



February 15, 2023

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**IDAHO PUBLIC**  
**UTILITIES COMMISSION**

***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 December 31, 2022, plant balance of the Lower Klamath Project. The report covers the period of July 1, 2022, through December 31, 2022.

## **II. BI-ANNUAL REPORT**

As previously reported, on June 17, 2021, FERC issued an order<sup>1</sup> 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”). Transfer of the license was to be effective upon transfer of the title of the properties under the Lower Klamath Project to the Co-Licensees and the acceptance by the Co-Licensees of a FERC license surrender order for the project.

During this reporting period, FERC made substantial progress with its review of the license surrender application and FERC issued a final environmental impact statement (“EIS”) for the license surrender and decommissioning application on August 28, 2022. The final EIS mirrored the conclusions in the draft EIS that was issued in February 2022, and concluded that while the proposed action would have some significant adverse effects, it would also provide significant benefits and was therefore the preferred alternative. With environmental review completed, FERC turned its attention to completion of consultation under Section 106 of the National Historic Preservation Act. After consultation with the Klamath River Renewal Corporation, affected tribes, and the State Historic Preservation Officers for Oregon and California, FERC issued a programmatic agreement that was acceptable to all parties. The Klamath River Renewal

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<sup>1</sup> *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.

Corporation, tribes, and State Historic Preservation officers executed this agreement in early November 2022.

FERC approved the license surrender application at its regular meeting on November 17, 2022, and issued the license surrender order<sup>2</sup> on the same date. Following FERC's action, the Co-Licensees formally accepted the FERC surrender order and executed the necessary steps with PacifiCorp to complete transfer of the project license and real property, which was effective on December 1, 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 is formalized in an amended and restated Operational and Maintenance Agreement between PacifiCorp and the Co-licensees that went into effect on December 1, 2022, concurrent with the transfer of the license. This contract will remain in place with respect to each facility until generation from the facility in Lower Klamath Project ceases. The Klamath River Renewal Corporation plans to begin dam removal activities in 2023 and to complete the removal of the dams in 2024. At this time, PacifiCorp anticipates that generation from the Lower Klamath Project facilities will cease at the end of 2023.

### **III. CAPITAL EXPENDITURES**

The Lower Klamath Project's net book value, electric plant in-service less accumulated depreciation reserve balances as of December 31, 2022, along with the annual depreciation

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<sup>2</sup> *PacifiCorp*, Order Modifying and Approving Surrender of License and Removal of Project Facilities, 181 FERC ¶ 61,122 (2022), Issued November 17, 2022, Project Nos. 2082-063, 14803-001, FERC Accession #: 20221117-3021.

expense and regulatory asset balance are summarized in Table 1. Amortization of the regulatory asset has been completed.

**Table 1. Lower Klamath Project Net Book Value – December 31, 2022**

<b>Description</b>	<b>Total</b>	<b>Idaho</b>
Electric Plant In-Service	\$ 100,657,562	\$ 5,573,711
Accumulated Depreciation	\$ (94,874,527)	\$ (5,253,487)
Net Book Value	\$ 5,783,035	\$ 320,224
Annual Depreciation Expense	\$ 1,092,217	\$ 60,479
Regulatory Asset (Fully Amortized as of 12/31/2022)		\$ 0

