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IDAHO PUBLIC UTILITIES COMMISSION

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November 30, 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 ninth quarterly progress report.

Very truly yours,

Lisa D. Nordstrom

LDN:csb  
Enclosures

**Langley Gulch Power Plant**  
**Quarterly PUC Update**  
**December 1, 2011**

**PROGRESS UPDATE:**

This quarterly update summarizes project costs through October 2011 and tasks associated with the Langley Gulch Power Plant through the end of November 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 installation of above-grade piping for the water treatment equipment, installation of electrical and instrumentation components, steam turbine piping and ancillary steam turbine equipment, pipe heat tracing, insulation, and setting up of the Distributed Control System ("DCS"). The step-up transformers were energized through the switchyard in early November and the contractor continues to energize the smaller permanent transformers on site. Other activities by TIC's subcontractors include finish work on the water treatment building, electrical relay testing, and preparation of equipment start-up. TIC has increased its staff to approximately 175 people on site, which includes its employees and subcontractors. The increased labor is a result of mobilizing its start-up and commissioning team. 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 all of the equipment to the site. Installation of this equipment by TIC is nearly complete, who is currently working on insulation and instrumentation. TIC is preparing for equipment and system flushes. The Sweden-based Siemens group, supplying the steam turbines and generator, has shipped all of the equipment to the site. TIC continues installing the equipment, completing preliminary alignment of the equipment, setting of most of the ancillary equipment, and erecting the enclosures.

**Water Supply Pipeline and Gas Pipeline:**

Construction is complete on the water pipeline and pump station, and water is available to the plant site. Once the plant control system is operating, some communication work remains to synchronize plant and pump station operation.

Construction of the gas lateral pipeline from the Williams Northwest main to the site was completed in July 2011. Construction of the tap and metering station was substantially completed in October 2011. Williams Northwest will return to perform final checkout of its system prior to delivering gas in February 2012.

The water supply and gas pipelines were completed on schedule and within the expected budget.

### **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. Construction of the 2.8 mile 230 kilovolt ("kV") line to the west of the power plant was completed in March 2011 and is currently in operation. The 16.3 mile 138 kV line has been designed and construction has started on the foundations for this line. The 138 kV line is planned to be completed by May 2012.

The substation is being constructed in two phases. Phase 1, which included the ring buss, substation building, and control wiring, has been completed by Idaho Power and was energized in November 2011. Phase 2, which includes the integration of the 138 kV line, is under construction and is scheduled to be complete by May 2012.

Each of these projects remains on schedule and within budget.

### **Langley Local Contractors:**

Idaho Power has requested its contractors use local labor forces as much as possible. Nearly 30 percent of Idaho Power's general contractor's staff (TIC) is local hires. The Langley Gulch Power Plant contractors and engineers have solicited local bids for many project components and materials, including outbuildings like the water treatment and administration, concrete, rebar, block, piping, earthwork, materials testing, aggregate supply, fuel, etc. To date, nearly 150 local businesses have been utilized from Ontario, Oregon, to Rupert, Idaho. The vendor list is attached.

Idaho Power made a conscious decision to bid the other ancillary projects locally (i.e., water pipeline, substation, gas pipeline, etc.). All of these projects were awarded to local companies except for the gas pipeline because no local bids were received.

The Langley Gulch Power Plant will create both short- and long-term job opportunities. The construction work force has averaged approximately 150 workers over the last 16 months, including qualified local electricians, pipefitters, steelworkers, excavators, carpenters, concrete workers, and laborers. Additionally, in the last quarter, Idaho Power completed the hiring of 17 new full-time positions stationed at the Langley Gulch Power Plant.

### **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 October 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: March 2012
- Targeted Commercial Operation Date: June 2012

