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November 10, 2016

Public Utility Commission of Oregon
Filing Center
201 High Street SE, Suite 100
P.O. Box 1088
Salem, Oregon 97301


RE: UP ____ – In the Matter the Application of Idaho Power Company Requesting
Approval of an Asset Sale to McCain Foods USA, Inc.

Attention Filing Center:

Attached for filing is an electronic copy of an Application of Idaho Power Company
requesting approval of an asset sale to McCain Foods USA, Inc.

Please contact me at (208) 388-5825 or Regulatory Analyst Zach Harris at (208) 388-2305
with any questions regarding this filing.

Very truly yours,



Lisa D. Nordstrom

LDN/kkt

Enclosures

1 **BEFORE THE PUBLIC UTILITY COMMISSION**
2 **OF OREGON**

3 **UP _____**

4 In the Matter of the Application of Idaho)
5 Power Company Requesting Approval of) **APPLICATION**
6 an Asset Sale to McCain Foods USA, Inc.)
_____)

7 Pursuant to ORS 757.480(1)(a) and OAR 860-027-0025, Idaho Power Company
8 ("Idaho Power" or "Company") seeks approval from the Public Utility Commission of Oregon
9 ("Commission") for the proposed sale of certain assets to McCain Foods USA, Inc.
10 ("McCain"), as described herein.

11 **I. INTRODUCTION**

12 Idaho Power provides electric service to McCain's Burley, Idaho facility in
13 accordance with Schedule 19, Large Power Service ("Schedule 19"), of I.P.U.C. No. 29,
14 Tariff No. 101 ("Idaho Power's Tariff"). Pursuant to Rule M, Facilities Charge Service
15 ("Rule M"), of Idaho Power's Tariff, Idaho Power owns and operates transformers and other
16 facilities beyond the Point of Delivery ("POD") for the sole purpose of meeting McCain's
17 service requirements. Idaho Power provides this optional service to McCain in exchange
18 for McCain's payment of a monthly facilities charge. The facilities charge rates are
19 provided in Idaho Power's Tariff Schedule 66, Miscellaneous Charges. These Idaho
20 Power-owned facilities subject to the sale ("Assets") are more particularly described in
21 Exhibit A to the *Asset Purchase and Transfer of Title Agreement*, dated October 14, 2016
22 ("Agreement"). A true and correct copy of the Agreement is attached as Exhibit I.

23 **II. ASSET SALE AGREEMENT**

24 McCain requested Idaho Power sell the Assets to McCain and, as described in the
25 Agreement, Idaho Power agreed to transfer and convey the Assets to McCain subject to
26 approval by this Commission and the Idaho Public Utilities Commission ("IPUC"). McCain

1 will assume ownership, operation, maintenance, and all liabilities associated with the
 2 Assets, thereby owning all facilities beyond the POD and eliminating mixed ownership that
 3 currently exists.

4 **III. OREGON STATUTE ORS 757.480**

5 ORS 757.480 requires any utility doing business in Oregon to obtain Commission
 6 approval for transactions involving property with a value in excess of \$100,000. The total
 7 sales price of the Assets is \$373,974. The Assets are located in Idaho and the sale of the
 8 Assets will not impact Idaho Power customers, including customers located in Oregon.
 9 However, in accordance with the Oregon statute, Idaho Power submits this application
 10 requesting approval of the transaction.

11 **IV. CURRENT FACILITY CHARGE ARRANGEMENT**

12 Idaho Power currently owns, operates, and maintains certain distribution facilities
 13 located beyond the POD at McCain's Burley, Idaho facility in exchange for McCain paying a
 14 monthly facilities charge. The monthly facilities charge is equal to 1.41 percent of the
 15 installed cost of assets less than or equal to 31 years old, and 0.59 percent of the installed
 16 cost of assets more than 31 years old. The facilities charge rates are in Schedule 66,
 17 Miscellaneous Charges ("Schedule 66"), of Idaho Power's Tariff and consist of the
 18 following:

Components	Facilities Charge Rate	
	≤ 31 yrs	>31 yrs
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%
Operation & Maintenance	3.58%	3.58%
Administration & General	2.28%	2.28%
Working Capital	0.14%	0.14%
Insurance	0.32%	0.32%
Annual Total	16.89%	7.02%
Monthly	1.41%	0.59%

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

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

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

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

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

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

17 Operation and Maintenance: Idaho Power's costs to operate and maintain its
18 distribution facilities. This component represents an average operation and maintenance
19 rate for all distribution equipment.

