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UTILITIES COMMISSION

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January 11, 2022

VIA ELECTRONIC FILING

Jan Noriyuki, Secretary
Idaho Public Utilities Commission
11331 W. Chinden Blvd., Bldg 8,
Suite 201-A (83714)
PO Box 83720
Boise, Idaho 83720-0074

Re: Case No. IPC-E-21-25
In the Matter of the Application of Idaho Power Company's Petition for
Approval of a Customer Surcharge and Modified Line Route Configuration
for Construction of a New 138 KV Transmission Line in the Wood River
Valley

Dear Ms. Noriyuki:

Enclosed for electronic filing, please find Idaho Power Company's Reply Comments
in the above matter. Please feel free to contact me directly with any questions you might
have about this filing.

Very truly yours,

Donovan E. Walker

DEW:cld
Enclosures

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Attorney for Idaho Power Company

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER)	
COMPANY'S PETITION)	CASE NO. IPC-E-21-25
FOR APPROVAL OF A CUSTOMER)	
SURCHARGE AND MODIFIED LINE)	IDAHO POWER COMPANY'S
ROUTE CONFIGURATION FOR)	REPLY COMMENTS
CONSTRUCTION OF A NEW 138 KV)	
TRANSMISSION LINE IN THE WOOD)	
RIVER VALLEY.)	
_____)	

Idaho Power Company ("Idaho Power" or "Company"), in accordance with RP 201, *et seq.*, as well as the Idaho Public Utilities Commission's ("IPUC" or "Commission") Notice of Modified Procedure in this matter, Order No. 35244, hereby respectfully submits the following Reply Comments in the matter of the Company's petition for approval of a customer surcharge and modified route configuration for construction of a new 138 kilovolt ("kV") transmission line ("Transmission Line") project in the Wood River Valley.

I. INTRODUCTION

In these Reply Comments, Idaho Power responds to Staff's, Cox Communication's, and Kiki Leslie A. Tidwell's review and comments, as well as the comments received from customers located in Blaine County. The proposed modified line route and build configuration for the proposed transmission line, along with the proposed surcharge mechanism described in the

Company's Petition, represents the culmination of more than a decade of planning and collaboration with Blaine County. Approval of the recommendations presented in this case will serve the public interest and support Idaho Power's efforts to provide safe, reliable, and fair-priced electric service to its customers. The Company appreciates Staff's thoughtful and complete evaluation of comments received in this case. Staff identifies and correctly categorizes the stated objections to this project. Staff also acknowledges that this project has been a collaborative effort between the Company and Blaine County, resulting in a reasonable proposal for moving forward this important transmission line project.

II. REPLY COMMENTS

A. Idaho Power Reply to Staff Comments

In its Comments, Staff recommends that after its thorough review of the Company's requests, the Commission approve the proposed surcharge and line route modifications. Staff Comments, p 3.

After a thorough review of all information available, Staff is generally supportive of the Company's Petition. Staff believes that the Company's collaborative work with Blaine County representatives achieved a reasonable line configuration and project financing alternative. Implementation of a Blaine County surcharge provides the least consequential impact on the general body of rate payers and Staff recommends that the Commission approve it.

Id. More particularly, Staff recommends that the Commission:

1. Approve the Company's proposed CPCN modifications (Owl Rock Road Route) as described in the Petition.
2. Approve the Company's proposed surcharge and Schedule 96 as filed and order the Company to file, upon project completion, a revised Schedule 96 if cost changes require Schedule 96 to be modified.
3. Approve the Company's request for an Accounting Order authorizing the accelerated depreciation of the incremental capital costs to match the 20-year surcharge period.
4. Order the Company to clearly label the surcharge as its own line item in billing statements for its Blaine County customers.

5. Order the Company to provide the estimated cost of the Owl Rock Road Route when it receives final pre-construction pricing information for the project.
6. Order the Company to file, not more than 6 months after the project has been completed, a final determination of the original CPCN route cost and the incremental project cost for the Owl Rock Road Route for review and approval along with any necessary changes to the proposed surcharge if any.

