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December 6, 2017

Public Utility Commission of Oregon
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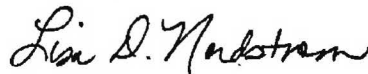
RE: UP ____ – In the Matter the Application of Idaho Power Company Requesting
Approval of an Asset Sale to the City of Meridian, Idaho

Attention Filing Center:

Attached for filing is an electronic copy of an Application of Idaho Power Company
requesting approval of an asset sale to the City of Meridian, Idaho.

Please contact me at (208) 388-5825 or Regulatory Analyst Mark Annis at (208) 388-5208
with any questions regarding this filing.

Very truly yours,



Lisa D. Nordstrom

LDN/kkt

Enclosures

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**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UP _____

In the Matter of the Application of Idaho Power Company Requesting Approval of an Asset Sale to the City of Meridian, Idaho)
) **APPLICATION**
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Pursuant to Oregon Revised Statute (“ORS”) 757.480(1)(a) and Oregon Administrative Rule (“OAR”) 860-027-0025, Idaho Power Company (“Idaho Power” or “Company”) seeks approval from the Public Utility Commission of Oregon (“Commission”) as soon as practicable¹ for the proposed sale of certain assets to the City of Meridian (“City”), located in Ada County, Idaho, as described herein.

I. INTRODUCTION

Idaho Power provides electric service to the City’s wastewater treatment facility in accordance with Schedule 19, Large Power Service (“Schedule 19”), of I.P.U.C. No. 29, Tariff No. 101 (“Idaho Power’s Idaho Tariff”). Pursuant to Rule M, Facilities Charge Service (“Rule M”), of Idaho Power’s Idaho Tariff, Idaho Power owns and operates transformers and other facilities beyond the Point of Delivery (“POD”) for the sole purpose of meeting the City’s service requirements. Idaho Power provides this optional service to the City in exchange for the City’s payment of a monthly facilities charge. The facilities charge rates are provided in Idaho Power’s Idaho Tariff Schedule 66, Miscellaneous Charges (“Schedule 66”). These Idaho Power-owned facilities subject to the sale (“Asset” or “Assets”) are more particularly described in Exhibit A to the Asset Purchase and Transfer of Title Agreement, dated

¹ The City is in the process of expanding its wastewater treatment facility and, until the asset sale closes, the City must follow the protocol detailed in Section 5 of the Asset Purchase and Transfer of Title Agreement to install additional facilities beyond the point of delivery. As such, the City desires an order from the Commission as soon as practicable to avoid potential interruptions to its expansion.

1 November 8, 2017, ("Agreement"). A true and correct copy of the Agreement is attached as
2 Exhibit I to this Application.

3 **II. ASSET SALE AGREEMENT**

4 The City requested Idaho Power sell the Assets to the City and, as described in the
5 Agreement, Idaho Power agreed to transfer and convey the Assets to the City subject to
6 approval by this Commission and the Idaho Public Utilities Commission ("IPUC"). Upon
7 closing the sale, the City will assume ownership, operations, maintenance, and all liabilities
8 associated with the Assets, thereby owning all facilities beyond the POD.

9 **III. ORS 757.480**

10 ORS 757.480 requires any utility doing business in Oregon to obtain Commission
11 approval for transactions involving property with a value in excess of \$100,000. The total
12 sale price of the Assets is \$743,489. The Assets are located in Idaho and the sale of the
13 Assets will not impact Idaho Power customers, including customers located in Oregon.
14 However, in accordance with the Oregon statute, Idaho Power submits this application
15 requesting approval of the transaction.

16 **IV. CURRENT FACILITY CHARGE ARRANGEMENT**

17 Idaho Power owns, operates, and maintains certain distribution facilities located
18 beyond the POD at the City's wastewater treatment facility. These distribution facilities are
19 installed solely to benefit the City and, in exchange for Idaho Power owning, operating, and
20 maintaining the same, the City pays Idaho Power a monthly facilities charge. The monthly
21 facilities charge is equal to: (a) 1.41 percent of the initial investment cost of assets that are
22 less than or equal to 31 years old; or (b) 0.59 percent of the initial investment cost of assets
23 that are greater than 31 years old. The facilities charge rates are in Schedule 66, of Idaho
24 Power's Idaho Tariff and consist of the following:

25

26

Components	Facilities Charge Rate	
	≤ 31 years	> 31 years
Rate of Return	4.71%	0.00%
Book Depreciation	3.23%	0.00%
Income Taxes	1.92%	0.00%
Property Taxes	0.56%	0.56%
Other Taxes (Regulatory Fees)	0.14%	0.14%
Operations and Maintenance	3.58%	3.58%
Administration and General	2.28%	2.28%
Working Capital	0.14%	0.14%
Insurance	0.32%	0.32%
Annual Total	16.89%	7.02%
Monthly Charge	1.41%	0.59%

The cost components are specific to Idaho jurisdictional requirements and are the same cost components included in Idaho Power's base rate revenue requirement in Idaho for like facilities. These components are further described as follows:

Rate of Return: Idaho Power's cost of financing its original investment in facilities. The rate of return uses a weighted average of Idaho Power's cost of debt and cost of equity. The facilities charge rate represents a levelized payment stream to simplify the rate calculation and the administration of the facilities charge.

Book Depreciation: The straight-line annual depreciation of assets based on a levelized 31-year basis.

Income Taxes: The tax Idaho Power pays on the amount of revenue received from the equity portion of the rate of return.

Property Taxes: The property tax Idaho Power pays associated with its distribution facilities.

Other Taxes (Regulatory Fees): The fees Idaho Power pays to this Commission and the IPUC. A portion of these fees is based on Idaho Power's distribution investment, which includes facilities installed beyond Idaho Power's POD.

1 Operations and Maintenance: Idaho Power's costs to operate and maintain its
2 distribution facilities. This component represents an average operations and maintenance
3 rate for all distribution equipment.

4 Administration and General: A percentage of the total administration and general
5 expenses associated with the overall plant investment.

6 Working Capital: The carrying cost of inventory. Working capital is based on the cost
7 of capital to finance the distribution facilities inventory, and the property taxes Idaho Power
8 pays on its inventory.

9 Insurance: Insurance premiums resulting from facilities installed beyond Idaho
10 Power's POD. Insurance covers property, casualty, and worker's compensation.

11 **V. COMPLIANCE WITH OAR 860-027-0025(1) FILING REQUIREMENTS**

12 Pursuant to the requirements of OAR 860-027-0025(1), Idaho Power represents:

13 **A. The Exact Name and Address of the Utility's Principal Business Office.**

14 Idaho Power Company, 1221 West Idaho Street (83702), P.O. Box 70, Boise, Idaho
15 83707-0070.

16 **B. The State in Which Incorporated, the Date of Incorporation, and the Other
17 States in Which Authorized to Transact Utility Operations.**

18 Idaho Power incorporated under the laws of Maine on May 6, 1915, and migrated its
19 state of incorporation to Idaho effective June 30, 1989. Idaho Power is a foreign corporation
20 qualified to do business in Oregon, Nevada, Montana, and Wyoming in connection with its
21 utility operations. Idaho Power is authorized to provide retail electric service in Idaho and
22 Oregon.

23 **C. Name and Address of the Person on Behalf of Applicant Authorized to
24 Receive Notices and Communications in Respect to the Applications.**

25 The name and address of the persons authorized on behalf of Idaho Power to receive
26 notices and communications in respect to this Application is:

1
2 Lisa D. Nordstrom, Lead Counsel
3 Idaho Power Company
4 1221 West Idaho Street (83702)
5 P.O. Box 70
6 Boise, Idaho 83707
7 Telephone: (208) 388-5825
8 Facsimile: (208) 388-6936
9 lnordstrom@idahopower.com
10 dockets@idahopower.com

Shelli D. Stewart, Senior Counsel
Idaho Power Company
1221 West Idaho Street (83702)
P.O. Box 70
Boise, Idaho 83707
Telephone: (208) 388-2625
Facsimile: (208) 388-6936
sstewart@idahopower.com

7 **D. The Names, Titles, and Addresses of the Principal Officers.**

8 As of November 17, 2017, the names, titles, and addresses of Idaho Power's principal
9 officers are:

10	<u>Name</u>	<u>Title</u>
11	Darrel T. Anderson	President and Chief Executive Officer
12	Brian Buckham	Senior Vice President and General Counsel
13	Lisa A. Grow	Senior Vice President and Chief Operating Officer
14	Steven R. Keen	Senior Vice President, Chief Financial Officer and Treasurer
15	Lonnie G. Krawl	Senior Vice President of Administrative Services and Chief Human Resources Officer
16	Jeffrey L. Malmen	Senior Vice President of Public Affairs
17	N. Vern Porter	Vice President of T&D Engineering and Construction and Chief Safety Officer
18	Tim E. Tatum	Vice President of Regulatory Affairs
19	Tess R. Park	Vice President of Power Supply
20	Jeff S. Glenn	Vice President of Information Technology and Chief Information Officer
21	Patrick A. Harrington	Corporate Secretary
22	Ken W. Petersen	Vice President, Controller and Chief Accounting Officer
23	Adam J. Richins	Vice President of Customer Operations and Business Development
24		
25		
26		

1 The address of all of the above officers is: 1221 West Idaho Street (83702), P.O. Box
2 70, Boise, Idaho 83707-0070.

3 **E. A Description of the General Character of the Business Done and to Be**
4 **Done, and a Designation of the Territories Served, by Counties and**
5 **States.**

6 Idaho Power is an electric public utility engaged principally in the generation, purchase,
7 transmission, distribution, and sale of electric energy in a 24,000 square mile area in southern
8 Idaho, and in the counties of Baker, Harney, and Malheur in eastern Oregon. A map showing
9 Idaho Power's service territory is on file with the Commission as Exhibit H to Idaho Power's
10 application in Docket No. UF 4063.