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

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

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

1 In Idaho Power's non-levelized determination of class-specific base rate revenue
2 requirements, Idaho Power determines the total revenue required for recovery on all
3 distribution facilities-related investments (including those investments beyond the POD), as
4 well as the associated operating, maintenance, and administrative expenses. Idaho Power
5 makes this determination for each customer class and Idaho Power's revenues for
6 providing facilities charge services are assigned as a revenue credit, or reduction, to the
7 revenue requirement of the associated customer class. Any differences between the non-
8 levelized and the levelized revenue requirements, associated with the rate of return must
9 be trued-up upon the sale of the distribution facilities assets. The methodology to
10 determine the sale price is described in Section V(H).

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**
17 **Other 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
20 corporation qualified to do business in Oregon, Nevada, Montana, and Wyoming in
21 connection with its utility operations. Idaho Power is authorized to provide retail electric
22 service in Idaho and 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
26 receive notices and communications in respect to this Application is:

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

Shelli Stewart, Corporate 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

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

As of November 10, 2016, the names, titles, and addresses of Idaho Power's principal officers are:

<u>Name</u>	<u>Title</u>
Darrel T. Anderson	President and Chief Executive Officer
Rex Blackburn	Sr. Vice President and General Counsel
Lisa A. Grow	Sr. Vice President of Operations
Steven R. Keen	Sr. Vice President, Chief Financial Officer and Treasurer
Lonnie G. Krawl	Vice President of Human Resources, Administrative Services and Chief Information Officer
N. Vern Porter	Vice President of Customer Operations
Jeffrey L. Malmén	Sr. Vice President of Public Affairs
Brian Buckham	Vice President and General Counsel
Tim Tatum	Vice President of Regulatory Affairs
Tessia Park	Vice President of Power Supply
Jeffrey Glenn	Vice President of Information Technology
Patrick A. Harrington	Corporate Secretary
Ken Petersen	Vice President, Controller & Chief Accounting Officer

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

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

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

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

15 Idaho Power requests the Commission waive the requirements of OAR 860-027-
16 0025(1)(f) because this transaction does not involve the issuance of securities. Granting
17 this waiver will not impede the Commission's analysis of this Application.

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

25 Idaho Power requests the Commission waive the requirements of OAR 860-027-
26 0025(1)(g) because this transaction does not involve the issuance of securities. Granting
27 this waiver will not impede the Commission's analysis of this Application.

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

33 Idaho Power seeks approval of the proposed sale of Assets to McCain. The sale
34 price is \$373,974 and is the amount reached as the result of an arm's length transaction.

1 Idaho Power developed a methodology for determining the sale price for customers
2 requesting to purchase Idaho Power-owned facilities beyond the POD. The methodology
3 ensures Idaho Power and its customers are not negatively impacted by the transaction.

4 Idaho Power reviewed the methodology and resulting sale price to McCain prior to
5 execution of the Agreement and McCain does not contest the same. Idaho Power's
6 methodology consists of the following five components that collectively establish the sale
7 price of the Assets:

8 1. Net Book Value: Remaining book value based on a 31-year asset life. The
9 net book value of the Assets is \$127,054.

10 2. True-up of Past Levelized Rate of Return: When a customer seeks to
11 purchase Company-owned assets under a facilities charge arrangement prior to the end of
12 the 31-year period when the Assets would be fully depreciated, Idaho Power must "true-up"
13 the difference between the non-levelized revenue requirement (included in base rates) and
14 the levelized revenue received to date under the facilities charge arrangement. The true-up
15 of past levelized rate of return associated with the Assets is \$54,865.¹