Id., at p 12-13.

The Company accepts and supports each of Staff's recommendations. Staff Comments also included a discussion of lifecycle and operations and maintenance ("O&M") costs and a calculation of a potential small ratepayer ("customer") impact. The Company agrees with Staff's recommendation that there be no adjustments related to their customer impact calculation. As Staff notes, the calculated impact on other customers is expected to be negligible. The Company agrees with Staff's suggestion that if similar requests for undergrounding are made in the future, the incremental lifecycle and O&M costs will be included in the Company's analysis and, if significant, included for recovery from municipalities.

B. Cox Communications Comments

Cox Communications ("Cox") has a communications line ("Communications Line") attached to the Idaho Power overhead distribution line that will be buried as part of the Transmission Line project. The Idaho Power distribution line extends approximately eight miles along Buttercup Road and Highway 75 as shown on Exhibit 3 to the Direct Testimony of Ryan Adelman in the Company's initial filing in this case. Cox has indicated that it plans to relocate the Communications Line onto Idaho Power's new overhead transmission Line that will be installed in the same approximate location as the distribution line under the Transmission Line project.

While Idaho Power is not required to provide space on the Transmission Line for the new Cox attachments, the Company has worked cooperatively with the Blaine County Board of County Commissioners ("County Board") and Cox to provide a Transmission Line configuration option that would provide space for the Cox attachments on the Transmission Line poles. This

Transmission Line configuration is based on an engineering study conducted by Idaho Power's contractor, HDR Engineering, to determine what Transmission Line modifications would be needed to allow for the attachment of the Cox Communications Line on Transmission Line poles 10 through 165. The HDR Engineering study established the clearance requirements for the Communications Line attachments on the Transmission Line poles and determined that 19 of the 156 Transmission Line poles in question would need to be raised to provide sufficient clearance for the Communications Line attachments. Idaho Power submitted the HDR Engineering study as Exhibit C2 in the County Board conditional use permit proceedings for the Transmission Line and attached to Cox's comments in this case.

The County Board approved the Transmission Line configuration based on Exhibit C2 in its Findings of Fact, Conclusions of Law and Decision dated March 15, 2021, granting Idaho Power a conditional use permit ("CUP") for the Transmission Line. The CUP included a Conditions of Approval section, with No. 18 stating:

18. Cox Communication shall have access to lease for a single communications wire only on the above ground transmission line, including raising up to 19 poles to match heights and locations described in Exhibit C2.

The Cox comments submitted to the Commission also quote from the CUP's Conditions of Approval No. 18, and express support for the Transmission Line clearances described in Exhibit C2:

A copy of Exhibit C2 to the Final CUP for the Owl Rock Road Route which the *Application* seeks approval is attached hereto. As provided in Exhibit C2 to the Final CUP, Cox has access to the new poles, including requiring poles to be heightened from Idaho Power's original design to accommodate Cox's communication wire.

Idaho Power has incorporated the Exhibit C2 clearance specifications and pole heights into the Transmission Line project under the Owl Rock Road Route for which the Company is seeking Commission approval. Accordingly, Idaho Power believes that it would be appropriate for the Commission to recognize the Idaho Power-Cox accommodation in its order in this case through

a similar general statement as provided in Order No. 33872, Case No. IPC-E-16-28, where the Commission granted Idaho Power a CPCN for the Transmission Line in 2017:

As to Cox's request to continue to attach equipment to Idaho Power's poles, we understand that Idaho Power's proposed design for the overhead portion of the line will allow for attachment of Cox's equipment while keeping pole heights to a minimum. We appreciate the willingness of Cox and Idaho Power to work together to find a solution.

