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August 15, 2022

VIA ELECTRONIC DELIVERY

Jan Noriyuki
Commission Secretary
Idaho Public Utilities Commission
1131 W. Chinden Blvd
Building 8 Suite 201A
Boise, ID 83714

**Re: CASE NO. PAC-E-21-01
IN THE MATTER OF THE APPLICATION OF ROCKY MOUNTAIN POWER
FOR APPROVAL OF THE TRANSFER OF THE LOWER KLAMATH
HYDROELECTRIC PROJECT GENERATING FACILITIES**

I. BACKGROUND

On January 14, 2021, PacifiCorp, (the “Company”), filed an application with the Idaho Public Utilities Commission, (“Commission”), requesting an order approving the Property Transfer Agreement, (“Transfer Agreement”), between the Company and the Klamath River Renewal Corporation, (“Renewal Corporation”), with a determination that the property disposition is in the public interest. The Transfer Agreement provided for the transfer of four hydroelectric dams; J.C. Boyle, Copco No. 1, Copco No. 2, and Iron Gate, (collectively the “Lower Klamath Project”), as well as approximately 8,000 acres of real and personal property associated with the dams from PacifiCorp to the Renewal Corporation.

On July 8, 2021, the Commission issued Order No. 35097; approving the Transfer Agreement, authorizing the Company to create a regulatory asset for any remaining plant balances after the transfer, and requiring PacifiCorp to file bi-annual reports with the Commission on the

status of the license transfer with the Federal Energy Regulatory Commission, (“FERC”), and any additional capital investments on the Lower Klamath Project.

Pursuant to Order No. 35097 PacifiCorp hereby submits its semi-annual status report on the license transfer along with new capital expenditures and the June 30, 2022, plant balance of the Lower Klamath Project. The report covers the period of January 1, 2022, through June 30, 2022.

II. BI-ANNUAL REPORT

On June 17, 2021, FERC issued an order¹ approving PacifiCorp’s application to transfer the license for the Lower Klamath Project, FERC Project No. 14803, to the Klamath River Renewal Corporation, the State of Oregon, and the State of California, (the “Co-Licensees”). Approval of the transfer will be effective upon transfer of the title of the properties under the Lower Klamath Project to the Co-Licensees and the acceptance of FERC’s license transfer order by the Co-Licensees. These two actions must occur within 30 days of FERC issuing an order on the application to surrender the license for the Lower Klamath Project. FERC’s license transfer order required PacifiCorp to develop revised license Exhibits K and L for the Lower Klamath Project as well as the Klamath Hydroelectric Project, FERC Project No. 2082. PacifiCorp filed the revised Exhibits K and L with FERC on December 14, 2021.

Substantial progress continues to be made with respect to FERC’s review of the license surrender application. On June 17, 2021, FERC issued a notice of intent to prepare an environmental scoping document and an environmental impact statement (“EIS”) for the license surrender and decommissioning application. On February 25, 2022 FERC issued a draft EIS for public review and accepted comments on the document through April 25, 2022. In the draft EIS, FERC concluded that while the proposed action would have some significant adverse effects, it

¹ *PacifiCorp*, Order Approving Transfer of License, 175 FERC ¶ 61,236 (2021), Issued June 17, 2021, Project Nos. 2082-062, 14803-000, 14803-004, FERC Accession #: 20210617-3060.

would also provide significant benefits. Ultimately, FERC staff recommended approval of the license surrender with some relatively minor modifications. FERC is currently working on responding to public comment and preparing a final EIS, which is expected in September 2022.

PacifiCorp is obligated under the terms of the Klamath Hydroelectric Settlement Agreement to continue to operate and maintain the Lower Klamath Project in compliance with the existing FERC license and other regulatory requirements until the Lower Klamath Project is disconnected from the electrical grid and no longer benefitting customers with generation produced from the facilities. This operation and maintenance obligation continues after the facilities are transferred to the Co-Licensees until generation from the Lower Klamath Project ceases. PacifiCorp, as the current licensee of the Lower Klamath Project and the Klamath Hydroelectric Project, must continue to make any necessary capital improvements to the facilities to ensure their continued safe and reliable operation until they are disconnected from the electrical grid pursuant to the FERC license surrender order.

