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REPORT NAME: Electric Company New Construction Budget for 2014

COMPANY NAME: Idaho Power Company

DOES REPORT CONTAIN CONFIDENTIAL INFORMATION? [X]No [ ]Yes

If yes, please submit only the cover letter electronically. Submit confidential information as directed in OAR 860-001-0070 or the terms of an applicable protective order.

If known, please select designation: [X]RE (Electric) [ ]RG (Gas) [ ]RW (Water) [ ]RO (Other)

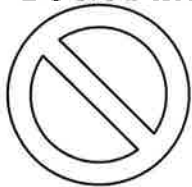
Report is required by: [X]OAR 860-027-0015
[ ]Statute Enter statute number
[ ]Order Enter PUC Order No
[ ]Other Enter reason

Is this report associated with a specific docket/case? [X]No [ ]Yes

If yes, enter docket number:

List applicable Key Words for this report to facilitate electronic search:

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- Annual Fee Statement form and payment remittance or
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• Any other Telecommunications Reporting or
• Any daily safety or safety incident reports or
• Accident reports required by ORS 654.715

Please file the above reports according to their individual instructions.



LISA D. NORDSTROM  
Lead Counsel  
[lnordstrom@idahopower.com](mailto:lnordstrom@idahopower.com)

March 7, 2014

**Attention: Filing Center**  
Public Utility Commission of Oregon  
550 Capitol Street NE, Suite 215  
P. O. Box 2148  
Salem, OR 97308-2148

Re: Idaho Power Company's New Construction Budget Report for 2014

Dear Sir or Madam:

Idaho Power Company herewith transmits for electronic filing its New Construction Budget Report for 2014.

If you have any questions, please call me at 208-388-5825.

Very truly yours,

A handwritten signature in black ink that reads "Lisa D. Nordstrom".

Lisa D. Nordstrom

LDN:kkt  
Enclosures

cc: Paul Rossow, OPUC  
Jerry McCabe  
RA Files  
Legal Files



PUBLIC UTILITY COMMISSION OF OREGON  
 PO BOX 1088, SALEM, OR 97308-1088  
 PUC.FilingCenter@state.or.us

**ELECTRIC COMPANY NEW CONSTRUCTION BUDGET FOR 2014**

**GENERAL INSTRUCTIONS**

1. Each energy utility operating within the State of Oregon and having gross operating revenues of \$50,000 or more per year is required to file a New Construction Budget annually on or before December 31<sup>st</sup> and report information on new construction, extensions, and new additions to property of the utility in accordance with Oregon Administrative Rule 860-027-0015.
2. The New Construction Budget Report should be completed and filed with the Public Utility Commission of Oregon Filing Center. Complete the e-Filing Report Cover Sheet found at [http://egov.oregon.gov/PUC/eFiling/eReports/efiling\\_report\\_cover\\_sheet.docx](http://egov.oregon.gov/PUC/eFiling/eReports/efiling_report_cover_sheet.docx). Email both the report and the cover sheet to [PUC.FilingCenter@state.or.us](mailto:PUC.FilingCenter@state.or.us), not later than December 31<sup>st</sup> of the year preceding that for which the budget is made.

**PROJECT NARRATIVE**

For major projects (the three largest projects in terms of cost and all projects greater than \$10 million) a narrative supplying the following information is required:

1. Project Description: Include a brief technical specification of the project, ownership, if jointly owned, operating date, stage of construction, and other relevant information.
2. Need for the Project: Attach all prepared information documenting the need for the project, including the specific need the project is intended to fill. Economic comparisons with alternatives are to be attached. All the underlying assumptions of the economic analyses are to be specified.
3. Contingencies: Attach a listing of existing or potential future problems which might impact the final cost or successful completion and operation of the project, such as licensing problems, labor difficulties, litigation, etc.
4. Reconciliation with Prior Budget: Each successive year's budget can be expected to reflect differing estimates of project costs as the project progresses. For each major project, prepare a reconciliation with the prior budget's estimates and provide specific reasons for the changes.

In addition, please attach copies of prepared documentation or plans describing generation transmission, and general plant projects exceeding \$1,000,000 in total cost and for which construction will commence in the budget year. Information submitted should contain:

1. A Brief Project Description: Include the project function (e.g., production, transmission, distribution, general plant, thermal, hydro, or other), project identification.
2. Location: Include a starting and ending date.
3. Total budgeted cost.

