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*IDAHO PUBLIC
UTILITIES COMMISSION*

LISA D. NORDSTROM
Lead Counsel
lnordstrom@idahopower.com

March 2, 2023

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-23-07
In the Matter of the Application of Idaho Power Company for an Order
Approving the Transfer of Certain Assets Associated with Ritter Island

Dear Ms. Noriyuki:

Enclosed for electronic filing please find Idaho Power Company's Application in the above matter.

If you have any questions about the attached documents, please do not hesitate to contact me.

Very truly yours,

A handwritten signature in black ink that reads "Lisa D. Nordstrom". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Lisa D. Nordstrom

LDN:sg
Enclosures

LISA D. NORDSTROM (ISB No. 5733)
Idaho Power Company
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P.O. Box 70
Boise, Idaho 83707
Telephone: (208) 388-5825
Facsimile: (208) 388-6936
lnordstrom@idahopower.com

Attorney for Idaho Power Company

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

| | | |
|----------------------------------|---|----------------------|
| IN THE MATTER OF THE APPLICATION |) | |
| OF IDAHO POWER COMPANY FOR AN |) | CASE NO. IPC-E-23-07 |
| ORDER APPROVING THE TRANSFER |) | |
| OF CERTAIN ASSETS ASSOCIATED |) | APPLICATION |
| WITH RITTER ISLAND. |) | |
| _____ |) | |

Idaho Power Company ("Idaho Power" or "Company"), in accordance with *Idaho Code* § 61-328 and 61-524 and Rule of Procedure 52, hereby respectfully makes application to the Idaho Public Utilities Commission ("Commission") for an order approving the proposed conveyance of approximately 1.09 acres of land ("Ritter Island Parcel"), located in Gooding County, Idaho, to the Idaho Department of Parks and Recreation ("IDPR"). The Ritter Island Parcel is visually depicted on the map found in Attachment 1.

In support of this verified Application, Idaho Power asserts as follows:

I. BACKGROUND

1. In 1989, the Company acquired approximately 1.09 acres of land on Ritter

Island, located in the Thousand Springs area of the Snake River, south of Hagerman, Idaho, as part of a Federal Energy Regulatory Commission (“FERC”) required mitigation package associated Idaho Power’s mid-Snake hydro facilities— Bliss, Lower Salmon, and CJ Strike. At the time of this acquisition, the Ritter Island Parcel was one parcel within a portion of certain lands in the Thousand Springs area of Gooding County owned by The Nature Conservancy (“TNC”), a nonprofit corporation centered around environmental stewardship. The totality of these lands was referred to as the “Thousand Springs Project,” which was acquired by TNC to preserve and protect the Thousand Springs area. In anticipation of mitigation for mid-Snake relicensing, Idaho Power facilitated TNC’s purchase of these properties. Correspondingly, TNC granted Idaho Power a conservation easement on several of the parcels. Additionally, TNC conveyed two homesites on Ritter Island to Idaho Power.

2. In 2006, TNC sold its interest in the Thousand Springs properties to IDPR to ensure long-term protection and management by the state in a location where IDPR is already actively managing resources and property. Following this transaction, IDPR was the sole owner of the Thousand Springs properties and the lands located on Ritter Island, with the exception of the Ritter Island home sites, which had been conveyed to Idaho Power in 1989.

3. In the early 2000’s, Idaho Power received new FERC licenses for its mid-Snake hydro facilities and two of four parcels with conservation easements were used as mitigation. Subsequent to issuance of the new licenses, Idaho Power entered into a settlement agreement with the United States Fish and Wildlife Service (“USFWS”) addressing Endangered Species Act (“ESA”) protected aquatic snails, allowing for load

following at the hydro projects. As part of its approval of this settlement agreement, FERC increased the amount of aquatic habitat required for mitigation purposes.

4. In order to meet the increased requirement for aquatic habitat mitigation, Idaho Power began negotiations to acquire the necessary lands around the mid-Snake hydro facilities. Through these discussions, Idaho Power worked with IDPR to reach agreement towards applying the remaining two parcels with conservation easements on IDPR-owned portions of the Thousand Springs Project to help meet the increased mitigation requirement. In exchange for supporting Idaho Power's proposal and associated management plan with FERC, IDPR asked Idaho Power to relinquish the two homesites it owns on Ritter Island to IDPR, resulting in a win-win situation for Idaho Power and IDPR. For Idaho Power, the ability to utilize the existing conservation easements would assist the Company in satisfying the increased FERC-imposed aquatic habitat mitigation, while the conveyance of the Ritter Island Parcel would make IDPR the sole owner of lands on Ritter Island. It is Idaho Power's understanding that without the conveyance, IDPR is unable to attain funding to expand their efforts on the island due to encumbrances associated with Idaho Power's ownership of the Ritter Island Parcel.