By contrast, Idaho Power would not support a broader requirement in the Commission's order in this Case that Idaho Power shall provide sufficient space on its Transmission Line poles to allow the attachment of the Cox Communications Line. Such a broad requirement would create an attachment right that does not presently exist and could force Idaho Power to make additional and expensive changes to the Transmission Line poles if Cox determines that it would prefer additional space for its attachments beyond the specified clearances in Exhibit C2. If the Commission wishes to provide any greater detail related to the Cox attachments, the reference should be limited to clearance specifications set forth in Exhibit C2, which the County Board, Idaho Power, and Cox have previously concurred with to allow for the attachment of the Communications Line on the Transmission Line.

C. Kiki Leslie A. Tidwell Comments

While Ms. Tidwell addresses a wide range of issues in her comments, Idaho Power's reply is focused on those comments that apply to the Company's proposed Transmission Line project, which is the subject of this case.

1. Tidwell Paragraph 2

Ms. Tidwell states that "A strong case has not been made that all Idahoans should pay for this non-essential undergrounding of transmission lines in the City of Ketchum." This issue was fully reviewed and decided in the Commission's Case No. IPC-E-16-28 ("CPCN Case"), in which the Commission granted Idaho Power a CPCN to construct the Transmission Line in Order No. 33872 ("CPCN Order"). Idaho Power's petition and testimony in the CPCN Case reviewed four

possible engineering alternatives for the approximately 3.5-mile northern portion of the Transmission Line route (“Northern Segment”), which extends south from the Ketchum Substation, through the City of Ketchum, and continuing south to the intersection of Owl Rock Road and Highway 75. These alternatives for the Northern Segment were: (1) overhead transmission, (2) underground transmission, (3) overhead distribution and (4) underground distribution.

Based on Idaho Power’s extensive analysis of the four power line engineering alternatives for the Northern Segment, as described in the Company’s petition and testimony in the CPCN Case, Idaho Power recommended, and the Commission approved in the CPCN Order, the underground transmission option for the Northern Segment. Under this option, the Transmission Line will be buried for an approximately 2.2-mile distance extending south from the Ketchum Substation through the City of Ketchum to the intersection of Elkhorn Road and Highway 75.

Ms. Tidwell states in her comments that the overhead transmission option through the City of Ketchum would be less expensive than the underground transmission option. However, Idaho Power documented in its application and testimony in the CPCN Case that the overhead transmission option was not a viable option through the City of Ketchum. As Idaho Power stated in its petition in the CPCN Case:

The Overhead Transmission line route through the Ketchum downtown district would have significant challenges. The challenges include the fact that the City of Ketchum is set up with a grid of streets, sidewalks, and zero setback buildings. Options that exist for construction of overhead transmission include placing the poles in the sidewalks, the edge of streets, and overhanging the wires over the streets, constructing tall enough structures to span the wires over the tops of buildings, and utilizing side streets. Because of the very tight geographical constraints, this option would likely be dependent upon and require condemnation of private property in order to pass through downtown Ketchum with an overhead line to the Ketchum substation. Again, North Valley customers, in particular Ketchum customers, would strongly oppose this option on visual impacts alone.

Neither of the two possible route options for an Overhead Transmission construction configuration [including Dollar Mountain

route] provides a viable solution for redundant electric service to the North Valley.

Nothing has changed since the Commission's September 2017 CPCN Order to indicate that constructing the Transmission Line overhead through the City of Ketchum would be any more viable today. In fact, the continuing development in Ketchum would create even greater obstacles for establishing a viable transmission line route through Ketchum.

2. Tidwell Paragraph 3

Ms. Tidwell states that Idaho Power has taken the position that burying "the distribution lines between Hailey and the hospital" is "non-essential to electrical service". This refers to the approximately eight-mile distribution line segment that Idaho Power is proposing to bury as part of the Company's recommended Owl Rock Road Route. Ms. Tidwell's reference is correct to state that burying the distribution line is not essential for electric service. There are no significant physical obstacles that interfere with placing the distribution line overhead. The main purpose for burying the distribution line is to reduce the visual impact of the Transmission Line project. Accordingly, the incremental cost of burying the distribution line is to be borne by the requesting party, which in this case involves the surcharge assessment on customer power bills within Blaine County, as set forth in Idaho Power's petition.

