

Peter J. Richardson ISB # 3195
Gregory M. Adams ISB # 7454
RICHARDSON ADAMS, PLLC
515 N. 27th Street
Boise, Idaho 83702
Telephone: (208) 938-2236
Fax: (208) 938-7904
peter@richardsonadams.com
greg@richardsonadams.com

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IDAHO PUBLIC
UTILITIES COMMISSION

Attorneys for the J. R. Simplot Company

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE)
APPLICATION OF THE J. R. SIMPLOT) **CASE NO. IPC-E-13-17**
COMPANY TO PURCHASE AND)
ASSUME OWNERSHIP OF CERTAIN) APPLICATION AND REQUEST TO
IDAHO POWER OWNED FACILITIES) DETERMINE PRICE AND REQUEST
AND TO SET A PURCHASE PRICE) FOR MODIFIED PROCEDURE
THEREFORE)

COMES NOW the J. R. Simplot Company (“Simplot”) and pursuant to Rule 52 of the Rules of Procedure of the Idaho Public Utilities Commission (“Commission”) and pursuant to Idaho Code § 61-328, and applies for the approval of its purchase and acquisition of certain assets owned by the Idaho Power Company (“Idaho Power” or “Company”) that are located at Simplot’s potato processing facility at Caldwell, Idaho (the “Plant”) and to set a price for said purchase.

In support of this Application, Simplot respectfully submits the following:

Idaho Power provides electrical service to Simplot pursuant to Idaho Power Rate Schedule 19. Some of the service is provided with Facilities Beyond the Point of Delivery (“Company Owned Facilities”) in the Plant. The Company Owned Facilities at issue in this matter are identified on the spread sheet attached hereto as Exhibit One. Exhibit One is an inventory of each individual Company Owned Facility under discussion, its age, initial

investment amount, and remaining book value, if any.

Simplot is closing the Plant and is in the process of constructing a modern state of the art potato processing facility immediately adjacent to the existing Plant. As part of the process of closing the Plant, Simplot has offered to purchase some (listed on Exhibit 1) of the Company Owned Facilities at a price equal to net book value minus overpayments made on fully depreciated Facilities over the years. The Company and Simplot agree on the calculation of the net book value of the facilities that Simplot wants to purchase at approximately \$119,725. Simplot has calculated the overpayment it has made to the Company at \$33,815. Simplot therefore offered to purchase the Company Owned Facilities listed on Exhibit 1 for a price of \$85,910. A copy of Simplot's offer to purchase is attached at Exhibit Two.¹

Prior to sending the offer letter to Idaho Power, Simplot and the Company engaged in several lengthy meetings in an attempt to arrive at a mutually agreeable purchase price. However, the parties were unable to agree on a price. Idaho Power offered to sell the facilities at a price of \$272,928. Attached as Exhibit Three is Idaho Power's offer showing how it arrived at a price over twice the net book value of the facilities. Regardless, however, of the value Simplot placed on the facilities or the value Idaho Power places on the facilities, the ultimate decision-maker for determining the value is this Commission. In Order No. 32426, in Idaho Power's last general rate case, the Commission made clear:

We are persuaded by the testimony offered by the ICIP and other witnesses that customers ought to be provided with an option to purchase distribution facilities dedicated to their specific use and located on their premises. The Company conceded in its rebuttal testimony that customers ought to be able to purchase certain facilities in certain situations. In particular, if a customer wants to bear the responsibility of operating, maintaining and replacing such facilities, then we believe there ought to be an opportunity for the customer to purchase the assets on a case-by-case basis. Pursuant to

¹ Note that although a date was inadvertently left off the letter, it was sent to the Company on February 25, 2013.

Idaho Code § 61-328, a proceeding to determine the value of such facilities would be necessary.²

Simplot has informed Idaho Power that it is willing to bear the responsibility of operating, maintaining and replacing its facilities and hence is in full compliance with the Commission's directive.

While the Commission's order provides that a proceeding is required for determining the value of the facilities to be purchased, there is ample Commission precedent providing direction to the parties as to price when a customer seeks to purchase Company Owned Facilities.