II. DESCRIPTION OF TRANSACTION

5. Under the proposed transaction, Idaho Power would transfer the Ritter Island Parcel at zero cost to IDPR. As discussed in further detail below, this conveyance is the result of negotiations that ultimately led to the relicensing of the Company's mid-Snake hydro facilities, which provide clean, reliable, low-cost electricity to Idaho Power's customers.

III. IDAHO CODE § 61-328

6. Pursuant to *Idaho Code* § 61-328, an electric utility must obtain approval from the Commission before it sells or transfers ownership in any generation, transmission, or distribution plant located in Idaho.

Before authorizing the transaction, the public utilities commission shall find: (a) That the transaction is consistent with the public interest; (b) That the cost of and rates for supplying service will not be increased by reason of such transaction; and (c) That the applicant for such acquisition or transfer has the bona fide intent and financial ability to operate and maintain said property in the public service.

Idaho Code § 61-328(3).

7. The proposed transfer of the 1.09-acre Ritter Island Parcel meets the above-stated requirements of *Idaho Code* § 61-328(3). The transaction is in the public interest as it resulted in the successful negotiation of a settlement agreement that led to FERC's approval of new licenses for the mid-Snake hydro facilities. Absent the settlement agreement, Idaho Power would have likely been required to seek out other costlier options to provide the incremental habitat mitigation required by FERC's new license requirements. Lack of reaching settlement in this case could have resulted in extended costly litigation associated with obtaining the new licenses and/or the requirement to acquire other mitigation properties at further expense to the Company. By utilizing lands acquired under a prior settlement negotiation in 1989, the Company was able to resolve this portion of the current settlement with no incremental cost to customers. Consequently, the cost of rates for supplying service will not be increased by this transaction.

8. As a governmental body whose mission is to improve the quality of life in Idaho through outdoor recreation and resource stewardship, IDPR has the *bona fide* intent and financial ability to operate and maintain the land in the public service.

IV. PROPOSED ACCOUNTING

9. The original cost of the 1.09 acres of land was \$504,985.48. To record the conveyance of the land, the original cost would be removed from FERC Account 101, Electric Plant-in-Service, with an offset to FERC Account 426.1, Donations.

V. MODIFIED PROCEDURE

10. Idaho Power believes that a technical hearing is not necessary to consider the issues presented herein, and respectfully requests that this Application be processed under Modified Procedure; i.e., by written submissions rather than by hearing. RP 201 *et seq.*

VI. COMMUNICATIONS AND SERVICE OF PLEADINGS

11. Communications and service of pleadings with reference to this proceeding should be served on the following:

Lisa D. Nordstrom
Idaho Power Company
1221 West Idaho Street (83702)
P.O. Box 70
Boise, Idaho 83707
lnordstrom@idahopower.com
dockets@idahopower.com

Matt Larkin
Idaho Power Company
1221 West Idaho Street (83702)
P.O. Box 70
Boise, Idaho 83707
mlarkin@idahopower.com

VII. REQUEST FOR RELIEF

12. Idaho Power respectfully requests a Commission order authorizing the proposed conveyance of the 1.09 acre Ritter Island Parcel to IDPR consistent with the requirements of *Idaho Code* §61-328.

DATED at Boise, Idaho, this 2nd of March 2023.

A handwritten signature in black ink, reading "Lisa D. Nordstrom". The signature is written in a cursive, flowing style.

LISA D. NORDSTROM
Attorney for Idaho Power Company

VERIFICATION

STATE OF IDAHO)
) ss.
County of Ada)

LISA D. NORDSTROM, being duly sworn, deposes and states that she is an attorney for Idaho Power Company, that she has read the foregoing Application and knows the contents thereof, and that the same are true to the best of her knowledge and belief.

Lisa D. Nordstrom

LISA D. NORDSTROM

SUBSCRIBED AND SWORN TO before me, a notary public of the state of Idaho,
this 2nd day of March 2023.

Stacy Gust

Notary Public for Idaho
Residing at Meridian, Idaho
My commission expires: 11/02/2024



CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 2nd day of March 2023, I served a true and correct copy of Idaho Power Company's Application upon the following named parties by the method indicated below, and addressed to the following:

Commission Staff

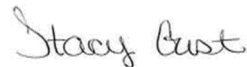
Dayn Hardie
Deputy Attorney General
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☐ Hand Delivered
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Idaho Department of Parks and Recreation

Heidi Burks
Adam Zaragoza
Idaho Department of Parks and Recreation
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Stacy Gust, Regulatory Administrative
Assistant

BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-23-07

IDAHO POWER COMPANY

ATTACHMENT NO. 1

Idaho Power Ritter Island Parcel

Land to be conveyed to Idaho Department of Parks and Recreation

Legend

- 1000 Springs Resort
- Idaho Power Ritter Island Parcel
- Lemmon falls
- Ritter Island State Park
- THOUSAND SPRINGS - Power Plant
- THOUSAND SPRINGS SUBSTATION