11 **F. A Statement, as of the Date of the Balance Sheet Submitted With the**
12 **Application, Showing For Each Class and Series of Capital Stock: Brief**
13 **Description; the Amount Authorized (Face Value and Number of Shares);**
14 **the Amount Outstanding (Exclusive of Any Amount Held in the Treasury);**
15 **Amount Held as Reacquired Securities; Amount Pledged; Amount**
16 **Owned By Affiliated Interests; and Amount Held in Any Fund.**

17 Idaho Power requests the Commission waive the requirements of OAR 860-027-
18 0025(1)(f) because this transaction does not involve the issuance of securities. Granting this
19 waiver will not impede the Commission's analysis of this Application.

20 **G. A Statement, as of the Date of the Balance Sheet Submitted With the**
21 **Application, Showing for Each Class and Series of Long-Term Debt and**
22 **Notes: Brief Description (Amount, Interest Rate and Maturity); Amount**
23 **Authorized; Amount Outstanding (Exclusive of Any Amount Held in the**
24 **Treasury); Amount Held as Reacquired Securities; Amount Pledged;**
25 **Amount Held By Affiliated Interests; and Amount in Sinking and Other**
26 **Funds.**

27 Idaho Power requests the Commission waive the requirements of OAR 860-027-
28 0025(1)(g) because this transaction does not involve the issuance of securities. Granting
29 this waiver will not impede the Commission's analysis of this Application.

30 **H. Whether the Application is for Disposition of Facilities by Sale, Lease, or**
31 **Otherwise, a Merger or Consolidation of Facilities, or for Mortgaging or**
32 **Encumbering Its Property, or for the Acquisition of Stock, Bonds, or**
33 **Property of Another Utility, Also a Description of the Consideration, If**
34 **Any, and the Method of Arriving at the Amount Thereof.**

1 Idaho Power seeks approval of the proposed sale of the Assets to the City. The sale
2 price is \$743,489 and is the amount reached as the result of an arm's length transaction.

3 Idaho Power has developed a methodology for determining the sale price for
4 customers requesting to purchase Idaho Power-owned facilities beyond the POD. The
5 methodology ensures that Idaho Power's other customers are not negatively impacted by the
6 transaction.

7 Idaho Power provided the methodology and resulting sale price to the City and
8 answered the City's inquiries prior to execution of the Agreement, and the City does not
9 contest the same. Idaho Power's methodology consists of the following five components that
10 collectively establish the sale price of the Assets:

11 1. Net Book Value: Remaining book value based on a 31-year asset life. The
12 net book value of the Assets is \$353,091.

13 2. True-up of Past Levelized Rate of Return: When a customer seeks to purchase
14 Company-owned assets under a facilities charge arrangement prior to the end of the 31-year
15 period when the Assets would be fully depreciated, Idaho Power must "true-up" the difference
16 between the non-levelized revenue requirement (included in base rates) and the levelized
17 revenue received to date under the facilities charge arrangement to address the intra-class
18 subsidy that would exist upon approval of the agreement.² Customers will receive the benefit
19 as a reduction in future rate base because Idaho Power will record this amount as a credit in
20

21 _____
22 ² In the Company's non-levelized determination of class-specific base rate revenue
23 requirements, the Company determines the total revenue required for recovery on all distribution
24 facilities-related investments (including those investments beyond the POD), as well as the associated
25 operating, maintenance, and administrative expenses. This determination is made for each class of
26 customers, and the Company's revenues from providing facilities charge services are directly assigned
as a revenue credit, or reduction, to the revenue requirement of the associated class of customers. As
a result, any differences between the non-levelized revenue requirement and the levelized revenue
requirement associated with the rate of return exist as intra-class subsidies between customers paying
facilities charges and customers not paying facilities charges within each customer class. The true-up
of past levelized rate of return is intended to address these intra-class subsidies.

1 account 108, Accumulated Depreciation. The true-up of past levelized rate of return
2 associated with the Assets is \$81,280.

3 3. Near-term Rate of Return Impact Resulting from the Sale of Assets: In
4 situations where Idaho Power agrees to provide facilities beyond the POD in exchange for
5 the customer paying a monthly facilities charge, Idaho Power invests its capital in assets to
6 solely benefit that customer. Otherwise, Idaho Power could have invested its capital in utility
7 infrastructure for inclusion in rate base to generate the authorized rate of return over the life
8 of the assets. When a customer buys an asset subject to the facilities charge, Idaho Power's
9 ability to recoup its investment through the facilities charge ceases; Idaho Power is then
10 faced with limited opportunity to reinvest its capital in other assets, which also will not
11 generate the authorized rate of return until the reinvestment is recognized in a future general
12 rate case. This component of the sale price partially mitigates the financial impact to Idaho
13 Power and represents the present value of three years of the forgone revenue associated
14 with the levelized rate of return element of the facilities charge. Idaho Power uses three
15 years as a conservative estimate for the timeframe between general rate case filings. The
16 near-term rate of return impact resulting from the sale of the Assets is \$63,903.

17 4. Near-term Operational Impact Resulting from the Sale of Assets: During a
18 general rate case, the revenue requirement for the Schedule 19 customer class includes a
19 revenue credit, or reduction, equal to the amount of facilities charge revenue expected from
20 Schedule 19 customers. Because Idaho Power will not have an opportunity to recalculate
21 the revenue requirement and reset rates until the next general rate case, it calculates a near-
22 term operational revenue impact resulting from the sale. This component partially mitigates
23 the financial impact to Idaho Power and represents the present value of three years of
24 forgone revenue for costs related to regulatory fees, operations and maintenance,
25 administrative and general expenses, and working capital incurred by Idaho Power to service
26

1 and maintain its distribution facilities. The near-term operational impact resulting from the
2 sale of the Assets is \$83,783.

3 5. Net Tax Gross-up: For income tax purposes, the Assets are depreciated at an
4 accelerated rate compared to the straight-line methodology used for financial accounting
5 purposes. Accelerated tax depreciation creates a taxable value lower than the net book
6 value of the Assets which results in a gain on the sale that is subject to income tax. The net
7 income taxes associated with the gain, after removing the deferred tax adjustment, are
8 grossed up to cover all income taxes associated with this transaction. The net tax gross-up
9 resulting from the sale of the Assets is \$161,432.

10 The total sale price of the Assets is \$743,489. Idaho Power will also collect \$480 in
11 estimated work order closing costs, representing labor costs to update the Company's asset
12 records and facilities maps, for a total amount of \$743,969. As set forth in Section 3 of the
13 Agreement, the sale price is subject to change if Idaho Power replaces any of the Assets
14 before closing the transaction. The sale price may also change depending on the actual
15 closing date; a change in price would be based on the Asset sale closing after the beginning
16 of a new calendar year. The price change would reflect the reduction in book value of the
17 Assets due to an additional year of depreciation, the impact of an additional year on the "true-
18 up" of the past levelized rate of return, and associated impacts on the net tax gross-up.

19 The Agreement also contains provisions requiring the City to compensate the
20 Company \$17,724 for costs associated with a sectionalizer located at the wastewater
21 treatment facility ("Sectionalizer") that Idaho Power will reprogram to become the wastewater
22 facility's POD. The Sectionalizer is not being sold to the City; instead, Idaho Power will
23 continue to own, operate, and maintain the Sectionalizer. Pursuant to Idaho Rule M, the
24 Sectionalizer was originally installed for the sole benefit of the City and the City has since
25 paid a monthly facilities charge to Idaho Power based on a percentage of Idaho Power's
26

1 initial investment. However, because the City will no longer pay a monthly facilities charge
2 upon closing of the sale, Idaho Power must recover from the City the book value of the
3 Sectionalizer, as well as the true-up of the past levelized rate of return (as more fully
4 described above), to ensure other customers are not impacted by the transaction.
5 Considering Idaho Power will continue to own, operate, and maintain the Sectionalizer after
6 the sale is complete, the amounts related to the Sectionalizer are presented separately from
7 the Assets that will be owned, operated, and maintained by the City after the Asset sale
8 closes.