SUN VALLEY VILLAGE

In the Sun Valley Village case³ Sinclair Oil Corporation (the owner of the Sun Valley Resort) purchased Company Owned Facilities located inside the Sun Valley compound for book value plus the cost of Idaho Power's necessary engineering work. The Commission's order approving the sales price of \$135,533 did not specifically identify that value as book value. However, Staff's Comments in that docket went into great detail as to how the purchase price was derived:

Idaho Power is proposing to sell the Sun Valley Company the aforementioned facilities for \$135,533, which is book value. The price is revenue neutral from Idaho Power's point of view, and Idaho Power will realize neither a gain nor a loss on the sale.⁴

The Commission recognized, in the Sun Valley case, that the sale of Company Owned Facilities will result in reduced revenue due the termination of facilities charge payments by the Sun Valley Company. It ruled however, that even though the sale resulted in reduced income to Idaho Power Company, the amount of lost revenue due the sale was *de minimus*. It therefore

² Docket No. IPC-E-11-08, at page 32. Emphasis provided.

³ *In the Matter of the Joint Application of Idaho Power and Sinclair Oil Corporation for the Sale and Transfer of Certain Utility Owned Facilities* Case No. IPC-E-05-16 Order No. 29864

⁴ Staff Comments, Docket No. IPC-E-05-16 p 5.

concluded that a *de minimus* loss of revenues is, in fact, a neutral event that is not in contravention of Idaho Code § 61-328:

Staff calculated that Idaho power will experience a net decrease in operating income of approximately \$4,184 per month, or \$50,208 per year. This reduction in annual revenue is *de minimus* (approximately 0.0096% of its jurisdictional revenue).⁵

Based on its finding that \$50,208 annual lost revenues is a *de minimus* event, the Commission concluded that:

Based upon our review of the Application and Staff's comments, we approve the sale and transfer of the identified distribution facilities. We find that this transaction meets the requirements of *Idaho Code* § 61-328

The book value of the Company Owned Facilities at Simplot's Plant, at issue in this case, is actually significantly less than the book value of the Sun Valley Village Company Owned Facilities (\$119,000 versus \$135,000). In addition, the Company's overall revenues have substantially increased in the intervening eight years making the *percentage* reduction in annual revenues much smaller than the *de minimus* 0.0096% reduction caused by Sun Valley's purchase of the Company Owned Facilities in that case.

RAFT RIVER COOPERATIVE

In the Raft River case,⁶ Idaho Power sold one and a half miles of distribution line to Raft River at book value. The Commission noted that Idaho Power would lose unspecified income due to the sale because Raft would be free of paying FERC-established wheeling charges on the line once the purchase was finalized. Despite that fact the Commission stated:

Staff reviewed the Company's documentation regarding the valuation [book value] of the property to be sold to Raft River and "found the valuation to be reasonable." Staff believes that, similar to the Commission's ultimate finding in Case No. IPC-E-00-17,

⁵ Order No. 29864 pp. 2 – 3.

⁶ *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* Docket No. IPC-E-09-13.

“the current proposed sale of the Border 011 Feeder Line is also in the public interest as it better assigns the responsibility to maintain the line to Raft River and its customers served by the line.”⁷

There was no calculation of the lost revenues experienced by Idaho Power in the Raft River case, just an ultimate finding that the sale “will not have a detrimental impact on the Company’s rates.”⁸

LEGAL ANALYSIS

Pursuant to Idaho Code § 61-328, an electric utility must obtain approval from the Commission in order to sell or transfer ownership in any distribution (as well as generation and transmission) plant. Section 328 provides:

(1) No electric public utility or electric corporation as defined in chapter 1, title 61, Idaho Code, owning, controlling or operating any property located in this state which is used in the generation, transmission, distribution or supply of electric power and energy to the public or any portion thereof, shall merge, sell, lease, assign or transfer, directly or indirectly, in any manner whatsoever, any such property or interest therein, or the operation, management or control thereof, or any certificate of convenience and necessity or franchise covering the same, except when authorized to do so by order of the public utilities commission.

(2) The electric public utility or electrical corporation shall file a verified application setting forth such facts as the commission shall prescribe or require. The commission shall issue a public notice and shall conduct a public hearing upon the application.

(3) Before authorizing the transaction, the public utilities commission shall find:

- (a) That the transaction is consistent with the public interest;
- (b) That the cost of and rates for supplying service will not be increased by reason of such transaction; and
- (c) That the applicant for such acquisition or transfer has the bona fide intent and financial ability to operating and maintain said property in the public service.

The applicant shall bear the burden of showing that standards listed above have been satisfied.

Is the transaction consistent with the public interest?

⁷ Order No. 30993 p. 2.

⁸ Id. at p. 3.

As Idaho Power will be made whole with Simplot's payment of book value, minus overpayments, the transaction is in the public interest. Furthermore by facilitating the Caldwell Plant's closure and opening of the new modern facility the public's interest, as embodied by this Idaho Power customer, will be advanced.

Will the cost of and rates for supplying service be increased by the sale?

