BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF)

IDAHO POWER COMPANY FOR AN AMEND-)CASE NO. IPC-E-95-6

MENT TO CERTIFICATE OF PUBLIC )

CONVENIENCE AND NECESSITY NO. 272)ORDER NO. 26107

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On June 2, 1995, Idaho Power Company (Idaho Power; Company) filed an Application with the Idaho Public Utilities Commission (Commission) requesting an amendment to its Certificate of Public Convenience and Necessity No. 272 deleting its prior authorization to construct a new 138 kV transmission line from the Wood River substation to the Ketchum substation in Blaine County.  The prior authorization was obtained from the Commission in 1973 in Order No. 11315, Case No. U-1006-89.  The purpose of the proposed line was to provide backup service for the existing Wood River/Ketchum 138 kV transmission line which runs along the east end of the Wood River Valley.

Based on an extensive reassessment of the feasibility and need for an additional 138 kV Wood River/Ketchum transmission line, the Company concludes that the line is not needed.  The reassessment study performed by the Company includes a review of both the capacity requirements and the reliability requirements for Idaho Power’s electric service to the Ketchum/Sun Valley area.

Regarding capacity, the Company contends that based on current projections the existing 138 kV Wood River/Ketchum transmission line has sufficient capacity to meet the area’s electric needs for the foreseeable future.  The Company states that it will continue to monitor area load growth and make modifications when necessary.

Regarding reliability, Idaho Power reports that it has thoroughly reviewed the reliability of its electric service to the Ketchum/Sun Valley area.  The Wood River/Ketchum 138 kV transmission line, the Company contends, has had an excellent record of reliability since its construction in 1962 (only two unplanned outages in the past 14 years, for a total duration of only three minutes).  Nonetheless, the Company states that it has taken a number of steps to further improve the reliability of the line including the following: structural assessment, electrical assessment, fire protection, avalanche study, conductor assessment, maintenance plan and emergency action plan.

 The Company reports that it has also recently completed an extensive public participation process regarding the possible construction of a second 138 kV transmission line from the Wood River substation to the Ketchum substation.  The Company received input from public officials and citizens of the area.  The overwhelming response from the parties commenting, the Company states, was that, despite the unavoidable risk of an outage to the existing transmission line, the proposed transmission line should not be built.  The reasons for public opposition to the line include the difficulty of finding an acceptable route for the transmission line, aesthetic impacts, health and safety concerns, and the excessive cost of burying part or all of the line.  Idaho Power reports that it has been unsuccessful in obtaining the necessary rights-of-way for the additional 138 kV Wood River/Ketchum transmission line.

Based on the Company’s need analysis and public comments, Idaho Power concludes that construction of an additional 138 kV transmission line from the Wood River substation to the Ketchum substation is not feasible at this time.  The Company reports that it will continue to monitor the condition of the existing Wood River/Ketchum transmission line, the increase in load growth in the Ketchum/Sun Valley area, and the feasibility of obtaining the required right-of-way and public permits for a second 138 kV line.

Because the project, the Company concludes, is neither needed nor feasible, the Company requests authority to amend its Certificate of Public Convenience and Necessity No. 272 by removing the language authorizing the construction by Idaho Power of a second Wood River/Ketchum 138 kV transmission line.  Reference Case No. U-1006-89, Order No. 11315.

The Commission issued Notices of Application and Modified Procedure in Case No. IPC-E-95-6 on June 22, 1995.  The deadline for filing written comments or protests was July 14, 1995.  Commission Staff was the only party to file comments.  Staff recommends approval of the Company’s Application.

COMMISSION FINDINGS

The Commission has reviewed the Application of Idaho Power Company and the filings of record in Case No. IPC-E-95-6.  We have also reviewed our prior Order No. 11315 in Case No. U-1006-89 which granted Idaho Power authorization to construct a second 138 kV transmission line from the Wood River substation to the Ketchum substation.  The Commission continues to find it reasonable and appropriate to process the Company’s Application under Modified Procedure, i.e., by written submission rather than by hearing.  Reference Commission Rules of Procedure, IDAPA 31.01.01.204.  Based on our review of the record, the Commission finds it reasonable to conclude that the present public convenience and necessity no longer requires construction of a second 138 kV transmission line to provide adequate, efficient, just and reasonable service to the Ketchum/Sun Valley area.  We therefore find it reasonable to cancel the Company’s Certificate No. 272 authorization for the construction of a second Wood River/Ketchum 138 kV transmission line.