9 **I. A Statement and General Description of Facilities to Be Disposed of,**
10 **Consolidated, Merged, or Acquired from Another Utility, Giving a**
11 **Description of Their Present Use and of Their Proposed Use After**
12 **Disposition, Consolidation, Merger, or Acquisition. State Whether the**
13 **Proposed Disposition of the Facilities or Plan for Consolidation, Merger,**
14 **or Acquisition Includes All the Operating Facilities of the Parties to the**
15 **Transaction.**

16 This sale involves disposition of poles, conductor, conduit, vaults, transformers,
17 equipment pads, a padmount switch, overhead switches, and services located beyond the
18 POD for the sole purpose of meeting the City's service requirements. A complete list of the
19 Assets subject to the sale is included as Exhibit A to the attached Agreement (Exhibit I).
20 Idaho Power currently owns, operates, and maintains the Assets in exchange for the City
21 paying a monthly facilities charge. Upon completion of the sale, Idaho Power will transfer
22 the Assets to the City, and the City will assume ownership, operations, maintenance, and all
23 liabilities associated therewith.

24 **J. A Statement by Primary Account of the Cost of the Facilities and**
25 **Applicable Depreciation Reserve Involved in the Sale, Lease, or Other**
26 **Disposition, Merger or Consolidation, or Acquisition of Property of**
27 **Another Utility. If Original Cost Is Not Known, an Estimate of Original**
28 **Cost Based, to the Extent Possible, Upon Records or Data of the**
29 **Applicant or Its Predecessors Must Be Furnished, a Full Explanation of**
30 **the Manner in Which Such Estimate Has Been Made, and a Statement**
31 **Indicating Where All Existing Data and Records May Be Found.**

1 Please refer to Exhibit J, which demonstrates the cost of the facilities by primary
2 account.

3 **K. A Statement as to Whether or Not Any Application With Respect to the**
4 **Transaction or Any Part Thereof, Is Required to Be Filed With Any Federal**
5 **or Other State Regulatory Body.**

6 Idaho Power filed an application requesting authority to proceed with the sale with the
7 IPUC December 6, 2017.

8 **L. The Facts Relied Upon by Applicants to Show that the Proposed Sale,**
9 **Lease, Assignment, or Consolidation of Facilities, Mortgage or**
10 **Encumbrance of Property, or Acquisition of Stock, Bonds, or Property of**
11 **Another Utility Will Be Consistent With the Public Interest.**

12 The transaction must be consistent with the public interest for Commission approval.³
13 A transaction is consistent with the public interest when it will not harm Idaho Power's
14 customers.⁴ This transaction is consistent with the public interest because the sale price is
15 the result of an arm's length transaction and the sale of the Assets does not impact the
16 Company's ability to continue to provide service to its customers. Furthermore, the cost of
17 supplying service will not increase and rates will not be impacted.

18 **M. The Reasons, in Detail, Relied Upon by Each Applicant, or Party to the**
19 **Application, for Entering into the Proposed Sale, Lease, Assignment,**
20 **Merger, or Consolidation of Facilities, Mortgage or Encumbrance of**
21 **Property, Acquisition of Stock, Bonds, or Property of Another Utility, and**
22 **the Benefits, If Any, to Be Derived by the Customers of the Applicants**
23 **and the Public.**

24 See Sections I, II, IV, V, and subsections H and I above.

25 ³ See OAR 860-027-0025(1)(l).

26 ⁴ See, e.g., *In the Matter of a Legal Standard for Approval of Mergers*, Docket No. UM 1011, Order No. 01-778 (Sept. 4, 2001) ("The remainder of the statutory scheme, those statutes governing transfer, sale, affiliated interest transactions, and contracts, either expresses no standard (for instance, ORS 757.480, .485) and has been read to require a no harm standard, or contains a 'not contrary to the public interest' standard (ORS 757.490, .495.)") (emphasis added); *In the Matter of the Application of PacifiCorp*, Docket UP 168, Order No. 00-112, at 6 (Feb. 29, 2000) (regarding the sale of the Centralia generating plant); *In the Matter of Portland General Electric*, Docket UP 158, Order No. 00-111, at 2 (Feb. 29, 2000) (regarding the sale of the Colstrip generating units); *In the Matter of the Application of Portland General Electric*, Docket No. UP 165/UP 170, Order No. 99-730, at 7 (Nov. 29, 1999) (regarding the sale of the Centralia generating plant).

1 **N. The Amount of Stock, Bonds, or Other Securities, Now Owned, Held or**
2 **Controlled by Applicant, of the Utility from Which Stock or Bonds Are**
3 **Proposed to be Acquired.**

4 This section is not applicable because this transaction does not involve acquisition or
5 sale of securities. Idaho Power therefore requests the Commission waive the requirements
6 of OAR 860-027-0025(1)(n). Granting this waiver will not impede the Commission's analysis
7 of this Application.

8 **O. A Brief Statement of Franchises Held, Showing Date of Expiration If Not**
9 **Perpetual, or, in Case of Transfer/Sale, that Transferee Has the Necessary**
10 **Franchises.**

11 This section is not applicable because this transaction does not involve franchises.
12 Idaho Power therefore requests the Commission waive the requirements of OAR 860-027-
13 0025(1)(o). Granting this waiver will not impede the Commission's analysis of this
14 Application.

15 **VI. COMPLIANCE WITH OAR 860-027-0025(2) FILING REQUIREMENTS FOR**
16 **IDAHO POWER COMPANY**

17 The following exhibits are submitted and by reference made a part of this Application:

18 **A. Exhibit A. Articles of Incorporation.**

19 A true and correct copy of Idaho Power's Restated Articles of Incorporation, as
20 amended on May 17, 2012, was filed with the Commission in Docket No. UF 4278, reference
21 to which is hereby made.

22 **B. Exhibit B. Bylaws.**

23 A true and correct copy of Idaho Power's Bylaws, as amended, was filed with the
24 Commission in Docket No. UF 4214, reference to which is hereby made.

25 **C. Exhibit C. Resolution of Directors Authorizing Transaction.**

26 Attached as Exhibit C is a true and correct copy of the resolution of Idaho Power's
27 Board of Directors, dated July 13, 1995, authorizing the sale of the Assets by Idaho Power.

1 **D. Exhibit D. Mortgages, Trust, Deeds, or Indentures Securing Obligation of**
2 **Each Party.**

3 The Assets are subject to a lien created by a Mortgage and Deed of Trust, dated
4 October 1, 1937, between Idaho Power and Deutsche Bank Trust Company Americas
5 ("Mortgage Trustee"). Following receipt of approvals from the IPUC and this Commission,
6 Idaho Power will file an application with the Mortgage Trustee requesting release of the
7 Assets from the lien. Release of the lien by the Mortgage Trustee is a condition precedent
8 to closing the sale of the Assets (see Section 4(b) of the Agreement). True and correct copies
9 of the Mortgage and Deed of Trust, including First Supplemental Indenture, are on file with
10 the Commission in Docket No. UF 795; Second Supplemental Indenture in Docket No. UF
11 1102; Third Supplemental Indenture in Docket No. UF 1247; Fourth Supplemental Indenture
12 in Docket No. UF 1351; Fifth Supplemental Indenture in Docket No. UF 1467; Sixth
13 Supplemental Indenture in Docket No. UF 1608; Seventh Supplemental Indenture of Docket
14 No. UF 2000; Eighth and Ninth Supplemental Indentures in Docket No. UF 2068; Tenth
15 Supplemental Indenture in Docket No. UF 2146; Eleventh Supplemental Indenture in Docket
16 No. UF 2159; Twelfth Supplemental Indenture in Docket No. UF 2188; Thirteenth
17 Supplemental Indenture in Docket No. UF 2253; Fourteenth Supplemental Indenture in
18 Docket No. UF 2304; Fifteenth Supplemental Indenture in Docket No. UF 2466; Sixteenth
19 Supplemental Indenture in Docket No. UF 2545; Seventeenth Supplemental Indenture in
20 Docket No. UF 2596; Eighteenth Supplemental Indenture in Docket No. UF 2944; Nineteenth
21 Supplemental Indenture in Docket No. UF 3063; Twentieth and Twenty-first Supplemental
22 Indentures in Docket No. UF 3110; Twenty-second Supplemental Indenture in Docket No.
23 UF 3274; Twenty-third Supplemental Indenture in Docket No. UF 3457; and Twenty-fourth
24 Supplemental Indenture in Docket No. UF 3614; Twenty-fifth Supplemental Indenture in
25 Docket No. UF 3758; Twenty-sixth Supplemental Indenture in Docket No. UF 3782; Twenty-
26 seventh Supplemental Indenture in Docket No. UF 3947; Twenty-eighth Supplemental