As discussed above, the lost revenue impact is well within the Commission's *de minimus* test and therefore a finding that there is no revenue or service impact due to the transaction is more than warranted.

Does the purchaser have the bona fide intent and financial ability to operate and maintain said property in the public service?

There is no question that the J. R. Simplot Company has the "bone fide" intent to operate and maintain said property. It currently operates and maintains similar property in its many industrial facilities around the world. There also is no question that the J. R. Simplot Company has the "financial ability" to operate and maintain said property.

Said facilities will not, strictly speaking, be used in public service as that term is typically used in the public utility context. Because the J. R. Simplot Company is not a public utility, the purchased facilities will be used in Simplot's new facility or in other industrial sites owned by Simplot. That said, the "public service" requirement has been waived by this Commission in prior proceedings.⁹ For example in 1993, Idaho Power sold its turbine electric generator in Hailey, Idaho to Longview Fiber for use in Longview's paper mill in Longview, Washington. Clearly moving the generator to Washington State for private use in a paper mill does not meet

⁹ *In the Matter of the Application of Idaho Power Company for Authority to Sell its Hailey Turbine Electric Generator* IPC-E-92-9.

the requirement to “operate and maintain said property in the public service” in Idaho. In that case the Commission stated:

Resolution of this issue depends upon an interpretation of the phrases “bone fide intent,” “financial ability” and “in the public service.” We believe that it was not the intent of the Idaho Legislature, in drafting § 61-328, that an electric utility operating in Idaho never be allowed to sell electric generating plant to a purchaser who will ultimately use that plant outside of the State...

The Hailey Turbine, for all practical purposes, has been rendered economically obsolete to Idaho Power and its ratepayers. The sale of the turbine should have absolutely no effect on the quality of service customers currently receive. Therefore, we find that the statute does not require that the plant continue to be operated in Idaho Power’s service territory or within the State of Idaho.¹⁰

As in the Hailey Turbine Case, the sale of the Company Owned Facilities will have absolutely no adverse impact (either on rates or service) on Idaho Power’s other ratepayers.

Furthermore in Idaho Power’s most recent rate case, as quoted earlier, this Commission clearly contemplated the sale of company owned facilities to the customer for the customer’s own private use:

We are persuaded by the testimony offered by the ICIP and other witnesses that customers ought to be provided with an option to purchase distribution facilities dedicated to their specific use and located on their premises. The Company conceded in its rebuttal testimony that customers ought to be able to purchase certain facilities in certain situations. In particular, if a customer wants to bear the responsibility of operating, maintaining and replacing such facilities, then we believe there ought to be an opportunity for the customer to purchase the assets on a case-by-case basis. Pursuant to *Idaho Code* § 61-328, a proceeding to determine the value of such facilities would be necessary.¹¹

The instant application is wholly consistent with prior Commission precedent and Idaho Code § 61-328.

PRAYER FOR RELIEF

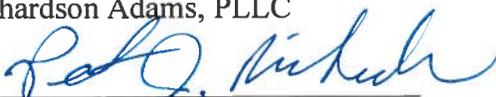
¹⁰ Order No. 24676 at p. 6

¹¹ Order No. 32426, supra at p. 32, emphasis provided.

WHEREFORE, the J. R. Simplot Company respectfully requests this Commission process this Application under modified procedure without hearing. Should the Commission decide a hearing is required your Applicant stands ready to provide testimony and exhibits in support hereof.

RESPECTFULLY SUBMITTED this 16th day of July 2013

Richardson Adams, PLLC

By 

Peter J. Richardson
J. R. Simplot Company

CERTIFICATE OF SERVICE

I hereby certify that on 17th day of May 2013, copies of the foregoing Application of the J. R. Simplot Company was delivered to:

Julia Hilton
Lisa Nordstrom
Idaho Power Company
1221 West Idaho
Boise, Idaho 83702

Scott Wright
Gregory Said
Idaho Power Company
1221 West Idaho
Boise, Idaho 83702

Jean Jewel
Secretary
Idaho Public Utilities Com'n
472 West Idaho
Boise, Idaho 83702



Nina Curtis
Administrative Assistant

Peter J. Richardson ISB # 3195
Gregory M. Adams ISB # 7454
RICHARDSON ADAMS, PLLC
515 N. 27th Street
Boise, Idaho 83702
Telephone: (208) 938-2236
Fax: (208) 938-7904
peter@richardsonandoleary.com
greg@richardsonandoleary.com

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AND TO SET A PURCHASE PRICE)
THEREFORE)