3. Tidwell Paragraph 4

Ms. Tidwell also questions the cost and redundancy value of the Transmission Line. Idaho Power provided a thorough description of the reliability need for the Transmission Line in its petition and testimony in the CPCN Case, and the Commission acknowledged that need in its CPCN Order. Idaho Power's petition in the CPCN Case states:

Idaho Power generally initiates and constructs a second transmission source and transformer when a substation peak load is projected to exceed 40 MW. Recent examples include the additions of second transmission lines and transformers at the Victory and McCall substations. Idaho Power is also moving forward with a second transmission project in the Eagle and Star area, which peaks at 71 MW. The Ketchum and Elkhorn substations' peak load of about 60 MW, coupled with the winter tourism

population in the North Valley, strongly supports the need for a second transmission line. The most significant risk of outage and economic impact occurs during the peak of the winter season when the electrical demand and tourism activity peak. Deep snow and steep terrain can create very difficult access to susceptible sections of the existing transmission line, resulting in sustained outages (defined as an interruption that lasts more than five minutes). Idaho Power currently estimates the existing North Valley transmission configuration will result in average sustained outages of more than 209 minutes per year. However, an extended outage could last multiple days and be catastrophic, not only from the economic loss of the area, but the additional damage that may be caused by water pipes freezing. Summers are not immune from risk either, with the potential for a fire to take out the existing line, impacting the ability to pump gas or water, and resulting in economic loss. Multiple transmission sources are standard practices that Idaho Power implements to reduce the likelihood of sustained outages. Additionally, Idaho Power installs distribution circuit tie switches, where adjacent circuits are available, to reduce the duration of sustained outages on the radially sourced distribution system.

Ms. Tidwell also indicates that Idaho Power's existing 138 kV Wood River-Elkhorn-Ketchum Transmission Line ("Existing Transmission Line") may need repairs to provide reliable service. Idaho Power has emphasized the need for comprehensive maintenance and repair of the Existing Transmission Line, and one of Idaho Power's main objectives for constructing the Transmission Line is to be able to de-energize the Existing Transmission Line for maintenance and reconstruction work. Otherwise, performing the planned work on the Existing Transmission Line would require numerous and extensive outages to customers in the northern part of the Wood River Valley ("North Valley"), which would not be an acceptable option.

Ms. Tidwell also states in Paragraph 4 that "it would be much less expensive to run a temporary line and repair the first one." This option was thoroughly reviewed in the CPCN Case. Idaho Power's application in the CPCN Case states:

A temporary line to the Ketchum substation would be required to serve the customers of the Ketchum and Elkhorn substations during the reconstruction of the existing line. The temporary line would be placed in road right-of-way, mostly along Highway 75, to minimize private property impact and right-of-way costs. The temporary line would almost assuredly be deemed a visual impact by many North Valley customers. Following the completion of the reconstruction, the majority of temporary line

materials (poles and insulators) would be salvaged; however, the conductor cannot be salvaged. With the construction of a redundant 138 kV transmission line the reconstruction of the existing line could be done with little to no disruption of service, and without the lost investment of installing and removing a temporary line during reconstruction.

The "Commission Findings and Decision" in the CPCN Order further states:

Nearly all the parties and participants agreed that the existing line needs to be rebuilt. Idaho Power explained that the redundant line would allow the existing line to be rebuilt without interruption to customers. Petition at 16. Other parties and participants argued that the existing line could be rebuilt using a temporary line to avoid interruption to customers. Tr. at 531, 603, 632-3 5. Regardless, rebuilding the existing line using a temporary line instead of a second permanent line does not create redundancy and thus does not improve resiliency to the North Valley in a permanent way going forward.

Installing a temporary transmission line for repairs on the Existing Transmission Line would not provide long-term transmission redundancy for the North Valley and was accordingly not recommended by Idaho Power and not adopted by the Commission in the CPCN Order.

