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IDAHO PUBLIC
UTILITIES COMMISSION

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Lead Counsel
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May 31, 2012

VIA HAND DELIVERY

Jean D. Jewell, Secretary
Idaho Public Utilities Commission
472 West Washington Street
Boise, Idaho 83702

Re: IPC-E-09-03
Langley Gulch Power Plant – Quarterly Progress Report

Dear Ms. Jewell:

In Order No. 30892, the Idaho Public Utilities Commission (“Commission”) directed Idaho Power Company to submit quarterly progress reports to the Commission describing the status of the Langley Gulch power plant construction. Enclosed with this letter is the eleventh quarterly progress report.

Very truly yours,

Lisa D. Nordstrom

LDN:csb
Enclosures

Langley Gulch Power Plant
Quarterly PUC Update
June 1, 2012

PROGRESS UPDATE:

This quarterly update summarizes project costs through April 2012 and tasks associated with the Langley Gulch power plant through the end of May 2012. As of the date of this report, the overall project remains on schedule to become commercially operational in June 2012 and Idaho Power Company ("Idaho Power" or "Company") expects total project costs at or below the Commitment Estimate filed in Case No. IPC-E-09-03.

Langley Gulch Power Island:

The Engineering, Procurement, and Construction ("EPC") Contract is a joint venture between Kiewit Power Engineers ("KPE") and The Industrial Company ("TIC"). KPE, the engineering arm of the EPC contract, has completed all of the design drawings and continues to support the project by reviewing vendor and commissioning questions. All major equipment has been procured, delivered to the site, and installed.

TIC has completed most construction activities. The majority of TIC's work over the last quarter has been start-up and commissioning of the various systems. Major milestones accomplished during this quarter were commissioning of the demineralized water system, first fire of the combustion turbine (April 11, 2012), steam blows, first roll of the steam turbine (May 17, 2012), and synchronization of both generators to the Idaho Power grid. Planned activities for June include demonstration tests of the plant and performance tests. Activities performed by subcontractors include painting, electrical relay testing, fire protection commissioning, and fencing. TIC has been reducing construction staff and presently has approximately 75 people on site, which includes its employees and subcontractors. TIC is utilizing a mix of local labor, vendors, suppliers, and subcontractors.

Idaho Power and the EPC contractor continue to work closely with Siemens on the owner-furnished equipment. The Orlando-based Siemens group, supplier of the combustion turbine and generator, has shipped all of the equipment to the site. Installation and commissioning of this equipment by TIC is complete. Siemens is preparing to tune the combustion turbine and run performance tests. The Sweden-based Siemens group, supplier of the steam turbines and generator, has shipped the equipment to the site. Installation of this equipment is complete. The steam turbine is being ramped up to full load, during which the control valves will be tuned. The performance test of the steam turbine will be evaluated during the overall plant performance evaluation.

Commercial operation remains scheduled for June 2012.

Water Supply Pipeline and Gas Pipeline:

Construction is complete on the water pipeline and pump station, and water is available to the plant site. The plant control system is operating and the communication work to synchronize plant and pump station operation is complete.

Construction of the gas lateral pipeline from the Williams Northwest main to the site was completed in July 2011. Construction of the tap and metering station was substantially completed in October 2011. Williams Northwest completed its final checkout and commissioning of the metering station in April 2012. Gas was delivered to the site on April 7, 2012.

The water supply and gas pipelines were completed on schedule and within the expected budget.

Transmission Lines and Substation:

Two transmission lines and a new substation are required to connect the Langley Gulch power plant to Idaho Power's transmission system. Construction of the 2.8 mile 230 kilovolt ("kV") line to the west of the power plant was completed in March 2011 and is currently in operation. Construction is also complete on the 16.3 mile 138 kV line.

The substation is being constructed in two phases. Phase 1, which included the ring buss, substation building, and control wiring, has been completed by Idaho Power and was energized in November 2011. Phase 2, which includes the integration of the 138 kV line, is complete and final checkout is currently being performed. Phase 2 of the substation construction is scheduled to be energized on June 5, 2012.

The transmission lines and substation will be fully operational within the next week and completed within budget.

Langley Local Contractors:

Idaho Power has requested that its contractors use local labor forces as much as possible. Nearly 30 percent of the general contractor's (TIC) staff is local hires. The Langley Gulch contractors and engineers have solicited local bids for many project components and materials, including the water treatment and administration buildings, concrete, rebar, block, piping, earthwork, materials testing, aggregate supply, fuel, etc. To date, nearly 160 local businesses have been utilized from Ontario, Oregon, to Rupert, Idaho. The contractor list is included with this update.

