

FEB 26 1990

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF THE APPLICATION)
OF IDAHO POWER COMPANY FOR)
AUTHORITY TO RATE BASE THE)
INVESTMENT REQUIRED FOR THE)
REBUILD OF THE SWAN FALLS HYDRO-)
ELECTRIC FACILITY.)**

CASE NO. IPC-E-90-2

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that on February 14, 1990, Idaho Power Company applied to the Idaho Public Utilities Commission for authority to rate base its investment in the Swan Falls hydroelectric facility.

YOU ARE FURTHER NOTIFIED that the Applicant alleges that the Company proposes to retire its existing 10.4 megawatt powerhouse at Swan Falls and to redevelop the project with two generating units with a total rated capacity of 25 megawatts. The Application describes the total project as:

- (1) The 25-foot-high, 1,218-foot-long concrete and rock filled Swan Falls dam;
- (2) The Swan Falls Reservoir with a surface area of 900 acres and a total storage capacity of 4,800 acre-feet;
- (3) A spillway with crest elevation of 2,300 feet above mean sea level with 12 bays, each provided with radial gates 31 feet wide and 14.5 feet high;
- (4) A powerhouse at the east abutment of the Swan Falls dam containing two identical, horizontal, bulb-type turbine-generating units, each with a rated capacity of 12.5 megawatts;
- (5) A substation located 200 feet from the powerhouse, equipped with a 13.8/138-kilovolt (kv) 30,000-kilovolt-ampere, three-phase transformer;
- (6) A 1,400-foot-long, 120-foot-wide (bottom width) tailrace;
- (7) A 1.2-mile-long, 138-kv transmission line connecting to an existing 138-kv transmission line owned and operated by the licensee; and

(8) Appurtenant facilities.

YOU ARE FURTHER NOTIFIED that the Application contains the following attachments:

(1) The Order Amending License (Major) issued by the Federal Energy Regulatory Commission; and

(2) The Memorandum Decision and Order approving an application for a permit for a water right issued by the Idaho Department of Water Resources on April 10, 1989.

YOU ARE FURTHER NOTIFIED that the Application alleges that the Swan Falls project has been, and will continue to be, integral to Idaho Power's Snake River hydroelectric system, that the project is a non-deferrable resource the physical state of which requires current reconstruction and rehabilitation to maintain safety and operational standards, that the Company's existing water rights at Swan Falls are defined by the Swan Falls agreement between the State of Idaho and Idaho Power Company, and that protection of streamflows at Swan Falls is of great importance to flows in the Snake River both above and below Swan Falls.

YOU ARE FURTHER NOTIFIED that the Application recites the history of the Company's licensing for Swan Falls since June 30, 1970.

YOU ARE FURTHER NOTIFIED that the Application states that it will be supplemented with additional information concerning costs of the rebuild after completion of design and solicitation of bids for turbines and generators, planned for June 1, 1990. The Company proposes at that time to make a "commitment estimate", which would be the Company's best estimate of costs before the award of any contract plus an additional amount of 25% to establish a cost ceiling for the project. The Company would commit to building the project for less than the commitment estimate (as may be adjusted to account for documented changes in escalation rates or scope), and if the final

costs exceed the commitment estimate, the Company would absorb the extra costs. The Company estimates it will have the necessary data to submit to the Commission a commitment estimate on or about June 1, 1990, at which time the Company will supplement this Application with that information.

YOU ARE FURTHER NOTIFIED that Idaho Power will be represented by the following persons in this proceeding and that copies of all documents required by the Commission's Rules of Practice and Procedure (IDAPA 31.A) to be served upon the Applicant Idaho Power Company should be served upon the following two representatives of Idaho Power:

Larry Ripley
Evans, Keane, Koontz, Boyd, Simko & Ripley
c/o Idaho Power Company
1220 West Idaho Street
P.O. Box 70
Boise, ID 83707

Steven L. Herndon
Idaho Power Company
1220 West Idaho Street
P.O. Box 70
Boise, ID 83707

YOU ARE FURTHER NOTIFIED that persons desiring to intervene in this proceeding for the purposes of becoming a party must file a Petition to Intervene with the Commission Secretary and upon all parties to the proceeding on or before June 15, 1990. Persons not desiring the right of a party, i.e., the right to cross examination and make and argue motions, need not petition to intervene.

YOU ARE FURTHER NOTIFIED that the Commission will consider this Application under the Public Utilities Law, Chapters 1-7, Title 61, *Idaho Code*. In considering this Application, the Commission may issue any Order addressing the future ratemaking treatment of the Company's investment in the Swan Falls plant and/or the

effect of the Swan Falls plant upon the Company's revenues, expenses, depreciation, valuation, etc., consistent with the statutory provisions of the Swan Falls Agreement. See 1985 Idaho Session Laws, Chapters 14-18, 162, 204 (in particular, Chapter 14, §§2 and 3); see also *Miles v. Idaho Power Company*, 116 Idaho 635, 778 P.2d 757 (1989).

YOU ARE FURTHER NOTIFIED that all proceedings conducted in this case will be conducted pursuant to the Commission's Rules of Practice and Procedure, IDAPA 31.A.

DATED at Boise, Idaho this *23rd* day of February 1990.



MYRNA J. WALTERS - COMMISSION SECRETARY

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