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September 1, 2011

VIA HAND DELIVERY

Jean D. Jewell, Secretary
Idaho Public Utilities Commission
472 West Washington Street
Boise, Idaho 83702

Re: IPC-E-09-03
Langley Gulch – Quarterly Progress Report

Dear Ms. Jewell:

In Order No. 30892, the Idaho Public Utilities Commission (“Commission”) directed Idaho Power Company to submit quarterly progress reports to the Commission describing the status of the Langley Gulch Power Plant construction. Enclosed with this letter is the eighth quarterly progress report.

Very truly yours,



Lisa D. Nordstrom

LDN:csb
Enclosures

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2011 SEP - 1 PM 4: 53
IDAHO PUBLIC
UTILITIES COMMISSION

Langley Gulch Power Plant
Quarterly PUC Update
September 1, 2011

PROGRESS UPDATE:

This quarterly update summarizes project costs through July 2011 and tasks associated with the Langley Gulch Power Plant through the end of August 2011. As of the date of this report, the overall project remains on schedule and Idaho Power Company ("Idaho Power") expects total project costs at or below the Commitment Estimate.

Langley Gulch Power Island:

The Engineering, Procurement, and Construction ("EPC") contract is a joint venture between Kiewit Power Engineers ("KPE") and The Industrial Company ("TIC"). KPE, the engineering arm of the EPC contract, has completed all of the design drawings and continues to support the project by reviewing vendor submittals and construction drawing modifications. All major equipment has been procured and delivered to the site.

TIC continues in full construction mode. Current construction activities include erection of structural steel for the pipe rack, installation of electrical and instrumentation components, connection of heat recovery steam generator ("HRSG") piping, and miscellaneous concrete foundations. The major steam turbine equipment has been set, including the high pressure turbine, intermediate/low pressure turbine, generator, and gear box. In addition, the contractor is performing hydro tests on the steel storage tanks and preparing for the hydro test of the HRSG. Other activities by its subcontractors include finish work on the administration building, erection of the water treatment building, and electrical relay testing. TIC has approximately 150 people on site, which includes its employees and subcontractors. TIC is utilizing a mix of local labor, vendors, suppliers, and subcontractors.

Idaho Power and the EPC contractor continue to work closely with Siemens on the owner-furnished equipment. The Orlando-based Siemens group, supplying the combustion turbine and generator, has shipped nearly all of the equipment to the site. Installation of this equipment by TIC is nearly complete, recently finishing final alignment of the combustion turbine and generator. The Sweden-based Siemens group, supplying the steam turbines and generator, has completed manufacturing, and all of its equipment arrived on site by early August. TIC has started installing this equipment.

Water Supply Pipeline and Gas Pipeline:

Construction is substantially complete on the water pipeline and pump station. A pump test has been performed, and the equipment appears to be working as designed. Idaho Power has developed a punch-list, and the contractor is working on these minor corrections prior to final project completion. Water is available to the plant site.

Williams Northwest is self-performing the tap and constructing the metering station at the gas main. The design and permitting is complete, and construction is underway. The tap and

metering station is expected to be complete by September 2011. Construction of the gas lateral pipeline from the Williams Northwest main to the site was completed in July 2011.

The water supply pipeline was completed on schedule, and the gas supply project remains on schedule.

Transmission Lines and Substation:

Two transmission lines and a new substation are required to connect the Langley Gulch Power Plant to Idaho Power's transmission system. One of the lines will be energized at 230 kilovolt ("kV") and the other at 138 kV. Construction of the 2.8 mile 230 kV line to the west of the power plant was completed in March 2011. The 16 mile 138 kV line has been designed and construction is planned to start in the fall of 2011. The 138 kV line is planned to be completed by May 2012.

The substation is being constructed in two phases. Phase 1, which includes the ring buss, substation building, and control wiring has been completed by Idaho Power. This was scheduled to be energized in September; however, TIC has requested this be delayed until October in order to reduce time working around energized equipment. Phase 2, which includes the integration of the 138 kV line, is scheduled to be complete by May 2012.