Idaho Power bid the other ancillary projects locally (i.e., water pipeline, substation, gas pipeline, etc.). All of these projects were awarded to local companies except for the gas pipeline because no local bids were received.

The Langley Gulch power plant is creating both short and long-term job opportunities. The construction work force has averaged over 150 workers during the last 21 months, including qualified local electricians, pipefitters, steelworkers, excavators, carpenters, concrete workers, and laborers. Additionally, Idaho Power has hired 17 new full-time employees to be stationed at Langley Gulch power plant.

PERMITTING UPDATE:

The permitting process is in the construction compliance phase. Idaho Power continues to monitor permit requirements and is coordinating with the regulatory agencies.

PROJECT COSTS:

The commitment summary is attached, which also identifies project costs expended through April 2012. All major components of the project have been contracted, and Idaho Power expects total project costs to be at or below the Company's original Commitment Estimate filed in Case No. IPC-E-09-03.

SCHEDULE:

The project remains on schedule with the following major milestones:

- Construction Full Notice to Proceed: Issued to contractor on July 1, 2010
- Gas Turbine Delivery: Arrived in New Plymouth, Idaho, on December 4, 2010
- Steam Turbine Delivery: Arrived on site August 1, 2011
- Gas Turbine: First Fire – April 11, 2012; Initial Synchronization – April 13, 2012
- Steam Turbine: First Roll – May 17, 2012; Initial Synchronization – May 21, 2012
- Targeted Commercial Operation Date: June 2012

Idaho Power Company
Status Update Spending Report for Langley Gulch Power Plant
Through April 2012

	<u>April</u> <u>Dollars Spent To Date</u>	<u>Component Summary</u>
Gas Turbine	55,293,416	56,281,662
Steam Turbine	34,974,218	35,710,905
EPC Contract	209,998,839	221,421,431
Commitment Estimate Contingency	-	6,800,686
Site Procurement	1,957,322	2,000,000
Water Rights	2,083,419	2,200,000
NEPA Permitting	214,431	150,000
Air Permitting	350,547	320,000
Water Line Construction	4,567,509	8,850,000
Gas Line Construction	3,166,087	3,100,000
Miscellaneous Equipment (Idaho Power supplied)	2,550,940	662,300
Capitalized Property Taxes	1,248,229	2,881,277
Idaho Power Engineering and Oversight	2,645,010	3,800,000
RFP Pricing Components (includes start-up fuels)	399,303	2,250,000
Transmission	21,836,373	31,679,100
AFUDC	40,698,096	49,259,378
Totals	381,983,740 *	427,366,739 **