CASE NO. IPC-E-13- 17

Exhibit 1; "Facilities Investment – J.R. Simplot Company – Caldwell"

FACILITIES INVESTMENT

J R Simplot Company - Caldwell

Remove/Keep	Description	Device#	KVA	Map Comment	YEAR	Investment	Age	Remaining book value	New facility charge
K	Switch - Padmount	ST18		ST18	1986	11,121.54	27	\$ 1,112	\$ 1,881.76
K	Switch - Padmount	ST13		ST13 PME9	1975	4,407.65	38	\$ -	\$ 312.06
K	Transformer - OH 1PH (0-15) KVA		15A\15B\15C	3-15KVA ON P16	1973	263.62	40	\$ -	\$ 18.66
K	Transformer - OH 1PH (0-15) KVA		15A\15B\15C	3-15KVA ON P16	1988	836.55	25	\$ 139	\$ 141.54
K	Transformer - OH 1PH (0-15) KVA		15A\15B\15C	3-15KVA ON P16	1973	263.62	40	\$ -	\$ 18.66
K	Transformer - OH 1PH (0-15) KVA		15A\15B	2-15 ON P20	1988	836.55	25	\$ 139	\$ 141.54
K	Transformer - OH 1PH (0-15) KVA		15A\15B	2-15 ON P20	1945	249.17	68	\$ -	\$ 17.64
K	Transformer - OH 1PH (0-15) KVA		15B\15A\15C	3-15kv ON P31	1956	269.69	57	\$ -	\$ 19.09
K	Transformer - OH 1PH (0-15) KVA		15B\15A\15C	3-15kv ON P31	1986	842.26	27	\$ 84	\$ 142.51
K	Transformer - OH 1PH (0-15) KVA		15B\15A\15C	3-15kv ON P31	1968	269.69	45	\$ -	\$ 19.09
K	Transformer - OH 1PH (0-15) KVA		15A\15B\15C	ON POLE 37	1970	279.12	43	\$ -	\$ 19.76
K	Transformer - OH 1PH (0-15) KVA		15A\15B\15C	ON P37	1970	279.12	43	\$ -	\$ 19.76
K	Transformer - OH 1PH (0-15) KVA		15A\15B\15C	ON P37	1971	251.27	42	\$ -	\$ 17.79
K	Transformer - OH 1PH (16-49) KVA		25A\25C	2-25KVA ON P25	1995	722.47	18	\$ 289	\$ 122.24
K	Transformer - OH 1PH (16-49) KVA		25A\25C	2-25KVA ON P25	1964	326.69	49	\$ -	\$ 23.13
K	Transformer - OH 1PH (16-49) KVA		25A\25B\25C	3-25KVA ON P17	1965	393.75	48	\$ -	\$ 27.88
K	Transformer - OH 1PH (16-49) KVA		25A\25B\25C	3-25KVA ON P17	1989	793.52	24	\$ 159	\$ 134.26
K	Transformer - OH 1PH (16-49) KVA		25A\25B\25C	3-25KVA ON P17	1989	793.52	24	\$ 159	\$ 134.26
K	Transformer - OH 1PH (50-74) KVA		50A\50B\50C	50KVA ON P35	1989	1,312.78	24	\$ 263	\$ 222.12
K	Transformer - OH 1PH (50-74) KVA		50A\50B\50C	50KVA ON P35	1989	1,312.78	24	\$ 263	\$ 222.12
K	Transformer - OH 1PH (50-74) KVA		50A\50B\50C	50KVA ON P35	1989	1,312.78	24	\$ 263	\$ 222.12
K	Transformer - OH 1PH (50-74) KVA		50A\50C\50B	3-50KVA P14	1988	1,326.76	25	\$ 221	\$ 224.49
K	Transformer - OH 1PH (50-74) KVA		50A\50C\50B	3-50KVA P14	1988	1,326.76	25	\$ 221	\$ 224.49
K	Transformer - OH 1PH (50-74) KVA		50A\50C\50B	3-50KVA P14	1988	1,326.76	25	\$ 221	\$ 224.49
K	Transformer - OH 1PH (50-74) KVA		50A\50B\50C	50KVA ON P28	1961	582.86	52	\$ -	\$ 41.27
K	Transformer - OH 1PH (50-74) KVA		50A\50B\50C	50KVA ON P28	1974	527.08	39	\$ -	\$ 37.32
K	Transformer - OH 1PH (50-74) KVA		50A\50B\50C	50KVA ON P28	1974	527.08	39	\$ -	\$ 37.32
K	Transformer - OH 1PH (50-74) KVA		50A 50B 50C	50KVA ON P28	2009	1,874.61	4	\$ 1,625	\$ 317.18
K	Transformer - OH 1PH (50-74) KVA		25A\25B\50C	BANK ON P30	1953	532.10	60	\$ -	\$ 37.67
K	Transformer - OH 1PH (50-74) KVA		50B\50C\50A	50KVA ON P32	1985	1,219.91	28	\$ 81	\$ 206.41
K	Transformer - OH 1PH (50-74) KVA		50B\50C\50A	50KVA ON P32	1985	1,219.91	28	\$ 81	\$ 206.41
K	Transformer - OH 1PH (50-74) KVA		50B\50C\50A	50KVA ON P32	1985	1,219.91	28	\$ 81	\$ 206.41
K	Transformer - OH 1PH (50-74) KVA		50A\50B\50C	50KVA ON P34	1997	1,197.60	16	\$ 559	\$ 202.63
K	Transformer - OH 1PH (50-74) KVA		50A\50B\50C	50KVA ON P34	1997	1,197.60	16	\$ 559	\$ 202.63

