

DECISION MEMORANDUM

TO: COMMISSIONER KEMPTON
COMMISSIONER SMITH
COMMISSIONER REDFORD
COMMISSION SECRETARY
COMMISSION STAFF
LEGAL

FROM: NEIL PRICE
DEPUTY ATTORNEY GENERAL

DATE: DECEMBER 10, 2009

SUBJECT: IDAHO POWER COMPANY'S APPLICATION FOR AUTHORITY TO
SELL TO RAFT RIVER RURAL ELECTRIC COOPERATIVE, INC.
CERTAIN ELECTRIC DISTRIBUTION FACILITIES CURRENTLY
OWNED BY IDAHO POWER, CASE NO. IPC-E-09-31

On November 10, 2009, Idaho Power Company ("Idaho Power" or "Company") filed an Application with the Commission for authority, pursuant to *Idaho Code* § 61-328 and RP 52, to sell to Raft River Electric Cooperative, Inc. ("Raft River") certain electric distribution facilities and appurtenant rights-of-way owned by Idaho Power in southern Twin Falls County, Idaho.

THE APPLICATION

Idaho Power states that "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." *Application* at 2. Raft River is headquartered in Malta, Cassia County, Idaho and serves customers in Idaho, Utah, and Nevada. *Id.* "Raft River is not subject to regulation by the Commission." *Id.*

In the proposed transaction, Idaho Power has agreed to sell to Raft River the portion of the Border 011 Feeder Line ("Feeder Line") located in the State of Idaho. *Id.* In its Application, Idaho Power cites to the approval of its Joint Application in IPC-E-00-17 wherein Raft River acquired the portion of the Feeder Line located in the State of Nevada as part of the transaction pertaining to the sale of "certain Idaho Power electrical distribution facilities in southern Owyhee County, Idaho." *Id.*; *see also* Order No. 28631. The Feeder Line is "used

solely to serve Raft River and is classified as a dedicated distribution primary facility.” *Id.* The wholesale transportation of energy across the Feeder Line to Raft River’s facilities is subject to FERC jurisdiction. *Id.*

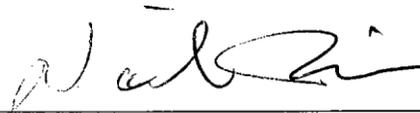
Idaho Power’s method of valuation for the Feeder Line, including appurtenant right-of-way permits, “will be . . . the net book cost as valued on Idaho Power’s books and records immediately prior to the closing date adjusted for income tax impacts.” *Id.* at 3. “Idaho Power estimates that the sale price will be approximately \$72,000.00, including a tax gross-up.” *Id.* Idaho Power does not use the Feeder Line to serve any retail customers. *Id.*

STAFF RECOMMENDATION

Staff has reviewed Idaho Power’s Application and recommends that it be processed through Modified Procedure with a corresponding 21-day comment period. *See* IDAPA 31.01.01.201-204.

COMMISSION DECISION

Does the Commission wish to process Idaho Power’s Application through Modified Procedure with a 21-day comment period?



Neil Price
Deputy Attorney General

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