* Reported on accrual based accounting

** Idaho Power Filed Commitment Estimate (Case No. IPC-E-09-03)

Langley Gulch

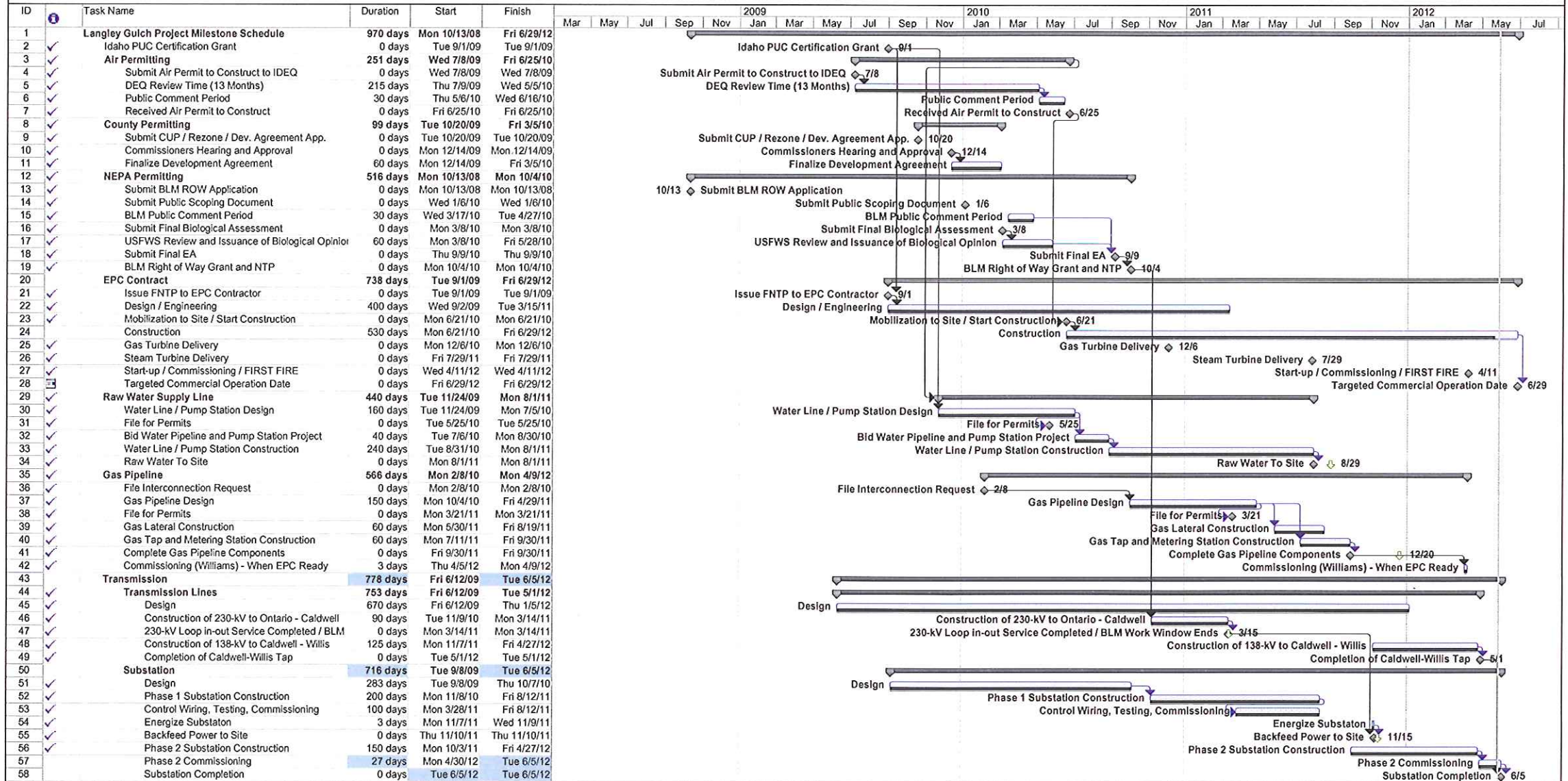
Subcontractor / Vendor List

3Di West – Boise, ID
4T – Payette, ID
A Company – Boise, ID
Action Door – Nampa, ID
Advanced Heating and Cooling – Boise, ID
Aggregate Construction – Nampa, ID
Airgas – Nampa, ID
Allied Barton – Boise, ID
AME Electric – Caldwell, ID
American Geotechnics – Boise, ID
Anderson & Wood – Meridian, ID
Anvil Fence – Boise, ID
Applied Graphyx Dennis Lopez – Boise, ID
Benchmark Electric – New Plymouth, ID
Big D Builders – Meridian, ID
Blackstone Security – Boise, ID
Boise Peterbilt – Boise, ID
Boise Rigging Supply – Boise, ID
Boise River Fence – Boise, ID
Bonneville Industrial – Boise, ID
Bowen Floor Covering – Nampa, ID
Brown & Caldwell – Boise, ID
Brundage Bone – Meridian, ID
Builders Masonry – Meridian, ID
Burks Tractor – Caldwell, ID
C T I Corporation – Boise, ID
Campbell Tractor – Fruitland, ID
Campo Oil Company – Fruitland, ID
Carrier's Clean All – New Plymouth, ID
Cesco – Meridian, ID
CH2MHill – Boise, ID
Cintas – Nampa, ID
Clearview Cleaning – Boise, ID
Cloud Painting – Boise, ID
CMC Construction Services – Boise, ID
Concrete Construction Supply – Meridian, ID
Consolidated Electric – Boise, ID
Crane West Inc. – Boise, ID
Crown Industrial, LLC – New Plymouth, ID
CTA – Boise, ID
Cummins Rocky Mountain – Boise, ID
Curtis Clean Sweep Inc. – Garden City, ID
Dominick's Quick Print – Ontario, ID
Donoho Sand & Gravel – Payette, ID
Downright Well Drilling – Caldwell, ID
Duane Bellows Construction – Ontario, OR
Dusty's Filter Service – Payette, ID
E C Power Systems – Boise, ID
Edge Construction Supply – Boise, ID
Erosion Control Services LTD – Homedale, ID
Farmers Mutual Telephone Coop. – Fruitland, ID
Fastenal – Ontario, OR
Ferguson Pipe Supply – Meridian, ID
Ferrell Gas – Nampa, ID
Fluid Connector Products – Meridian, ID
Franklin Building Supply – Fruitland, ID
Franklin United Inc. – Twin Falls, ID
G & B Redi Mix – Nampa, ID
G 2 B Concrete Pumping – Boise, ID
Garred Automotive – New Plymouth, ID
Gem State Oil Recovery – Kuna, ID
Grainger – Boise, ID
Granite Excavation – Cascade, ID
Graybar Electric – Boise, ID
Greens Truck Trailer Sales Inc – Boise, ID
Ground FX – Boise, ID
H & E Equipment Services – Boise, ID
H D Supply Waterworks – Meridian, ID
Hardin Sanitation Inc – Payette, ID
Harris Rebar – Meridian, ID
Hiddleston Drilling & Pump Co. – Boise, ID
High Country Fusion – Boise, ID
Hilti – ID
Houston Bugatsch Architects – Nampa, ID
Idaho Concrete – Eagle, ID
Idaho Electrical – Melba, ID
Idaho Northern & Pacific Railroad – Emmett, ID
Idaho Sand & Gravel - Boise, ID

