NORTHERN TIER TRANSMISSION GROUP

V. Cost Allocation Process

1. Basic Information Requirements

When a project proposal is submitted for inclusion in the NTTG Planning Process, the project developers or other stakeholders, in collaboration with the NTTG Planning Committee, will also prepare an application package and transmit it to the Committee for its review. Upon the developer's request, the NTTG Planning Committee may provide its assistance. The project developers shall provide the following information with the application:

A. PROJECT DESCRIPTION

Idaho Power is proposing to construct and operate a new electric transmission facility consisting of approximately 298 miles of single-circuit 500kV transmission line between the existing Boardman substation in eastern Oregon and the proposed Hemingway substation in southwestern Idaho. The transmission project will relieve existing constraints allowing additional transfer of energy to target service areas, principally in Idaho and Oregon, along with other eastward and Pacific Northwest locations. The Boardman to Hemingway 500 kV Transmission Line Project is independent of, and will be built regardless of, any particular new generation project. Based upon recent updates, the current project schedule indicates a likely in-service date of June 2013.

The project is based on the "hub and spoke" concept utilized in developing the NTTG fast track projects. This project is a "spoke" between a proposed transmission hub in the Boardman area and the proposed Hemingway hub near the Treasure Valley load center. Along with other proposed regional projects, the Boardman to Hemmingway 500 kV transmission line will provide additional connectivity beyond the two hubs it will link. While the timing of the hub substation in Oregon depends upon coordination with multiple utilities and proposed projects, this transmission line by itself can provide immediate benefits discussed later while maintaining the flexibility to be integrated with the proposed hub in Oregon when it is developed.

Idaho Power's Integrated Resource Plan identifies Pacific Northwest generation resources as one component of the preferred resource portfolio. Idaho Power's wholesale transmission customer requirements are also increasing. This project will meet the requested service requirements, in addition to other transmission service requests to move energy from the east into the Pacific Northwest.

Additional information describing the project, including Notice of Intent documents, is contained on the project web site at:
http://www.boardmantohemingway.com/ .

B. PHYSICAL LOCATION

The project will connect the existing Boardman substation in northeast Oregon with the proposed Hemingway substation in southwest Idaho. A map of the proposed project and preferred alignment is included as Attachment A. The siting and permitting process will determine final alignment.

C. COST/BENEFIT ANALYSIS

Preliminary cost/benefit analysis was conducted as part of Idaho Power's 2006 Integrated Resource Plan (IRP). Based upon the assumptions and analysis of various resource portfolios, a 225 MW project to allow market purchases from the Pacific Northwest was identified as part of the preferred portfolio. Since that analysis, due to other Transmission Service Requests and other evaluations of project requirements conducted in the NTTG planning processes, the project scope has been modified as described in Exhibit H of the Notice of Intent (Attachment B). Specific cost-benefit analysis has not been updated through the IRP processes at this time. Idaho Power is currently beginning the next IRP cycle, expected to be completed in 2009.

Project cost estimates are largely based upon typical construction costs as included on Idaho Power's OASIS at:
http://www.oatioasis.com/IPCO/IPCOdocs/Idaho_Power_Transmission_Cost_Estimates.pdf .
This document includes high-level, typical construction costs of $1,500,000 per mile of single-circuit 500 kV design, excluding rights-of-way and permit costs. Substation interconnection costs are also required. Current cost estimates for the total project are approximately $600,000,000.

To aid in understanding the potential cost impacts of this line, it is important to recognize that there have been few major transmission expansions to Idaho Power's transmission investment in the past 25 years producing one of the lowest transmission rates in the region. Idaho Power has a formulary transmission tariff rate on file with the Federal Energy Regulatory Commission (FERC). The information on the rate calculations and components is available on Idaho Power Company's Open Access Same Time Information System (OASIS).

The rate calculation spreadsheet using 2007 FERC Form 1 data is located at:
http://www.oatioasis.com/IPCO/IPCOdocs/Transmission_Rate_Development_August_28_2008_(2007_Test_Year).xls .
While the actual rate calculations are detailed, the spreadsheet tab entitled "Rate Calculation" shows the existing transmission plant in service on line 1 as $684,399,525. While not intended to be an actual rate forecast, simply modifying this plant investment by adding the above project cost estimate, increasing the depreciation expense on line 29, and adding 225 MW to the System Peak Demand on line 46 yields a transmission rate of approximately $40/kw-yr. While this would not be the actual expected rate following the

addition of the line and increased use of importing 225 MW from the Pacific Northwest markets, it provides an estimate assuming no other transactions or impacts.

This would result in an approximate annual allocation revenue requirements for increased imports to serve Idaho Power's native load requirements through addition of this project of approximately

(225 MW)*($40/kW-yr)*(1000 kW/MW) = $9,000,000/yr.

If the additional 1,000 MW of Point-to-Point transmission service requests on this line are included, the System Peak Demand on line 46 would be increased by a combined total of 1,225 MW, resulting in an estimated rate of approximately $30/kW-yr. These combined transactions would reduce the above revenue requirement allocation to approximately $6.75 million per year for the 225 MW import, as well as reductions to all other transmission services provided. However, additional transmission upgrades as contemplated in the Gateway West project may be required to allow the total export as described in Section G below.

Any final cost/benefit analysis and comparison for resource evaluation to serve Idaho Power Network Load requirements would still require consideration of the alternative resource production costs including capital and O&M costs, and any additional transmission costs as compared to other options. Also this project would reduce existing third-party transmission expenses required to deliver existing Boardman resources to Idaho's existing system.

Transmission projects are "lumpy" from an investment timing standpoint, providing capacity and rate stability over the long-term regulatory recovery period. To meet reliability criteria, projects must be installed no later than the first need as opposed to waiting until the project can be fully utilized. When a new large project is placed in-service there is an increase in system capability, providing reliability margins, the ability to meet forecast growth, and options for economic energy exchanges. As load growth and other uses increase, changing the System Peak Demand, the effective transmission rate declines over the project's life.

As demonstrated above, as this projects' capacity is fully utilized, or if partnership options described below allocate a portion of both costs and capacity to other parties, the expected rates would be nearer the existing embedded rates.

D. INVESTORS (DESCRIPTION AND INTEREST)

Idaho Power continues to explore opportunities to partner with other entities on this project. Based upon current Open Access Transmission Tariff (OATT) obligations and service requests, Idaho Power must proceed with development of this project, with or without other equity participants.

Given the proposed development of a transmission hub in eastern Oregon, and other regional interests in acquiring transmission rights in this corridor, there is the possibility of reducing Idaho Power's investment requirements by up to 50%.

Currently Idaho Power anticipates rolling in the project costs with its existing transmission rates and service obligations. While the FERC does allow a higher-of pricing option for specific transmission service requests, along with the ability of the Transmission Provider to require up-front construction contributions in exchange for transmission credits, there is also an obligation to ensure adequate transmission to meet native and network load obligations. As explained in Attachment B, the project scope and costs are justified by service obligations and system reliability. To the extent additional investors participate in the project, Idaho Power's obligations will be fulfilled while reducing capital investment requirements.

E. OPERATOR

Idaho Power will operate this line as part of its control area operations. With the described potential for development of a transmission hub in eastern Oregon, there may be additional integration and operation agreements developed as new facilities are added.

F. SUBSCRIBERS/CONTRACTS

Idaho Power has active transmission service requests totaling 1,225 MW on this transmission path. This does not include additional load growth forecasts of other network transmission customers which require additional capacity on this transmission path. Idaho Power is required to offer service and expand its transmission system to reliably serve all customer requirements under its OATT.

Load forecasts have indicated a potential import use in excess of 500 MW over the planning horizon. As described in Attachment B, there has been considerable interest in firm and non-firm transmission service on this path. The total of denied service requests indicates the level of interest, and may be an indication of future subscription and service.

