by next summer to prevent potential service problems in the growing area. Eagle officials have turned down two applications by the company to build the line.

Idaho Power is asking the commission to use its statutory authority to order regulated utilities to make improvements when adequate service is threatened. The company wants the commission to select from one of six options for the proposed transmission route and to be allowed to assess a surcharge on Eagle customers if one of the three more costly options is chosen.

In December 2000, Idaho Power requested a conditional use permit from the City of Eagle to build taller poles for a 138-kilovolt transmission line from the existing Eagle substation to a new substation near Star. Idaho Power proposed to follow the existing transmission path for the 69-kV line already in place. To eliminate the need for taller poles, Idaho Power offered to build a number of smaller distribution lines in and around downtown.

At the suggestion of the city, Idaho Power withdrew its application and agreed to form an advisory committee with Eagle citizens. According to Idaho Power, the citizen committee's preferred solution was to build the line underground, but the committee eventually did not choose that option because of the increased cost. The committee did select a preferred route, which would start at the intersection of State and Edgewood and extend south to the Eagle bypass at State Highway 44. The line would then follow the bypass westward until it reconnected with State Street near Ballantyne Road. From there, the line would follow the existing transmission corridor to the new Star substation.

Idaho Power claims it submitted the "Eagle bypass" option when it made its second application to the city in September 2002. Before deciding on that option, the city conducted an independent study to determine the cost of building the line underground. According to Idaho Power, the study said it would cost the city \$9.5 million to build underground, \$9 million more than an overhead alternative. In September 2003, the Eagle Planning and Zoning Commission recommended that Idaho Power's "Eagle bypass" option be denied because it would be unsightly and have a negative impact on commercial development.

Idaho Power maintains its current facilities in the Eagle-Star area are “severely strained” and vulnerable to a decline in service quality by summer 2005. Of the six options proposed by the company, three would require no additional costs to Idaho Power customers in the affected area. Three others would require a surcharge from Eagle residents to raise between \$1.95 million and \$2.84 million depending on which of those options is chosen. Idaho Power maintains it is unfair for its customers outside Eagle to absorb the higher costs of the three more costly options and requests authority from the commission to impose a surcharge on Eagle residents if one of those options is selected.

The purpose of the pre-hearing conference is to have representatives from the power company and the city propose a recommendation to the commission on how this matter should be processed. The conference begins at 3 p.m. in the commission’s conference room at 472 W. Washington St. in Boise.

A complete copy of Idaho Power’s application and exhibits is available on the commission’s Web site at www.puc.state.id.us. Click on “File Room” and then on “Electric Cases” and scroll down to Case No. IPC-E-04-4. Copies of the application are also available for public inspection at the commission’s business address listed above.

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