Idaho Tool & Equipment – Nampa, ID
Ikon – Meridian, ID
Inland Crane – Boise, ID
Inland Foundation Specialties – Boise, ID
Jenkins Appliances – Caldwell, ID
Jims Heating & Cooling – Caldwell, ID
JM Roche – Boise, ID
JUB – Boise, ID
Keller Associates – Meridian, ID
Kenworth – Boise, ID
Lowes Ready Mix Incorporated – Caldwell, ID
Mason & Stanfield Incorporated – Nampa, ID
Materials Testing & Inspection – Boise, ID
Mattson Distributing Co. – Boise, ID
McMillen Engineering – Boise, ID
Metroquip Inc. – Boise, ID
Musgrove Engineering – Boise, ID
Nalco – Boise, ID
Napa Auto Parts – New Plymouth, ID
Northwest Interiors – Nampa, ID
Old Castle Precast – Meridian, ID
Overhead Door Company – New Plymouth, ID
Pacific Steel Distributors – Nampa, ID
Pacific Steel Fabricators – Boise, ID
Paige Mechanical – Boise, ID
Paradise Excavation – Middleton, ID
Payette Valley Co-Op – New Plymouth, ID
Platt Electric Supply – Nampa, ID
Power Engineers – Boise, ID
Praxair – Boise, ID
Pre Com – Boise, ID
Probst Electric – Rupert, ID
Purgatory Fence – Idaho City, ID
Quality Electric Inc. – Boise, ID
Qwest – Boise, ID
R&M Steel Co. – Caldwell, ID
Roger Anderson – Boise, ID
RSC Equipment Rental – Boise, ID
Safety-Kleen Corp. – Boise, ID
Safway Scaffold – Boise, ID
Schofield Equipment & Repair – Emmett, ID

Sherwin Williams Company – Meridian, ID
Shilo Sprinkler – Nampa, ID
Showalter Construction - Marsing, ID
SLA – Meridian, ID
Specialty Construction – Meridian, ID
Staker Parson Companies – Nampa, ID
Star Construction – Star, ID
Stoel Rives – Boise, ID
Strata – Ontario, OR
Stunz Lumber - Nyssa, OR
SYMAN LLC – Nampa, ID
Syringa Corp. – Boise, ID
System Tech Inc. – Boise, ID
T & L Power Equipment & Repair – Boise, ID
TB Bar Construction – Parma, ID
Tetra Tech – Boise, ID
Timberline Surveying – Nampa, ID
Tom’s Motorcycle ATV & Snowmobile Repair –
Fruitland, ID
Tour Ice of Ontario – Ontario, OR
Track Utilities – Meridian, ID
Traffic Product & Service – Boise, ID
Treasure Valley Drilling & Pump – Weiser, ID
Treasure Valley Fire Extinguish – Meridian, ID
United Oil – Caldwell, ID
United Pipe & Supply – Boise, ID
United Rentals – Boise, ID
Waddell Plumbing – Boise, ID
Walker Fox – Meridian, ID
Wallace Brothers – Caldwell, ID
West Valley Millwork – Caldwell, ID
Western Idaho Freightliner – Nampa, ID
Western Roofing – Nampa, ID
Western Specialties – Boise, ID
Western States Cat – Meridian, ID
Williams Northwest – Meridian, ID
William-Scotsman Mobile Offices – Nampa, ID
Woody’s Outdoor Power – Caldwell, ID
Yanke Machine Shop – Boise, ID
YMC – Meridian, ID

Langley Gulch Project Overview



Task Progress Milestone Summary Project Summary Deadline