G. PERTINENT TRANSMISSION STUDY RESULTS

Transmission study results as part of the Western Electricity Coordinating Council (WECC) rating process including the regional planning and Phase I study results to date are described in Attachment C.

Preliminary results for the project are described according to increased capabilities without the benefit of other regional projects, as well as expected improvements as other projects are placed in-service.

Studies indicate that an import rating of up to 1300 MW may be achievable for the project by itself, while providing over 850 MW net import increase on the total Idaho-Northwest path, and almost 1000 MW increase above existing path operating limits. For exports from Idaho to the Northwest the project carries flows above 800 MW, while increasing the total ID-NW path rating by about 200 MW, and 300 MW above existing path limits. The project significantly improves bi-directional capabilities. Studies considering expanded capabilities due to additional regional projects are yet to be completed.

Current ATC as noted in Attachment B are limited to zero import and almost 300 MW export capability. Attachment D contains historical use of the Idaho-Northwest path as presented during NTTG Transmission Use Committee public meetings demonstrating constraints of imports during peak load periods.

H. A COPY OF ANY WECC ECONOMIC AND RELIABILITY DETERMINATIONS RELATIVE TO THE PROJECT

Studies following the WECC rating process are on-going. Economic study results through the WECC's Transmission Expansion Planning Policy Committee (TEPPC) have been requested as part of the current study plan and planning study cycle in conjunction with other projects and resource scenarios by NTTG.

I. PROPOSED SITING PROCESS

A Notice of Intent (NOI) has be submitted to the Oregon Department of Energy and the BLM as describe on the project web site at

http://www.boardmantohemingway.com/ .

The project will follow all federal, state, and local jurisdictional siting requirements. Siting and regulatory processes have a direct impact on the proposed project in-service date. Cooperating agencies and public input are a vital component in meeting environmental and local land use requirements for the project.

J. PROPOSED COST ALLOCATION

Based upon current transmission service queue requests and OATT obligations, Idaho Power anticipates including project costs in existing FERC and state regulatory rate processes as rolled-in capital investments subject to potential equity partners described in Section D. (Investors) and Section F. (Subscribers/Contracts). Given the existing FERC formulary rate design and state jurisdictional allocation processes recognizing revenue credits and revenue requirements, Idaho Power expects costs will be directly assigned to users of the project according to existing policies and jurisdictional rate design.

K. PROPOSED COST RECOVERY

Idaho Power expects cost recovery as defined in its OATT pricing and formulary rate including consideration of both wholesale and retail usage and revenue requirements, in addition to state jurisdictional general rate cases and recovery mechanisms as may be requested from time to time.

L. A RISK AND BENEFIT ANALYSIS FOCUSING ON THE DISTRIBUTION OF COSTS, BENEFITS AND RISKS AMONG THE PARTIES PROPOSED TO SHARE IN THE COST ALLOCATION OF THE PROJECT.

As described in Sections C, D, and F the risks of third party transmission users materializing which reduces the net costs to all parties has been analyzed. The scenario of rolled in project costs assuming no additional third-party use and the resulting rate impacts as compared to increased network use over time and additional obligations of existing queue requests demonstrate the range of cost impacts to retail and wholesale tariff rates and cost recovery for the project.

M. PROPOSAL ON DEALING WITH COST OVERRUNS

Traditional revenue requirement treatment of projects costs are based upon actual project costs subject to prudency review and limitations of negotiated caps or not-to-exceed cost estimates. Given the current economic conditions and potential volatility of labor and material costs, Idaho Power expects the final actual project costs to be included in regulatory revenue requirement determinations.

As such, it should be noted that Idaho Power employs a competitive bid process while working with suppliers and contractors to obtain the greatest supply chain value for its customers. Given the magnitude and scope of this project, in addition to other infrastructure projects required in the same time frame, Idaho Power will continue to

optimize and negotiate the lowest costs. A combination of fixed-cost bid process to minimize risk of price escalation, and competitive contract letting will be employed while consistently evaluated against internal labor resource options.

N. DEGREE OF CONSENSUS AMONG STAKEHOLDERS ON ALL OF THE ABOVE

Stakeholders have consistently expressed concurrence with the project approach and resultant outcomes. Recognizing the upward rate pressure imposed in the near-term, the project provides benefit to all potential users not available but for completion the project. The beneficiaries of the project, or user pays principle, is consistent with the obligations and requirements of transmission infrastructure investment to meet load growth.

Additional integration of renewable resources in the project area, primarily wind development, and the interconnectivity between Balancing Authorities such as the Bonneville Power Administration (BPA) and Idaho Power utilizing products introduced by NTTG members such as Ace Diversity Interchange (ADI) to enhance reliability, reduce operating costs, and enable new and diverse energy resource integration increases the viability and importance of this project as a "spoke" providing interconnectivity in the region.

O. HOW EACH NTTG COST ALLOCATION PRINCIPLE WAS APPLIED IN THE ANALYSIS

Principle 1 – cost causers should be cost bearers. As demonstrated in Section C, if the ultimate use of the project is to meet Idaho Power's native and network load requirements, the costs will be born by the retail and wholesale customers according to existing OATT provisions and state jurisdictional processes. Additional users are directly accommodated through tariff pricing and recovery which results in an offset via revenue credits or System Peak Demand impacts on the transmission rate calculations and state jurisdictional revenue requirements.

Principle 2 – consistency with requirements of state and federal processes. This proposed project is a direct result of state mandated IRP and federal OATT requirements to ensure compliance with all regulatory requirements. This project was identified in the IRP and NTTG processes to satisfy needs consistent with portfolio and queue requests, in addition to FERC Order 890 Attachment K transmission planning requirements.

Principle 3 – reasonable cost recovery. As proposed by rolling in the project costs to existing rates and revenue requirements at both the federal and state levels, the project is expected to achieve full recovery and regulatory treatment, but no more.

Principle 3a – costs should be directly assigned based upon distribution of benefits. As proposed, the project costs will be directly allocated to users under existing OATT tariff provisions and revenue requirements including credits and system usage passed through to state jurisdiction load ratio uses of the transmission system.

Principle 3b – economic project cost assignments. This project is not based directly upon economic efficiencies to reduce market congestion, but primarily upon reliable network service obligations. Transmission service requestors are assigned costs based upon their requests for service under existing FERC pricing methodologies including higher-of and rolled in calculations. Contractual obligations via the resultant service agreements provide for cost recovery of the prorated share of the project costs over the term of service agreement preventing cost shifting. Existing WECC rating processes prevent the service request or project from doing harm to network reliability or existing regional commercial capabilities.

Principle 4 – network customers are held harmless. This project is directly related to providing increased service to native and network customer loads. Any third-party usage or requests result in a revenue credit directly offsetting revenue requirements and/or an increase in System Peak Demand resulting in a decrease of the transmission rate to all customers. Based upon the requirements and drivers of this project independent of additional uses, any Type 2 project costs and uses will serve to reduce costs to all users to the extent capacity is available beyond the needs of native and network customer loads.

P. A DESCRIPTION OF ANY REGULATORY RULINGS NEEDED PRIOR TO EXAMINATION OF THE PROJECT

At this time there are no outstanding regulatory rulings required to determine cost assignments of this project. However, the final outcome of the WECC rating process will determine the Total Transfer Capacity (TTC) of the project resulting in limits or opportunities of commercial activity on the project. Final rating results will determine the effective cost of energy transactions utilizing this project and Idaho Power's transmission system. Information presented in this document is intended to represent the bookends or range of outcomes for the projects and potential transactions.