Each of these projects is on schedule and within budget.

PERMITTING UPDATE:

The permitting process is in the construction compliance phase. Idaho Power continues to monitor the permit requirements and is coordinating with the regulatory agencies as needed.

PROJECT COSTS:

The commitment summary is attached, which also identifies project costs expended through July 2011. All major components of the project have been contracted, and Idaho Power expects total project costs at or below the Commitment Estimate.

SCHEDULE:

The project remains on schedule with the following major milestones:

- Construction Full Notice to Proceed: Issued to contractor on July 1, 2010
- Gas Turbine Delivery: Arrived in New Plymouth, Idaho, on December 4, 2010
- Steam Turbine Delivery: Arrived on site August 1, 2011
- First Fire: February 2012
- Targeted Commercial Operation Date: June 2012

Idaho Power Company
Status Update Spending Report for Langley Gulch Power Plant
Through July 2011

	<u>July</u> <u>Dollars Spent To Date</u>	<u>Component Summary</u>
Gas Turbine	54,425,576	56,281,662
Steam Turbine	34,972,736	35,710,905
EPC Contract	165,576,924	221,421,431
Commitment Estimate Contingency	-	6,800,686
Site Procurement	1,957,322	2,000,000
Water Rights	2,083,419	2,200,000
NEPA Permitting	214,431	150,000
Air Permitting	350,547	320,000
Water Line Construction	4,303,005	8,850,000
Gas Line Construction	3,225,188	3,100,000
Miscellaneous Equipment (Idaho Power supplied)	992,157	662,300
Capitalized Property Taxes	570,800	2,881,277
Idaho Power Engineering and Oversight	1,866,320	3,800,000
RFP Pricing Components (includes start-up fuels)	399,303	2,250,000
Transmission	9,270,393	31,679,100
AFUDC	20,697,907	49,259,378
Totals	300,906,029 *	427,366,739 **