In reviewing the remaining language of Certificate No. 272, the Commission notes that it does not depict prior modifications to Certificate No 272.  Apart from authorization to construct a second 138 kV line, Certificate No. 272 also authorized construction of a 50 MW combustion turbine generator, i.e., the Hailey turbine.  The Hailey turbine, after it was built and installed, was with Commission authorization subsequently sold.  Reference Order No. 24676, Case No. IPC-E-92-9 (January 27, 1993).  Although the Commission’s Order No. 24676 cancelled certificate authorization for the Hailey turbine, an amended certificate was never issued.  The present elimination of authorization for a second 138 kV line effectively removes all authorization previously given by Certificate No. 272.  The Commission therefore finds it administratively appropriate to cancel Certificate No. 272 rather than to amend it as requested by the Company.

CONCLUSIONS OF LAW

The Commission has jurisdiction in this matter and over Idaho Power Company, an electric utility, pursuant to the authority and power granted the Commission under Title 61 of the Idaho Code and pursuant to the Commission’s Rules of Procedure, IDAPA 31.01.01000 et seq.

O R D E R

In consideration of the foregoing and as more particularly described above IT IS HEREBY ORDERED that Idaho Power Company’s authority to construct a second Wood River/Ketchum 138 kV transmission line as previously authorized by the Commission in Case No. U-1006-89, Order No. 11315 and Certificate of Public Convenience and Necessity No. 272 is cancelled.

In consideration of the foregoing and in recognition of our prior Order No. 24676 in Case No. IPC-E-92-9, IT IS FURTHER ORDERED that Idaho Power Company’s Certificate of Public Convenience and Necessity No. 272 is hereby cancelled (see cancelled Certificate No. 272, attached).

THIS IS A FINAL ORDER.  Any person interested in this Order (or in issues finally decided by this Order) may petition for reconsideration within twenty-one (21) days of the service date of this Order with regard to any matter decided in this Order.  Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration.  See Idaho Code § 61-626.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this              day of August 1995.

RALPH NELSON, PRESIDENT

MARSHA H. SMITH, COMMISSIONER

DENNIS S. HANSEN, COMMISSIONER

ATTEST:

Myrna J. Walters

Commission Secretary

JR\O-IPC-E-95-6.SW

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION )

OF IDAHO POWER COMPANY FOR AN )CASE NO. U-1006-89

CERTIFICATE OF PUBLIC )

CONVENIENCE AND NECESSITY )AMENDED CERTIFICATE NO. 272

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IT IS HEREBY CERTIFIED that public convenience and necessity requires and will require Idaho Power Company to construct and operate a 50 megawatt combustion turbine generator and related facilities at the Wood River substation near Hailey, Idaho, for the furnishing of electrical energy to the public; and the conversion and rebuild of the present 46 kV transmission line from the Wood River substation from Hailey to Gimlet and the reconstruction of the present distribution lines from Gimlet to the Ketchum substation to 138 kV transmission line capacity; to exercise all rights and privileges which have been granted to said Idaho Power Company, its successors and assigns by any franchise or permit conferred or hereafter conferred upon said Idaho Power Company, its successors and assigns by any city or village or by any county or by the state of Idaho or by any political subdivision thereof.

This certificate is predicated upon and issued pursuant to the findings and orders of this Commission, the same being Order No. 11315 in Case No. U-1006-89 (February 6, 1974) and Order No. 26107 in Case No. IPC-E-95-6.

Certificate No. 272 cancelled per Commission Order Nos. 24676, Case No. IPC-E-92-9 and Order No. 26107, Case No. IPC-E-95-6.

DATED at Boise, Idaho this              day of July 1995.

RALPH NELSON, PRESIDENT

MARSHA H. SMITH, COMMISSIONER

DENNIS S. HANSEN, COMMISSIONER

(SEAL)

ATTEST:

Myrna J. Walters

Commission Secretary

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