

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

|   |   |                              |
|---|---|------------------------------|
| <b>IN THE MATTER OF IDAHO POWER</b>     | ) | <b>CASE NO. IPC-E-15-26</b>  |
| <b>COMPANY'S APPLICATION TO APPROVE</b> | ) |                              |
| <b>THE TRANSFER AND SALE OF CERTAIN</b> | ) | <b>NOTICE OF APPLICATION</b> |
| <b>ASSETS TO THE UNITED STATES</b>      | ) |                              |
| <b>DEPARTMENT OF JUSTICE, FEDERAL</b>   | ) | <b>NOTICE OF</b>             |
| <b>BUREAU OF INVESTIGATION</b>          | ) | <b>MODIFIED PROCEDURE</b>    |
|   | ) |                              |
|   | ) | <b>ORDER NO. 33433</b>       |

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On November 25, 2015, Idaho Power Company filed an Application with the Commission for an Order approving the transfer and sale of certain assets to the United States Department of Justice, Federal Bureau of Investigation (FBI). The assets at issue are owned and operated by the Company, and used to provide service to the FBI for a monthly facilities charge. If the Application is approved, Idaho Power would transfer and convey the assets to the FBI, and the FBI would assume ownership, operation, maintenance, and all liabilities associated with the assets. Idaho Power asked that the Application be processed under Modified Procedure, and also requested that the Commission's Order be issued on or before February 25, 2016.

**NOTICE OF APPLICATION**

YOU ARE HEREBY NOTIFIED that Idaho Power provides electric service to an FBI facility in the Company's service territory pursuant to Idaho Power's tariff Schedule 19 (Large Power Service). Application at 2. Idaho Power owns and operates transformers and other facilities (hereafter, the "Assets") beyond the Point of Delivery (POD),<sup>1</sup> to meet the FBI's electric service requirements under Idaho Power's "Rule M" addressing Facilities Charge Service. *Id.* The FBI pays a monthly facilities charge to Idaho Power for this service. *Id.*

YOU ARE FURTHER NOTIFIED that, at the FBI's request, Idaho Power entered into an Asset Sale Agreement,<sup>2</sup> to transfer and convey the Assets to the FBI for a purchase price of \$79,373. *Id.*; Agreement at 3. Under the Agreement, the FBI agrees to obtain title to and assume ownership, operation, maintenance, and all liabilities associated with the Assets.

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<sup>1</sup> The Point of Delivery or POD is the point at which the customer's power usage is measured.

<sup>2</sup> Idaho Power claims portions of the Agreement are confidential and submitted a redacted copy of the Agreement as an attachment to its Application. *See* Rule 67, IDAPA 31.01.01.067.

Application at 2. Also, “the FBI will own all facilities installed beyond the POD upon sale and transfer of the Assets.” *Id.* Idaho Power seeks approval of its Asset Sale Agreement with the FBI. The Agreement is contingent upon the Commission’s approval.

YOU ARE FURTHER NOTIFIED that the Commission has authority to approve or reject the proposed Agreement under *Idaho Code* § 61-328. Section 61-328 requires the Company to show that the proposed transaction is consistent with the public interest; that the cost and rates for supplying service will not be increased because of the transaction; and that the FBI has the bona fide intent and financial ability to operate and maintain the Assets in the public service. *Idaho Code* § 61-328(3). Also, under Rule M, Section 3, governing the sale of Company-owned facilities beyond the POD, the FBI must: purchase all facilities listed on the Distribution Facilities Investment Report for that POD; provide operation and maintenance of all facilities beyond the POD after the sale is complete; and prepay engineering costs for sales determinations taking more than 16 estimated hours of preparation. Application at 3-4. Rule M, Section 3 further provides that sales determinations equal to or less than 16 estimated hours of preparation will be billed to the FBI as part of the sales agreement, or after the engineering is completed in instances where the sale is not finalized. *Id.*

YOU ARE FURTHER NOTIFIED that the Application outlines Idaho Power’s current facility charge arrangement with the FBI. *Id.* at 4-6. The Company also discusses its sale price methodology, which accounts for the near-term rate of return and operational impacts of the sale, among other considerations. *Id.* at 6-9. Idaho Power explains that its sale price methodology “ensures that the Company and its other customers are not negatively impacted by the transaction.” *Id.* at 6-9. Finally, the Company outlines the accounting treatment it will apply to the transaction, if approved by the Commission. *Id.* at 9-10.