16 3. Near-term Rate of Return Impact Resulting from the Sale of Assets: In
17 situations where Idaho Power agrees to provide facilities beyond the POD in exchange for
18 the customer paying a monthly facilities charge, Idaho Power invests its capital in assets to
19 solely benefit that customer. Otherwise, Idaho Power could have invested its capital in
20 utility infrastructure for inclusion in rate base to generate the authorized rate of return over
21 the life of the assets. When a customer buys an asset subject to the facilities charge, Idaho
22 Power's ability to recoup its investment through the facilities charge ceases; Idaho Power is
23 then faced with limited opportunity to reinvest its capital in other assets, which also will not
24 generate the authorized rate of return until the reinvestment is recognized in a future

25 ¹ Customers will receive the benefit as a reduction in future rate base because Idaho Power
26 will record this amount as a credit in account 108.

1 general rate case. This component of the sale price partially mitigates the financial impact
2 to Idaho Power and represents the present value of three years of the forgone revenue
3 associated with the levelized rate of return element of the facilities charge. Idaho Power
4 uses three years as a conservative estimate for the timeframe between general rate case
5 filings. The near-term rate of return impact resulting from the sale of the Assets is \$32,251.

6 4. Near-term Operational Impact Resulting from the Sale of Assets: During a
7 general rate case, the revenue requirement for the Schedule 19 customer class includes a
8 revenue credit, or reduction, equal to the amount of facilities charge revenue expected from
9 Schedule 19 customers. Because Idaho Power will not have an opportunity to recalculate
10 the revenue requirement and reset rates until the next general rate case, it calculates a
11 near-term operational revenue impact resulting from the sale. This component partially
12 mitigates the financial impact to Idaho Power and represents the present value of three
13 years of forgone revenue for costs related to regulatory fees, operations and maintenance,
14 administrative and general expenses, and working capital incurred by Idaho Power to
15 service and maintain its distribution facilities. The near-term operational impact resulting
16 from the sale of the Assets is \$57,936.

17 5. Net Tax Gross-up: For income tax purposes, the Assets are depreciated at
18 an accelerated rate compared to the straight line methodology used for financial accounting
19 purposes. Accelerated tax depreciation creates a taxable value lower than the net book
20 value of the Assets which results in a gain on the sale that is subject to income tax. The
21 net income taxes associated with the gain, after removing the deferred tax adjustment, are
22 grossed up to cover all income taxes associated with this transaction. The net tax gross-up
23 resulting from the sale of the Assets is \$101,388.

24 The total sale price of the Assets is \$373,494. Idaho Power will also collect \$480 in
25 estimated work order closing costs for a total amount of \$373,974. As set forth in Section 3
26

1 of the Agreement, the sale price is subject to change if Idaho Power replaces any of the
2 Assets before closing the transaction.

3 **I. A Statement and General Description of Facilities to Be Disposed of,**
4 **Consolidated, Merged, or Acquired from Another Utility, Giving a**
5 **Description of Their Present Use and of Their Proposed Use After**
6 **Disposition, Consolidation, Merger, or Acquisition. State Whether the**
Proposed Disposition of the Facilities or Plan for Consolidation, Merger,
or Acquisition Includes All the Operating Facilities of the Parties to the
Transaction.

7 This sale involves disposition of transformers, switches, pads, a pole, and conductor
8 located beyond the POD for the sole purpose of meeting McCain's service requirements. A
9 complete list of the Assets subject to the sale is included as Exhibit A to the attached
10 Agreement (Exhibit I). Idaho Power currently owns, operates, and maintains the Assets in
11 exchange for McCain paying a monthly facilities charge. Upon completion of the sale,
12 Idaho Power will transfer the Assets to McCain, and McCain will assume ownership,
13 operation, maintenance, and all liabilities associated therewith.

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

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

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

23 Idaho Power filed with the Idaho Public Utilities Commission on November 10, 2016,
24 requesting authority to proceed with the sales transaction.

25
26

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

5 A transaction must be consistent with the public interest for Commission approval.²

6 A transaction is consistent with the public interest when it will not harm Idaho Power's
7 customers.³ This transaction is consistent with the public interest because the sale price is
8 the result of an arm's length transaction and the sale of the Assets does not impact the
9 Company's ability to continue to provide service to its customers. Furthermore, the cost of
10 supplying service will not increase and rates will not be impacted.