FULL NAME OF ELECTRIC COMPANY <b>IDAHO POWER COMPANY</b>			
ADDRESS: PO BOX OR STREET NUMBER <b>1221 W. IDAHO</b>	CITY <b>BOISE</b>	STATE <b>IDAHO</b>	ZIP CODE <b>83702</b>
CERTIFICATION: I CERTIFY THAT THE INFORMATION REPORTED IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE.			
SIGNATURE <i>Herald J. McCabe</i>	TITLE <b>CORPORATE BUDGET MANAGER</b>	DATE <b>3-5-14</b>	

**INSTRUCTIONS**

1. Report size of major production projects only, and percent ownership, scheduled operating dates, and expenditures required to complete project for major production, transmission, and general plant projects.
2. Major projects are defined as those projects having a total estimated cost to completion exceeding \$10 million.
3. Under "Distribution," report specific line item expenditures for the budget year only. All expenditures for distribution following the budget year should be aggregated for the year and only total distribution expenditures reported for the period.
4. Non-major project expenditures within each category should be aggregated and only the totals reported.
5. Report all expenditures in thousands of dollars.

DESCRIPTION	SIZE	PERCENT OWNERSHIP %	SCHEDULED OPERATING DATE (MO / YR)	EXPENDITURES (B.Y. = BUDGET YEAR; B.Y.+ 1 = THE FIRST YEAR AFTER THE BUDGET YEAR, ETC.)						REQUIRED TO COMPLETE	TOTAL
				PRIOR TO B.Y.	B.Y.	B.Y. + 1	B.Y. + 2	B.Y. + 3	B.Y. + 4		
<b>Major Production Projects:</b>											
<b>Brownlee Turbine Runner Replacement</b> - This project is to replace the runners and refurbish the turbines for Brownlee units 1 through 4. One unit per year will be completed between 2016 and 2019. Cavitation damage is occurring in the units and this project will address the long-term reliability concern. In addition, the new runners will improve generation efficiency.	Na	100%	Various	2,968	8,737	9,546	8,752			30,003	
<b>Hells Canyon Complex Relicensing</b> - This project includes amounts incurred for the ongoing relicensing efforts for the Hells Canyon Complex (HCC). Ongoing relicensing activities include Coordination of the relicensing process; Consulting with regulatory agencies, tribes and interested parties; Studies and data analysis; Preparing all necessary reports, exhibits, and filings; and Responding to requests for additional information from the FERC.	Na	100%	Unknown	167,167	4,619	4,231	4,719			180,736	
<b>Hells Canyon Complex Early Mitigation &amp; Compliance</b> - This project represents the capital expenditures to comply with anticipated terms of the new Hells Canyon Complex license order. Early mitigation projects began in 2005 based on necessity or opportunity to address expected compliance requirements. Receipt of the license is not expected until sometime in the future.	Na	100%	Various	31,839	3,066	10,379	4,300			49,584	
<b>Jim Bridger Selective Catalytic Reduction</b> - Idaho Power and the plant co-owners intend to install Selective Catalytic Reduction (SCR) equipment to reduce nitrogen oxide (NO <sub>x</sub> ) emissions at the Jim Bridger power plant in order to comply with regional haze rules. The regional haze rules provide for installation and operation of SCR on unit 3 by 2015 and unit 4 by 2016. The rules provide for an equivalent technology for NO <sub>x</sub> reductions on unit 2 by 2021 and unit 1 by 2022.	Na	33%	Various	5,809	47,578	42,876	18,392			114,655	

<b>Non-Major Production Projects</b>					70,859	97,905	86,829				
<b>Total Production Projects</b>					134,859	164,937	122,992				
<p data-bbox="21 313 550 341"><b>Major Transmission Projects:</b></p> <p data-bbox="21 357 550 454"><b>Due to FERC Standards of Conduct, IPC has presented its major and non-major transmission projects in total, and without year by year amounts for the projects discussed.</b></p> <p data-bbox="21 479 550 503"><b><u>Boardman to Hemingway Transmission Line</u></b> –</p> <p data-bbox="21 503 550 1023">The Boardman-to-Hemingway line, a proposed 300-mile, 500-kV transmission project between a station near Boardman, Oregon and the Hemingway station near Boise, Idaho, would provide transmission service to meet future resource needs. The Boardman-to-Hemingway line was included in the preferred resource portfolio in Idaho Power's 2013 IRP. The permitting phase of the project is subject to review and approval by the U.S. Bureau of Land Management, the U.S. Forest Service, and the Oregon Department of Energy. The environmental requirements for, and application of environmental regulations (particularly relating to sage grouse) to, the siting process have changed significantly since commencement of the project, making identification of a suitable route for the transmission line more difficult. In light of the delays and siting impediments that have occurred and are expected, Idaho Power is unable to accurately determine an approximate in-service date for the line but expects the in-service date would be in 2020 or beyond.</p> <p data-bbox="21 1047 550 1071"><b><u>Gateway West Transmission Line</u></b> – IPC and PacifiCorp are pursuing the joint development of the Gateway West project, a 500-kV transmission project between a point near Douglas, Wyoming and the Hemingway station near Boise, Idaho. Idaho Power's interest in the Gateway West project applies to four of ten segments involved in the project, referred to as segments 6, 8, 9, and 10, comprised of 88, 126, 152, and 34 miles, respectively and each of which is 500-kV.</p> <p data-bbox="21 1315 550 1559"><b><u>NERC Facility Rating Recommendation</u></b> – In 2010, the North American Electric Reliability Corporation (NERC) issued a "Recommendation to Industry" to consider actual field conditions in the determination of transmission facility ratings. NERC requested that facility owners assess their facilities, report any resulting discrepancies and mitigate these discrepancies within a timeline acceptable to NERC. This project encompasses activities necessary for IPC to comply with the NERC recommendation.</p>											

