
IDAHO PUBLIC UTILITIES COMMISSION

For Immediate Release

Case No. IPC-E-04-4, Order No. 29465

April 14, 2004

Contact: Gene Fadness (208) 334-0339

Website: www.puc.state.id.us

Idaho Power asks commission to resolve Eagle dispute

Boise – The Idaho Public Utilities Commission today established a schedule to process a case regarding Idaho Power’s dispute with the City of Eagle over the construction of a new transmission line.

Idaho Power filed a complaint against Eagle in February, asking the commission to authorize construction of the 138-kilovolt line. The Eagle City Council has since voted to reject Idaho Power’s application to build the line. The company maintains that pursuant to statute (IC 67-6528), a commission order can override a local government decision as long as the commission gives the local government an opportunity to appear before or consult with the commission.

The disputed issues in Idaho Power’s complaint include the route of the transmission line, the manner of construction (above-ground poles or underground or a combination of both), and whether a surcharge should be added to Eagle customers’ bills to recover additional costs associated with underground construction or above-ground construction along a more costly alternative route.

Idaho Power is asking that the commission select from one of six route options and to be allowed to assess a surcharge on Eagle customers if one of the three more costly options is chosen.

Idaho Power has until April 30 to file its direct testimony. The commission also scheduled a public workshop for July 8 and technical and public hearings on Sept. 9.

The workshop is scheduled for 6:30 p.m. on July 8 at the Eagle Public Library, 100 N. Stierman Way. The purpose of the workshop will be for commission staff to offer information and answer questions about the case. Other parties, including Idaho Power and the city, may also present their positions.

After Idaho Power files its testimony on April 30, the city and commission staff will file direct testimony by not later than June 25. Rebuttal testimony from Idaho Power is due Aug. 16. The technical hearing is scheduled for Sept. 9 in Boise with a public hearing later that evening in Eagle.

The commission is encouraging the company and the city to continue their negotiations toward selecting a preferred route or, at minimum, narrowing the list of acceptable routes. If the parties can reach an agreement, hearings would not have to be held.

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. In March, the Eagle City Council rejected the company's by-pass application.

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.

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. Testimonies from the interested parties will be included on the Web site as they are submitted. Copies of the application are also available for public inspection at the commission's offices at 472 W. Washington St. in Boise.

END