11 **M. The Reasons, in Detail, Relied Upon by Each Applicant, or Party to the**
12 **Application, for Entering into the Proposed Sale, Lease, Assignment,**
13 **Merger, or Consolidation of Facilities, Mortgage or Encumbrance of**
14 **Property, Acquisition of Stock, Bonds, or Property of Another Utility,**
15 **and the Benefits, If Any, to Be Derived by the Customers of the**
16 **Applicants and the Public.**

17 See Sections I, II, IV, V, and subsections (H) and (I) above.

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

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

25 ² See OAR 860-027-0025(1)(I).

26 ³ See, e.g., *In the Matter of a Legal Standard for Approval of Mergers*, Docket 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 UP 165/UP 170, Order No. 99-730, at 7 (Nov. 29, 1999) (regarding the sale of the Centralia generating plant).

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

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

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

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

11 **A. Exhibit A. Articles of Incorporation.**

12 A true and correct copy of Idaho Power's Restated Articles of Incorporation, as
13 amended on May 17, 2012, was filed with the Commission in Docket UF 4278, reference to
14 which is hereby made.

15 **B. Exhibit B. Bylaws.**

16 A true and correct copy of Idaho Power's Bylaws, as amended, was filed with the
17 Commission in Docket UF 4214, reference to which is hereby made.

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

19 Attached as Exhibit C is a true and correct copy of the resolution of Idaho Power's
20 Board of Directors, dated July 13, 1995, authorizing acquisition and conveyance of
21 property, as requested herein, by Idaho Power.

22 **D. Exhibit D. Mortgages, Trust, Deeds, or Indentures Securing Obligation**
23 **of Each Party.**

24 The Assets are subject to a lien created by a Mortgage and Deed of Trust, dated
25 October 1, 1937, between Idaho Power and Deutsche Bank Trust Company Americas
26 ("Mortgage Trustee"). Following receipt of a signed resolution adopted by Idaho Power's

1 Board of Directors, Idaho Power will file an application with the Mortgage Trustee
2 requesting release of the Assets from the lien. Release of the lien by the Mortgage Trustee
3 is a condition precedent to closing the sale of the Assets (see Section 4(b) of the
4 Agreement). True and correct copies of Mortgage and Deed of Trust, including First
5 Supplemental Indenture, are on file with the Commission in Case UF 795; Second
6 Supplemental Indenture in Case UF 1102; Third Supplemental Indenture in Case UF 1247;
7 Fourth Supplemental Indenture in Case UF 1351; Fifth Supplemental Indenture in Case UF
8 1467; Sixth Supplemental Indenture in Case UF 1608; Seventh Supplemental Indenture of
9 Case UF 2000; Eighth and Ninth Supplemental Indentures in Case UF 2068; Tenth
10 Supplemental Indenture in Case UF 2146; Eleventh Supplemental Indenture in Case UF
11 2159; Twelfth Supplemental Indenture in Case UF 2188; Thirteenth Supplemental
12 Indenture in Case UF 2253; Fourteenth Supplemental Indenture in Case UF 2304;
13 Fifteenth Supplemental Indenture in Case UF 2466; Sixteenth Supplemental Indenture in
14 Case UF 2545; Seventeenth Supplemental Indenture in Case UF 2596; Eighteenth
15 Supplemental Indenture in Case UF 2944; Nineteenth Supplemental Indenture in Case UF
16 3063; Twentieth and Twenty-first Supplemental Indentures in Case UF 3110; Twenty-
17 second Supplemental Indenture in Case UF 3274; Twenty-third Supplemental Indenture in
18 Case UF 3457; and Twenty-fourth Supplemental Indenture in Case UF 3614; Twenty-fifth
19 Supplemental Indenture in Case UF 3758; Twenty-sixth Supplemental Indenture in Case
20 UF 3782; Twenty-seventh Supplemental Indenture in Case UF 3947; Twenty-eighth
21 Supplemental Indenture in Case UF 4022; Twenty-ninth Supplemental Indenture in Case
22 UF 4014; Thirtieth Supplemental Indenture in Case UF 4033; Thirty-first Supplemental
23 Indenture in Case UF 4033; Thirty-second Supplemental Indenture in Case UF 4053;
24 Thirty-third Supplemental Indenture in Case UF 4088; Thirty-fourth Supplemental Indenture
25 in Case UF 4111; Thirty-fifth Supplemental Indenture in Case UF 4175; Thirty-sixth
26 Supplemental Indenture in Case UF 4181; Thirty-seventh Supplemental Indenture in Case