<p><b>Improve Wood River South 138 kV Network Facilities: &amp; Wood River-Ketchum 138 kV Line</b> - These projects provides increased capacity and reliability for the Wood River Valley as part of the Wood River Electric Plan. Design, permitting, and right-of-way are currently underway.</p> <p><b>Midpoint Series Capacitors</b> - This project replaces two 45-year-old 230 kV series capacitor banks at Midpoint Substation that are nearing the end of their useful lives.</p> <p><b>Non-Major Transmission Projects</b></p> <p><b>Total Transmission Projects</b></p>													
					55,776	60,147	58,278						
<p><b>Distribution (See Instruction 3):</b></p> <p>Station Equipment</p> <p>Poles, Towers, and Fixtures</p> <p>Overhead Conductors and Devices</p> <p>Underground Conductors and Devices</p> <p>Underground Conduit</p> <p>Line Transformers</p> <p>Services</p> <p>Meters</p> <p>Street Lighting and Signal Systems</p> <p>Other:</p> <p><b>Total Distribution</b></p>					8,585	10,277	5,499	9,052	2,020	20,589			
					2,481	3,191	199	1,794	63,687	78,538	76,272		
<p><b>Major General Plant Projects:</b></p> <p><b>Communication Asset Replacement and Upgrades</b>- This project replaces digital communications routers, microwave radios, and communications multiplexers at multiple sites over a three year period.</p> <p><b>Non-Major General Plant Projects</b></p> <p><b>Total General Plant Projects</b></p>				10,009	6,315	541	0			16,865			
					29,864	26,032	21,374						
					36,179	26,573	21,374						
<p><b>Total New Construction Budget</b></p>					290,501	330,195	278,916						

