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August 8, 2018

Public Utility Commission of Oregon
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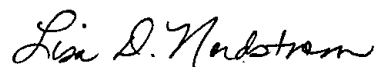
Re: Transmission Updates: 2nd Quarter 2018

Attention Filing Center:

Enclosed please find the 2nd Quarter 2018 Transmission Update report regarding the Gateway West and Boardman to Hemingway transmission projects. This update provides a description of the developments that transpired in the second quarter of 2018.

This filing should be brought to the attention of Michael Dougherty, Chief Operating Officer. If you have any questions, please contact Senior Regulatory Analyst Courtney Waites at 208-388-5612.

Very truly yours,



Lisa D. Nordstrom

LDN/kkt

Enclosure

Idaho Power Company's
Transmission Update for 2nd Quarter 2018
August 8, 2018

In late 2013, Staff of the Public Utility Commission of Oregon (“Commission”), requested¹ that Idaho Power Company (“Idaho Power” or “Company”) provide quarterly updates regarding the Energy Gateway West transmission project (“Gateway West”) developed jointly between PacifiCorp and Idaho Power (“Companies”). Commission Staff requested that, for each sub-segment² of this project, the Company provide a description of the developments³ that transpired in the previous quarter. Similarly, in 2017, Commission Staff requested⁴ that Idaho Power provide updates on the permitting or completion of the Boardman to Hemingway Transmission Line Project (“B2H”). The Company committed to providing updates as part of this quarterly notification.

Gateway West

On November 14, 2013, the Bureau of Land Management (“BLM”) released its record of decision (“ROD”) for Segments 1 through 7 and 10 of the Gateway West project. The BLM postponed a decision on the remaining segments — Segment 8 (Midpoint to Hemingway) and Segment 9 (Cedar Hill substation to Hemingway) — to resolve routing in the affected areas. Because of the importance of Segments 8 and 9 to the Gateway West project and to Idaho Power’s interest in the project, no additional permitting (state or local), regulatory activities, or other events were being pursued by Idaho Power until the BLM provided its decision on the remaining segments.

On January 19, 2017, the BLM released its ROD for the remaining segments. That decision was then appealed to the Interior Board of Land Appeals (“IBLA”) by certain challengers. In April 2017, the BLM requested that the IBLA remand the decision back to the BLM in light of the State of Idaho’s opposition to the BLM-selected route and because the BLM Idaho State Director concluded that it was in the best interest to do so. On April 18, 2017, the IBLA granted the BLM’s request and remanded the ROD for Segments 8 and 9 back to the BLM for further consideration.

On May 5, 2017, President Trump signed into law the Consolidated Appropriations Act of 2017, which incorporated by reference the Morley Nelson Snake River Birds of Prey National Conservation Area Boundary Modification Act (“Modification Act”). The Modification Act directed

¹ Commission Staff Data Request No. 1, Transmission Updates Docket, dated December 17, 2013.

² Segment E comprised by the following sub-segments: Hemingway to Cedar Hill, Hemingway to Midpoint, Midpoint to Cedar Hill, Midpoint to Borah, Borah to Populus, Cedar Hill to Populus; and Segment D comprised by the following sub-segments: Populus to Bridger, Bridger to Aeolus, and Aeolus to Windstar.

³ By developments, Commission Staff means any federal, state, and local permitting, regulatory, and other events.

⁴ Commission Staff Data Request No. 65, Docket UE 316.

the Secretary of Interior to issue a right-of-way for the portions of the Companies' preferred routes for Segments 8 and 9 that are located within the Snake River Birds of Prey National Conservation Area ("NCA"). On August 28, 2017, the BLM issued a Notice of Intent to prepare an Environmental Assessment ("EA") to reconsider its January 19, 2017, decision. The primary purpose of the EA is to solicit public comments and identify issues associated with such reconsideration, including addressing the rights-of-way needed to cross BLM lands outside of the NCA and the potential amendment of several Resource Management Plans and Management Framework Plans in the project area.

On November 3, 2017, the BLM issued its draft EA for public review and comment. On January 5, 2018, the BLM issued its final EA along with a Finding of No New Significant Impact ("FONNSI"), beginning a 30-day period for protesting the proposed Resource Management Plan amendments. The significance of the FONNSI is that BLM concluded it does not need to complete an additional or supplemental Environmental Impact Statement before making a decision on Segments 8 and 9.

2nd Quarter 2018 Project Developments

BLM has finished the right-of-way grant for Segments 8 and 9 which is ready to be executed. A signing ceremony is planned for August 8, 2018, and will include Idaho State BLM, Idaho Power, Rocky Mountain Power/PacifiCorp, and representatives from the Idaho Governor's office.

Boardman to Hemingway

The Companies and the Bonneville Power Administration ("BPA") jointly propose to design, construct, operate, and maintain a new, approximately 300-mile-long, 500-kilovolt, single-circuit electric transmission line from the proposed Longhorn Substation near Boardman, Oregon to the Hemingway Substation near Melba, Idaho. Idaho Power is leading the permitting process for the B2H project.

The permitting phase of B2H is subject to federal review and approval by BLM, the U.S. Forest Service ("USFS"), the Department of the Navy ("Navy"), the Army Corps of Engineers, and certain other federal agencies. BLM, as the lead federal agency on the National Environmental Policy Act review, issued its final Environmental Impact Statement for the project in November 2016.

For the state of Oregon permitting process, electronic copies of the amended preliminary application were submitted to the Oregon Department of Energy ("ODOE") and other reviewing agencies on June 29, 2017, marking a major milestone in the Oregon permitting process. Required hard copies of the approximately 17,000 page application were delivered on July 19, 2017.

On November 17, 2017, the BLM released its ROD for the B2H project, authorizing the BLM to grant a right-of-way to Idaho Power for the construction, operation and maintenance of the B2H project on BLM-administered land. The USFS and the Navy will issue their own separate decisions regarding rights-of-way across lands under their relative jurisdictions.

On May 23, 2018, the Commission issued Order No. 18-176 in Docket No. LC 68 that specifically acknowledged Idaho Power's 2017 Integrated Resource Plan's action items to conduct ongoing permitting, planning studies, and regulatory filings for the B2H transmission line, as well as to conduct preliminary construction activities, acquire long-lead materials, and construct the B2H project.

2nd Quarter 2018 Project Developments

The BLM's ROD triggered USFS, the Navy, and BPA's decision activities. For the Navy permitting process, the Navy has stated their ROD will be issued in late 2018, with an easement to be issued in 2019. BPA expects to issue a ROD in early 2019 for the removal of existing BPA infrastructure, a 69-kilovolt line from the Navy's Bombing Range, to clear the right-of-way for B2H. On June 4, 2018, the USFS issued its draft ROD which triggered a 45-day objection/comment period. The final USFS ROD is expected to be issued in the fall of 2018.

With respect to the Oregon permitting process, the next milestone is the application completeness determination by ODOE, which is expected after ODOE has reviewed and addressed all agency comments and requests for additional information. The completeness determination is projected to occur in August 2018. Once ODOE deems the permitting application complete, ODOE will schedule public informational meetings in each of the five Oregon counties directly impacted by the project. Following the public informational meetings, the focus will shift to ODOE's preparation and issuance of a draft proposed order.

Idaho Power continues to meet with landowners to micro-site the project route and prepare for a site certificate amendment in the future. This work will help to expedite easement negotiations and potentially minimize future litigation.