1 UF 4196; Thirty-ninth Supplemental Indenture in Case UF 4200; Fortieth Supplemental
2 Indenture in Case UF 4211; Forty-first Supplemental Indenture in Case UF 4227; Forty-
3 third Supplemental Indenture in Case UF 4211; Forty-fourth Supplemental Indenture in
4 Case UF 4244; Forty-sixth Supplemental Indenture in Case UF 4263; Forty-seventh
5 Supplemental Indenture in Case UF 4278; and Forth-eights Supplemental Indenture in
6 Case UF 4297, reference to all of which is hereby made.

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

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

15 **F. Exhibit F. Known Contingent Liabilities.**

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

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

21 The sale of the Assets will not materially affect the Idaho Power's income
22 statements.

23 For the reasons set forth above, the Company respectfully requests a waiver of
24 these requirements.

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

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

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

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

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

4
5 Please refer to the attached Exhibit J.

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

7
8 Idaho Power relies on this Application and the attached documentation to support the
9 requirements of OAR 860-027-0025(1)(l) and (1)(m).

10 **VII. PRAYER FOR RELIEF**

11 Idaho Power respectfully requests a Commission order finding the transaction will
12 not harm Idaho Power's customers and is consistent with the public interest.

13 Respectfully submitted this 10th day of November, 2016.

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Lead Counsel, OSB #97352
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Shelli Stewart
Corporate 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 14th day of October, 2016 ("Effective Date"), by and between **IDAHO POWER COMPANY**, an Idaho corporation with its principal offices located at 1221 W. Idaho Street, Boise, ID 83702 ("Idaho Power") and **MCCAIN FOODS USA, INC.** with its principal offices located at 2275 Cabot Drive, Lisle, IL 60532 ("McCain"). Idaho Power and McCain 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. McCain is an Idaho Power customer receiving primary service to its facility located at 218 West Highway 30, Burley, ID 83318 ("Burley Site");

C. Idaho Power currently owns, operates and maintains the facilities beyond the Point of Delivery at McCain's Burley Site that are installed to solely benefit McCain (as more particularly described in this Agreement, the "Assets").

D. Idaho Power desires to transfer and convey the Assets to McCain, and McCain 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 McCain (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, 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 McCain 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 McCain pursuant to this Agreement (and upon approval of the IPUC and OPUC) include:

Plant Account 364	Poles, towers and fixtures
Plant Account 365	Overhead conductors and devices
Plant Account 366	Underground conduit, pads and vaults
Plant Account 367	Underground cable and devices
Plant Account 368	Transformers, switches and protection devices

The Assets are more particularly described in **Exhibit A** attached hereto and made part of this Agreement.

3) **Purchase Price.** McCain shall pay to Idaho Power the amount of \$373,974 for the Assets ("Purchase Price"). A summary breakdown of the Purchase price is attached hereto as **Exhibit B** and made part of this Agreement. McCain acknowledges and confirms that: (a) McCain has reviewed and fully understands the components of the Purchase Price; (b) McCain does not contest such amount; and, (c) the Purchase Price is agreed upon between the Parties as of the Effective Date hereof.

McCain understands and acknowledges the Purchase Price is subject to change if during such time as the Parties are awaiting approval from the IPUC and the OPUC, Idaho Power is required to replace any of the Assets. Unless McCain 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 such time as Closing (as defined in Section 5 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, the "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 IPUC and OPUC, 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 IPUC and OPUC pertaining to the Sale, Idaho Power shall provide McCain with a copy of the same and:

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

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;¹ 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.

McCain agrees to support Idaho Power's applications to the IPUC and OPUC 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 McCain'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) **Closing.** The Parties agree that the Closing shall occur as promptly as reasonably practicable following satisfaction of all conditions precedent set forth in Section 4 of this

¹ 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.