#### **NOTICE OF MODIFIED PROCEDURE**

YOU ARE FURTHER NOTIFIED that the Commission has determined that the public interest may not require a formal hearing in this matter and will proceed under Modified Procedure pursuant to Rules 201 through 204 of the Idaho Public Utilities Commission's Rules of Procedure, IDAPA 31.01.01.201 through .204. The Commission notes that Modified Procedure and written comments have proven to be an effective means for obtaining public input and participation.

YOU ARE FURTHER NOTIFIED that any person desiring to state a position on this Application may file a written comment in support or opposition with the Commission within **twenty-one (21) days from the service date of this Order**. The comment must contain a statement of reasons supporting the comment. Persons desiring a hearing must specifically request a hearing in their written comments. Written comments concerning this Application shall be mailed to the Commission and Idaho Power at the addresses reflected below:

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|-----------------------------------|---|
| Commission Secretary              | Lisa Nordstrom  |
| Idaho Public Utilities Commission | Shelli D. Stewart   |
| PO Box 83720                      | Tami White  |
| Boise, ID 83720-0074              | Idaho Power Company   |
|                                   | 1221 West Idaho Street  |
| Street Address for Express Mail:  | P.O. Box 70   |
|                                   | Boise, ID 83707   |
| 472 W. Washington Street          | Email: <a href="mailto:lnordstrom@idahopower.com">lnordstrom@idahopower.com</a> |
| Boise, ID 83702-5918              | <a href="mailto:sstewart@idahopower.com">sstewart@idahopower.com</a>            |
|                                   | <a href="mailto:twhite@idahopower.com">twhite@idahopower.com</a>                |

These comments should contain the case caption and case number shown on the first page of this document. Persons desiring to submit comments via e-mail may do so by accessing the Commission’s home page located at [www.puc.idaho.gov](http://www.puc.idaho.gov). Click the “Case Comment or Question Form” under the “Consumers” tab, and complete the comment form using the case number as it appears on the front of this document. These comments must also be sent to Idaho Power at the e-mail addresses listed above.

YOU ARE FURTHER NOTIFIED that the Company may file reply comments, if necessary, **no later than 28 days from the service date of this Order**.

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the time limit set, the Commission will consider this matter on its merits and enter its Order without a formal hearing. If written comments are received within the time limit set, the Commission will consider them and, in its discretion, may set the same for formal hearing.

YOU ARE FURTHER NOTIFIED that the Application and a redacted copy of the Asset Sale Agreement have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices. The documents are also available on the Commission’s web site at [www.puc.idaho.gov](http://www.puc.idaho.gov). Click on the “File Room” tab at

the top of the page, scroll down to “Open Electric Cases,” then click on the case number shown on the front of this document.

YOU ARE FURTHER NOTIFIED that the Commission has authority over this matter pursuant to the Commission’s jurisdiction under Title 61 of the Idaho Code and specifically *Idaho Code* § 61-328. The Commission may enter any final Order consistent with its authority under Title 61.


YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission’s Rules of Procedure, IDAPA 31.01.01.000, *et seq.*

**ORDER**

IT IS HEREBY ORDERED that the Application shall be processed by Modified Procedure, IDAPA 31.01.01.201-.204. Persons interested in submitting written comments in this matter must do so no later than 21 days from the service date of this Order.

IT IS FURTHER ORDERED that reply comments by Idaho Power, if any, shall be due 28 days from the service date of this Order.

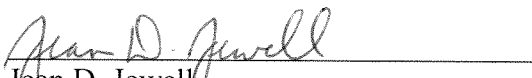
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 15<sup>th</sup> day of December 2015.

  
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PAUL KJELLANDER, PRESIDENT

  
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MARSHA H. SMITH, COMMISSIONER

  
\_\_\_\_\_  
KRISTINE RAPER, COMMISSIONER

ATTEST:

  
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Jean D. Jewell  
Commission Secretary

O:IPC-E-15-26\_djh

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NOTICE OF MODIFIED PROCEDURE  
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