Q. ANY NTTG PLANNING COMMITTEE ANALYSIS PERTINENT TO THE PROJECT AND A DESCRIPTION OF HOW IT FITS INTO THE NTTG ANNUAL OR BIENNIAL PLAN

The NTTG planning report located on the NTTG web site at
http://nttg.biz/site/index.php?option=com_content&task=view&id=13&Itemid=85
describes the process and resultant transmission projects identified to meet the needs identified in the NTTG plan. This project was specifically identified in the planning

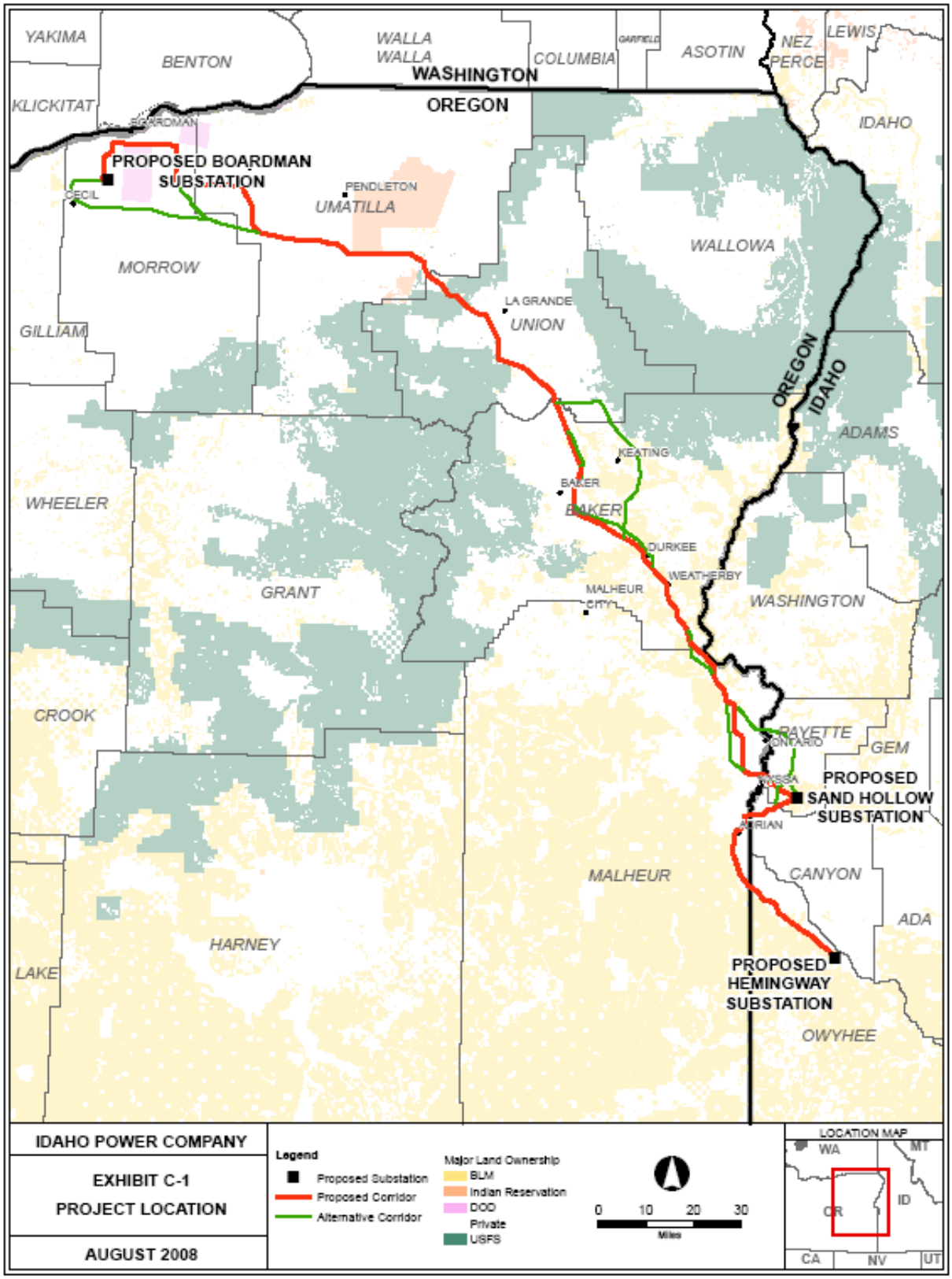
process as an essential component of the “hub and spoke” development to meet the needs of the NTTG footprint and regional needs as identified by stakeholders in the public process.

R. DESCRIPTION OF ANY PROPRIETARY OR COMMERCIALLY SENSITIVE INFORMATION APPLICANTS BELIEVE SHOULD REMAIN CONFIDENTIAL DURING THE REVIEW PROCESS

Existing commercial negotiations and capacity allocations subject to confidentiality agreements with other entities will be disclosed at mutually agreeable times.

ATTACHMENT A

PROJECT LOCATION - MAP


YAKIMA
BENTON
WALLA WALLA
COLUMBIA
GARFIELD
ASOTIN
NEZ PERCE
LEWIS
WASHINGTON
OREGON
KLICKITAT
BOARDMAN
IDAHO
PROPOSED BOARDMAN SUBSTATION
CECIL
PENDLETON
UMATILLA
WALLOWA
MORROW
LA GRANDE
UNION
GILLIAM
OREGON
IDAHO
ADAMS
KEATING
BAKER CITY
BAKER
WHEELER
DURKEE
WEATHERBY
MALHEUR CITY
GRANT
WASHINGTON
CROOK
PAYETTE
ONTARIO
GEM
PROPOSED SAND HOLLOW SUBSTATION
NYSSA
ADRIAN
MALHEUR
CANYON
ADA
HARNEY
LAKE
PROPOSED HEMINGWAY SUBSTATION
OWYHEE
IDAHO POWER COMPANY
EXHIBIT C-1
PROJECT LOCATION
AUGUST 2008
Legend
Proposed Substation
Proposed Corridor
Alternative Corridor
Major Land Ownership
BLM
Indian Reservation
DOD
Private
USFS
0 10 20 30
Miles
LOCATION MAP
WA
MT
OR
ID
CA
NV
UT

ATTACHMENT B

NOTICE OF INTENT
EXHIBIT H

EXHIBIT H: NON-GENERATING FACILITY - OAR 345-020-011

(H) Exhibit H. If the proposed facility is a non-generating energy facility for which the applicant must demonstrate need under OAR 345-023-005, identification of the rule in Division 23 of this chapter under which the applicant intends to demonstrate need and a summary statement of the need and justification for the proposed facility;

RESPONSE:

Idaho Power is proposing to construct and operate a new electric transmission facility consisting of approximately 298 miles of single-circuit 500kV transmission line. The transmission project will relieve existing congestion, capacity, and reliability constraints and will allow for the delivery of up to 1,500 MW of additional energy to target service areas, principally in Idaho and Oregon, along with other eastward and Pacific Northwest locations. The required project in-service date is 2012. The Boardman to Hemingway 500 kV Transmission Line Project is independent of, and will be built regardless of, any particular new generation project.

Idaho Power intends to demonstrate need for the proposed non-generating facility principally under the System Reliability Rule for Electric Transmission Lines, OAR 345-023-0030, and also in part, under the Least-Cost Plan Rule, OAR 345-023-0020.

System Reliability Rule for Electric Transmission Lines

In proposing this project, Idaho Power is responding to the need to provide safe and reliable electrical service to its service area, which includes most of southern Idaho and a portion of eastern Oregon. Without the project, the current system limitation will inhibit Idaho Power from responding to requests for service from current and future customers, which they are required to do. The project would relieve the capacity problem and prevent potential future reliability problems.

Idaho Power operates under oversight and regulatory controls of the public utility commissions of the states of Idaho and Oregon. Idaho Power is also a public utility under the jurisdiction of the Federal Energy Regulatory Commission (FERC). Pursuant to its Open Access Transmission Tariff (OATT), Idaho Power is required to plan for and expand its transmission system in a non-discriminatory manner based on the needs of its native load customers, network customers, and all eligible customers that request and agree to expand their transmission systems. This includes entities that generate or plan to generate electricity irrespective of fuel type or entity affiliation. In addition to traditional generation sources, the project area has high potential for renewable energy sources (wind and geothermal).