Agreement. At the Closing: (a) McCain shall deliver the full Purchase Price to Idaho Power (as specified in Section 3 above), and (b) the Parties shall execute and deliver 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. 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.

6) **Transfer of Assets.** Idaho Power shall grant, bargain, sell, assign, transfer, convey, and deliver to McCain, 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 the Closing.

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

8) **Title to Assets.** Idaho Power, for itself and its successors, hereby represents to McCain 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 McCain, 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 McCain (assuming approval of the Sale from the IPUC pursuant to Idaho Code § 61-328 and the OPUC pursuant to Oregon Revised Statute § 757.480).

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

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

11) **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. McCain 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 McCain under this Agreement, including the right to enforce this Agreement. MCCAIN 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.

12) Release and Indemnification. Effective as of the Closing, McCain 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 McCain or any third party related to the transfer of the Assets hereunder.

McCain 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 McCain's acquisition and use of the Assets.

13) Hazardous Materials and Indemnification. McCain 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. McCain 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.

McCain 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 McCain's acquisition and use of the Assets on and after the Closing.

14) 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.

15) Miscellaneous. To the extent that any provision of this instrument shall be 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 so as to be unjust or inequitable. Any inconsistency between the terms of this Agreement and any other Agreement to which Idaho Power and McCain 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 McCain.

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: 
Printed Name: JAMES E. HANCHEY
Title: Regional Manager

MCCAIN FOODS USA, INC.

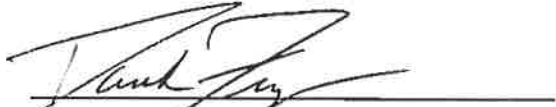
Signature: 
Printed Name: Davek Frye
Title: Sr. Director, Manufacturing NA

EXHIBIT A
ASSETS

Description	Year	Original Investment
Pole - Primary 50 Ft. or greater.	1978	\$ 472.19
OH Primary Conductor larger than 4/0	1978	\$ 122.91
OH Secondary Conductor - Multiplex.	1986	\$ 92.33
Pad - Equipment.	1990	\$ 573.35
Pad - Equipment.	1980	\$ 92.03
Pad - Equipment.	1989	\$ 1,011.11
Pad - Equipment.	1991	\$ 678.28
Pad - Equipment.	2007	\$ 1,172.80
Pad - Equipment.	2010	\$ 1,066.03
UG Primary Cable - 15kV.	1983	\$ 1,956.88
Transformer - OH 1PH (0-15) kVA.	1959	\$ 243.06
Transformer - OH 1PH (0-15) kVA.	1980	\$ 294.56
Transformer - OH 1PH (16-49) kVA.	1960	\$ 395.18
Transformer - OH 1PH (16-49) kVA.	1960	\$ 395.18
Transformer - OH 1PH (16-49) kVA.	1960	\$ 395.18
Transformer - OH 1PH (16-49) kVA.	1972	\$ 307.57
Transformer - OH 1PH (16-49) kVA.	1972	\$ 307.57
Transformer - OH 1PH (16-49) kVA.	2010	\$ 1,138.98
Transformer - OH 1PH (16-49) kVA.	2010	\$ 1,138.98
Transformer - OH 1PH (16-49) kVA.	2010	\$ 1,138.98
Transformer - OH 1PH (16-49) kVA.	1964	\$ 326.69
Transformer - OH 1PH (16-49) kVA.	1964	\$ 326.69
Transformer - OH 1PH (16-49) kVA.	1964	\$ 326.69
Transformer - OH 1PH (50-74) kVA.	1974	\$ 527.08
Transformer - OH 1PH (50-74) kVA.	1974	\$ 527.08
Transformer - OH 1PH (50-74) kVA.	1974	\$ 527.08

