

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UP 227

In the Matter of)	
)	ORDER
IDAHO POWER COMPANY)	
)	
Requests Approval of the Exchange of)	
Barber Flats and Oxbow Dryland Properties)	
for Riverfront and Riparian Properties to be)	
Used as Public Recreational Property.)	

DISPOSITION: APPLICATION APPROVED WITH CONDITIONS

On August 23, 2005, the Public Utility Commission of Oregon (Commission) received an application from Idaho Power Company (Idaho Power or company), requesting approval to exchange Barber Flats and Oxbow Dryland Properties, owned by OX Ranch, for three parcels owned by Idaho Power, pursuant to ORS 757.480 and OAR 860-027-0025. All of the land is located in the vicinity of the Hells Canyon hydroelectric project and the company has determined that the property to be disposed of is not used or useful. In an Idaho Public Utility Commission (IPUC) staff decision memorandum dated April 12, 2005, it was decided that IPUC staff did not oppose the exchange, though IPUC approval was not necessary.

OPINION

Under ORS 757.480, a public utility doing business in Oregon shall first obtain Commission approval for any transaction to sell, lease, assign or otherwise dispose of property. Based on a review of the application and the Commission's records, the Commission finds that the application satisfies applicable statutes and administrative rules.

At its Public Meeting on October 25, 2005, the Commission adopted Staff's recommendation to approve the exchange of the three parcels owned by Idaho Power for the two parcels owned by OX Ranch. Staff's recommendation is attached as Appendix A and is incorporated by reference.

ORDER

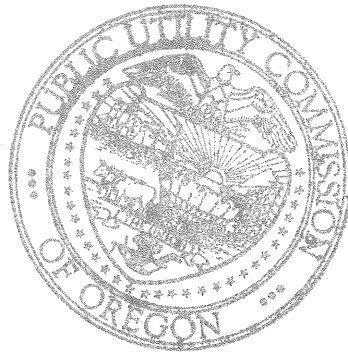
IT IS ORDERED that the application of Idaho Power Company is approved, subject to the following conditions:

1. Idaho Power Company shall provide the Commission access to all books of account, as well as, all documents, data, and records that pertain to the transfer of electric properties.
2. The Commission reserves the right to review for reasonableness all financial aspects of this transaction in any rate proceeding or earnings review under an alternative form of regulation.
3. Idaho Power Company shall notify the Commission in advance of any substantive changes to the transfer of electric properties, including any material changes in price. Any changes to the agreement terms that alter the intent and extent of activities under the agreement from those approved herein, shall be submitted for approval in an application for a supplemental order (or other appropriate format) in this docket.

OCT 31 2005

Made, entered, and effective _____.

BY THE COMMISSION:



Becky L. Beier

Becky L. Beier
Commission Secretary


A party may request rehearing or reconsideration of this order pursuant to ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-014-0095. A copy of any such request must also be served on each party to the proceeding as provided by OAR 860-013-0070(2). A party may appeal this order to a court pursuant to applicable law.

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: October 25, 2005

REGULAR _____ CONSENT X EFFECTIVE DATE _____ N/A _____

DATE: October 10, 2005

TO: Public Utility Commission

FROM: Marion Anderson 

THROUGH: ^uLee Sparling, ^{ak}Marc Hellman, and ^wMichael Dougherty

SUBJECT: IDAHO POWER COMPANY: (Docket No. UP 227) Requests approval of the Exchange of Barber Flats and Oxbow Dryland Properties for Riverfront and Riparian Properties to be Used as Public Recreational Property.

STAFF RECOMMENDATION:

The Commission should approve the exchange of the three parcels owned by Idaho Power Company for two parcels owned by OX Ranch, with the following conditions:

1. Idaho Power Company shall provide the Commission access to all books of account, as well as, all documents, data, and records that pertain to the transfer of electric properties.
2. The Commission reserves the right to review for reasonableness all financial aspects of this transaction in any rate proceeding or earnings review under an alternative form of regulation.
3. Idaho Power Company shall notify the Commission in advance of any substantive changes to the transfer of electric properties, including any material changes in price. Any changes to the agreement terms that alter the intent and extent of activities under the agreement from those approved herein, shall be submitted for approval in an application for a supplemental order (or other appropriate format) in this docket.

DISCUSSION:

This application was filed on August 23, 2005, pursuant to ORS 757.480 and OAR 860-027-0025. The Idaho Power Company (Idaho Power or company) property to

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be divested consists of 640 acres known as the Barber Flat property, and two lots, approximately 15 acres each – one grazing, and the other known as the Blue Creek Road right-of-way. The property to be received by Idaho Power from OX Ranch consists of two riverfront and riverbank parcels totaling approximately 56 acres. All of the land is located in the vicinity of the Hells Canyon hydroelectric project and the company has determined that the property to be disposed of is not used and useful. In an Idaho Public Utility Commission staff decision memorandum dated April 12, 2005, it was decided that staff did not oppose the exchange, though Idaho Commission approval was not necessary.

Staff investigated the following issues:

1. Scope and Terms of the Real Estate Agreement
2. Allocation of Gain
3. Public Interest Compliance
4. Records Availability, Audit Provisions, and Reporting Requirements

Scope and Terms of the Real Estate Agreement

This is a straightforward exchange. The company answered all questions on valuation of the properties involved.

Allocation of Gain

The exchange will be made at the company's book value for the divested properties.

Public Interest Compliance

The sale conforms to the no harm standard used by the Commission because the property at issue is no longer used and useful, and is being exchanged for property of equal or greater value.

Records Availability, Audit Provisions, and Reporting Requirements

Order Condition Number 1, listed above in the staff recommendation, affords the necessary Commission examination.

PROPOSED COMMISSION MOTION:

The exchange of properties by Idaho Power Company with OX Ranch be approved subject to the conditions stated in this memorandum.

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