1 Indenture in Docket No. UF 4022; Twenty-ninth Supplemental Indenture in Docket No. UF
2 4014; Thirtieth Supplemental Indenture in Docket No. UF 4033; Thirty-first Supplemental
3 Indenture in Docket No. UF 4033; Thirty-second Supplemental Indenture in Docket No. UF
4 4053; Thirty-third Supplemental Indenture in Docket No. UF 4088; Thirty-fourth Supplemental
5 Indenture in Docket No. UF 4111; Thirty-fifth Supplemental Indenture in Docket No. UF 4175;
6 Thirty-sixth Supplemental Indenture in Docket No. UF 4181; Thirty-seventh Supplemental
7 Indenture in Docket No. UF 4196; Thirty-ninth Supplemental Indenture in Docket No. UF
8 4200; Fortieth Supplemental Indenture in Docket No. UF 4211; Forty-first Supplemental
9 Indenture in Docket No. UF 4227; Forty-third Supplemental Indenture in Docket No. UF 4211;
10 Forty-fourth Supplemental Indenture in Docket No. UF 4244; Forty-sixth Supplemental
11 Indenture in Docket No. UF 4263; Forty-seventh Supplemental Indenture in Docket No. UF
12 4278; and Forty-eighth Supplemental Indenture in Docket No. UF 4297, reference to all of
13 which is hereby made.

14 **E. Exhibit E. Balance Sheet Showing Booked Amounts, Adjustments to**
15 **Record the Proposed Transaction and Pro Forma, With Supporting Fixed**
16 **Capital or Plant Schedules in Conformity With the Forms in the Annual**
 Report.

17 The sale of the Assets does not materially affect Idaho Power's balance sheet. Idaho
18 Power respectfully requests the requirement to provide pro forma information be waived
19 because the subject transaction is not expected to materially affect Idaho Power's financial
20 statements.

21 **F. Exhibit F. Known Contingent Liabilities.**

22 Idaho Power respectfully requests a waiver of this requirement because there are no
23 known contingent liabilities associated with this transaction.

24 **G. Exhibit G. Comparative Income Statements Showing Recorded Results**
25 **of Operations, Adjustments to Record the Proposed Transaction and Pro**
 Forma, in Conformity With the Form in the Annual Report.

26

1 The sale of the Assets will not materially affect Idaho Power's income statements. For
2 the reasons set forth above, the Company respectfully requests a waiver of these
3 requirements.

4 **H. Exhibit H. Analysis of Surplus for the Period Covered by Income**
5 **Statements Referred to in G.**

6 The sale of the Assets does not materially affect Idaho Power's income statements.

7 **I. Exhibit I. Copy of Contract for Transaction and Other Written**
8 **Instruments.**

9 A true and correct copy of the Agreement is attached as Exhibit I.

10 **J. Exhibit J. Copy of Each Proposed Journal Entry to Be Used to Record**
11 **the Transaction.**

12 Please refer to the attached Exhibit J.

13 **K. Exhibit K. Copy of Each Supporting Schedule Showing the Benefits, If**
14 **Any, Which Each Applicant Relies Upon to Support the Facts Required**
15 **By (1)(l) of This Rule and Reasons as Required by (1)(m).**

16 Idaho Power relies on this Application and the attached documentation to support the
17 requirements of OAR 860-027-0025(1)(l) and (1)(m).

18 **VII. PRAYER FOR RELIEF**

19 Idaho Power respectfully requests a Commission order, as soon as practicable to
20 avoid interruption of the City's current expansion efforts, finding the transaction will not harm
21 Idaho Power's customers and is consistent with the public interest.

22 Respectfully submitted this 6th day of December, 2017.

23 

24 Lisa D. Nordstrom
25 Lead Counsel, OSB #97352

26 Shelli Stewart
Senior Counsel

Attorneys for Idaho Power Company

Exhibit I

**Asset Purchase and Transfer
of Title Agreement**

ASSET PURCHASE AND TRANSFER OF TITLE AGREEMENT

This ASSET PURCHASE AND TRANSFER OF TITLE AGREEMENT (“Agreement”) is entered into to be effective as of the 8th day of November, 2017 (“Effective Date”), by and between IDAHO POWER COMPANY, an Idaho corporation (“Idaho Power”), and the CITY OF MERIDIAN, a municipality located in Ada County, Idaho (the “City”). Idaho Power and the City may be referred to herein individually as a “Party” or, collectively, as the “Parties.”

RECITALS

A. Idaho Power is an investor-owned electric utility engaged in the generation, transmission, and distribution of electricity to its customers in southern Idaho and eastern Oregon;

B. The City is an Idaho Power customer with a Wastewater Division that operates and maintains a centralized Wastewater Treatment Facility located at 3401 North Ten Mile Road, Meridian, ID 83642 (“Wastewater Facility”);

C. Idaho Power currently owns, operates and maintains facilities beyond the Point of Delivery at the City’s Wastewater Facility that are installed to solely benefit the Wastewater Facility (as more particularly described in this Agreement, the “Assets”).

D. Idaho Power desires to transfer and convey the Assets to the City, and the City desires to obtain title to and assume ownership, maintenance, operation and all liabilities associated with the Assets pursuant and subject to the terms and conditions of this Agreement.

E. Pursuant to Rule M (*Facilities Charge Service*) of Idaho Power’s Tariff (“Rule M”), Idaho Code § 61-328, and Oregon Revised Statute § 757.480, Idaho Power is required to obtain authorization and order from the Idaho Public Utilities Commission (“IPUC”) and the Public Utility Commission of Oregon (“OPUC”) approving Idaho Power’s sale of the Assets to the City (the “Sale”). The transfer of the Assets contemplated by this Agreement is contingent on Idaho Power receiving approval of the Sale and accounting treatment of the Sale from the IPUC and the OPUC (collectively, “PUCs”), without any changes or conditions to Idaho Power’s request and subject to the terms and conditions set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual obligations and undertakings set forth herein, and other good and valuable consideration, the sufficiency of which is hereby acknowledged, Idaho Power and The City agree as follows:

1) Recitals. The above-stated Recitals are incorporated by this reference and made a part of this Agreement.

2) Assets. The Assets to be transferred to the City pursuant to this Agreement (and upon approval of the PUCs) are set forth in **Exhibit A** attached hereto and made part of this Agreement.

3) Purchase Price. The City shall pay to Idaho Power the amount of \$761,693 for the Assets and sectionalizer modifications necessary to complete the purchase (“Purchase Price”). A summary breakdown of the Purchase Price is attached hereto as **Exhibit B** and made part of this Agreement. As demonstrated by **Exhibit B**, included in the Purchase Price are costs associated with a sectionalizer located at the Wastewater Facility (“Sectionalizer”) that Idaho Power will reprogram to become the Wastewater Facility’s Point of Delivery. The Sectionalizer is not being sold to the City; instead, Idaho Power will continue to own, operate and maintain the Sectionalizer. Upon Closing the Sale (defined in Section 6 of this Agreement), Idaho Power will make the necessary modifications to the Sectionalizer and cease collection of the facilities charge and any other charges associated with the Sectionalizer.¹

The City acknowledges and confirms that: (a) the City has reviewed and fully understands the components of the Purchase Price; (b) the City does not contest such amount; and, (c) the Purchase Price is agreed upon between the Parties as of the Effective Date hereof.

The City understands and acknowledges the Purchase Price is subject to change if Idaho Power is required to replace any of the Assets during such time as the Parties are awaiting approval from the PUCs. Unless the City requests otherwise, pursuant to Rule M of Idaho Power’s Tariff, Idaho Power is required to replace failed equipment owned by Idaho Power installed beyond the Point of Delivery. As such, until Closing (defined in Section 6 of this Agreement) occurs, Idaho Power must replace any failed Assets and the price of the substitute equipment will be reflected in the Purchase Price pursuant to the same methodology used to calculate the current Purchase Price.

4) Obligations and Conditions Precedent to Closing; Certain Covenants. The obligations and conditions listed below must be satisfied or waived in writing before the Parties are required to affect the transfer and sale of the Assets as contemplated by this Agreement (such event, “Closing”).

a. IPUC and OPUC Approval. Within 30 days following execution of this Agreement, Idaho Power shall file an application for approval of the Sale and accounting treatment of the Sale with the PUCs, the contents of which shall be in Idaho Power’s discretion so long as not inconsistent with the material terms of this Agreement. Upon receipt of a final, non-appealable order from the PUCs pertaining to the Sale, Idaho Power shall provide the City with a copy of the same and:

i. If the PUCs approve the Sale and accounting treatment of the Sale consistent in all material respects with the respective applications submitted to the PUCs by Idaho Power, the Parties shall proceed with the Sale of the Assets pursuant to the terms and conditions of this Agreement.

