

DECISION MEMORANDUM

TO: COMMISSIONER KJELLANDER
COMMISSIONER SMITH
COMMISSIONER HANSEN
COMMISSION SECRETARY
COMMISSION STAFF

FROM: DON HOWELL

DATE: JULY 8, 2005

SUBJECT: THE APPLICATION OF IDAHO POWER COMPANY AND SUN VALLEY COMPANY SEEKING APPROVAL TO SELL AND TRANSFER CERTAIN UTILITY PROPERTY TO SUN VALLEY, CASE NO. IPC-E-05-16

On May 2, 2005, Idaho Power Company and Sinclair Oil dba Sun Valley Company (“Sun Valley”) filed an Application requesting that the Commission approve the sale and transfer of certain utility property to Sun Valley. Pursuant to *Idaho Code* § 61-328, the parties request that the Commission approve the sale and transfer of the property. The parties request that the Commission process their Application by Modified Procedure.

THE APPLICATION

On May 2, 2005, Idaho Power and Sun Valley executed a Memorandum of Understanding (MOU) regarding the proposed sale and transfer of property. As set out in the MOU, Idaho Power proposes to transfer its distribution facilities which serve portions of the Sun Valley Resort including the Lodge, the Inn, stores in the mall area, and Moritz Hospital. Transfer of the utility facilities will enable Sun Valley to more efficiently operate and manage its facilities within its resort complex. The parties have agreed that Sun Valley will pay the sum of \$135,533 to Idaho Power. The Application represents that this is a revenue neutral transaction for Idaho Power.

The Application further states that Sun Valley has contacted all the tenants in the Sun Valley Mall that are currently served directly by Idaho Power. The parties represent that the tenants do not object to the transfer and understand that they will be billed for the cost of their

electric service in their leases with Sun Valley Company. Sun Valley also agreed to reimburse Idaho Power for the costs of reconfiguring the meters and other distribution facilities.

STAFF RECOMMENDATION

Idaho Code § 61-328 prohibits any electric utility from selling any distribution facility without the Commission's authorization. Based upon the request of the parties, Staff believes it is appropriate to process this Application under Modified Procedure.

COMMISSION DECISION

Does the Commission wish to process this Application under Modified Procedure?



Don Howell

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