Idaho Power is also subject to the North American Reliability Council (NERC) mandatory reliability standards, as administered by the Western Electricity Coordinating Council (WECC) as the Regional Reliability Organization. This requires Idaho Power to plan, expand, and operate the transmission system in accordance with these standards.

Capacity Limitations of Existing Transmission

There is, at present, limited available additional capacity on the Idaho-Northwest path. There is zero existing yearly (all hours in a year) Available Transmission Capacity (ATC) on the Idaho-Northwest path (WECC path number 14 as identified in the WECC path rating catalog) for imports to Idaho Power's system from the Pacific Northwest. The ATC is also currently limited to 299 MW export capability to deliver additional energy from the east into the Pacific Northwest.

The other direct connection Idaho Power has to the Pacific Northwest is on WECC path 18 from eastern Idaho, with a connection to the Bonneville Power Administration's (BPA) system at Hot Springs in Montana. This path has zero yearly ATC in both directions.

Idaho Power has received more than 4,000 MW of yearly firm requests to commence service beginning in the 2005 to 2014 period for imports to or through Idaho's system from the northwest. Of those requests, 133 MW were granted up through 2007, leading to the current position of zero yearly ATC. There are currently active requests in study status desiring to commence service beginning with the completion of this project. The requests represent 225 MW import to Idaho's system along with the additional forecast growth of existing network customers, and another 1000 MW to export from east of Idaho's system into the northwest. Needs in both directions exceed existing system capabilities.

Idaho Power has considered various upgrade projects, as identified in studies performed and posted on its OASIS site. Given the timing and magnitude of service requests, a single 230kV project is not practical. Alternatively, according to BPA transmission engineers, there is insufficient room in the existing McNary Substation for an additional 230kV terminal to meet this need.

Further, Idaho Power has been involved with a number of other entities including BPA, Portland General Electric, TransCanada, Pacific Gas and Electric, Avista, PacifiCorp, and others proposing transmission upgrades in the vicinity of Boardman Oregon. While details continue to progress toward final configuration, because of the in-service date requirements of the Boardman to Hemingway 500kV Transmission Line and the ability to incorporate future connectivity as other projects finalize their plans of service, this proposed facility is a necessary and initial step to fulfill existing requirements and allow future development, if and when it becomes necessary. Direct connection to the existing Boardman generation plant allows interconnection with the entire northwest grid through the existing 500kV line to BPA' Slatt Substation, and maintains the ability to interconnect with future facilities as they may become available.

Capacity limitations have the potential to restrict customers' options to prevent reliability problems. When operating conditions create unbalanced flow distribution on adjacent transmission lines that exceed operating limits, mitigation measures including curtailment of all non-firm schedules, re-dispatch of available resources, curtailment of firm schedules, curtailments of firm load, or other mitigation measures may be required to relieve actual loading on the transmission system to ensure reliable system operation.

Concerns over reliable system operation exist, especially during summer peak conditions, because of increased loads in Idaho's system, and reliance upon resources in the Pacific Northwest including BPA's resources committed to serve their load obligations on Idaho Power's system, Designated Resources to serve firm load, and market purchases. Charts demonstrating these potential reliability concerns are contained in presentations made through the Northern Tier Transmission Group (NTTG), also available on Idaho Power's OASIS Web site.

In addition to Idaho Power's native load requirements for it retail customer base in Idaho and Oregon as noted in the discussion below, Idaho Power's transmission system is also required to transmit power to other wholesale network loads that are supplied by the BPA from resources in the Pacific Northwest. The proposed project is necessary, in part, to satisfy those obligations.

Additionally, there are generation interconnection requests and other potential resources in the area that may benefit from increased ATC on this transmission path created by this project.

In summary, the project is necessary because there is currently no existing transmission capacity to meet growing demands that are to be supplied from resources in the Pacific Northwest, to meet transmission requests to deliver resources from the east into the Pacific Northwest, or to integrate proposed renewable resources in the area.

Least-Cost Plan Rule

Oregon Public Utility Commission (OPUC) Order No. 89-507 requires the adoption of least-cost planning for all energy utilities in Oregon. Idaho Power prepared an Integrated Resource Plan (IRP) in October 2006 to meet the requirements of the OPUC order. OPUC received the 2006 IRP of Idaho Power on October 23, 2006. Subsequent to the filing of Idaho Power's IRP, the OPUC issued Order No. 07-002 adopting (IR) guidelines that update and refine the procedures established in 1989.

As explained in the IRP, Idaho Power identified two transmission lines designed to reduce the western transmission constraint, by significantly improving Idaho Power's ability to import power from the Mid-Columbia market in the Pacific Northwest. The first is the construction of a new 230kV line from BPA's McNary Dam Substation to Idaho Power's Brownlee Dam Substation, a distance of 215 miles. An additional 70 miles of line from Brownlee to Boise will complete the project. The estimated capacity of this link is 225 MW.

The 2006 IPR also goes on to explain that Idaho Power is investigating the feasibility of increasing the capacity of the planned McNary Dam to Boise transmission line beyond its current need of 225 MW. As described above, it has been determined that a 230kV project is unable to meet the 2006 IRP and other identified obligations.

Change from 2006 IRP Identified Capacity

The proposed Boardman to Hemingway Transmission Line Project is planned to have up to 1,500 MW transfer capability. A 230kV line from the Boardman/McNary area would likely only provide about 350 MW of transfer capability, insufficient to meet current obligations. A 500kV line will also provide a significant increase in system reliability as well as power transfer capability. Final capability ratings will be obtained through the WECC rating process. Additional improvements (series compensation / phase shifter or equivalent) to attain the highest possible transfer levels can be phased into the project in the future without the need for reconductoring or additional line work. This approach will avoid future ground disturbance and associated environmental impact.

Change in 2006 IRP Identified Oregon Terminus

There are three reasons for changing the Oregon terminus from the McNary Dam to the Boardman 500kV station: 1) here is significant transmission line congestion at the McNary Power Plant, potentially reducing system reliability; 2) Idaho Power is a part owner with Portland General Electric of the Boardman Power Plant, enabling direct connection to an existing resource; and 3) the combination of companies planning transmission lines in the Boardman area provides access to new and existing energy resources from throughout the Pacific Northwest.