# Langley Gulch

## Subcontractor / Vendor List

3Di West – Boise, ID  
4T – Payette, ID  
A Company – Boise, ID  
Action Door – Nampa, ID  
Advanced Heating and Cooling – Boise, ID  
Aggregate Construction – Nampa, ID  
Airgas – Nampa, ID  
Allied Barton – Boise, ID  
AME Electric – Caldwell, ID  
American Geotechnics – Boise, ID  
Anderson & Wood – Meridian, ID  
Anvil Fence – Boise, ID  
Applied Graphyx Dennis Lopez – Boise, ID  
Benchmark Electric – New Plymouth, ID  
Big D Builders – Meridian, ID  
Blackstone Security – Boise, ID  
Boise Peterbilt – Boise, ID  
Boise Rigging Supply – Boise, ID  
Bonneville Industrial – Boise, ID  
Bowen Floor Covering – Nampa, ID  
Brown & Caldwell – Boise, ID  
Brundage Bone – Meridian, ID  
Builders Masonry – Meridian, ID  
Burks Tractor – Caldwell, ID  
C T I Corporation – Boise, ID  
Campbell Tractor – Fruitland, ID  
Carrier's Clean All – New Plymouth, ID  
Cesco – Meridian, ID  
CH2MHill – Boise, ID  
Cintas – Nampa, ID  
Clearview Cleaning – Boise, ID  
Cloud Painting – Boise, ID  
CMC Construction Services – Boise, ID  
Concrete Construction Supply – Meridian, ID  
Crane West Inc – Boise, ID  
Crown Industrial, LLC – New Plymouth, ID  
CTA – Boise, ID  
Cummins Rocky Mountain – Boise, ID  
Curtis Clean Sweep Inc – Garden City, ID  
Dominick's Quick Print – Ontario, ID  
Donoho Sand & Gravel – Payette, ID  
Downright Well Drilling – Caldwell, ID  
Duane Bellows Construction – Ontario, OR  
Dusty's Filter Service – Payette, ID  
E C Power Systems – Boise, ID  
Edge Construction Supply – Boise, ID  
Erosion Control Services L T D – Homedale, ID  
Farmers Mutual Telephone Coop. – Fruitland, ID  
Fastenal – Ontario, OR  
Ferguson Pipe Supply – Meridian, ID  
Ferrell Gas – Nampa, ID  
Fluid Connector Products – Meridian, ID  
Franklin Building Supply – Fruitland, ID  
Franklin United Inc – Twin Falls, ID  
G & B Redi Mix – Nampa, ID  
G 2 B Concrete Pumping – Boise, ID  
Garred Automotive – New Plymouth, ID  
Gem State Oil Recovery – Kuna, ID  
Grainger – Boise, ID  
Granite Excavation – Cascade, ID  
Greens Truck Trailer Sales Inc – Boise, ID  
Ground FX – Boise, ID  
H & E Equipment Services – Boise, ID  
H D Supply Waterworks – Meridian, ID  
Hardin Sanitation Inc – Payette, ID  
Harris Rebar – Meridian, ID  
Hiddleston Drilling & Pump Co. - Boise, ID  
High Country Fusion – Boise, ID  
Hilti – ID  
Idaho Concrete – Eagle, ID  
Idaho Electrical – Melba, ID  
Idaho Northern & Pacific Railroad – Emmett, ID  
Idaho Sand & Gravel - Boise, ID  
Idaho Tool & Equipment – Nampa, ID  
Ikon – Meridian, ID  
Inland Crane – Boise, ID  
Inland Foundation Specialties – Boise, ID  
Jenkins Appliances – Caldwell, ID

Jims Heating & Cooling – Caldwell, ID  
JM Roche – Boise, ID  
JUB – Boise, ID  
Keller Associates – Meridian, ID  
Kenworth – Boise, ID  
Lowes Ready Mix Incorporated – Caldwell, ID  
Mason & Stanfield Incorporated – Nampa, ID  
Materials Testing & Inspection – Boise, ID  
Mattson Distributing Co – Boise, ID  
McMillen Engineering – Boise, ID  
Metroquip Inc – Boise, ID  
Nalco – Boise, ID  
Napa Auto Parts – New Plymouth, ID  
Northwest Interiors – Nampa, ID  
Old Castle Precast – Meridian, ID  
Overhead Door Company – New Plymouth, ID  
Pacific Steel Distributors – Nampa, ID  
Pacific Steel Fabricators – Boise, ID  
Paige Mechanical – Boise, ID  
Paradise Excavation – Middleton, ID  
Payette Valley Co-Op – New Plymouth, ID  
Platt Electric Supply – Nampa, ID  
Power Engineers – Boise, ID  
Praxair – Boise, ID  
Probst Electric – Rupert, ID  
Quality Electric Inc. – Boise, ID  
Qwest – Boise, ID  
R&M Steel Co – Caldwell, ID  
Roger Anderson – Boise, ID  
RSC Equipment Rental – Boise, ID  
Safety-Kleen Corp. – Boise, ID  
Safway Scaffold – Boise, ID  
Schofield Equipment & Repair – Emmett, ID  
Sherwin Williams Company – Meridian, ID  
Shilo Sprinkler – Nampa, ID  
Showalter Construction - Marsing, ID

