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IDAHO PUBLIC
UTILITIES COMMISSION

BARTON L. KLINE
Lead Counsel
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November 10, 2009

VIA HAND DELIVERY

Jean D. Jewell, Secretary
Idaho Public Utilities Commission
472 West Washington Street
P.O. Box 83720
Boise, Idaho 83720-0074

Re: Case No. IPC-E-09-31
*IN THE MATTER OF THE APPLICATION OF IDAHO POWER COMPANY
FOR AUTHORITY TO SELL TO RAFT RIVER RURAL ELECTRIC
COOPERATIVE, INC., CERTAIN ELECTRIC DISTRIBUTION FACILITIES
CURRENTLY OWNED BY IDAHO POWER COMPANY*

Dear Ms. Jewell:

Enclosed please find for filing an original and seven (7) copies of Idaho Power Company's Application in the above matter.

Very truly yours,



Barton L. Kline

BLK:csb
Enclosures

BARTON L. KLINE (ISB No. 1526)
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UTILITIES COMMISSION

Attorneys for Idaho Power Company

Street Address for Express Mail:

1221 West Idaho Street
Boise, Idaho 83702

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF IDAHO POWER COMPANY FOR) CASE NO. IPC-E-09-31
AUTHORITY TO SELL TO RAFT RIVER)
RURAL ELECTRIC COOPERATIVE, INC.,) APPLICATION
CERTAIN ELECTRIC DISTRIBUTION)
FACILITIES CURRENTLY OWNED BY)
IDAHO POWER COMPANY.)
_____)

COMES NOW, Idaho Power Company ("Idaho Power" or "Company") and pursuant to Idaho Code § 61-328 and RP 52, hereby requests that the Commission issue its Order approving the sale and assignment by Idaho Power to Raft River Rural Electric Cooperative, Inc. ("Raft River") of certain electrical distribution facilities and appurtenant rights-of-way located in southern Twin Falls County. In support of this Application, Idaho Power hereby states as follows:

I. DESCRIPTION OF THE TRANSACTION

1. Idaho Power is an electric utility subject to the regulation of the Idaho Public Utilities Commission ("Commission"). Raft River is a non-profit cooperative electrical corporation, incorporated under the laws of the state of Idaho, providing retail electric service to its members in the states of Idaho, Utah, and Nevada. Raft River is based in Malta, in Cassia County, Idaho. Raft River serves customers in Idaho, Utah, and Nevada. Raft River is not subject to regulation by the Commission.

2. On November 14, 2000, Idaho Power and Raft River filed a Joint Application requesting Commission approval for the sale to Raft River of certain Idaho Power electrical distribution facilities in southern Owyhee County, Idaho. The Application requested authority to sell the distribution facilities and other electric assets at net book cost. The total net value for the facilities located in Idaho that were sold to Raft River was approximately \$80,000.00. In Order No. 28631, Case No. IPC-E-00-17. The Commission approved the Application on February 1, 2001. At the time of the sale, Raft River chose not to purchase all of the line running from the Border substation to the Raft River service territory. Raft River opted to purchase only that portion of the line located in the state of Nevada. The Company refers to this particular line in its books and records as the "Border 011 Feeder." Since the sale was closed, Idaho Power has been operating and maintaining the Idaho portion of the line. This line is used solely to serve Raft River and is classified as a dedicated distribution primary facility. The wholesale transportation of energy across the Border 011 Feeder to Raft River is subject to FERC jurisdiction. In 2001, Idaho Power established a wholesale Distribution Primary Rate which assigns users of Distribution Primary a load ratio share of Distribution Primary facility costs. Idaho Power's average

feeder length is 29 miles; consequently, the charges assigned to the Raft River in the FERC jurisdiction significantly exceed the costs associated with this dedicated feeder. To help restore a reasonable cost causation balance for Raft River, Idaho Power has agreed to sell the remaining 1.5 miles of the Border 011 Feeder, which is the portion of the feeder running from the Idaho/Nevada border to the Border substation located in Idaho. The purchase price to be paid by Raft River will be based on the same valuation as before, which is the net book cost as valued on Idaho Power's books and records immediately prior to the closing date adjusted for income tax impacts. Idaho Power estimates that the sale price will be approximately \$72,000.00, including a tax gross-up. A map showing the location of the line segment and a brief description of the equipment to be sold is enclosed as Attachment No. 1.