III. CAPITAL EXPENDITURES

The Lower Klamath Project’s net book value, electric plant in-service less accumulated depreciation reserve balances as of June 30, 2022, along with the annual depreciation expense and regulatory asset balance are summarized in Table 1. Amortization of the regulatory asset will be completed by December 31, 2022.

Table 1. Lower Klamath Project Net Book Value – June 30, 2022

Description	Total	Idaho
Electric Plant In-Service	\$ 99,288,657	\$ 5,681,297
Accumulated Depreciation	\$ (94,298,995)	\$ (5,395,788)
Net Book Value	\$ 4,989,662	\$ 285,508
Annual Depreciation Expense	\$ 608,058	\$ 34,793
Regulatory Asset (Amortized through 12/31/2022)		\$ 206,807

PacifiCorp's total capital expenditures, made to support the continued operation of the Lower Klamath Project, transferred to electric plant in-service between January 1, 2022, through June 30, 2022, was \$803,825. This total includes projects initiated prior to calendar year 2022 that was transferred to electric plant in-service during the year. Of the \$803,825 transferred to electric plant in-service through June 30, 2022, only \$32,432 was for new 2022 capital projects (See Table 2 for project detail).

Table 2. Lower Klamath Project Capital Additions Placed In-Service in 2022

Project Definition	Project Description (* 2022 Project)	Amount (\$)
HKCA/2016/C/007	Iron Gate Hatchery Replace Recirculation System	\$ 186,677.39
HKCA/2019/C/005	Copco Waterline Section Replacement	\$ 62.87
HKCA/2021/C/008	Iron Gate CSIR Mandated Improvements 2022	\$ 202,205.44
HKCA/2021/C/009	Iron Gate Hatchery Raceway Headbox Low Level Alarm Upgrade	\$ 33,080.34
HKCA/2021/C/013	IKL 7.6.6.A. Forklift Procurement (2021)	\$ 44,534.97
HKCA/2021/C/015	IKL 2.1.5 Klamath Data Sondes Sensors	\$ 4,989.25
HKCA/2021/C/021	IKL - Article 49 Irongate Hatch Trojan	\$ 23,170.83
HKCA/2022/C/008	Copco 1 Common PLC Cabinet Components *	\$ 14,024.95
HKCA/2022/C/009	Copco 2 Powerhouse HVAC *	\$ 13,450.21
HKOR/2017/C/004	JC Boyle 1 and 2 Refurbish Exciters	\$ 4,105.16
HKOR/2020/C/011	JC Boyle Fish Ladder Weir Actuator Upgrade	\$ 6,773.03
HKOR/2021/C/007	Klamath OR Refurbish House 7553	\$ 107,736.14
HPOR/2015/C/011	West Hydro Oil Spill Prevention	\$ 10,690.26
HPOR/2018/C/013	Hydro Surveillance Camera Replacement	\$ 11,602.82
HPOR/2020/C/001	Electrical/Instrument/Communications 2020	\$ 61.87
HPOR/2021/C/002	Facilities 2021	\$ 48,943.87
HPOR/2021/C/005	Mechanical 2021	\$ 30,132.84
HPOR/2021/C/007	Small Tools 2021	\$ 56,626.80
HPOR/2022/C/007	Small Tools 2022 *	\$ 4,956.47
Total		\$ 803,825.51

Any informal inquiries may be directed to Ted Weston, Idaho Regulatory Manager at ted.weston@pacificorp.com or by phone at (801) 220-2963.

Very truly yours,

A handwritten signature in black ink that reads "Joelle Steward". The signature is written in a cursive style with a large, looped initial "J".

Joelle R. Steward
SVP of Regulation and Customer / Community Solutions