

DECISION MEMORANDUM

TO: COMMISSIONER KJELLANDER
COMMISSIONER RAPER
COMMISSIONER ANDERSON
COMMISSION SECRETARY
COMMISSION STAFF
LEGAL

FROM: DAYN HARDIE
DEPUTY ATTORNEY GENERAL

DATE: JULY 1, 2020

SUBJECT: IN THE MATTER OF IDAHO POWER COMPANY'S APPLICATION FOR AN ORDER APPROVING THE TRANSFER OF CERTAIN ASSETS ASSOCIATED WITH THE HEMINGWAY SUBSTATION; CASE NO. IPC-E-20-25

On June 3, 2020, Idaho Power Company ("Company") applied to the Commission for an order approving the Company's transfer of a 1.91-acre parcel of land in Owyhee County, Idaho (the "Parcel") to Owyhee County (the "County"). The Company submitted its Application pursuant to *Idaho Code* § 61-328 and requested its Application be processed by Modified Procedure.

BACKGROUND

In 2008, the Company purchased 150 acres of land near Melba, Idaho that would later become the site of the Hemingway Substation ("Substation"). The Company constructed a new, unpaved access road on a portion of the 150 acres to provide access from Highway 78 to the Substation. The Company's access road travels parallel to and partly crosses the Wilson Cemetery Road. Ever since the Company's access road was constructed, visitors of the Wilson Cemetery and adjacent property owners have begun using the Company's road rather than the Wilson Cemetery Road. The Wilson Cemetery Road is now overgrown and impassable.

In July 2019, the County denied a building permit for one resident along the south of Wilson Cemetery Road because the resident could not prove public access to their property. The County would not grant a waiver or variance upon request. On February 14, 2020, to re-establish legal access for the landowners south of Wilson Cemetery Road, the Company executed and

recorded a deed conveying the Parcel to the County subject to an easement reserving access for the Company.

THE APPLICATION

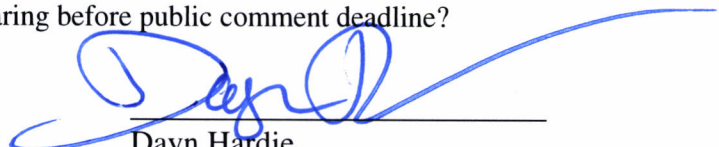
The Company must obtain approval of the Commission before it sells or transfers ownership of any property located in Idaho used in the generation, transmission, or distribution of electricity in Idaho. *Idaho Code* § 61-328(1). The Company's Application states the transfer of the Parcel meets the requirements of *Idaho Code* § 61-328(3). The Application states the original cost of the Parcel was \$26,488, but its book value with improvements is \$41,394. The Company conveyed the Parcel to the County for ten dollars. The Company will maintain access to the Substation via an easement described in the deed. *See* Attachment 2.

STAFF RECOMMENDATION

Idaho Code § 61-328(2) states that the Commission "shall conduct a public hearing upon the application." To fulfill this statutory requirement, Staff recommends the Commission issue a Notice of Application, Notice of Modified Procedure, and Notice of Telephonic Hearing. Staff recommends setting an August 25, 2020 public comment deadline, a September 1, 2020 Company reply deadline, and scheduling a telephonic hearing before public comments are due.

COMMISSION DECISION

Does the Commission wish to issue a Notice of Application, Notice of Modified Procedure, and Notice of Telephonic Hearing setting an August 25, 2020 public comment deadline, a September 1, 2020 Company reply deadline, and a telephonic hearing before public comment deadline?



Dayn Hardie
Deputy Attorney General

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