SLA – Meridian, ID  
Specialty Construction – Meridian, ID  
Staker Parson Companies – Nampa, ID  
Star Construction – Star, ID  
Strata – Ontario, OR  
Stunz Lumber - Nyssa, OR  
SYMAN LLC. – Nampa, ID  
Syringa Corp. – Boise, ID  
System Tech Inc – Boise, ID  
T & L Power Equipment & Repair – Boise, ID  
TB Bar Construction – Parma, ID  
Tetra Tech – Boise, ID  
Timberline Surveying – Nampa, ID  
Tom's Motor. ATV & Snowmobile Repair –  
Fruitland, ID  
Tour Ice of Ontario – Ontario, OR  
Track Utilities – Meridian, ID  
Traffic Product & Service – Boise, ID  
Treasure Valley Drilling & Pump – Weiser, ID  
Treasure Valley Fire Extinguish – Meridian, ID  
United Oil – Caldwell, ID  
United Pipe & Supply – Boise, ID  
United Rentals – Boise, ID  
Waddell Plumbing – Boise, ID  
Walker Fox – Meridian, ID  
Wallace Brothers – Caldwell, ID  
West Valley Millwork – Caldwell, ID  
Western Idaho Freightliner – Nampa, ID  
Western Roofing – Nampa, ID  
Western Specialties – Boise, ID  
Western States Cat – Meridian, ID  
Williams Northwest – Meridian, ID  
William-Scotsman Mobile Offices – Nampa, ID  
Woody's Outdoor Power – Caldwell, ID  
YMC – Meridian, ID

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

	<u>October</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	187,789,749	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	4,541,455	8,850,000
Gas Line Construction	3,253,250	3,100,000
Miscellaneous Equipment (Idaho Power supplied)	1,082,334	662,300
Capitalized Property Taxes	741,815	2,881,277
Idaho Power Engineering and Oversight	2,129,847	3,800,000
RFP Pricing Components (includes start-up fuels)	399,303	2,250,000
Transmission	10,333,293	31,679,100
AFUDC	26,830,784	49,259,378
<b>Totals</b>	<b>331,105,861 *</b>	<b>427,366,739 **</b>

\* 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	Ideho PUC Certification Grant	950 days	Mon 10/13/08	Fri 6/11/12																						
3	Air Permitting	0 days	Tue 9/1/09	Fri 9/1/09																						
4	Submit Air Permit to Construct to IDEQ	251 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 3/5/10																						
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 10/4/10																						
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	Fri 5/28/10																						
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	Mon 10/4/10	Mon 10/4/12																						
21	Issue FNTF to EPC Contractor	0 days	Tue 9/1/09	Fri 6/11/12																						
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	Tue 3/6/12	Tue 3/6/12																						
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 8/14/11																						
30	Water Line / Pump Station Design	160 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 8/1/11																						
34	Raw Water To Site	0 days	Mon 8/1/11	Mon 8/1/11																						
35	Gas Pipeline	525 days	Mon 2/8/10	Fri 2/10/12																						
36	File Interconnection Request	0 days	Mon 10/4/10	Mon 4/29/11																						
37	Gas Pipeline Design	150 days	Mon 10/4/10	Mon 3/21/11																						
38	File for Permits	0 days	Mon 5/30/11	Fri 8/19/11																						
39	Gas Lateral Construction	60 days	Mon 7/11/11	Fri 9/30/11																						
40	Gas Tap and Metering Station Construction	0 days	Fri 9/30/11	Fri 9/30/11																						
41	Complete Gas Pipeline Components	0 days	Mon 2/6/12	Fri 2/10/12																						
42	Commissioning (Williams) - When EPC Ready	5 days	Mon 2/6/12	Fri 2/10/12																						
43	Transmission	753 days	Fri 6/12/09	Tue 5/11/12																						
44	Transmission Lines	733 days	Fri 6/12/09	Tue 5/11/12																						
45	Design	670 days	Fri 6/12/09	Mon 1/5/12																						
46	Construction of 230-kV to Ontario - Caldwell	90 days	Tue 11/9/10	Mon 3/14/11																						
47	230-kV Loop In-out Service Completed / BLM	0 days	Mon 3/14/11	Mon 3/14/11																						
48	Construction of 138-kV to Caldwell - Willis	125 days	Mon 11/7/11	Fri 4/27/12																						
49	Completion of Caldwell-Willis Tap	0 days	Tue 5/1/12	Tue 5/1/12																						
50	Substation	691 days	Tue 9/8/09	Thu 10/7/10																						
51	Design	283 days	Tue 9/8/09	Thu 10/7/10																						
52	Phase 1 Substation Construction	200 days	Mon 11/8/10	Fri 8/12/11																						
53	Control Wiring, Testing, Commissioning	100 days	Mon 3/28/11	Mon 8/12/11																						
54	Energize Substation	3 days	Mon 11/7/11	Wed 11/9/11																						
55	Backfeed Power to Site	0 days	Thu 11/10/11	Thu 11/10/11																						
56	Phase 2 Substation Construction	150 days	Mon 10/3/11	Fri 4/27/12																						
57	Substation Completion	0 days	Tue 5/1/12	Tue 5/1/12																						

Task

Progress

Milestone

Summary

Project Summary

Deadline