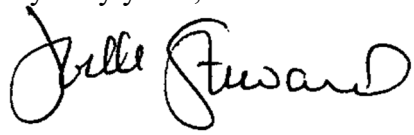
PacifiCorp's total capital expenditures, made to support the continued operation of the Lower Klamath Project, transferred to electric plant in-service between July 1, 2022, through December 31, 2022, was \$2,456,369.56. This total includes projects initiated prior to calendar year 2022 that were transferred to electric plant in-service during the reporting period. Of the \$2,456,369.56 transferred to electric plant in-service through December 31, 2022, only \$727,893.55 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	Project Description (* 2022 Project)	Amount (\$)
CITC/2019/C/603	Wireless Bridge Replacement	\$ 41,223.67
HKCA/2016/C/007	Iron Gate Hatchery Replace Recirc System	\$ (7,537.05)
HKCA/2019/C/005	Copco Waterline Section Replacement	\$ 5.74
HKCA/2021/C/002	Copco 1 Station Service Breakers Replace	\$ 177,712.22
HKCA/2021/C/009	IGH Raceway Headbox Low Level Alarm Upgrade	\$ 1,962.80
HKCA/2021/C/011	IGH Supplemental Water Supply Pump	\$ 141,950.35
HKCA/2021/C/017	Copco 21 Brake Rotor Refurbishment	\$ 31.95
HKCA/2021/C/019	Copco 2 Roadway Bridge Refurbishment	\$ 145,387.16
HKCA/2021/C/020	Klamath CA Road Refurbishment	\$ 263,986.69
HKCA/2021/C/022	Copco 1 Tailrace Level Sensor	\$ 10,429.74
HKCA/2022/C/008	Copco 1 Common PLC Cabinet Components *	\$ 5,287.46
HKCA/2022/C/009	Copco 2 Powerhouse HVAC *	\$ 21,231.77
HKCA/2022/C/010	IKL-Iron Gate Dam Weather Station *	\$ 4,518.82
HKCA/2022/C/011	Copco 2 Office Building HVAC *	\$ 35,756.89
HKCA/2022/C/013	Klamath, CA Rec. Facilities Decommission *	\$ 112,499.92
HKCA/2022/C/014	Copco 2 Wood Stave Flowline Refurbishment *	\$ 105,377.33
HKCA/2022/C/015	Iron Gate Hatchery Fish Pump *	\$ 107,962.85
HKCA/2022/C/018	Iron Gate Hatchery Housing Upgrades *	\$ 146,048.62
HKCA/2022/C/019	Iron Gate Hatchery Facility Upgrades *	\$ 88,465.47
HKOR/2017/C/006	JC Boyle Tailrace Stop Logs	\$ 6.61
HKOR/2020/C/008	Copco 2 Refurbish Wood Stave flowline	\$ 9.82
HKOR/2021/C/001	JC Boyle CSIR Mandated Improvements 2020	\$ 240,557.22
HKOR/2021/C/006	JC Boyle Traveling Screen Rebuild	\$ 247,706.19
HKOR/2021/C/009	JC Boyle Road Refurbishment	\$ 82,725.73
HKOR/2022/C/003	JC Boyle Canal Road Stabilization *	\$ 57,408.76
HKOR/2022/C/004	JC Boyle TIV Hydraulic Cylinder Pedestal *	\$ 35,755.54
HLEW/2020/C/055	Surveillance Camera Replacement 2020	\$ 69,168.75
HPOR/2020/C/001	Elec / Instrument / Comm 2020	\$ 5,078.68
HPOR/2020/C/002	Facilities 2020	\$ 2,271.62
HPOR/2021/C/002	Facilities 2021	\$ 27,379.46
HPOR/2021/C/005	Mechanical 2021	\$ 4,520.47
HPOR/2021/C/008	Hydro Vehicles 2021	\$ 273,898.19
HPOR/2022/C/002	Facilities 2022 *	\$ 2,136.98
HPOR/2022/C/007	Small Tools 2022 *	\$ 2,716.49
HPOR/2022/C/010	Elec / Instrument / Comm 2022 *	\$ 2,726.65
<b>Total</b>		<b>\$ 2,456,369.56</b>

Any informal inquiries may be directed to Mark Alder, Idaho Regulatory Manager at [mark.alder@pacifiCorp.com](mailto:mark.alder@pacifiCorp.com) or by phone at (801) 220-2313.

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" and a long, sweeping underline.

Joelle R. Steward  
Senior Vice-President of Regulation and Customer Solutions