

DECISION MEMORANDUM

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

**FROM: NEIL PRICE
DEPUTY ATTORNEY GENERAL**

DATE: JULY 3, 2008

**SUBJECT: APPLICATION OF ROCKY MOUNTAIN POWER FOR A
CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY
AUTHORIZING CONSTRUCTION OF THE POPULUS-TO-TERMINAL
345 KV TRANSMISSION LINE PROJECT; PAC-E-08-03.**

On April 18, 2008, Rocky Mountain Power, a division of PacifiCorp, (“Rocky Mountain Power”), filed an Application for a Certificate of Public Convenience and Necessity pursuant to *Idaho Code* §§ 61-526 through 528, IDAPA 31.01.01.111 and 112 and Commission Order No. 26665 seeking authorization to construct a 345 kV Transmission Line, a/k/a Populus-Terminal Transmission Line, to be located in Bannock and Oneida Counties as well as a new substation to be located in Downey, Idaho. *Application* at 1.

THE APPLICATION

Rocky Mountain Power is a Utah corporation providing retail electric service to customers in Utah, Wyoming and Idaho. The Company lists its principal place of business as Salt Lake City, Utah. *Id.* at 2. Rocky Mountain Power has filed a Certificate of Assumed Business Name with the Idaho Secretary of State acknowledging PacifiCorp as the Company’s “true name.” Rocky Mountain Power’s parent company, PacifiCorp, is registered with the Idaho Secretary of State and lists CT Corporation System, 1111 W. Jefferson, Ste. 530, Boise, Idaho 83702, as its Idaho registered agent for service.

Rocky Mountain Power states in its Application that, over the past decade, it has experienced “significant increases in its retail loads.” *Id.* at 2. Accordingly, the Company believes that it must upgrade its “existing transmission line infrastructure” and increase

“transmission capacity” to be able to continue to provide “safe, reliable and efficient electric service to its customers.” *Id.* Specifically, the Company seeks authorization to construct a 345 kV Transmission Line (“Transmission Line”) from an existing substation located southwest of the Salt Lake City International Airport to a new substation located in Downey, Idaho. *Id.* at 2-3.¹

Rocky Mountain Power states that the proposed Transmission Line and new substation fulfill Commitment No. 34(a) – Path C Upgrade, as described in Order No. 29973 approving the acquisition of PacifiCorp by MidAmerican Energy Holdings Company pursuant to the parties’ Stipulation in PAC-E-05-08.

Rocky Mountain Power attached the direct testimony of John Cupparo, VP of Transmission; Sharon L. Seppi, Managing Director of Construction Services; and Bruce N. Williams, VP and Treasurer, to its Application. The following is a summary of their testimony:

- The Project will enhance reliability of service for customers because it will increase transfer capability between the east and west control areas.
- The new Transmission Line will allow the delivery of power from the Goshen Wind Project and future power projects the Company anticipates that it will construct in Idaho and Wyoming.
- The Project will allow the Company more flexibility in assessing planned additions to its generation capacity.
- Total cost of the Transmission Line and new Substation construction is estimated to be around \$750 million.
- The Company has secured franchise agreements permitting construction within “public thoroughfares” and has applied, or is in the process of applying, with local governmental entities for conditional-use permits and other similar land use authorizations.
- The Company will be able to finance the Projects either from its own internal funds or through external capital sources and estimates that the impact of the new Projects on the revenue requirement from Idaho customers to be approximately 3%.
- The Projects will not conflict with or otherwise affect the operations of existing public electric utilities.


¹ Rocky Mountain Power has filed a separate Application with the Utah Public Service Commission pertaining to the portion of the proposed Transmission Line that will be located in Utah. *Id.* at 3.

STAFF RECOMMENDATION

Staff has reviewed Rocky Mountain Power's Application and recommends that it be processed through Modified Procedure.

COMMISSION DECISION

Should Rocky Mountain Power's Application for a Certificate of Public Convenience and Necessity to construct a 345 kV Transmission Line and a new substation be processed through Modified Procedure?



Neil Price
Deputy Attorney General

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