4. Tidwell Paragraphs 5, 11, 12, 14

Ms. Tidwell recommends using alternative energy sources in place of the Transmission Line. Idaho Power has addressed alternative energy resources at length in connection with the Transmission Line project, as indicated in Mr. Adelman's testimony (p 13-15) in this case:

Q. Did Idaho Power explore alternatives for the Transmission Line?

A. Yes. In addition to conducting the transmission evaluation through the WREP [Wood River Electric Plan] planning process, Idaho Power worked with the WREP CAC [Citizens Advisory Committee], the Wood River Renewable Energy Working Group, and the Ketchum Energy Advisory Committee to review other potential energy sources to provide backup power for the North County. Based on this review, Idaho Power produced a report entitled Northern Wood River Valley-Local Backup Electrical Supply Report in October 2015 ("Backup Power Report"). The report was further updated in November 2016.

The U.S. Department of Energy's Idaho National Laboratory (which has more than 1,000 megawatts of hybrid power, solar, and

wind energy systems deployed at Department of Defense and industry/utility sites around the world) provided independent technical review and feedback for the Backup Power Report.

The Backup Power Report analyzed diesel generation, natural gas generation, and solar generation as potential backup power sources, after determining that wind generation, geothermal generation, and biomass generation were not viable alternatives for the WRV.

The installation costs and the annual maintenance costs, respectively, for the three backup energy sources analyzed in the Backup Power Report would be significantly higher than the installation and maintenance costs for the Transmission Line. The alternative backup power cost comparisons to the estimated \$30 million Transmission Line are as follows: Diesel Engine (\$57 million total installation cost/\$1 million annual operations & maintenance), Gas Turbine (\$101 million/\$0.455 million) and PV plus Battery Storage (\$924 million/\$3.45 million).

Q. Did Idaho Power revisit the costs used in the Backup Power Report to determine if alternatives were viable?

A. Yes. Idaho Power reviewed the Backup Report and determined that, while the cost of alternative energy technologies has gone down since the Backup Report was developed, the outcome remains the same - the Transmission Line remains by far the most cost-effective solution to provide the North County with reliable electric service.

Ms. Tidwell indicates in Paragraph 5 that Idaho Power has identified future battery storage acquisitions in its 2021 Integrated Resource Plan ("IRP") and recommends the installation of battery storage at the Idaho Power substations "north of the hospital" in place of the Transmission Line. Ms. Tidwell is correct that Idaho Power has included the installation of battery storage facilities at selected distribution substations in its service area that are nearing maximum load capacity (of up to 5 megawatts ("MW") per substation) in its latest IRP (filed in Case No. IPC-E-21-43). In these select cases, battery storage would provide additional capacity more economically than adding or replacing transformers at the substations. However, as the Company has previously addressed, adding battery storage for backup power to the North Valley in place of the Transmission Line would require far greater battery capacity, and is not a practical or cost-effective option. The Transmission Line would provide 60 MW of capacity, sufficient to serve the

entire North Valley in the event of an outage on the Existing Transmission Line. Adding 60 MW of battery capacity in place of the Transmission Line would not only be very expensive, but would only supply backup power for a limited time, typically 4-6 hours. As explained previously by Idaho Power in the CPCN case, an outage on the Existing Transmission Line could last for days depending on weather conditions, terrain, and the extent of damage to the Existing Transmission Line. A backup battery system could not realistically supply the quantity and duration of power needed to continue service to the North Valley for such an outage.

5. Tidwell Paragraph 6

Ms. Tidwell asserts that the proposed surcharge to fund a portion of the Transmission Line project undergrounding is regressive and will not benefit Blaine County homeowners in areas such as Carey. Idaho Power provides a thorough description of the surcharge and surcharge development in its petition. As described in the Company's petition, Blaine County reviewed a number of possible funding sources for the Transmission Line burials, including bond issuances, levy overrides and local improvement district assessments. Blaine County determined that these measures were not satisfactory funding sources for Transmission Line undergrounding.