3. The assets being transferred by Idaho Power are distribution facilities, including appurtenant right-of-way permits. No generation facilities, bulk transmission facilities, or hydroelectric water rights are being sold or transferred to Raft River.

4. Idaho Power does not use the 1.5 miles of line being sold to Raft River to serve any retail customers.

II. NOTICES

5. Communications with reference to this Application should be sent to the following:

Idaho Power Company
Barton L. Kline
Idaho Power Company
P.O. Box 70
Boise, Idaho 83707
bkline@idahopower.com

and

Raft River
Jerry R. Rigby
Rigby, Andrus & Rigby, Chartered
P.O. Box 250
25 North Second East
Rexburg, Idaho 83440

and

John R. Gale
Vice President, Regulatory Affairs
Idaho Power Company
P.O. Box 70
Boise, Idaho 83707
rgale@idahopower.com

Heber Carpenter
General Manager
Raft River Rural Electric
Cooperative, Inc.
P.O. Box 617
Malta, Idaho 83342

III. PROCEDURAL

6. Idaho Power hereby requests that this case be processed on modified procedure. Because of the small size of this transaction and the fact that none of Idaho Power's retail customers receive service off of the portion of the Border 011 Feeder to be transferred to Raft River, modified procedure is appropriate.

IV. CONCLUSION

7. Idaho Power respectfully requests that the Commission issue its Order, consistent with Idaho Code § 61-328 and RP 52, (1) approving Idaho Power's sale of the assets described herein; and (2) finding that the sale of the asset is consistent with the public interest; and (3) finding that the costs of and rates of existing electric service in the state of Idaho will not be increased by reason of such transaction; and (4) that Raft River has the bona fide intent and financial ability to operate and maintain the transferred assets in the public service; and (5) finding that because no hydropower water rights will be conveyed or assigned, a review by the Department of Water Resources under § 42-1701(6) Idaho Code is not required.

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**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

CASE NO. IPC-E-09-31

IDAHO POWER COMPANY

ATTACHMENT NO. 1

The power line that is authorized under BLM grant IDI-20969 will be partially assigned to Raft River Electric Co-op. The portion from the Point of Beginning to Point A will be removed from the grant and authorized separately to Raft River. The portion from Point A to the Point of Terminus will remain in IDI-20969, and Raft River will acquire their own BLM grant for that portion.

A strip of land twenty (20) feet wide, being ten (10) feet on each side of a centerline and located in
Lots 3 and 7, Section 35;
SE $\frac{1}{4}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ W $\frac{1}{2}$, Section 26;
SW $\frac{1}{4}$ SW $\frac{1}{4}$, Section 23
SE $\frac{1}{4}$ SE $\frac{1}{4}$, Section 22
All in Township 16 South, Range 15 East, B.M., Twin Falls County, Idaho.

Said centerline is more particularly described as follows:

Commencing at a brass cap marking the Southwest corner of Section 35, thence South 89°10'35" East 1357.09 feet to the REAL POINT OF BEGINNING;

Thence North 01°25'39" West 183.60 feet;
Thence North 03°32'38" West 310.39 feet;
Thence North 05°16'03" West 325.83 feet;
Thence North 07°26'22" West 334.76 feet;
Thence North 09°24'22" West 363.54 feet;
Thence North 11°18'00" West 291.94 feet;
Thence North 11°59'56" West 321.70 feet;
Thence North 14°04'03" West 2943.95 feet;
Thence North 12°40'30" West 282.99 feet;
Thence North 07°40'46" West 281.82 feet;
Thence North 02°27'07" West 282.33 feet;
Thence North 01°16'43" West 1298.15 feet to Point A;
Thence North 88°04'25" West 250.00 feet
Thence North 50 feet to the Point of Terminus.

This Description checked by DA.

Border 011 Feeder

The facility to be transferred includes the conductor from the Border Substation fence to the Idaho-Nevada Border, approximately:

- 30,000 feet of 795 kcmil and 336 kcmil aluminum conductor;
- 30 poles and crossarms;
- 102 34.5 kV insulators; and
- 3 cone Anchors.

Border 011 Feeder jointly uses 4 poles near the Border substation with Border 012 Feeder, which Idaho Power will retain. Idaho Power will continue to own and maintain these four poles and associated crossarms. The parties agree that any improvements in these poles will be borne by the requesting party.