* Reported on Accrual based accounting

** Commitment Estimate

Langley Gulch Project Overview

ID	Task Name	Duration	Start	Finish	Mar	May	Jul	Sep	Nov	Jan	Mar	May	Jul	Sep	Nov	Jan	Mar	May	Jul	Sep	Nov	Jan	Mar	May	Jul
1	Langley Gulch Project Milestone Schedule																								
2	Idaho PUC Certification Grant	650 days	Mon 10/13/08	Fri 6/11/12																					
3	Air Permitting	0 days	Tue 9/1/09	Tue 9/1/09																					
4	Submit Air Permit to Construct to IDEQ	261 days	Wed 7/8/09	Fri 6/25/10																					
5	DEQ Review Time (13 Months)	0 days	Wed 7/8/09	Wed 7/8/09																					
6	Public Comment Period	215 days	Thu 7/9/09	Wed 5/5/10																					
7	Received Air Permit to Construct	30 days	Thu 5/6/10	Wed 6/16/10																					
8	County Permitting	0 days	Fri 6/25/10	Fri 6/25/10																					
9	Submit CUP / Rezone / Dev. Agreement App.	99 days	Tue 10/20/09	Fri 3/6/10																					
10	Commissioners Hearing and Approval	0 days	Tue 10/20/09	Tue 10/20/09																					
11	Finalize Development Agreement	60 days	Mon 12/14/09	Mon 12/14/09																					
12	NEPA Permitting	516 days	Mon 10/13/08	Mon 10/6/10																					
13	Submit BLM ROW Application	0 days	Mon 10/13/08	Mon 10/13/08																					
14	Submit Public Scoping Document	0 days	Wed 1/6/10	Wed 1/6/10																					
15	BLM Public Comment Period	30 days	Wed 3/17/10	Tue 4/27/10																					
16	Submit Final Biological Assessment	0 days	Mon 3/8/10	Mon 3/8/10																					
17	USFWS Review and Issuance of Biological Opinion	60 days	Mon 3/8/10	Mon 3/8/10																					
18	Submit Final EA	0 days	Thu 9/9/10	Thu 9/9/10																					
19	BLM Right of Way Grant and NTP	0 days	Mon 10/4/10	Mon 10/4/10																					
20	EPC Contract	718 days	Tue 9/1/09	Fri 6/1/12																					
21	Issue FNTP to EPC Contractor	0 days	Tue 9/1/09	Tue 9/1/09																					
22	Design / Engineering	400 days	Wed 9/2/09	Tue 3/15/11																					
23	Mobilization to Site / Start Construction	0 days	Mon 6/21/10	Mon 6/21/10																					
24	Construction	510 days	Mon 6/21/10	Fri 6/1/12																					
25	Gas Turbine Delivery	0 days	Mon 12/6/10	Mon 12/6/10																					
26	Steam Turbine Delivery	0 days	Fri 7/29/11	Fri 7/29/11																					
27	Start-up / Commissioning / FIRST FIRE	0 days	Wed 2/29/12	Wed 2/29/12																					
28	Targeted Commercial Operation Date	0 days	Fri 6/1/12	Fri 6/1/12																					
29	Raw Water Supply Line	440 days	Tue 11/24/09	Mon 6/1/11																					
30	Water Line / Pump Station Design	180 days	Tue 11/24/09	Mon 7/5/10																					
31	File for Permits	0 days	Tue 5/25/10	Tue 5/25/10																					
32	Bid Water Pipeline and Pump Station Project	40 days	Tue 7/6/10	Mon 8/30/10																					
33	Water Line / Pump Station Construction	240 days	Tue 8/31/10	Mon 6/1/11																					
34	Raw Water To Site	0 days	Mon 6/1/11	Mon 6/1/11																					
35	Gas Pipeline	430 days	Mon 2/8/10	Fri 9/30/11																					
36	File Interconnection Request	0 days	Mon 10/4/10	Mon 2/8/11																					
37	Gas Pipeline Design	150 days	Mon 10/4/10	Fri 4/29/11																					
38	File for Permits	0 days	Mon 3/21/11	Mon 3/21/11																					
39	Gas Lateral Construction	60 days	Mon 5/30/11	Fri 6/16/11																					
40	Gas Tap and Metering Station Construction	60 days	Mon 7/1/11	Fri 9/30/11																					
41	Complete Gas Pipeline Components	0 days	Fri 9/30/11	Fri 9/30/11																					
42	Transmission	753 days	Fri 6/12/09	Tue 5/1/12																					
43	Transmission Lines	753 days	Fri 6/12/09	Tue 5/1/12																					
44	Design	670 days	Fri 6/12/09	Thu 1/5/12																					
45	Construction of 230-kV to Ontario - Caldwell	90 days	Tue 11/9/10	Mon 3/14/11																					
46	230-kV Loop In-out Service Completed / BLM	0 days	Mon 3/14/11	Mon 3/14/11																					
47	Construction of 138-kV to Caldwell - Willis	150 days	Mon 10/3/11	Fri 4/27/12																					
48	Completion of Caldwell-Willis Tap	0 days	Tue 5/1/12	Tue 5/1/12																					
49	Substation	691 days	Tue 5/1/12	Tue 5/1/12																					
50	Design	283 days	Tue 9/8/09	Thu 10/7/10																					
51	Phase 1 Substation Construction	200 days	Mon 11/9/10	Fri 8/12/11																					
52	Control Wiring, Testing, Commissioning	100 days	Mon 10/17/11	Fri 10/28/11																					
53	Energize Substation	0 days	Mon 10/17/11	Fri 10/28/11																					
54	Backfeed Power to Site	0 days	Fri 10/28/11	Fri 10/28/11																					
55	Phase 2 Substation Construction	150 days	Mon 10/3/11	Fri 4/27/12																					
56	Substation Completion	0 days	Tue 5/1/12	Tue 5/1/12																					

Task

Progress

Milestone

Summary

Project Summary

Deadline