¹ The costs associated with the Sectionalizer are not for the modification or reprogramming necessitated by the Sectionalizer becoming the City’s Point of Delivery; instead, the costs associated with the Sectionalizer are based on Idaho Power recovering its initial investment cost for the Sectionalizer. Pursuant to Rule M, the Sectionalizer was originally installed for the sole benefit of the City, and the City has since paid a monthly facilities charge to Idaho Power based on a percentage of Idaho Power’s initial investment cost. Because the City will no longer pay a monthly facilities charge, Idaho Power must recover the initial investment cost of the Sectionalizer through a lump sum payment from the City.

ii. If the IPUC approves the Sale and accounting treatment of the Sale subject to additional terms and conditions beyond those set forth in the application submitted to the IPUC by Idaho Power (as permitted by Idaho Code § 61-328), the Parties may either: i) mutually agree to incorporate the additional terms and conditions into this Agreement and proceed with the Sale;² or ii) not mutually agree to incorporate the additional terms and conditions into this Agreement, in which case either Party shall have the right to terminate this Agreement by notice to the other Party, and upon such termination this Agreement shall be null and void and of no further effect and neither Party shall have any further obligations under this Agreement.

iii. If the IPUC and/or the OPUC deny, or refuse to consider or approve, the Sale or the accounting treatment of the Sale consistent in all material respects with the application submitted by Idaho Power, either Party shall have the right to terminate this Agreement by notice to the other Party, and upon such termination the terms of this Agreement shall be null and void and of no further effect and neither Party shall have any further obligations under this Agreement.

The City agrees to support Idaho Power's applications to the PUCs for approval of the Sale.

b. Lien Release. The Assets are subject to a lien created by a Mortgage and Deed of Trust, dated October 1, 1937, between Idaho Power and Deutsche Bank Trust Company Americas (the "Mortgage"). Following receipt of a signed resolution adopted by Idaho Power's Board of Directors, Idaho Power shall file a customary lien release application with the Mortgage trustee, requesting release of the Assets from the lien of the Mortgage in accordance with the terms of the Mortgage. Release of the lien by the Mortgage trustee, or the City's waiver of the release of the lien of the Mortgage, shall be a condition precedent to the Closing and to the obligations of the Parties to consummate the Sale as contemplated by this Agreement. In the event no such release or waiver shall have timely occurred within 60 days of Idaho Power filing an application for release, either Party shall have the right to terminate this Agreement by notice to the other Party and, upon such termination, the terms of this Agreement shall be null and void and of no further effect, and neither Party shall have any further obligations under this Agreement.

5) Installation of Additional Facilities. Rule M of Idaho Power's Tariff does not allow mixed ownership of facilities beyond the Point of Delivery. As such, the City understands and acknowledges that if the City desires installation of additional facilities beyond the Point of Delivery prior to Closing ("Additional Facilities"), the City has the following options:

² If the IPUC conditions its approval of the Sale on the inclusion of additional terms, and the Parties mutually agree to incorporate the same into this Agreement, Idaho Power will resubmit a revised application to the OPUC detailing the additional terms required by the IPUC.

a. Idaho Power purchases, installs and maintains the Additional Facilities. The Parties amend this Agreement with an updated Purchase Price to include the Additional Facilities, and Idaho Power updates its application and/or re-applies for approval of the Sale to the PUCs to include the Additional Facilities at the updated Purchase Price. Upon receipt of the PUCs' decisions, the above Sections 4(a)(i), (ii) or (iii) would determine the next steps of the Parties; OR,

b. The City purchases, installs and maintains the Additional Facilities. The City shall obtain written approval from Idaho Power prior to purchasing and installing Additional Facilities in order that Idaho Power can verify compatibility with its electrical system. In the event the IPUC and/or the OPUC fail to approve the Sale (as discussed in the above Sections 4(a)(ii) and (iii)), the City agrees to sell the Additional Facilities to Idaho Power at the original purchase price as soon as practicable following receipt of the PUCs' decisions. The Additional Facilities will then be added to the City's facilities charge pursuant to Rule M. If the City fails to obtain written approval prior to installing Additional Facilities, and those Additional Facilities are not standard to Idaho Power's system, Idaho Power will not purchase the facilities from the City. Instead, Idaho Power will remove and replace the Additional Facilities, at the City's expense, with those standard to its system and the City will be required to pay for the replacement facilities through its Rule M facilities charge.

6) **Closing.** The Parties agree that Closing shall occur as promptly as reasonably practicable following satisfaction of all conditions precedent set forth in Section 4 of this Agreement. At Closing: (a) Idaho Power shall receive from the City an automatic transfer of funds for the full Purchase Price (as specified in Section 3 above), ; (b) Idaho Power shall provide the City any keys, or other items in Idaho Power's possession, received by Idaho Power as part of the original purchase and necessary for access of, and specific to, the Assets; (c) Idaho Power shall provide the City with maps of the location of the Assets, and any other operational manuals in Idaho Power's possession, received as part of the original purchase of the Assets; (d) Idaho Power shall provide the City with an operational overview of the padmount switch being sold to the City as part of the Assets; and, (e) the Parties shall execute a bill of sale in the form of **Exhibit C** hereto. On or after Closing, Idaho Power shall cease collection of all distribution facilities investment ("DFI") rate charges and any other charges for the Assets. The City acknowledges and agrees Idaho Power is providing an operational overview of the padmount switch at Closing as a courtesy pursuant to the City's request; the City shall not rely on Idaho Power's operational overview for purposes of understanding the necessary operation, maintenance or repairs associated with the padmount switch, and the City understands and agrees the overview of the padmount switch is subject to Sections 12 and 13 of this Agreement. Upon Closing, this Agreement will eliminate the Assets subject to DFI charges and will release Idaho Power's responsibility for the care, custody and control of the Assets.

7) **Transfer of Assets.** Idaho Power shall grant, bargain, sell, assign, transfer, convey, and deliver to the City, its successors and assigns, all of Idaho Power's right, title and interest of every kind and character whatsoever in and to the Assets, effective as of Closing.

8) Operation and Maintenance. The City understands and acknowledges that pursuant to the requirements of Rule M of Idaho Power's Tariff and Idaho Code § 61-328, the City has the bona fide intent and financial ability to operate and maintain the Assets, and the City shall be fully responsible for such operation and maintenance of the Assets, and all liabilities associated therewith, after Closing.

9) Title to Assets. Idaho Power, for itself and its successors, hereby represents to the City and its successors and assigns that as of the Effective Date hereof: a) Idaho Power has good, valid and marketable title to the Assets; b) the Assets are free and clear of all liens, encumbrances, claims, mortgages, security interests, pledges, charges, liabilities and other restrictions of any kind or nature whatsoever (contingent or otherwise), other than those of or created by the City, and other than the lien created by the Mortgage; c) the lien of the Mortgage on the Assets will not apply from and after the Closing; and d) Idaho Power has all necessary corporate power and authority to sell the Assets to the City (assuming approval of the Sale from the IPUC pursuant to Idaho Code § 61-328 and the OPUC pursuant to Oregon Revised Statute § 757.480).

10) Necessary Documents. Idaho Power covenants and agrees with the City, its successors and assigns, to do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, any acts, instruments, papers and documents as may be reasonably necessary to carry out and effectuate the intent and purpose of this Agreement.

11) Authority to Transfer. Idaho Power warrants and represents to the City that Idaho Power is duly and validly authorized and empowered to make, execute, and deliver this Agreement and to enter into the covenants, promises, and undertakings of Idaho Power in this Agreement, in accordance with the terms and subject to the conditions set forth in this Agreement. The City warrants and represents to Idaho Power that the City is duly and validly authorized and empowered to make, execute, and deliver this Agreement and to enter into the covenants, promises, and undertakings of the City in this Agreement, in accordance with the terms and subject to the conditions set forth in this Agreement.