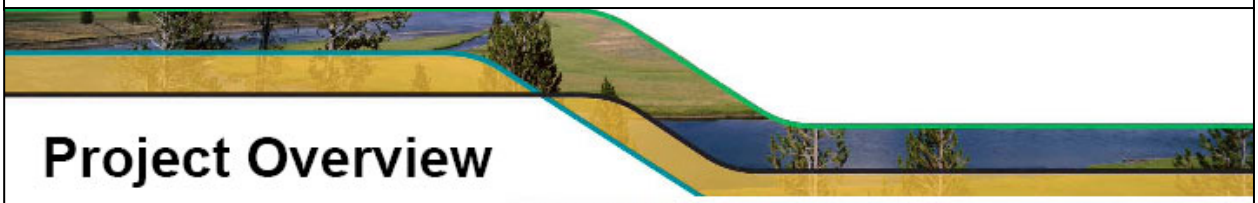
ATTACHMENT C

TRANSMISSION STUDY RESULTS

IDAHO POWER
An IDACORP Company

Boardman Hemingway 500 kV Transmission Line

Dave Angell



Project Overview

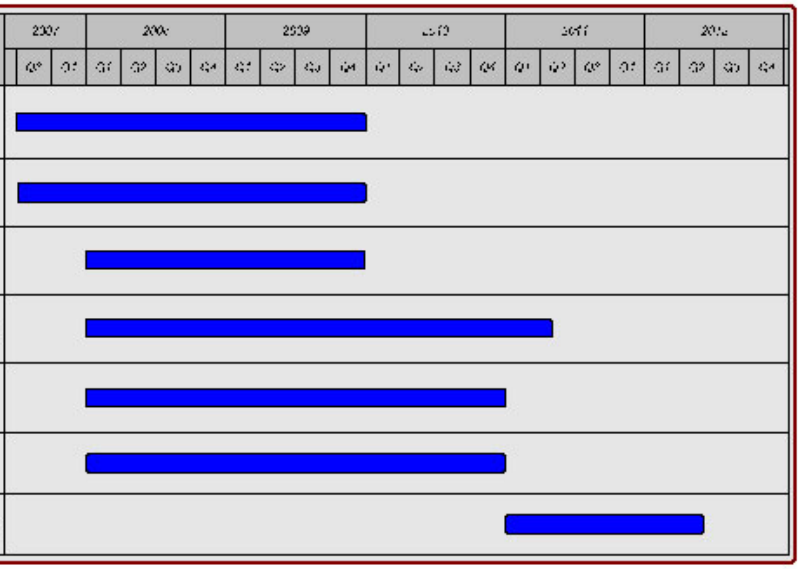
- Single 500 kV AC circuit from Hemingway, Idaho to Boardman, Oregon
- Potential ratings:
  - 800 MW NW-ID
  - 1500 MW ID-NW
- Project Operating Date: 2012
- Project Website:

http://www.idahopower.com/newsroom/projnews/hemingway_boardman/default.htm

2

Proposed Schedule

ID	Task Name	Start	End
1	NEPA Process	7/2/2007	12/31/2008
2	WECC Rating Process	7/5/2007	12/31/2008
3	BLM Right of Way Grants	1/1/2008	12/30/2008
4	Right of Way Acquisition	1/1/2008	5/2/2011
5	Permitting	1/1/2008	12/31/2010
6	Engineering	1/1/2008	12/31/2010
7	Construction	1/3/2011	6/1/2012



3

Milestones

- NTTG Fast Track Process 1/1/2007 – 6/1/2007
- Initiated Regional Planning 7/5/2007
- Completed Regional Planning 5/30/2008
- Initiated Phase 1 Rating Process 2/19/2008
- Complete Phase 1 Comprehensive Planning Report 10/31/2008
- Oregon Energy Facility Siting Council Notice of Intent (OEFSC NOI) 8/27/2008
- BLM NOI 9/11/2008
  - Initiation of NEPA process

4

Comprehensive Progress Report

- Establish a path rating for the Boardman to Hemingway Line separate from the Idaho to Northwest path (path 14)
- Rating independent of other regional projects
- Rating with other regional projects
  - Gateway West
  - West of McNary Upgrade
  - Southern Crossing

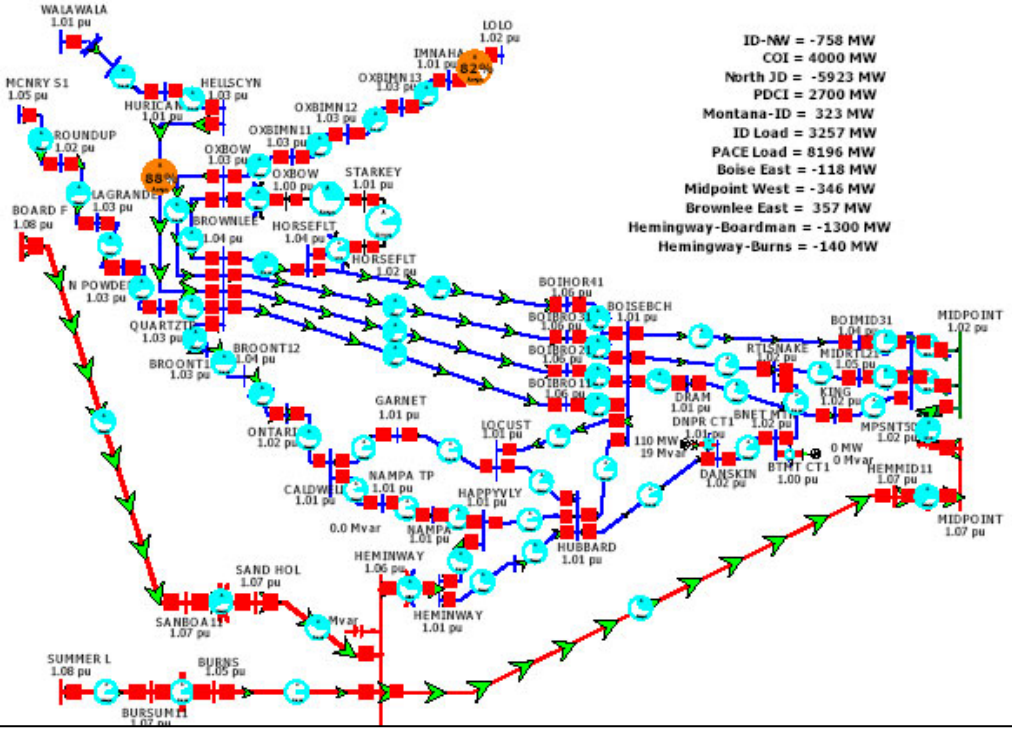
Idaho to Northwest

- Path Present Rating
  - Import 1200, 1090 summer OTC
  - Export 2400, 2304 OTC (removal of Copperfield Capacitor)

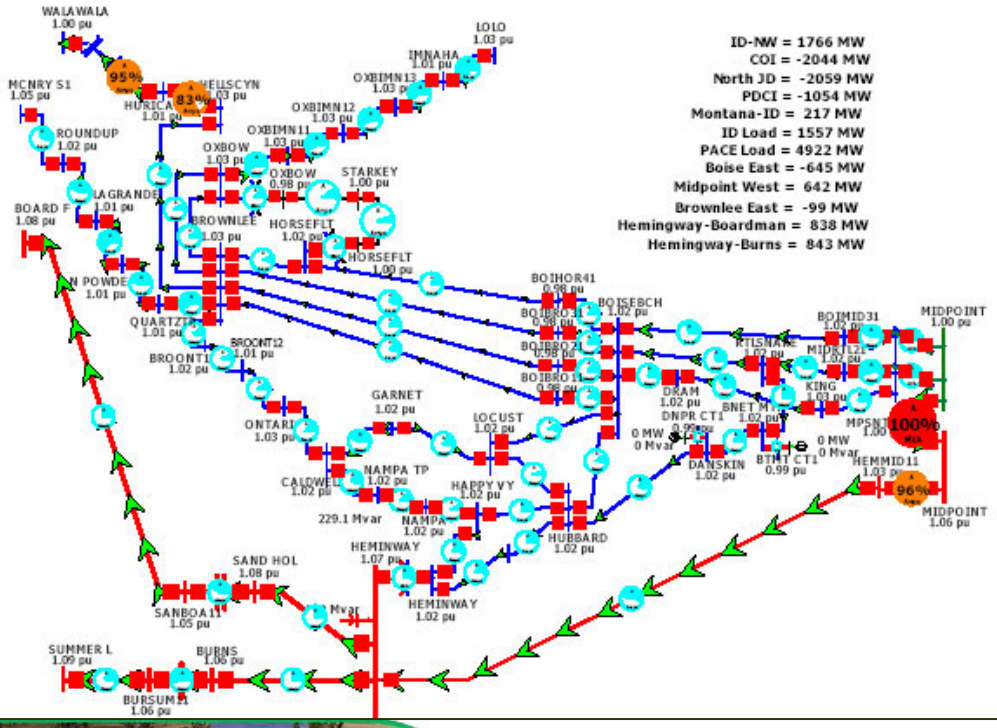
Power Flow Base Cases

- Independent Rating
  - Import case - 12hs2a
  - Export case - 10la1sa
- Rating with Other Projects
  - Single 500 kV from Jim Bridger across southern Idaho with WOMGIP and Southern Crossing
  - Gateway West with WOMGIP and Southern Crossing

