



Case No. IPC-E-15-26, Order No. 33470

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PUC approves sale of equipment to FBI

BOISE (Feb. 26, 2016) – The Idaho Public Utilities Commission is approving an application by Idaho Power Company to sell to the Department of Justice electrical equipment valued at about \$80,000.

Idaho code requires that the commission conduct a public hearing whenever a regulated utility seeks to sell its property. That hearing was held in Boise on Feb. 22.

The sale is for transformers and other electrical equipment at a Federal Bureau of Investigation complex in Idaho Power's southern Idaho service territory. Under their prior arrangement, Idaho Power owned the facilities, and the Department of Justice, as an industrial customer, paid a monthly facilities charge. Once the sale becomes effective, the Department of Justice will own and maintain all the facilities from the point of delivery to the FBI facility. The Department of Justice will also prepay engineering costs.

The Industrial Customers of Idaho Power, while not opposing the sale, urged the commission to open a separate case addressing how to value the purchase price of utility-owned facilities in future cases.

The commission declined to open a separate docket, noting that the circumstances of any sale can vary. "Accordingly, we find that agreements like that between Idaho Power and the FBI here, are ill-suited to and, would not benefit from, the imposition of rules for determining a purchase price." However, the commission also said Idaho Power's methodology for determining the sales price in this case should not be regarded as a precedent for all future cases.

State law requires that whenever a utility seeks to sell property used in the generation, transmission, distribution or supply of electric energy, the proposed sale must be approved by the commission. The commission must find that the transaction is in the public interest, won't increase rates and that the buyer has the financial ability to operate and maintain the property.

“We note that the assets at issue serve only the FBI, thus there is no impact to deliverability and reliability of electric service to other customers,” the commission said.

A copy of the commission’s final order as well other documents related to this case are available on the commission’s Website at www.puc.idaho.gov. Click on “Open Cases” under the “Electric” heading and scroll down to Case No. IPC-E-15-26.

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