12) Unwarranted "As Is" Condition. The Parties agree that to the extent required by any applicable law, the disclaimers of warranties contained in this paragraph are "conspicuous" disclaimers for the purposes of any applicable law, rule, or order. The City waives any claims, demands, and rights of action against Idaho Power, its officers, directors, employees and parent company arising from or relating to the Assets or the Sale other than the rights of the City under this Agreement, including the right to enforce this Agreement. THE CITY ACKNOWLEDGES AND AGREES THAT IT HAS HAD THE OPPORTUNITY TO CAREFULLY EXAMINE AND INSPECT THE ASSETS, AND/OR THAT IT HAS CAREFULLY EXAMINED AND INSPECTED THE ASSETS, AND ACCEPTS THE ASSETS IN THEIR "AS IS" AND "WHERE IS" CONDITION AND "WITH ALL FAULTS," AND WITHOUT REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, (ALL OF WHICH IDAHO POWER HEREBY DISCLAIMS AND NEGATES) AS TO FITNESS FOR ANY PARTICULAR PURPOSE, CONFORMITY TO MODELS OR SAMPLES OR MATERIALS, MERCHANTABILITY, DESIGN, QUALITY, CONDITION, OPERATION, COMPLIANCE WITH SPECIFICATION, ABSENCE OF LATENT DEFECTS, OR COMPLIANCE WITH

LAWS AND REGULATIONS (INCLUDING, WITHOUT LIMITATION, THOSE RELATING TO HEALTH, SAFETY, AND THE ENVIRONMENT), TO THE EXTENT APPLICABLE AND PERMITTED BY LAW.

13) Release and Indemnification. Effective as of Closing, the City releases Idaho Power and its employees, officers, directors, representatives, and agents and/or its affiliates from, for, and against any and all claims, actions, damages, losses, penalties, and expenses, including reasonable attorneys' fees and disbursements, of any kind or nature whatsoever arising out of Idaho Power's acts or omissions or the acts or omissions of the City or any third party related to the transfer of the Assets hereunder.

To the extent permitted by applicable law, the City shall indemnify, defend, reimburse and hold harmless Idaho Power and its successors, and their respective directors, officers, employees, representatives, and agents (collectively, the "Indemnitees"), from, for, and against any and all allegations, suits, claims, demands, actions, proceedings, judgments, penalties, liabilities, damages, injuries, losses, costs, or expenses of any kind or nature whatsoever (collectively, "Damages") by any person, including without limitation attorneys' fees and related costs, and liability of death, personal injury or property damages, strict liability, or liabilities or obligations under any applicable federal or state law, including, without limitation, all environmental laws, arising on or after the Closing directly or indirectly, in whole or in part, out of the City's acquisition and use of the Assets.

14) Hazardous Materials and Indemnification. The City acknowledges that the Assets, including electronic equipment and components, may contain hazardous materials. These materials may include, but are not limited to, PCBs, lead in solder, batteries, and CRT glass, silver in some batteries and connections, and mercury in some batteries and mercury switches. Disposal of these components and electronic waste in general, may be regulated. The City is responsible for compliance with all applicable environmental laws, rules, and regulations associated with those and all other hazardous materials contained in or used in connection with the Assets from and after the Closing.

The City shall indemnify, defend, reimburse and hold harmless the Indemnitees from, for, and against any and all Damages that any or all of the Indemnitees may hereafter suffer, incur, be responsible for, or pay out for liabilities or obligations under any law, ordinance, or regulation relating directly or indirectly to those and all other hazardous materials contained in or used in connection with the Assets, arising directly or indirectly, in whole or in part, out of the City's acquisition and use of the Assets on and after the Closing.

15) Assignment. This Agreement shall only be assigned with the prior written consent of the Parties. Any purported assignment without such prior written consent shall be null and void.

16) Miscellaneous. To the extent that any provision of this instrument is held to be invalid, illegal, or unenforceable, it shall be deemed to be modified to the minimum extent necessary to be valid and enforceable. If it cannot be so modified, it will be deleted and the deletion will not affect the validity or enforceability of any other provision unless, as a result the rights of either Party are materially diminished or the obligations and burdens of either Party are materially

increased to be unjust or inequitable. Any inconsistency between the terms of this Agreement and any other Agreement to which Idaho Power and The City are a party on the Effective Date, as to the matters set forth in this Agreement, shall be resolved in favor of the terms of this Agreement, the terms of which shall govern. This Agreement and the covenants, agreements, undertakings, warranties and representations contained herein shall inure to the benefit of the successors and assigns of Idaho Power and the City.

This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement constitutes the entire Agreement between the Parties and supersedes any prior understandings, Agreements, or representations by or between the Parties, written or oral, in any way related to the subject matter of this Agreement. This Agreement may not be amended except by written Agreement executed by the parties to be charged with the amendment.

[Signatures to follow]

IN WITNESS WHEREOF, the undersigned have executed this Agreement to be effective as of the Effective Date.

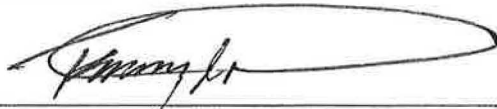
IDAHO POWER COMPANY

Signature: Brent E Lulloff

Printed Name: Brent E Lulloff

Title: Regional Manager, Capital Region

CITY OF MERIDIAN

Signature: 

Printed Name: Tammy de Weerd

Title: MG YOR

EXHIBIT A**ASSETS**

Description	Year	Original Investment
Pole - Primary less than 50 Ft.	1997	\$ 1,284.05
Pole - Primary less than 50 Ft.	2005	\$ 1,611.98
Pole - Primary less than 50 Ft.	2005	\$ 1,611.98
Pole - Primary less than 50 Ft.	2005	\$ 1,611.98
Pole - Primary less than 50 Ft.	1979	\$ 237.93
Pole - Primary less than 50 Ft.	1979	\$ 237.93
Pole - Primary less than 50 Ft.	1979	\$ 1,604.38
Pole - Primary less than 50 Ft.	2005	\$ 2,465.53
Pole - Primary less than 50 Ft.	1999	\$ 2,465.53
Pole - Primary less than 50 Ft.	1979	\$ 237.93
Pole - Primary less than 50 Ft.	1999	\$ 2,862.81
Pole - Primary less than 50 Ft.	1999	\$ 2,862.81
Pole - Primary 50 Ft. or greater.	2007	\$ 3,685.90
Pole - Primary 50 Ft. or greater.	2007	\$ 3,685.90
Pole - Primary 50 Ft. or greater.	2008	\$ 3,685.89
Pole - Primary 50 Ft. or greater.	2008	\$ 3,685.89
Pole - Primary less than 50 Ft.	2008	\$ 2,661.29
Pole - Primary less than 50 Ft.	2010	\$ 2,194.85
Pole - Primary less than 50 Ft.	2012	\$ 3,539.82
Pole - Primary less than 50 Ft.	2012	\$ 3,539.82
Pole - Primary less than 50 Ft.	2012	\$ 3,539.80
Pole - Primary less than 50 Ft.	2012	\$ 3,539.82
Pole - Primary less than 50 Ft.	2012	\$ 3,539.82
Pole - Primary less than 50 Ft.	2012	\$ 3,539.82
Pole - Primary less than 50 Ft.	2012	\$ 1,790.66
OH Primary Conductor 4/0 or smaller.	1999	\$ 635.11
OH Primary Conductor 4/0 or smaller.	1999	\$ 97.91
OH Primary Conductor 4/0 or smaller.	1997	\$ 1,568.18

EXHIBIT A**ASSETS**

Description	Year	Original Investment
OH Primary Conductor 4/0 or smaller.	1999	\$ 275.94
OH Primary Conductor 4/0 or smaller.	1999	\$ 206.95
OH Primary Conductor 4/0 or smaller.	1999	\$ 146.00
OH Primary Conductor 4/0 or smaller.	1999	\$ 696.05
OH Primary Conductor 4/0 or smaller.	1998	\$ 783.45
OH Primary Conductor 4/0 or smaller.	1998	\$ 163.05
OH Primary Conductor 4/0 or smaller.	1998	\$ 163.05
OH Primary Conductor 4/0 or smaller.	1998	\$ 34.96
OH Primary Conductor 4/0 or smaller.	1997	\$ 1,043.79
OH Primary Conductor 4/0 or smaller.	1998	\$ 34.96
OH Primary Conductor 4/0 or smaller.	1998	\$ 80.34
OH Primary Conductor 4/0 or smaller.	1998	\$ 317.35
OH Primary Conductor 4/0 or smaller.	2008	\$ 90.55
OH Primary Conductor 4/0 or smaller.	2008	\$ 416.51
OH Primary Conductor 4/0 or smaller.	2008	\$ 416.51
OH Primary Conductor 4/0 or smaller.	2008	\$ 110.47
OH Primary Conductor 4/0 or smaller.	2008	\$ 458.15
OH Primary Conductor 4/0 or smaller.	2012	\$ 74.65
OH Primary Conductor 4/0 or smaller.	2012	\$ 191.17
OH Primary Conductor 4/0 or smaller.	2012	\$ 83.71
OH Primary Conductor 4/0 or smaller.	2012	\$ 75.79
OH Primary Conductor 4/0 or smaller.	2012	\$ 50.90
Switch - Pole Top.	2005	\$ 5,824.02
Pad - Equipment.	2005	\$ 287.80
Pad - Equipment.	1999	\$ 2,105.00
Pad - Equipment.	2005	\$ 1,435.77
Pad - Equipment.	2005	\$ 1,435.77
Pad - Equipment.	2010	\$ 1,238.99

