

DECISION MEMORANDUM

TO: COMMISSIONER KEMPTON
COMMISSIONER SMITH
COMMISSIONER REDFORD
COMMISSION SECRETARY
COMMISSION STAFF
LEGAL

FROM: KRISTINE SASSER
DEPUTY ATTORNEY GENERAL

DATE: DECEMBER 11, 2009

SUBJECT: IDAHO POWER'S APPLICATION FOR AUTHORITY TO SELL TO
PACIFICORP THE GOSHEN SERIES CAPACITOR BANK, CASE NO.
IPC-E-09-32

On November 13, 2009, Idaho Power Company filed an Application requesting authority to sell to PacifiCorp the Goshen Series Capacitor Bank. The Goshen Series Capacitor Bank ("the Bank") is a 345 kV, 3-phase, 60 Hz, 2 equal segment, outdoor series capacitor bank.¹ The Bank is part of the larger Jim Bridger transmission system that is owned jointly by Idaho Power and PacifiCorp.

THE APPLICATION

On July 31, 2009, Idaho Power and PacifiCorp entered into an Asset Purchase Agreement for the sale of the Goshen Capacitor Bank from Idaho Power to PacifiCorp. Idaho Power requests Commission approval of the sale pursuant to the requirements of *Idaho Code* § 61-328.

Idaho Power asserts that the requested transaction meets the requirements of *Idaho Code* § 61-328. Idaho Power further maintains that the sale is in the public interest because it allows the Company to receive value for an asset that is no longer required by the Company and facilitates an upgrade to PacifiCorp's transmission system – which is interconnected with Idaho Power's transmission system. Idaho Power further asserts that customers' rates will not increase

¹ It includes the control cabinets in a control building, a battery bank, three platforms that house the Series Capacitors, metal oxide varistors, optical current transducers, and reactors. It also includes two independent pole bypass circuit breakers, two combination air brake/grounding switches and one bypass switch.

as a result of this transaction. The sales price for the Bank is \$6,698,610. Idaho Power states that the purchase price is equal to the net book value of the asset, resulting in no after tax gain or loss to either Idaho Power or PacifiCorp.

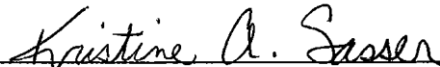
Idaho Power requests that its Application be processed by Modified Procedure.

STAFF RECOMMENDATION

Staff recommends that Idaho Power's Application be processed by Modified Procedure with comments to be filed no later than January 21, 2009. In order to meet the requirements of *Idaho Code* § 61-328, Staff recommends that the Commission conduct a public hearing following the comment deadline.

COMMISSION DECISION

1. Does the Commission find that the public interest may not require a hearing to consider the issues presented, and that this proceeding may be processed under Modified Procedure with a comment deadline of January 21, 2009?
2. Does the Commission wish to conduct a public hearing following the comment deadline?



Kristine A. Sasser
Deputy Attorney General

M:IPC-E-09-32_ks