Import Diagram

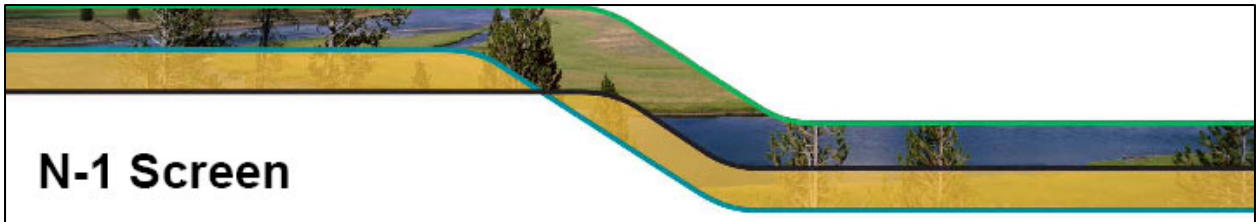


Export Diagram



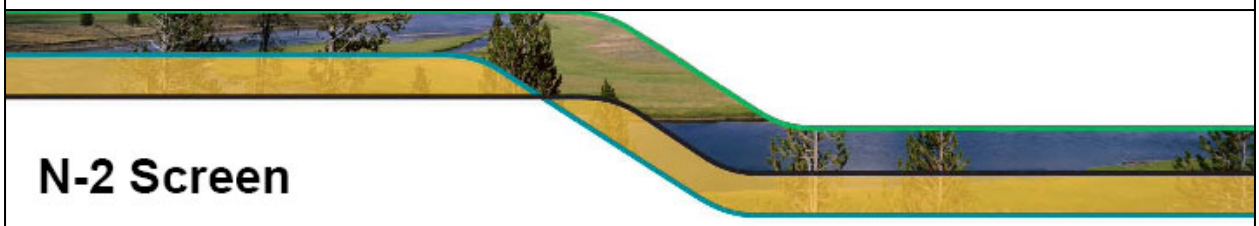
Power Flow Summary

- Import MW
  - Northwest to Idaho 758
  - Boardman to Hemingway 1300
  - Present Northwest to Idaho (Import) 1200 OTC 1090
  - Net increase above path rating 858 above 968 MW
- Export
  - Idaho to Northwest 1766
  - Hemingway to Boardman 838
  - Present Idaho to Northwest (Export) 2400 OTC 2304
  - Net increase above path rating 204 above 300 MW



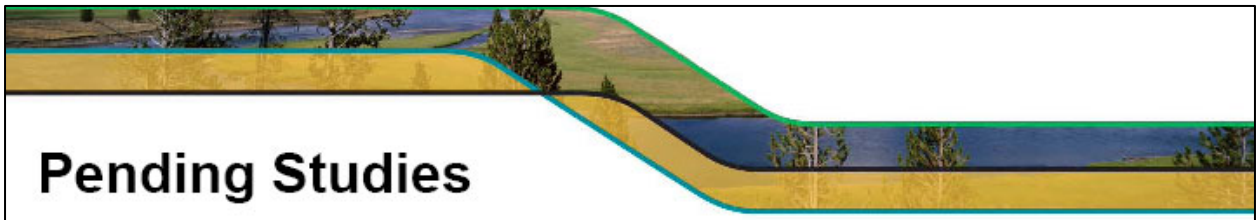
N-1 Screen

- Independent Rating
  - Import
    - 31 Contingencies
    - No Violations
  - Export
    - In Process
- Dependent Rating
  - Import
    - Incomplete
  - Export
    - Incomplete



N-2 Screen

- Independent Rating
  - Import
    - In Process
  - Export
    - Incomplete
- Dependent Rating
  - Import
    - Incomplete
  - Export
    - Incomplete



Pending Studies

- Reactive Margin
- Stability

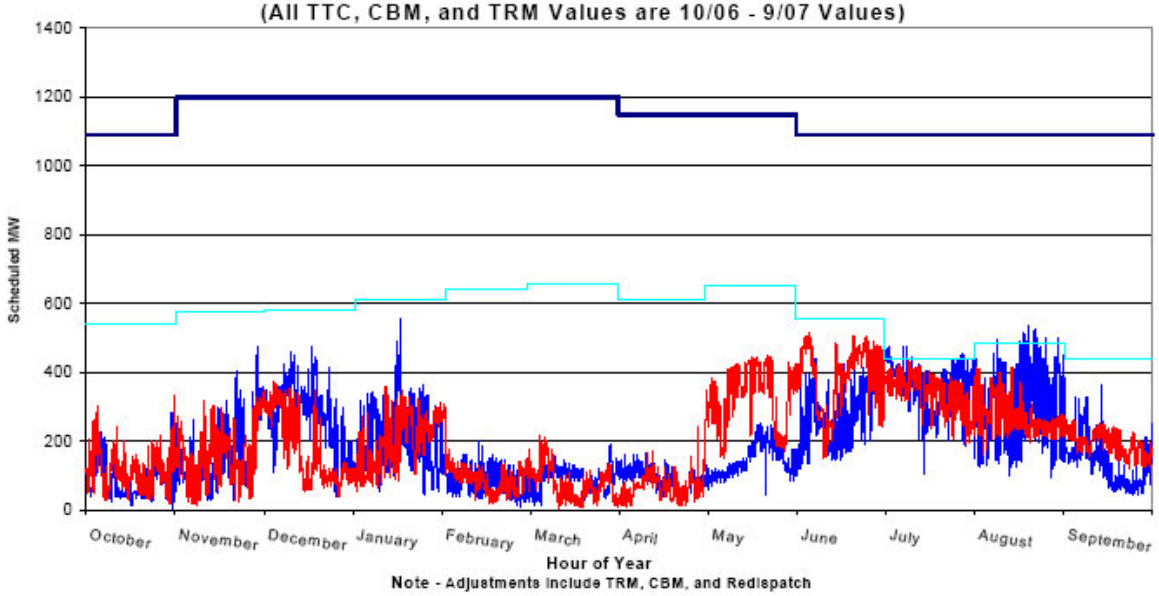
ATTACHMENT D

NTTG TRANSMISSION USE ANALYSIS

NORTHWEST-IPCO

Chronological Graph

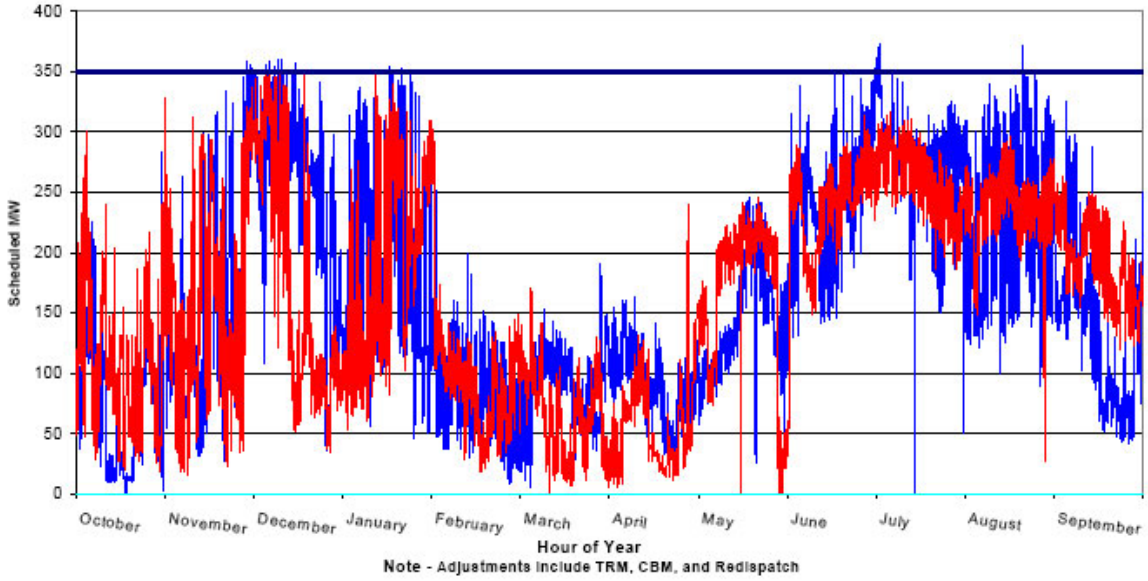
(All TTC, CBM, and TRM Values are 10/06 - 9/07 Values)



DISCLAIMER: All TTC,TRM, and CBM values in the graphs are the values as of 9/30/07 and are not adjusted for past periods unless otherwise stated. This information is being presented for historical performance purposes only and is in no way intended to represent future performance. Also, note that TTC Values are not reflective of OTC variations and apparent historical availability of transmission capacity is in no way a representation or indication of future ATC.