EXHIBIT A**ASSETS**

Description	Year	Original Investment
Pad - Equipment.	2012	\$ 1,317.54
Pad - Equipment.	2013	\$ 1,650.03
Pad - Equipment.	2013	\$ 1,650.02
Pad - Equipment.	2015	\$ 1,408.87
Pad - Equipment.	2015	\$ 1,408.87
Pad - Sector 3 Phase.	2013	\$ 1,560.60
Vault - Manhole.	2012	\$ 2,023.36
Vault - Manhole.	2012	\$ 2,545.97
Vault - Manhole.	2005	\$ 2,915.04
Vault - Manhole.	2005	\$ 2,915.04
Vault - Manhole.	2015	\$ 3,821.65
Vault - Manhole.	2015	\$ 2,279.78
Vault - Manhole.	2015	\$ 3,821.65
Vault - Manhole.	2015	\$ 2,279.77
Handhole (Secondary Box).	2012	\$ 360.93
Conduit Direct Buried.	2015	\$ 128.90
Conduit Direct Buried.	2015	\$ 837.84
Conduit Direct Buried.	2015	\$ 412.48
Conduit Direct Buried.	2015	\$ 1,224.54
Conduit Direct Buried.	2015	\$ 2,900.22
Pad - Sector 3 Phase.	2015	\$ 2,470.50
Pad - Equipment.	2015	\$ 2,516.41
Conduit Direct Buried.	2015	\$ 1,240.09
Conduit Direct Buried.	2015	\$ 87.95
Conduit Direct Buried.	2016	\$ 498.21
UG Primary Cable - 15kV.	2005	\$ 148.28
UG Primary Cable - 15kV.	2005	\$ 231.68
UG Primary Cable - 15kV.	2005	\$ 454.76

EXHIBIT A
ASSETS

Description	Year	Original Investment
UG Primary Cable - 15kV.	2005	\$ 227.38
UG Primary Cable - 15kV.	2005	\$ 357.31
UG Primary Cable - 15kV.	2005	\$ 43.32
UG Primary Cable - 15kV.	2010	\$ 2,072.06
UG Primary Cable - 15kV.	2012	\$ 792.18
UG Primary Cable - 15kV.	2013	\$ 2,984.25
UG Primary Cable - 15kV.	2013	\$ 3,945.85
UG Primary Cable - 15kV.	2013	\$ 497.38
UG Primary Cable - 15kV.	2013	\$ 961.59
UG Primary Cable - 15kV.	2015	\$ 956.18
UG Primary Cable - 15kV.	2015	\$ 2,061.76
UG Primary Cable - 15kV.	2015	\$ 1,135.46
UG Primary Cable - 15kV.	2015	\$ 3,496.03
UG Primary Cable - 15kV.	2015	\$ 489.77
UG Primary Cable - 15kV.	2015	\$ 1,265.23
UG Primary Cable - 15kV.	2016	\$ 4,755.95
Secter 3 Phase.	2015	\$ 2,957.64
Secter 3 Phase.	2015	\$ 1,569.95
Secter 3 Phase.	2013	\$ 1,822.74
UG Secondary.	2012	\$ 637.20
Switch - Padmount.	2005	\$ 25,986.42
Transformer - OH 1PH (0-15) kVA.	2005	\$ 748.47
Transformer - OH 1PH (0-15) kVA.	2005	\$ 748.47
Transformer - OH 1PH (0-15) kVA.	2005	\$ 748.47
Transformer - OH 1PH (0-15) kVA.	2012	\$ 2,001.53
Transformer - OH 1PH (0-15) kVA.	2012	\$ 2,001.53
Transformer - OH 1PH (0-15) kVA.	2012	\$ 2,001.54
Transformer - Padmount 3PH (112-166) kVA.	2013	\$ 19,372.98

EXHIBIT A**ASSETS**

Description	Year	Original Investment
Transformer - Padmount 3PH (167-499) kVA.	2013	\$ 29,312.05
Transformer - OH 1PH (16-49) kVA.	2005	\$ 1,008.18
Transformer - Padmount 1PH (16-49) kVA.	2005	\$ 1,977.03
Transformer - Padmount 3PH (167-499) kVA.	2005	\$ 9,288.14
Transformer - Padmount 3PH (1500-2499) kVA.	2005	\$ 16,344.41
Transformer - Padmount 3PH 2500 kVA and larger.	2005	\$ 35,567.78
Transformer - Padmount 3PH (500-1499) kVA.	2007	\$ 12,428.77
Transformer - Padmount 3PH (500-1499) kVA.	2010	\$ 26,562.90
Transformer - Padmount 3PH (1500-2499) kVA.	2012	\$ 45,987.07
Transformer - Padmount 3PH (16-111) kVA.	2015	\$ 12,629.93
Transformer - Padmount 3PH (112-166) kVA.	2015	\$ 13,412.63
Transformer - Padmount 3PH (112-166) kVA.	2015	\$ 22,733.10
Transformer - OH 1PH (50-74) kVA.	2017	\$ 2,766.47
Switch - Fused Cut-Out.	2000	\$ 101.78
Switch - Fused Cut-Out.	2000	\$ 101.78
Switch - Fused Cut-Out.	2000	\$ 101.78
Switch - Fused Cut-Out.	2000	\$ 101.78
Switch - Fused Cut-Out.	2000	\$ 101.78
Switch - Fused Cut-Out.	2000	\$ 101.78
Switch - Fused Cut-Out.	2000	\$ 101.78
Switch - Fused Cut-Out.	2000	\$ 101.78
Switch - Fused Cut-Out.	2000	\$ 101.78
Switch - Solid Blade Cut-Out.	2013	\$ 303.68
Switch - Solid Blade Cut-Out.	2013	\$ 303.67
Switch - Solid Blade Cut-Out.	2013	\$ 303.67
Switch - Fused Cut-Out.	2005	\$ 162.21
Switch - Solid Blade Cut-Out.	2005	\$ 157.45
Switch - Solid Blade Cut-Out.	2005	\$ 157.46

EXHIBIT A**ASSETS**

Description	Year	Original Investment
Switch - Solid Blade Cut-Out.	2005	\$ 157.46
Switch - Solid Blade Cut-Out.	2005	\$ 157.46
Switch - Solid Blade Cut-Out.	2005	\$ 157.46
Switch - Solid Blade Cut-Out.	2005	\$ 157.46
Switch - Power Fuse.	2005	\$ 328.19
Switch - Power Fuse.	2005	\$ 328.19
Switch - Power Fuse.	2005	\$ 328.19
Switch - Solid Blade Cut-Out.	2008	\$ 324.35
Switch - Solid Blade Cut-Out.	2008	\$ 324.35
Switch - Solid Blade Cut-Out.	2008	\$ 324.35
Switch - Solid Blade Cut-Out.	2008	\$ 324.35
Switch - Solid Blade Cut-Out.	2008	\$ 324.35
Switch - Solid Blade Cut-Out.	2008	\$ 324.35
Switch - Solid Blade Cut-Out.	2008	\$ 324.35
Switch - Solid Blade Cut-Out.	2008	\$ 324.35
Switch - Solid Blade Cut-Out.	2008	\$ 324.35
Switch - Solid Blade Cut-Out.	2008	\$ 324.35
Switch - Solid Blade Cut-Out.	2008	\$ 324.35
Switch - Solid Blade Cut-Out.	2008	\$ 324.35
Switch - Solid Blade Cut-Out.	2008	\$ 324.35
Switch - Solid Blade Cut-Out.	2008	\$ 324.35
Switch - Solid Blade Cut-Out.	2008	\$ 324.35
Switch - Solid Blade Cut-Out.	2008	\$ 324.35
Switch - Fused Cut-Out.	2010	\$ 177.88
Switch - Fused Cut-Out.	2010	\$ 177.87
Switch - Fused Cut-Out.	2010	\$ 177.87
Switch - Fused Cut-Out.	2012	\$ 172.00
Switch - Fused Cut-Out.	2012	\$ 172.00
Switch - Fused Cut-Out.	2012	\$ 172.01
Switch - Fused Cut-Out.	2012	\$ 381.75
Switch - Fused Cut-Out.	2012	\$ 381.75
Switch - Fused Cut-Out.	2012	\$ 381.75
Switch - Fused Cut-Out.	2015	\$ 277.43
Switch - Fused Cut-Out.	2015	\$ 277.43
Switch - Fused Cut-Out.	2015	\$ 277.42

EXHIBIT A

ASSETS

Description	Year	Original Investment
UG Service.	2000	\$ 1,384.90
UG Service.	2005	\$ 4,235.83
UG Service.	1998	\$ 755.87
UG Service.	2005	\$ 338.87
OH Service.	2017	\$ 624.51