Remove/Keep	Description	Devices#	KVA	Map Comment	YEAR	Investment	Age	Remaining book value	New facility charge
K	Transformer - OH 1PH (50-74) KVA		50A\50B\50C	50KVA ON P34	1997	1,197.60	16 \$	559 \$	202.63
K	Transformer - OH 1PH (50-74) KVA.		50B\50C\50A	50KVA ON P33	1984	1,387.52	29 \$	46 \$	234.77
K	Transformer - OH 1PH (50-74) KVA.		50B\50C\50A	50KVA ON P33	1983	1,278.32	30 \$	- \$	216.29
K	Transformer - OH 1PH (50-74) KVA.		50B\50C\50A	50KVA ON P33	1983	1,278.32	30 \$	- \$	216.29
K	Transformer - OH 1PH (75-99) KVA.		75A\75B\75C	ON P36	1990	1,559.09	23 \$	364 \$	263.80
K	Transformer - OH 1PH (75-99) KVA.		75A\75B\75C	ON P-36	1990	1,559.09	23 \$	364 \$	263.80
K	Transformer - OH 1PH (75-99) KVA.		75A\75B\75C	ON P36	1990	1,559.09	23 \$	364 \$	263.80
K	Transformer - OH 1PH (75-99) KVA.		75B\75C\75A	3-75KVA ON P26	1986	2,100.20	27 \$	210 \$	355.35
K	Transformer - OH 1PH (75-99) KVA.		75B\75C\75A	3-75KVA ON P26	1986	2,100.20	27 \$	210 \$	355.35
K	Transformer - OH 1PH (75-99) KVA.		75B\75C\75A	3-75KVA ON P26	1988	1,901.05	25 \$	317 \$	321.66
K	Transformer - OH 1PH (75-99) KVA.		75A\75B\75C	3-75KVA ON P18	1997	1,472.25	16 \$	687 \$	249.10
K	Transformer - OH 1PH (75-99) KVA.		75A\75B\75C	3-75KVA ON P18	1997	1,472.25	16 \$	687 \$	249.10
K	Transformer - OH 1PH (75-99) KVA.		75A\75B\75C	3-75KVA ON P18	1997	1,472.25	16 \$	687 \$	249.10
K	Transformer - OH 1PH (100-166) KVA.		100A 100B 100C	3-100KVA P39	2012	2,722.47	1 \$	2,632 \$	460.64
K	Transformer - OH 1PH (100-166) KVA.		100A 100B 100C	3-100KVA P39	2012	2,722.47	1 \$	2,632 \$	460.64
K	Transformer - OH 1PH (100-166) KVA.		100A 100B 100C	3-100KVA P39	2012	2,722.47	1 \$	2,632 \$	460.64
K	Transformer - OH 1PH (100-166) KVA.		100A 100B 100C	3-100KVA P39	2012	2,722.47	1 \$	2,632 \$	460.64
K	Transformer - Padmount 3PH (112-166) KVA.	ST38	150ABC	ST38	1982	6,960.31	31 \$	- \$	1,177.68
K	Transformer - Padmount 3PH (112-166) KVA.	ST40	150ABC	ST40	1997	6,056.15	16 \$	2,826 \$	1,024.70
K	Transformer - Padmount 3PH (167-499) KVA.	ST37	300ABC	ST37	1989	8,227.48	24 \$	1,645 \$	1,392.09
K	Transformer - Padmount 3PH (500-1499) KVA.	ST28	500ABC	ST28	1988	11,871.42	25 \$	1,979 \$	2,008.64
K	Transformer - Padmount 3PH (500-1499) KVA.	ST27	1000ABC	ST27	1970	7,692.34	43 \$	- \$	544.62
K	Transformer - Padmount 3PH (500-1499) KVA.	ST33	1000ABC	ST33	1970	7,655.67	43 \$	- \$	542.02
K	Transformer - Padmount 3PH (500-1499) KVA.	ST29	500ABC	ST29	1980	6,642.02	33 \$	- \$	470.26
K	Transformer - Padmount 3PH (500-1499) KVA.	ST41	500ABC	ST41	2008	19,259.13	5 \$	16,049 \$	3,258.64
K	Transformer - Padmount 3PH (500-1499) KVA.	ST39	500ABC	ST39	1980	6,642.02	33 \$	- \$	470.26
K	Transformer - Padmount 3PH (500-1499) KVA.	ST31	1000ABC	ST31	2008	24,610.19	5 \$	20,508 \$	4,164.04
K	Transformer - Padmount 3PH (500-1499) KVA.	ST42	500ABC	ST42	2009	13,882.55	4 \$	12,032 \$	2,348.93
K	Transformer - Padmount 3PH (1500-2499) KVA	ST36	1500ABC	ST36	1984	21,375.28	29 \$	713 \$	3,616.70
K	Transformer - Padmount 3PH (1500-2499) KVA	ST19	1500ABC	ST19	2009	32,142.68	4 \$	27,857 \$	5,438.54
K	Transformer - Padmount 3PH (1500-2499) KVA and larger	ST20	2500ABC	ST20	1995	31,862.22	18 \$	12,745 \$	5,391.09
K	Switch - Fused Cut-Out		50A\50B\50C	ON P35	1989	78.16	24 \$	16 \$	13.22
K	Switch - Fused Cut-Out		50A\50B\50C	ON P35	1989	78.16	24 \$	16 \$	13.22
K	Switch - Fused Cut-Out		50A\50B\50C	ON P35	1989	78.16	24 \$	16 \$	13.22
K	Switch - Fused Cut-Out		75A\75B\75C	ON P36	1990	80.60	23 \$	19 \$	13.64
K	Switch - Fused Cut-Out		75A\75B\75C	ON P36	1990	80.60	23 \$	19 \$	13.64
K	Switch - Fused Cut-Out		75A\75B\75C	ON P36	1990	80.60	23 \$	19 \$	13.64
K	Switch - Fused Cut-Out.		15A\15B\15C	3-15KVA ON P16	1973	86.63	40 \$	- \$	6.13