LaGrande-IPCO

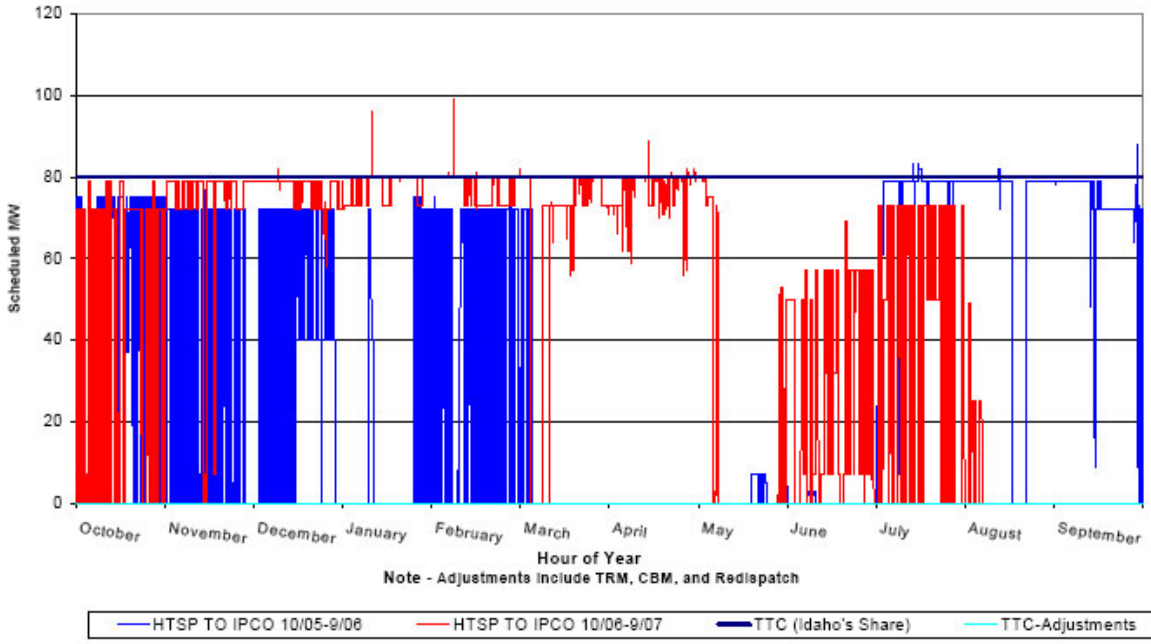
Chronological Graph



DISCLAIMER: All TTC,TRM, and CBM values in the graphs are the values as of 9/30/07 and are not adjusted for past periods unless otherwise stated. This information is being presented for historical performance purposes only and is in no way intended to represent future performance. Also, note that TTC Values are not reflective of OTC variations and apparent historical availability of transmission capacity is in no way a representation or indication of future ATC.

HTSP-IPCO (Idaho's Rights)

