

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER)	CASE NO. IPC-E-23-07
COMPANY’S APPLICATION FOR AN)	
ORDER APPROVING THE TRANSFER OF)	
CERTAIN ASSETS ASSOCIATED WITH)	ORDER NO. 35854
RITTER ISLAND)	
)	

On March 2, 2023, Idaho Power Company (“Company”), and the Idaho Department of Parks and Recreation (“IDPR”) (together the “Parties”) applied to the Idaho Public Utilities Commission (“Commission”) for approval of an asset transfer between the Company and IDPR (“Application”). As proposed, the Company would transfer approximately 1.09 acres of land on Ritter Island (“Ritter Island Parcel”) located in Gooding County, Idaho to IDPR.

On March 22, 2023, the Commission issued a Notice of Application, Notice of Modified Procedure, and Notice of Telephonic Hearing. Order No. 35711. The Commission held a telephonic hearing on May 11, 2023. No members of the public testified. The Commission Staff (“Staff”) filed comments supporting the Application. One written public comment was received. The Company did not file any reply comments. Based on our review of the record, the Commission now issues this final Order approving the Company’s Application.

BACKGROUND

Ritter Island is located south of Hagerman, Idaho on the Snake River in an area known as Thousand Springs. The Company acquired approximately 1.09 acres of land on Ritter Island in 1989 as part of a mitigation requirement from the Federal Energy Regulatory Commission (“FERC”). At the time, the property owned by the Company was part of a portion of land referred to collectively as the Thousand Springs Project (“TSP”); the TSP was owned by The Nature Conservancy (“TNC”). The Company cooperated with TNC in TNC’s purchase of the TSP. Accordingly, TNC conveyed two homesites and certain conservation easements to the Company. TNC later sold the TSP property to IDPR. The Company retained its easements and homesites.

THE APPLICATION

The Company stated that the proposed conveyance was part of negotiations that led to the FERC relicensing of the Company’s mid-Snake hydro facilities. IDPR asked the Company to transfer the Ritter Island Parcel to IDPR in exchange for supporting the Company’s plan to buy

lands around the mid-Snake hydro facilities to meet the FERC’s aquatic habitat migration requirements. If the transfer is approved, the Company would still be able to utilize the conservation easements while addressing its aquatic habitat mitigation efforts.

The Company stated IDPR would be receiving this conveyance as part of a settlement at no cost. Section IV of the Application noted that \$504,985.48—the original cost of the parcel—would be removed from FERC Account 101, Electric Plant-in-Service; this would be accounted for by a corresponding offset to FERC Account 426.1, Donations.

The Company stated that it is compliant with the three prongs of *Idaho Code* § 61-328(3) regarding asset transfers. The Company stated (1) the conveyance is in the public interest because the Company would otherwise have had to engage in costlier alternatives to obtain its mid-Snake hydro facility licenses; (2) the conveyance thus avoided an increase in the Company’s costs and customers’ subsequent rates; and (3) IDPR is a governmental entity that will be able to competently maintain its service to the public.

THE COMMENTS

a. Staff Comments

Staff evaluated the Company’s Application under *Idaho Code* § 61-328(3). Staff believed that the proposed asset transfer promotes the public interest because otherwise the Company would need to seek costlier alternatives to meet FERC requirements. Staff believed that the transfer will not increase the Customer’s rates because the land would be removed from rate base as a donation as described above. Finally, Staff believed that IDPR has the bona fide intent and financial ability to maintain the property because it is already maintaining the remaining land on Ritter Island. Accordingly, Staff believed the proposed asset transfer complies with *Idaho Code* § 61-328.

Staff believed that the asset transfer is more cost-effective than the Company’s foreseeable alternatives. The original cost of the Ritter Island Parcel was \$504,985.48. Staff noted that the Company stated that, were it not for the option of transferring the Ritter Island Parcel, the Company would have had to acquire other land (costing at least \$2 million) to fulfill FERC’s mitigation requirements for the Company. If the Company could not find an acceptable parcel to fulfill FERC’s requirements, the Company’s other option was to engage in run-of-river operations for the mid-Snake hydro facilities—which the Company estimated would cost \$8.4 million annually. Accordingly, Staff agreed with the Company that the transfer of the Ritter Island Parcel was the most cost-effective path forward.

b. Public Comment

One public comment was filed on April 17, 2023. In this Comment, concerns were raised that the transfer of the Ritter Island Parcel would be viewed, in the Company's accounting metrics, as a loss. It was argued that such a loss would then be used as justification by the Company to unnecessarily raise rates.

COMMISSION FINDINGS AND DISCUSSION

The Commission has jurisdiction over this matter under *Idaho Code* § 61-328. The Commission has reviewed the record, including the Application and comments. Specifically, as required by *Idaho Code* § 61-328(3), the Commission finds that the asset transfer is consistent with the public interest, will not increase the cost of rates for supplying service, and IDPR has the bona fide intent and financial ability to operate and maintain the relevant assets subject to transfer. The Commission also finds that reasons for approving this asset transfer are consistent with this Commission's relational in prior orders. Accordingly, we find it reasonable to approve the Application.

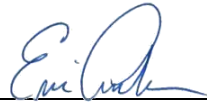
ORDER

IT IS HEREBY ORDERED that the Company's Application is approved. The transfer of the Ritter Island Parcel from the Company to IDPR is approved, effective upon the issuance date of this Order.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order regarding 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.

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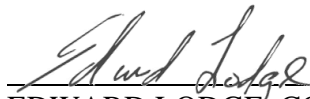
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 20th day of July 2023.



ERIC ANDERSON, PRESIDENT

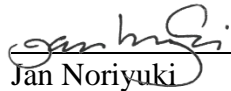


JOHN R. HAMMOND JR., COMMISSIONER



EDWARD LODGE, COMMISSIONER

ATTEST:



Jan Noriyuki
Commission Secretary

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