Remove/Keep	Description	Devices#	KVA	Map Comment	YEAR	Investment	Age	Remaining book value	New facility charge
K	Switch - Fused Cut-Out		15A\15B\15C	3-15KVA ON P16	1973	86.63	40 \$	-	\$ 6.13
K	Switch - Fused Cut-Out		15A\15B\15C	3-15KVA ON P16	1988	81.17	25 \$	14	\$ 13.73
K	Switch - Fused Cut-Out		25A\25B\25C	3-25KVA ON P17	1965	52.98	48 \$	-	\$ 3.75
K	Switch - Fused Cut-Out		25A\25B\25C	3-25KVA ON P17	1989	80.53	24 \$	16	\$ 13.63
K	Switch - Fused Cut-Out		25A\25B\25C	3-25KVA ON P17	1989	80.53	24 \$	16	\$ 13.63
K	Switch - Fused Cut-Out		15A\15B	ON P20	1945	9.49	68 \$	-	\$ 0.67
K	Switch - Fused Cut-Out		15A\15B	ON P20	1988	81.17	25 \$	14	\$ 13.73
K	Switch - Fused Cut-Out		75A\75B\75C	3-75 ON P18	1997	87.54	16 \$	41	\$ 14.81
K	Switch - Fused Cut-Out		75A\75B\75C	3-75 ON P18	1997	87.54	16 \$	41	\$ 14.81
K	Switch - Fused Cut-Out		75A\75B\75C	3-75 ON P18	1997	87.54	16 \$	41	\$ 14.81
K	Switch - Fused Cut-Out		50A\50B\50C	ON P28	1970	86.63	43 \$	-	\$ 6.13
K	Switch - Fused Cut-Out		50A\50B\50C	ON P28	1976	86.63	37 \$	-	\$ 6.13
K	Switch - Fused Cut-Out		50A\50B\50C	ON P28	1984	114.60	29 \$	4	\$ 19.39
K	Switch - Fused Cut-Out		50B\50C\50A	ON P32	1985	117.44	28 \$	8	\$ 19.87
K	Switch - Fused Cut-Out		50B\50C\50A	ON P32	1985	117.44	28 \$	8	\$ 19.87
K	Switch - Fused Cut-Out		50B\50C\50A	ON P32	1985	117.44	28 \$	8	\$ 19.87
K	Switch - Fused Cut-Out		50B\50C\50A	ON P32	1985	117.44	28 \$	8	\$ 19.87
K	Switch - Fused Cut-Out		50A\50B\50C	ON P34	1997	87.54	16 \$	41	\$ 14.81
K	Switch - Fused Cut-Out		50A\50B\50C	ON P34	1997	87.54	16 \$	41	\$ 14.81
K	Switch - Fused Cut-Out		50A\50B\50C	ON P34	1997	87.54	16 \$	41	\$ 14.81
K	Switch - Fused Cut-Out		50B\50C\50A	ON P33	1983	113.27	30 \$	-	\$ 19.17
K	Switch - Fused Cut-Out		50B\50C\50A	ON P33	1983	113.27	30 \$	-	\$ 19.17
K	Switch - Fused Cut-Out		50B\50C\50A	ON P33	1984	114.60	29 \$	4	\$ 19.39
K	Switch - Fused Cut-Out		100A 100B 100C	3-100KVA P39	2012	186.68	1 \$	180	\$ 31.59
K	Switch - Fused Cut-Out		100A 100B 100C	3-100KVA P39	2012	186.68	1 \$	180	\$ 31.59
K	Switch - Fused Cut-Out		100A 100B 100C	3-100KVA P39	2012	186.68	1 \$	180	\$ 31.59
K	Switch - Fused Cut-Out		25A\25C	BANK ON P25	1964	49.03	49 \$	-	\$ 3.47
K	Switch - Fused Cut-Out Combo		25A\25C	BANK ON P25	1995	99.16	18 \$	40	\$ 16.78
K	Switch - Fused Cut-Out Combo		75B\75C\75A	BANK OF 75KVA P26	1986	145.34	27 \$	15	\$ 24.59
K	Switch - Fused Cut-Out Combo		75B\75C\75A	BANK OF 75KVA P26	1986	145.34	27 \$	15	\$ 24.59
K	Switch - Fused Cut-Out Combo		75B\75C\75A	BANK OF 75KVA P26	1986	145.34	27 \$	15	\$ 24.59
K	Switch - Fused Cut-Out Combo		75B\75C\75A	BANK OF 75KVA P26	1988	131.96	25 \$	22	\$ 22.33
K	Switch - Fused Cut-Out Combo		15B\15A\15C	ON P31	1986	145.34	27 \$	15	\$ 24.59
K	Switch - Fused Cut-Out Combo		15B\15A\15C	ON P31	1956	14.59	57 \$	-	\$ 1.03
K	Switch - Fused Cut-Out Combo		15B\15A\15C	ON P31	1968	49.03	45 \$	-	\$ 3.47
K	Switch - Fused Cut-Out Combo		15A\15B\15C	ON P37	1970	95.36	43 \$	-	\$ 6.75
K	Switch - Fused Cut-Out Combo		15A\15B\15C	ON P37	1970	95.36	43 \$	-	\$ 6.75
K	Switch - Fused Cut-Out Combo		15A\15B\15C	ON P37	1971	95.36	42 \$	-	\$ 6.75
K	Switch - Fused Load Break		50A\50C\50B	3-50KVA ON P14	1988	130.24	25 \$	22	\$ 22.04