Blaine County then inquired about billing surcharge options by Idaho Power to provide funding for Transmission Line burials. Idaho Power agreed to review a surcharge alternative with the County, provided that the surcharge would not exceed a total surcharge level of 3 percent—similar to the 3 percent maximum franchise fee in Idaho. After reviewing the surcharge alternative, and after conducting a poll of Blaine County citizens, Blaine County expressed support for the equivalent of a 3 percent franchise fee on all Blaine County customers, which would pay to bury the Existing Distribution Line and the 1.4-mile segment of the Transmission Line between Elkhorn Road and Owl Rock Road over an estimated 20-year period. Idaho Power agreed to pursue the surcharge in this case.

Idaho Power's petition and accompanying testimony in this case provide detail on how the proposed monthly surcharge assessments were calculated and how the final costs of the

Transmission Line project undergrounding will be determined. Idaho Power believes that, as a whole, the surcharge as proposed would provide a reasonable balance for the collection of undergrounding costs from the Company's customer classes in Blaine County.

The Company also addressed the type and structure of the surcharge in its petition and in the direct testimony of Tim Tatum (p 16):

Q. How did the Company determine a fixed/flat monthly amount was the appropriate surcharge model?

A. The Company began by assessing several potential options (e.g., charges that would be fixed, variable, or assessed based on individual customer characteristics). Because the costs of undergrounding are not associated with energy use or demand, the Company settled on a flat charge as the most appropriate and reasonable type of charge. Further, Idaho Power cannot assess a charge based on information the Company does not possess such as customer property size/value or customer income level. Additionally, and importantly, flat charges are transparent, predictable, and easy to understand by customers.

6. Tidwell Paragraphs 9 and 10

Ms. Tidwell criticizes Idaho Power's financing charge used for the proposed Surcharge assessments ("...the extra egregious ~10% interest rate charged by Idaho Power to Blaine County residents for undergrounding distribution lines between Hailey and the hospital"). Idaho Power describes the surcharge assessment calculation in Mr. Tatum's testimony (pp 14-15):

Q. Using annual billed revenue as the basis of collection, how much would Idaho Power collect over a 20-year period?

A. The net present value of the 20-year surcharge based on 2019 billing data was approximately \$9.8 million when discounted to today's dollars using the Company's pre-tax authorized rate of return of 9.59 percent. This amount closely matches the current estimated incremental cost of undergrounding. Using 2020 billing data as a base, the net present value of the 20-year surcharge increases to \$10.4 million.

To clarify, Idaho Power would prefer to receive a contribution in aid of construction ("CIAC") for the cost of its undergrounding work for the Owl Rock Road Route when the project is completed. However, because Blaine County was not able to fund a CIAC, Idaho Power agreed

to recover the cost of the undergrounding over a 20-year repayment period through the surcharge mechanism. Assuming the incremental cost of the undergrounding is \$9.8 million, as currently estimated, Idaho Power will make a \$9.8 million capital expenditure for the undergrounding portion of the Owl Rock Road Route. As noted in Mr. Tatum's testimony, Idaho Power's pre-tax authorized rate of return on capital expenditures is 9.59 percent per annum. By applying the 9.59 percentage rate to the recovery of Idaho Power's \$9.8 million incremental capital expenditure for the Owl Rock Road Route undergrounding, Idaho Power is using the same rate of return it would use for any other capital expenditure in its regulated utility business in Idaho. Idaho Power has taken this approach to assure that it recovers its normal costs for Owl Rock Road Route undergrounding work, and does not "subsidize" the project, potentially at the expense of other customers.

