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February 1, 2017

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

Re: Gateway West Transmission Updates: 4th Quarter 2016

Attention Filing Center:

Enclosed please find the 4th Quarter 2016 Transmission Updates report regarding the Gateway West transmission project developed jointly between PacifiCorp and Idaho Power Company. This update provides a description of the developments that transpired in the fourth quarter of this year.

This filing should be forwarded to Michael Breish, Senior Utility Analyst, and Michael Dougherty, Chief Operating Officer. If you have any questions, please contact Courtney Waites, Senior Regulatory Analyst, at 208-388-5612.

Very truly yours,

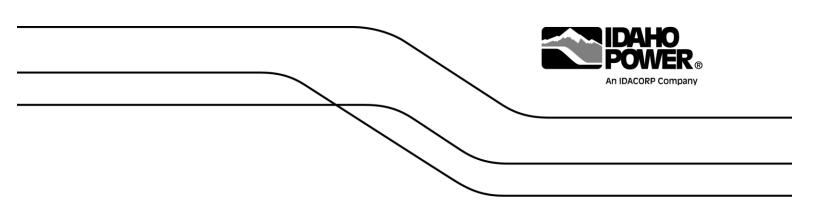
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Enclosure

cc: Mitch Colburn Mark Stokes



Idaho Power Company's Gateway West Transmission Update for 4th Quarter 2016 February 1, 2017

In late 2013, Staff of the Public Utility Commission of Oregon ("Commission"), requested¹ that Idaho Power Company ("Idaho Power" or "Company") provide quarterly updates regarding the Energy Gateway West transmission project developed jointly between PacifiCorp and Idaho Power ("Companies"). Staff requested that, for <u>each</u> sub-segment² of this project, the Company provide a description of the developments³ that transpired in the previous quarter.

Recent Project Developments

Segment 8 is located between the Midpoint substation and the Hemingway substation and segment 9 is located between the proposed Cedar Hill substation and Hemingway substation. These segments were not covered by the previous Record of Decision ("ROD") issued on November 14, 2013. Because of their importance to the Gateway West project and to Idaho Power's interest in the project, no additional permitting (state or local), regulatory activities, or other events were being pursued by Idaho Power until the Bureau of Land Management ("BLM") provided its ROD on these two sub-segments.

On October 7, 2016 the BLM released the final Supplemental Environmental Impact Statement ("FSEIS") for segments 8 and 9 in southwestern Idaho, which analyzed seven pairs of possible route combinations for segments 8 and 9, identifying two co-preferred alternatives. The FSEIS and supporting appendices can be accessed on the Idaho BLM website at:

https://www.blm.gov/programs/nepa-and-planning/plans-in-development/idaho/gateway-westtransmission-line

In the FSEIS, the BLM selected Alternative 5, which is different from the routes proposed by the Companies and the Boise District Resource Advisory Committee ("RAC") subcommittee. Recall, in December 2013, the RAC subcommittee convened to look at route options for segments 8 and 9 due to concerns about potential impacts within the Morley Nelson Snake River Birds of Prey National Conservation Area and adjacent private lands. The Companies subsequently adopted the RAC's recommended routes for both segments.

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

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

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

Alternative 5 has a combined length of 321.5 miles, which is the highest total length among the seven alternatives. It would require the removal of existing transmission line along 1.9 miles of the route. The two routes would follow the same alignment, 250 feet apart, for approximately 9.9 miles within the Snake River Birds of Prey. This alternative incorporates route options that would result in segments 8 and 9 paralleling each other for portions of their lengths.

The end of the 30-day period for filing an appeal regarding the Governor's consistency review of the FSEIS was January 18, 2017. On January 20, 2017, the BLM issued its ROD for segments 8 and 9, authorizing the Companies to site the remaining 321-mile portion of Gateway West on BLM-administered land. The Companies will continue evaluating the timing of next steps in the project to best meet our customer and system needs.