Remove/Keep	Description	Devices#	KVA	Map Comment	YEAR	Investment	Age	Remaining book value	New facility charge
K	Switch - Fused Load Break		50A\50C\50B	3-50KVA ON P-14	1988	130.24	25	\$ 22	\$ 22.04
K	Switch - Fused Load Break		50A\50C\50B	3-50KVA ON P-14	1961	61.98	52	\$ -	\$ 4.39
K	Switch - Fused Load Break Combo.		25A\25B\50C	ON P30	1953	130.26	60	\$ -	\$ 9.22
K Total						277,895.02		\$ 116,170	\$ 43,177

Peter J. Richardson ISB # 3195
Gregory M. Adams ISB # 7454
RICHARDSON ADAMS, PLLC
515 N. 27th Street
Boise, Idaho 83702
Telephone: (208) 938-2236
Fax: (208) 938-7904
peter@richardsonandoleary.com
greg@richardsonandoleary.com

Attorneys for the J. R. Simplot Company

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE)
APPLICATION OF THE J. R. SIMPLOT) **CASE NO. IPC-E-13-_____**
COMPANY TO PURCHASE AND)
ASSUME OWNERSHIP OF CERTAIN)
IDAHO POWER OWNED FACILITIES)
AND TO SET A PURCHASE PRICE)
THEREFORE)

Exhibit 2: Letter to Tami White from Don Sturtevant Re: "Facilities Charge Equipment Purchase."