**NEW CONSTRUCTION BUDGET - 2014**  
**IDAHO POWER COMPANY**  
**OTHER PROJECTS EXCEEDING \$1 MILLION**

Project	In Service Date	B.Y. Cost	B.Y. + 1	B.Y. + 2	3 Year Total	Description
<b>PRODUCTION</b>						
Shoshone Falls Spillway Replacement and Scenic Flow Structures	2015	\$ 2,607	\$ -		\$ 2,607	This project includes replacing the gated spillway to address aging infrastructure concerns, and construction of a structure that will more reliably provide scenic flows as required in the FERC license.
Lower Malad Turbine Refurbishment	2015	\$ 2,397	\$ -	\$ -	\$ 2,397	This project replaces the runner and refurbishes the turbine for Lower Malad. Significant cavitation, resulting in metal loss and damage to the turbine, continues to degrade the unit and this project will address the long-term reliability concern. Additionally, the new design of the turbine runner will deliver better efficiency than the old runner.
Hells Canyon Complex Relicensing	Unknown	\$ 4,619	\$ 4,231	\$ 4,719	\$ 13,569	This project includes amounts incurred for the ongoing relicensing efforts for the Hells Canyon Complex (HCC). FERC is expected to issue a license order for the HCC upon completion of Section 401 water quality certifications and Endangered Species Act (ESA) consultation processes. Idaho Power continues to work closely with various Federal, Idaho and Oregon agencies and stakeholders to resolve issues associated with Section 401 certification for temperature. FERC cannot issue a license for the HCC until the states have issued water quality certifications under Section 401 of the Clean Water Act. Under the most optimistic scenario, the Company believes a license could be issued in 2019.
Hells Canyon Complex License Early Mitigation and Compliance	Various	\$ 3,066	\$ 10,379	\$ 4,300	\$ 17,745	This project represents the capital expenditures to comply with anticipated terms of the new Hells Canyon Complex license order, and expenditures to comply with existing license requirements. Early mitigation projects began in 2005 based on necessity or opportunity to address expected compliance requirements. Receipt of the license is not expected until 2019.
Lower Salmon Property Acquisition for Riparian Habitat Development	2015	\$ 3,171	\$ -	\$ -	\$ 3,171	This project is to acquire lands for the development and enhancement of riparian areas and wetlands to mitigate for impacts that load-following operation practices have on habitat downstream of the Bliss and Lower Salmon dams. These enhancements were required in the FERC order that approved IPC's license amendments for the Bliss and Lower Salmon projects. The plan to acquire and manage these lands has been reviewed by the required consulting agencies, the U.S. Fish and Wildlife Service and the Idaho Department of Fish and Game, and is currently under review at the FERC.
Bridger - Mercury Controls	2015	\$ 5,740	\$ 302	\$ -	\$ 6,042	This project will install equipment and systems to control mercury emissions on all four units in order to achieve the standards set forth in the Mercury Air Toxics Standards (MATS) issued by the EPA in 2013. Compliance with the Standards is required by April 2015.
Bridger - Unit 1 Cooling Tower Replacement	2014	\$ 2,445	\$ -	\$ -	\$ 2,445	This project will replace the cooling tower on Jim Bridger Unit 1. The tower has reached the end of its reliable service life, necessitating replacement to reduce the cell collapse risk. A cell collapse could result in a prolonged unit outage or a significant reduction in unit output for an extended period of time.
Valmy Unit 1 Dry Sorbent Injection	2014	\$ 4,235	\$ -	\$ -	\$ 4,235	This project will install emission control systems and monitoring equipment on Valmy Unit 1 in order to meet the requirements of the acid gas section of the Mercury and Air Toxics Standards (MATS) issued by the EPA in 2013. Compliance with the Standards on Unit 1 is required by April 2015.

**NEW CONSTRUCTION BUDGET - 2014**  
**IDAHO POWER COMPANY**  
**OTHER PROJECTS EXCEEDING \$1 MILLION**

<b>Project</b>	<b>In Service Date</b>	<b>B.Y. Cost</b>	<b>B.Y. + 1</b>	<b>B.Y. + 2</b>	<b>3 Year Total</b>	<b>Description</b>
Valmy Unit 2 Cooling Tower Replacement	2015	\$ 3,117	\$ 4,342	\$ -	\$ 7,459	This project will replace the cooling tower on Valmy Unit 2. The framing and basin for the cooling tower has reached the end of its reliable service life, necessitating replacement to reduce the cell collapse risk. A cell collapse could result in a prolonged unit outage or a significant reduction in unit output for an extended period of time.
Valmy Unit 2 Scrubber Spray Machines	2015	\$ 2,137	\$ 3,480	\$ -	\$ 5,617	This project replaces the nine scrubber spray machines on Valmy Unit 2 which were originally installed in 1985. The machines are used to remove SO2 from the flue gas in order to comply with the unit's current Title V operating permit.
Spare Multi-tap Generator Step-Up Transformer	2014	\$ 2,057	\$ -	\$ -	\$ 2,057	This project is to purchase a spare multi-tap generator step-up unit transformer (GSU) that can accommodate different unit voltages at Langley Gulch, Danskin, Bennett Mountain, and Brownlee Unit 5. This purchase provides a critical backup in the event of a GSU failure.
<b>TRANSMISSION</b>	<b>See Note at the Major Transmission Project section of this report.</b>					
<b>DISTRIBUTION</b>						
<b>GENERAL PLANT</b>						
Frame Relay Communication Replacements	Various	\$ 3,753	\$ 48	\$ 1,131	\$ 4,932	Third party telecommunication companies provide data links carrying automated metering information, Energy Management System (EMS) information, and security camera information to and from 126 Idaho Power distribution substations and power plants. CenturyLink serves 91 of these sites using a communications format referred to as frame relay. CenturyLink notified Idaho Power on October 23, 2013, that they are discontinuing Frame Relay service in December 2014, because the equipment used in this communication format is no longer manufactured or supported by the original manufacturers. This requires replacement of Idaho Power's frame relay interface equipment at the sites served by CenturyLink before December 2014. The various communication interface equipment at the other 35 sites served by other telecommunications companies are planned to be replaced in 2016.