7. Tidwell Paragraph 13

Ms. Tidwell makes several comments criticizing the Citizens Advisory Committee ("CAC") that Idaho Power worked with, beginning in 2007, to prepare the Wood River Electric Plan ("WREP") for the Wood River Valley and surrounding areas, and which included support for a new redundant transmission line from the Wood River Substation to the Ketchum Substation to provide urgently needed backup service to the North Valley. Idaho Power's application in the CPCN Case provided a summary of the important role the CAC played in Idaho Power's electrical plan for the Wood River Valley:

14. In 2007, a Community Advisory Committee ("CAC") was convened which developed the Wood River Valley Electrical Plan ("WREP"), which is a comprehensive plan for future transmission facilities in the Wood River Valley, which includes the North Valley area. One of the two near-term facility additions identified was a second 138 kV transmission line between the Wood River and Ketchum substations. In 2011, after additional deliberations and extensive public outreach, the CAC updated the WREP. The CAC once again recommended that Idaho Power construct the second 138 kV transmission line. The CAC was convened again in 2012 to discuss new information about potential impact to sage grouse habitat, and the impact to the WREP. Later in 2012, the CAC was reconvened to provide additional input regarding planned open

house events in Hailey, Sun Valley, and Ketchum. High-level cost estimates were provided, proposed boundaries and approximate owner costs for a possible local improvement district to fund the incremental local cost for underground preferences for the redundant line were included. In 2014, in response to inquiries from both the City of Ketchum and the Ketchum Energy Advisory Committee ("KEAC"), the Company invited representatives from both entities to join the CAC to investigate the possibility of any new alternatives to the proposed redundant line. The "updated" CAC was convened twice in late 2014. At that time, the updated CAC, which included two members from the KEAC, reaffirmed the need for a second energy path into the North Valley.

15. In addition to the CAC process, Idaho Power has undertaken additional numerous public involvement activities and efforts specific to the Wood River Valley. The Company has more than 100 documented communications; i.e., meetings and letters with city officials, presentations to committees, open houses, meetings with residents and subdivisions, etc., regarding transmission siting in and around the North Valley from 2007 to the present, in addition to the numerous other informal discussions, phone calls, and contacts about this matter. Most recently, Idaho Power took part in several collaborative processes geared towards exploring the possibility of providing alternative sources of energy in the North Wood River Valley. The results of this exploration have shown that the cost of such alternative sources (diesel engine, gas turbines, and photovoltaic plus battery energy storage systems) are significantly higher than the cost of the redundant line and provide less reliability.

The CAC played an essential role in Idaho Power's electrical planning process for the Wood River Valley, and the Company has greatly benefited from public participation in all of its regional electric plans across southern Idaho, including the WREP.

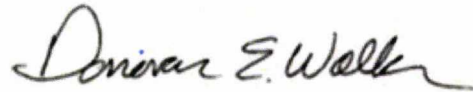
D. Public Comments

Several public comments were received regarding various aspects of the Company's filing, the necessity for undergrounding, the application of the surcharge to various customer classes and areas of the county. The Company addresses these concerns above in its response to Tidwell paragraph 6. The Company is appreciative of public participation in this case and reiterates its belief that the Owl Rock Road Route and related surcharge as proposed provides a reasonable compromise that balances the competing interests of the Company's customers in Blaine County, while also protecting other customers in the Company's service area.

III. CONCLUSION

Idaho Power is grateful for the level of engagement and comments received in this case. The Company is appreciative of Staff's thoughtful and detailed evaluation of the petition and surcharge methodology. The Company supports Staff's findings and its recommendation for approval of the Transmission Line modifications and surcharge as proposed. As a result, Idaho Power respectfully reaffirms its request that the Commission issue an Order: (1) approving the proposed surcharges, tariff schedule, and Accounting Order as presented in its filing; and (2) approving the Owl Rock Road Route modifications to the line route previously approved by the CPCN, Order No. 33872, and (3) that the Commission's findings and directives from the CPCN, Order No. 33872, as well as the order requested in this case, carries with it the express authority over any action or order of other government agencies or local governments that are in conflict with such orders of the Commission pursuant to Idaho Code § 67-6528.

Respectfully submitted this 11th day of January, 2022.



DONOVAN E. WALKER
Attorney for Idaho Power Company

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 11th day of January 2022, I served a true and correct copy of the within and foregoing IDAHO POWER COMPANY'S REPLY COMMENTS upon the following named parties by the method indicated below, and addressed to the following:

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