CORPORATE HEADQUARTERS
P.O. BOX 27
BOISE, IDAHO 83707-0027

Tami White
Manager Rate Design
Idaho Power Company
1221 West Idaho Street
Boise, Idaho 83702

RE: Facilities Charge Equipment Purchase

Tami,

I truly appreciate the time Idaho Power has taken with regards to our facility-charge equipment. We are in receipt of your analysis for Simplot to buy out the equipment we would like to keep at our new factory in Caldwell.

After lengthy analysis with both economic and financial analysis experts, I would like to counter with our analysis of \$85,910.

We started with the stated book value – on which we both agree is roughly \$119,725. However, Simplot has been overpaying for fully depreciated assets (those older than 31 years) for many years. My experts calculate the total overpayments on those depreciated assets at \$33,815 to date. Subtracting the overpayments from the current book value yields our offer price of \$85,910.

We appreciate the lengths your team has gone to in order to identify potential ongoing costs or revenue impacts after Simplot assumes ownership and responsibility for the facilities. However, we struggle with the concept that Idaho Power is incapable of redeploying or reducing its workforce, in part, to service its facilities located at our Caldwell Plant. As for the other line items in your list of revenue impacts, the amount seems to be inconsequential to Idaho Power. Our position is supported by the 2005 PUC ruling in the matter of Sun Valley's purchase of facility charges.

I look forward to Idaho Power's formal response to this letter. In the meantime please feel free to give me a call if you have any questions or concerns. I also make my staff available to respond to any technical questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Don Sturtevant Jr." with a stylized flourish at the end.

Don Sturtevant Jr., PE
Director, Energy
J. R. Simplot Company

Peter J. Richardson ISB # 3195
Gregory M. Adams ISB # 7454
RICHARDSON ADAMS, PLLC
515 N. 27th Street
Boise, Idaho 83702
Telephone: (208) 938-2236
Fax: (208) 938-7904
peter@richardsonandoleary.com
greg@richardsonandoleary.com

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COMPANY TO PURCHASE AND)
ASSUME OWNERSHIP OF CERTAIN)
IDAHO POWER OWNED FACILITIES)
AND TO SET A PURCHASE PRICE)
THEREFORE

Exhibit 3: Idaho Power memorandum "Rate 19 Facility Purchase Price."



**Idaho Power Company
Rate 19 Facility Purchase Price**

Customer Name	Simplot Company
Date Prepared	12/31/2012
Date Presented	2/6/2013

Facility Location	Price
Caldwell	\$272,928
Total Sales Price	\$272,928

Please be advised that the amount stated above is non-binding and subject to change without notice. Final quotes for buy-out of facilities are subject to an asset sales agreement between the Customer and Idaho Power Company, which requires subsequent approval from the Idaho Public Utilities Commission. Any sale of Company assets must be in accordance with both Idaho Power's Rule M, "Facilities Charge Service" and Idaho Code Section 61-328.

This quote does not include the cost to remove any existing facilities because mixed ownership of facilities is not allowed under Idaho Power's Rule M. A purchase agreement must contain the purchase and/or removal of all facilities by a mutually agreed upon date.

Information contained herein is based upon facilities and purchase price as of the above mentioned preparation date. The sales price will be updated based on the actual date of sale.

This data has been prepared for Simplot Company purposes only.

Idaho Power Company
 Rate 19 Facility Purchase Price

Customer Name
 Location
 Date Prepared
 Date Presented

Simplot Company
 Caldwell
 12/31/2012
 2/6/2013

Sales price components		Buyout Summary
1	Net book value	\$119,725
2	True up of past levelized rate of return	\$40,853
3	Near-term rate of return impact resulting from sale of assets	\$29,121
4	Near-term operational impact resulting from sale of assets	\$49,670
5	Total sales price before taxes	\$239,369
6	Net gross up for tax	\$33,303
7	Sales price after tax	\$272,672
8	Work order closing costs	\$256
9	System protection estimate	\$0
10	Total sales price	\$272,928

This data has been prepared for Simplot Company purposes only.

Information contained herein is based upon facilities and purchase price as of the above mentioned preparation date. The sales price will be updated based on the actual date of sale.