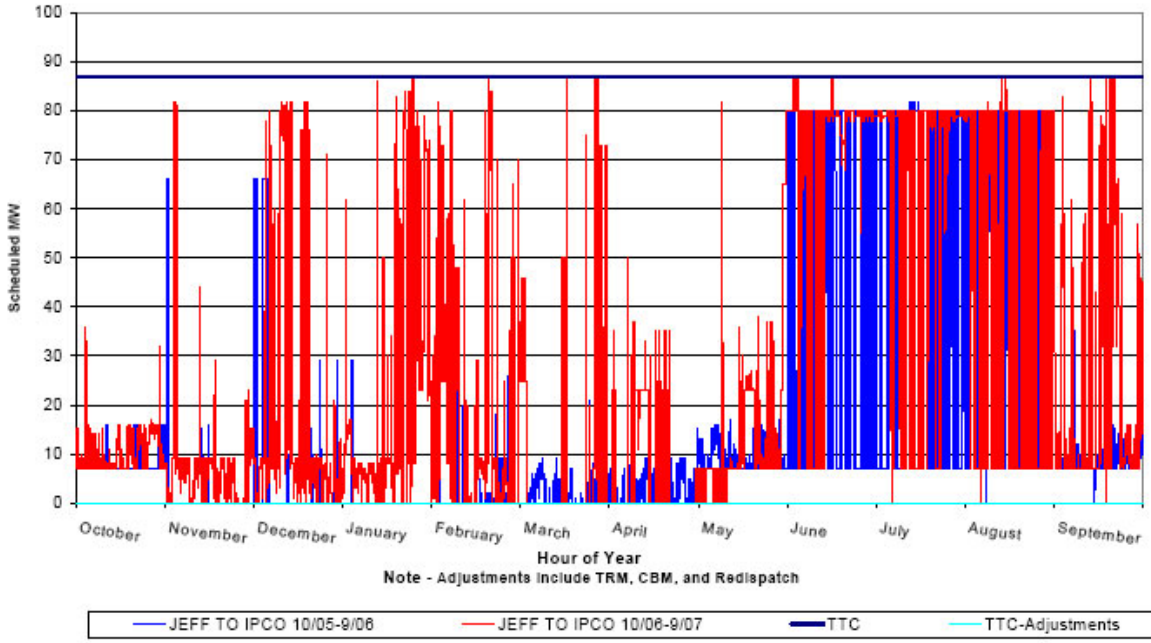
Chronological Graph



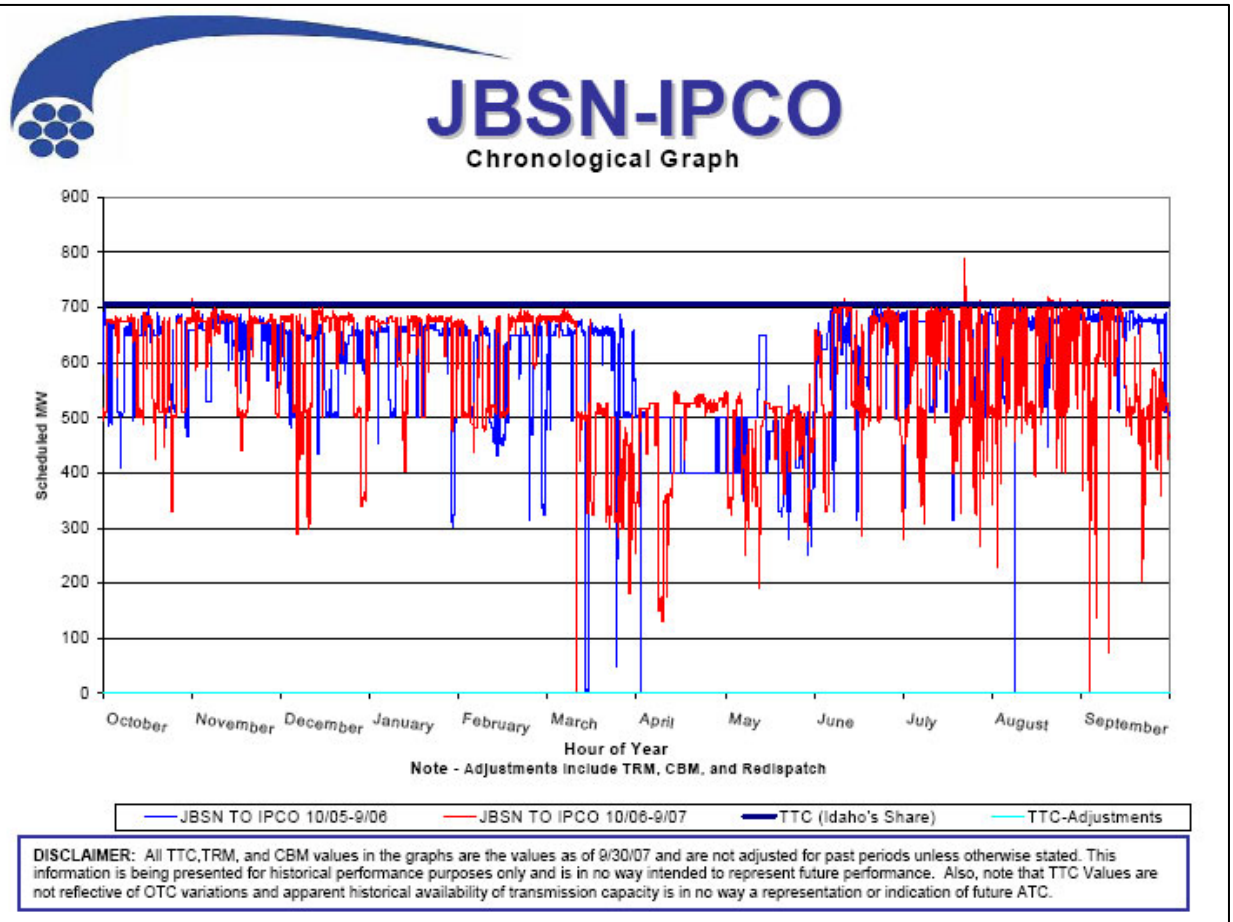
DISCLAIMER: All TTC,TRM, and CBM values in the graphs are the values as of 9/30/07 and are not adjusted for past periods unless otherwise stated. This information is being presented for historical performance purposes only and is in no way intended to represent future performance. Also, note that TTC Values are not reflective of OTC variations and apparent historical availability of transmission capacity is in no way a representation or indication of future ATC.

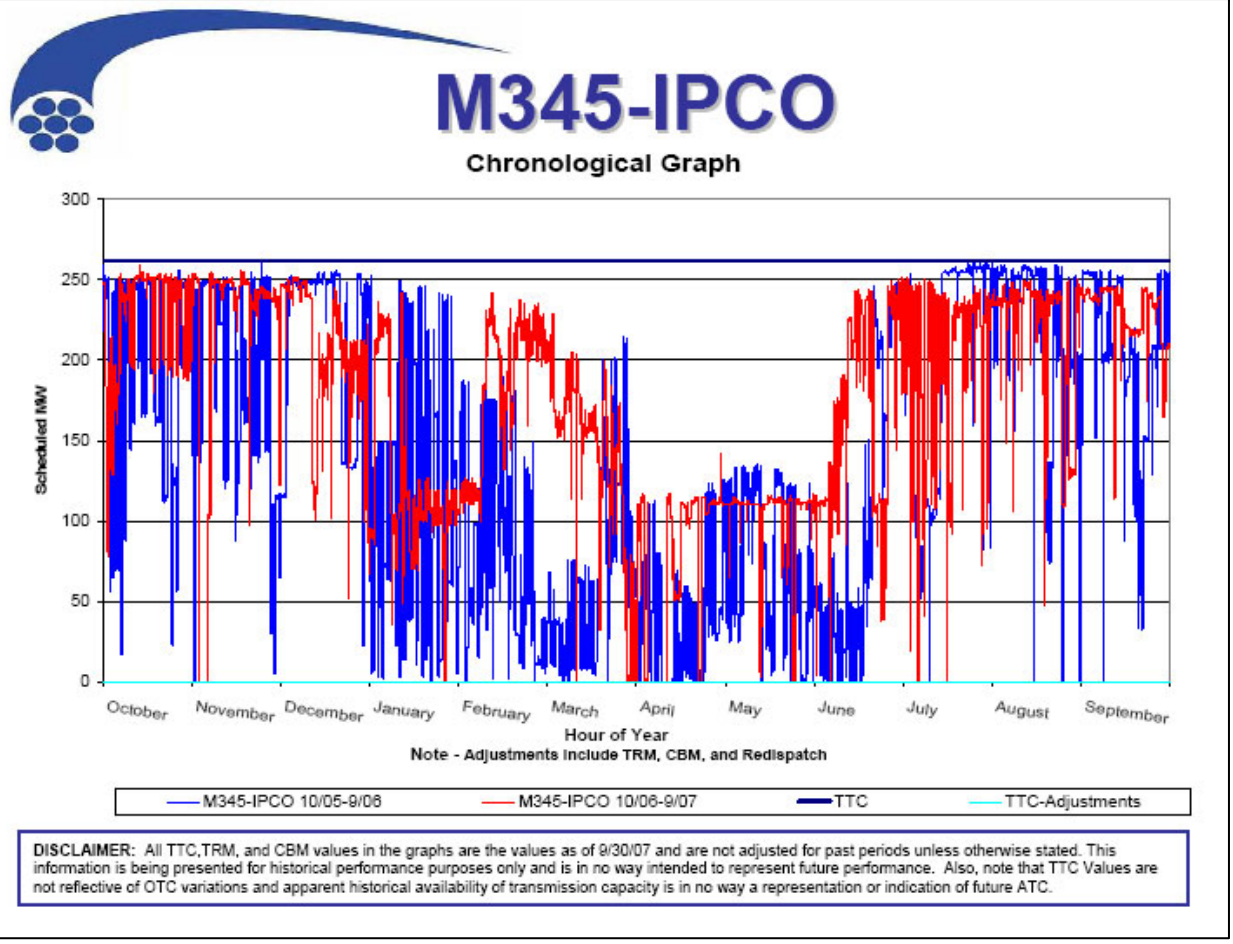
JEFF-IPCO

Chronological Graph



DISCLAIMER: All TTC,TRM, and CBM values in the graphs are the values as of 9/30/07 and are not adjusted for past periods unless otherwise stated. This information is being presented for historical performance purposes only and is in no way intended to represent future performance. Also, note that TTC Values are not reflective of OTC variations and apparent historical availability of transmission capacity is in no way a representation or indication of future ATC.


JBSN-IPCO
Chronological Graph
Scheduled MW
900
800
700
600
500
400
300
200
100
0
October
November
December
January
February
March
April
May
June
July
August
September
Hour of Year
Note - Adjustments Include TRM, CBM, and Redispatch
JBSN TO IPCO 10/05-9/06
JBSN TO IPCO 10/06-9/07
TTC (Idaho's Share)
TTC-Adjustments
DISCLAIMER: All TTC,TRM, and CBM values in the graphs are the values as of 9/30/07 and are not adjusted for past periods unless otherwise stated. This information is being presented for historical performance purposes only and is in no way intended to represent future performance. Also, note that TTC Values are not reflective of OTC variations and apparent historical availability of transmission capacity is in no way a representation or indication of future ATC.


M345-IPCO
Chronological Graph
Scheduled MW
300
250
200
150
100
50
0
October
November
December
January
February
March
April
May
June
July
August
September
Hour of Year
Note - Adjustments Include TRM, CBM, and Redispatch
M345-IPCO 10/05-9/06
M345-IPCO 10/06-9/07
TTC
TTC-Adjustments
DISCLAIMER: All TTC,TRM, and CBM values in the graphs are the values as of 9/30/07 and are not adjusted for past periods unless otherwise stated. This information is being presented for historical performance purposes only and is in no way intended to represent future performance. Also, note that TTC Values are not reflective of OTC variations and apparent historical availability of transmission capacity is in no way a representation or indication of future ATC.