Description	Year	Original Investment
Transformer - OH 1PH (50-74) kVA.	1989	\$ 1,004.04
Transformer - OH 1PH (75-99) kVA.	2004	\$ 1,312.53
Transformer - OH 1PH (75-99) kVA.	2004	\$ 1,312.53
Transformer - OH 1PH (75-99) kVA.	2004	\$ 1,312.53
Transformer - OH 1PH (75-99) kVA.	1958	\$ 887.53
Transformer - OH 1PH (75-99) kVA.	1957	\$ 925.97
Transformer - OH 1PH (75-99) kVA.	1955	\$ 904.10
Transformer - OH 1PH (100-166) kVA.	2011	\$ 1,599.61
Transformer - OH 1PH (100-166) kVA.	1970	\$ 870.50
Transformer - OH 1PH (100-166) kVA.	1970	\$ 870.50
Transformer - OH 1PH (100-166) kVA.	1966	\$ 1,010.09
Transformer - OH 1PH (100-166) kVA.	1956	\$ 834.81
Transformer - OH 1PH (100-166) kVA.	1956	\$ 1,010.09
Transformer - OH 1PH (100-166) kVA.	1979	\$ 1,287.74
Transformer - OH 1PH (100-166) kVA.	1979	\$ 1,287.74
Transformer - OH 1PH (100-166) kVA.	1979	\$ 1,287.74
Transformer - OH 1PH (167-499) kVA.	1996	\$ 2,732.14
Transformer - OH 1PH (167-499) kVA.	1996	\$ 2,732.14
Transformer - OH 1PH (167-499) kVA.	1996	\$ 2,732.14
Transformer - OH 1PH (167-499) kVA.	1982	\$ 4,664.64
Transformer - OH 1PH (167-499) kVA.	1978	\$ 2,610.64
Transformer - OH 1PH (167-499) kVA.	1978	\$ 2,610.64
Transformer - OH 1PH (167-499) kVA.	1994	\$ 4,022.25
Transformer - OH 1PH (167-499) kVA.	1994	\$ 4,022.25
Transformer - OH 1PH (167-499) kVA.	1994	\$ 4,022.25
Transformer - OH 1PH (167-499) kVA.	1988	\$ 2,382.54
Transformer - OH 1PH (167-499) kVA.	1988	\$ 2,382.54
Transformer - OH 1PH (167-499) kVA.	1988	\$ 2,382.54

Description	Year	Original Investment
Transformer - Padmount 1PH (16-49) kVA.	2015	\$ 1,801.00
Transformer - Padmount 3PH (112-166) kVA.	1986	\$ 6,795.61
Transformer - Padmount 3PH (112-166) kVA.	1989	\$ 6,772.69
Transformer - Padmount 3PH (167-499) kVA.	2001	\$ 6,178.90
Transformer - Padmount 3PH (500-1499) kVA.	2007	\$ 13,025.56
Transformer - Padmount 3PH (1500-2499) kVA.	1975	\$ 10,832.81
Transformer - Padmount 3PH (1500-2499) kVA.	1979	\$ 10,004.11
Transformer - Padmount 3PH (1500-2499) kVA.	1979	\$ 10,975.43
Transformer - Padmount 3PH (1500-2499) kVA.	1982	\$ 17,033.85
Transformer - Padmount 3PH (1500-2499) kVA.	2010	\$ 28,817.24
Transformer - Padmount 3PH 2500 kVA and larger.	2005	\$ 31,896.10
Transformer - Padmount 3PH 2500 kVA and larger.	2005	\$ 31,896.10
Transformer - Padmount 3PH 2500 kVA and larger.	2005	\$ 31,896.09
Transformer - OH 1PH (50-74) kVA.	1980	\$ 200.73
Transformer - OH 1PH (50-74) kVA.	1980	\$ 200.73
Transformer - OH 1PH (50-74) kVA.	1980	\$ 200.72
Transformer - Padmount 3PH (500-1499) kVA.	2004	\$ 9,693.87
Transformer - Padmount 3PH 2500 kVA and larger.	1989	\$ 32,237.70
Switch - Fused Cut-Out.	2004	\$ 262.87
Switch - Fused Cut-Out.	2004	\$ 262.87
Switch - Fused Cut-Out.	2004	\$ 262.87
Switch - Fused Cut-Out.	1980	\$ 83.49
Switch - Fused Cut-Out.	1980	\$ 83.49
Switch - Fused Cut-Out.	1980	\$ 83.49
Switch - Fused Cut-Out.	2002	\$ 118.82
Switch - Fused Load Break.	1990	\$ 270.25
Switch - Fused Load Break.	1990	\$ 270.25
Switch - Fused Load Break.	1990	\$ 270.27