EXHIBIT B
SUMMARY BREAKDOWN OF PURCHASE PRICE

Purchase Price Components	Amounts
Net book value	\$ 353,091
True up of past levelized rate of return	\$ 81,280
Near-term rate of return impact resulting from sale of assets	\$ 63,903
Near-term operational impact resulting from sale of assets	\$ 83,783
Total Purchase Price – before tax	\$ 582,057
Net gross-up for tax	\$ 161,432
Total Purchase Price – after tax	\$ 743,489
Work order closing costs	\$ 480
Total Purchase Price	\$ 743,969

Sectionalizer Components	Amounts
Sectionalizer book value	\$ 9,882
Sectionalizer true-up past levelized rate of return	\$ 4,776
Total Price – before tax	\$ 14,658
Net gross-up for tax	\$ 3,066
Sectionalizer Total	\$ 17,724

Total Amount Due	\$ 761,693
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EXAMPLE ONLY – DO NOT EXECUTE

EXHIBIT C
BILL OF SALE

This **BILL OF SALE** is entered to be effective on _____, 2017 (“Effective Date”), by and between **Idaho Power Company**, an Idaho corporation (“Idaho Power”) and the **City of Meridian**, a municipality located in Ada County, Idaho (the “City”). Idaho Power and the City may be referred to herein individually as a “Party” or, collectively, as the “Parties.”

Idaho Power has agreed sell to the City and the City has agreed to purchase from Idaho Power, for the consideration and upon the terms and conditions set forth in the **Asset Purchase and Transfer of Title Agreement**, dated _____, 2017 (“Purchase Agreement”) all of the Assets set forth in Exhibit A to the Purchase Agreement.

Pursuant to the requirements of Rule M of Idaho Power’s Tariff, Idaho Code § 61-328, and Oregon Revised Statute § 757.480, Idaho Power has obtained authorization and order from the Idaho Public Utilities Commission and the Public Utility Commission of Oregon approving Idaho Power’s sale of the Assets (set forth in Exhibit A to the Purchase Agreement) pursuant to the terms and conditions of the Purchase Agreement.

Idaho Power hereby transfers title to the Assets and acknowledges payment for the Assets, in the amount of \$743,969, is governed by and shall be made in accordance with the terms and conditions of the Purchase Agreement.

IN WITNESS WHEREOF, the undersigned have executed this BILL OF SALE to be effective as of the Effective Date.

IDAHO POWER COMPANY

Signature: _____

Printed Name: _____

Title: _____

CITY OF MERIDIAN

Signature: _____

Printed Name: _____

Title: _____

Exhibit C

Board of Director's Resolution

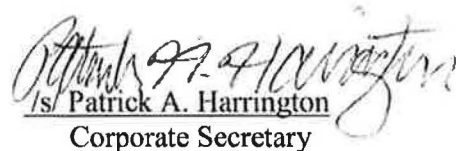
OAR 860-027-0025(2)(c)

STATE OF IDAHO)
COUNTY OF ADA) ss.
CITY OF BOISE)

I, PATRICK A. HARRINGTON, the undersigned, Secretary of Idaho Power Company ("IPC"), do hereby certify that the following constitutes a full, true and correct copy of the resolutions ("Resolutions") adopted at a regular meeting of the Board of Directors of IPC held July 13, 1995, authorizing certain Company officers, and IPC employees authorized by such officers, to enter into transactions regarding real and personal property, including the sale of real and personal property, and that the Resolutions have not been amended or rescinded and are in full force and effect on the date hereof. I further certify that Brent E. Luloff is currently the Regional Manager of the Capital Region of IPC and has been authorized to sign that certain Asset Purchase and Transfer of Title Agreement between IPC and the City of Meridian dated November 8, 2017, pursuant to the terms of the Resolutions.

IN WITNESS WHEREOF, I have hereunto set my hand this 1st day of December, 2017.

(CORPORATE SEAL)


/s/ Patrick A. Harrington
Corporate Secretary

RESOLVED, That the Chairman of the Board, or the Chief Executive Officer, or the President or any Vice President, and the Secretary or any Assistant Secretary of Idaho Power Company, or such other employees or agents of the Company as may be so designated by them in writing, are authorized on behalf of the Company to purchase or otherwise acquire by bequest, gift, devise, or other means, and to sell, convey, exchange, option or otherwise dispose of real and personal property of every class and description and any estate or interest therein, as may be necessary or convenient for the proper conduct of the affairs of the Company without limitation as to amount or value, in any and all states, subject to the laws of any such state; provided, however, that the Chairman of the Board, or the Chief Executive Officer, or the President or any Vice President, and the Secretary or any Assistant Secretary of Idaho Power Company, or such other employees or agents of the Company as may be so designated by them in writing, are authorized on behalf of the Company to acquire from others or to grant to others easements, permits and licenses as may be necessary or convenient for the proper conduct of the affairs of the Company without limitation as to the extent or cost, in any and all states, subject to the laws of any such state; and be it

FURTHER RESOLVED, That the Chairman of the Board, or the Chief Executive Officer, or the President or any Vice President, and the Secretary or any Assistant Secretary of Idaho Power Company, or such other employees or

agents of the Company as may be so designated by them in writing, are authorized on behalf of the Company to lease real and personal property of the Company or from others, as may be necessary or convenient for the proper conduct of the affairs of the Company without limitation as to the extent or cost, in any and all states, subject to the laws of any such state; and be it

FURTHER RESOLVED, That the Chairman of the Board, or the Chief Executive Officer, or the President or any Vice President, and the Secretary or any Assistant Secretary of Idaho Power Company, or such other employees or agents of the Company as may be so designated by them in writing, are authorized on behalf of the Company to lease real and personal property of the Company or from others, as may be necessary or convenient for the proper conduct of the affairs of the Company without limitation as to amount or value, in any and all states, subject to the laws of any such state; and be it

FURTHER RESOLVED, That the Chairman of the Board, or the Chief Executive Officer, or the President or any Vice President, and the Secretary or any Assistant Secretary of Idaho Power Company, or such other employees or agents of the Company as may be so designated by them in writing, are hereby authorized on behalf of the Company to file for all permits, licenses or other authorizations with state, federal or other entities owning or controlling lands as may be necessary or convenient for the proper conduct of the affairs of the Company without limitation with respect to the construction of power lines, structures, buildings or other facilities.

Exhibit J
Proposed Journal Entries
OAR 860-027-0025(2)(j)

**IDAHO POWER COMPANY
EXHIBIT J
PROPOSED JOURNAL ENTRIES**

Idaho Power will record this transaction in accordance with generally accepted accounting principles using the accounting treatment below. Account numbers and descriptions are from the FERC Uniform System of Accounts:

a. Removing the Original Cost of the Assets from Idaho Power's Accounting

Records. Idaho Power will remove the assets from its accounting records as follows:

Debit 108 – Accumulated Provision for Depreciation	\$ 461,240
Credit 101 – Electric Plant in Service	\$ 461,240

b. Recording the Gain on the Sale. Idaho Power will record the gain on the

sale of the Assets as follows:

Debit 131 – Cash	\$ 743,969
Credit 421 – Miscellaneous Non-Operating Income (Near-term rate of return impact of \$63,903, near-term operational impact of \$83,783, net gross-up for tax of \$161,432, plus work order closing costs of \$480)	\$ 309,598
Credit 108 – Accumulated Provision for Depreciation (Remaining net book value of \$353,091 plus true-up of past levelized rate of return of \$81,280)	\$ 434,371

c. Recording the Impact on Idaho Power's Income Taxes. Idaho Power will

record the impact on Idaho Power's income taxes as follows:

Debit 409 – Income Taxes	\$ 161,432
Credit 236 – Taxes Accrued	\$ 161,432
Debit 282 – Accumulated Deferred Income Taxes	\$ 28,074
Credit 410 – Provision for Deferred Income Taxes	\$ 28,074

d. Recording the Sectionalizer payment. Idaho Power will record the recovery of its investment in the Sectionalizer as follows:

Debit 131 – Cash	\$ 17,724
Credit 108 – Accumulated Provision for Depreciation (Remaining net book value of \$9,882 plus true-up of past levelized rate of return of \$4,776)	\$ 14,658
Credit 421 – Miscellaneous Non-Operating Income (Net gross-up for tax of \$3,066)	\$ 3,066

e. Recording the Impact of the Sectionalizer payment on Idaho Power's Income Taxes. Idaho Power will record the impact of the Sectionalizer payment on Idaho Power's income taxes as follows:

Debit 409 – Income Taxes	\$ 3,066
Credit 236 – Taxes Accrued	\$ 3,066

The values used for Idaho Power's income tax journal entries are subject to change depending on federal statutes in effect at the time of the sale, and the actual impact to income taxes.