

IDAHO PUBLIC UTILITIES COMMISSION

For Immediate Release

Case No. IPC-E-04-4, Order No. 29634

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Contact: Gene Fadness (208) 334-0339

Website: www.puc.state.id.us

Commission adopts Idaho Power-Eagle settlement

Boise – The Idaho Public Utilities Commission is accepting a settlement between Idaho Power Co. and the City of Eagle regarding the construction of a new 138-kV transmission line from the Eagle substation to a new substation in Star.

The settlement approves 1) a route for the transmission line; 2) a plan to bury a portion of the distribution line at the city's expense and 3) a method to pay for the buried distribution line that includes the city increasing its franchise fee for electric service from 1 percent to 3 percent.

To pay the approximate \$300,000 cost to bury the distribution line, Idaho Power consents to the city's request to increase Idaho Power's franchise fee from 1 percent to 3 percent. The fee is a city fee imposed on Idaho Power. Idaho Power pays the fee by levying an increase equal to the franchise fee on the company's customers who live inside city limits.

The 3 percent fee is intended to remain in place until Dec. 31, 2010, at which time with the city agrees to "take all actions necessary" to bring the fee back to 1 percent. Once the cost of burying the distribution line on Eagle Road is reimbursed to Idaho Power, the city may use the fee to defray the cost of burying additional distribution lines within the city.

Idaho Power filed a complaint against the city last February after the city twice rejected Idaho Power applications for a conditional use permit seeking permission to build the transmission line. The company asked the commission to resolve the dispute, maintaining its current facilities in Eagle and Star are "severely strained" and vulnerable to a decline in service quality by next summer.

In September, the commission conducted a technical hearing followed by a public hearing. During the public hearing, members of the Eagle City Council urged the commission to consider an alternative route to those proposed by Idaho Power that would avoid residential areas, not adversely affect commercial values along a bypass around the city and would preserve scenic views along State Street, Jackson Square and the gateway intersection of the bypass and Eagle Road.

Commissioners noted the importance of public input in resolving the issue. "Although this process has been difficult and contentious at times, this case is another example of the importance of a public hearing," commissioners said. "In particular, it was the testimony received at a public hearing that precipitated investigation of the new alignment proposed."

This case should serve as a reminder to utilities that they should monitor and participate the land-use planning in the cities where they have customers, the commission said. In particular, Idaho code requires that city and county comprehensive plans identify transmission corridors. "For purposes of transmission planning, utilities must advise local governments that the construction of electric transmission lines normally entails tall poles and structures," the commission said. "We also encourage cities and counties to be realistic in designating transmission corridors within their areas."

The route eventually adopted for Eagle, called Alley-Eagle Road, would cross State Street and enter the Eagle Substation. From the southern portion of the Eagle substation, the line would follow the alley south of State Street to Eagle Road. From the corner of the alleyway and Eagle Road, the line would extend south on the east side of Eagle Road past Plaza Street. The line would then cross Eagle Road and continue along the northern portion of property developed by Zamzow's at the northeast corner of Eagle Road and the bypass. The line would cross the bypass and continue west along the south side of the bypass to the city limits and on to the Star substation.

Existing poles in the alleyway and on the east side of Eagle Road will be removed and replaced with multi-faceted steel poles made of a material that has the appearance of wood. The poles will be the minimum height necessary to meet safety clearance requirement and will not exceed 84 feet.

The existing distribution line on the east side of Eagle Road, as well as non-Idaho Power facilities such as cable and telephone lines, will be removed and buried. Burying the distribution line will allow Idaho Power to use shorter poles for the transmission lines.

A full text of the commission's order, along with other documents related to this case, are available on the commission's Web site. Click on "File Room" and then on "Electric Cases" and scroll down to Case No. IPC-E-04-4.

Interested parties may petition the commission for reconsideration by no later than Dec. 9. Petitions for reconsideration must set forth specifically why the petitioner contends that the order is unreasonable, unlawful or erroneous. Petitions should include a statement of the nature and quantity of evidence the petitioner will offer if reconsideration is granted.

Petitions can be delivered to the commission at 472 W. Washington St. in Boise, mailed to P.O. Box 83720, Boise, ID, 83720-0074, or faxed to 208-334-3762.