Description	Year	Original Investment
Switch - Power Fuse.	1985	\$ 230.82
Switch - Power Fuse.	1985	\$ 230.82
Switch - Power Fuse.	1985	\$ 230.82
Switch - Power Fuse.	1990	\$ 282.76
Switch - Power Fuse.	1990	\$ 282.76
Switch - Power Fuse.	1990	\$ 282.76
Switch - Power Fuse.	1983	\$ 360.66
Switch - Power Fuse.	1983	\$ 360.66
Switch - Power Fuse.	1983	\$ 360.66
Switch - Power Fuse.	1991	\$ 174.33
Switch - Power Fuse.	1991	\$ 174.33
Switch - Power Fuse.	1991	\$ 174.34
Primary Meter - 3 Phase Demand CT.	1980	-
Primary Meter - 3 Phase Demand CT.	1978	-

EXHIBIT B
SUMMARY BREAKDOWN OF PURCHASE PRICE

Purchase Price Components	Amounts
Net book value	\$127,054
True up of past levelized rate of return	\$54,865
Near-term rate of return impact resulting from sale of assets	\$32,251
Near-term operational impact resulting from sale of assets	\$57,936
Total Purchase Price – before tax	\$272,106
Net gross-up for tax	\$101,388
Total Purchase Price – after tax	\$373,494
Work order closing costs	\$480
Total Purchase Price	\$373,974

EXHIBIT C
BILL OF SALE

This **BILL OF SALE** is entered into on October 14th, 2016 ("Effective Date"), by and between **Idaho Power Company**, an Idaho corporation with its principal offices located at 1221 W. Idaho Street, Boise, ID 83702 ("Idaho Power") and **McCain Foods USA, Inc.** with its principal offices located at 2275 Cabot Drive, Lisle, IL 60532 ("McCain"). Idaho Power and McCain may be referred to herein individually as a "Party" or, collectively, as the "Parties."

Idaho Power has agreed sell to McCain and McCain 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 October 14th, 2016 ("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 \$373,974, 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: JAMES BO HANSEN

Title: Regional Manager

MCCAIN FOODS USA, INC.

Signature: 

Printed Name: Davek Frye

Title: Sr. Director, Manufacturing NA

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, do hereby certify that the following constitutes a full, true and correct copy of the resolutions adopted at a regular meeting of the Board of Directors of Idaho Power Company held July 13, 1995, authorizing certain Company officers to enter into transactions regarding real and personal property, including the sale of real property, and that said resolutions have not been amended or rescinded and are in full force and effect on the date hereof. I further certify that Vern Porter is currently the Vice President of Customer Operations of Idaho Power Company, and is an authorized officer of the Company entitled to undertake the actions described in said resolutions.

IN WITNESS WHEREOF, I have hereunto set my hand this 9th day of November, 2016.



Patrick A. Harrington
/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 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 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 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 to 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 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 Company will record this transaction using the accounting treatment below. The accounting follows existing generally accepted accounting principles in the United States and consists of the following three elements:

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 Depreciation \$326,143
- Credit 101 – Electric Plant in Service \$326,143

b. Recording the Gain on the Sale. Idaho Power will record the gain on the sale of the Assets as follows:

- Debit 131 – Cash \$373,974
- Credit 421 – Miscellaneous Non-Operating Income \$192,055
(Near-term rate of return impact of \$32,251, near-term operational impact of \$57,936, net gross-up for tax of \$101,388, plus work order closing costs of \$480)
- Credit 108 – Accumulated Depreciation \$181,919
(Remaining net book value of \$127,054 plus true-up of past levelized rate of return of \$54,865)

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 \$61,751
- Credit 236 – Taxes Accrued \$61,751
- Debit 282 – Accumulated Deferred Income Taxes \$16,576
- Credit 410 – Provision for Deferred Income Taxes \$16,576

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.