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September 4, 2025

VIA ELECTRONIC DELIVERY

Commission Secretary
Idaho Public Utilities Commission
11331 W. Chinden Blvd
Building 8 Suite 201A
Boise, ID 83714

**RE: CASE NO. PAC-E-25-16
IN THE MATTER OF THE APPLICATION OF ROCKY MOUNTAIN POWER FOR
APPROVAL TO PARTIALLY DECOMMISSION AND SELL CERTAIN FALL CREEK
HYDROELECTRIC DEVELOPMENT ASSETS**

Attention: Commission Secretary

Pursuant to Idaho Code § 61-328, Rocky Mountain Power, a division of PacifiCorp, submits its application to the Idaho Public Utilities Commission requesting approval of the partial decommissioning and disposition of the Fall Creek Hydroelectric Development Assets.

Informal inquiries may be directed to Mark Alder, Idaho Regulatory Manager at (801) 220-2313.

Very truly yours,

Joelle Steward
Senior Vice President, Regulation

Enclosures

CC: Donn English
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Attorney for Rocky Mountain Power

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF)	CASE NO. PAC-E-25-16
ROCKY MOUNTAIN POWER FOR APPROVAL)	
TO PARTIALLY DECOMMISSION AND SELL)	APPLICATION OF
CERTAIN FALL CREEK HYDROELECTRIC)	ROCKY MOUNTAIN
DEVELOPMENT ASSETS)	POWER

Comes now PacifiCorp, d/b/a Rocky Mountain Power (“Rocky Mountain Power” or “Company”) pursuant to Idaho Code (I.C.) § 61-328 and IDAPA 31.01.01.052 hereby submits this application to the Idaho Public Utilities Commission (“Commission”). Rocky Mountain Power respectfully requests an order approving the partial decommissioning and sale of certain Fall Creek Hydroelectric Development assets (“Fall Creek”) and related real property to the City of Yreka, California and determining that the decommissioning and property disposition is in the public interest.

In support of this Application, Rocky Mountain Power states as follows:

I. NAME AND ADDRESS OF THE APPLICANT

1. Rocky Mountain Power, a division of PacifiCorp, an Oregon Corporation, whose address is 1407 West North Temple, Suite 320 Salt Lake City, Utah 84116, is authorized to do and is doing business in the state of Idaho. The Company provides retail electric service to approximately 91,000 customers in the state and is subject to the jurisdiction of the Commission.

The Company's retail certificated service territory encompasses portions of Fremont, Madison, Teton, Clark, Jefferson, Lemhi, Oneida, Bannock, Franklin, Caribou, Butte, Bingham, Bear Lake and Bonneville counties. Rocky Mountain Power is a public utility in the state pursuant to I.C. § 61-129.

2. Formal correspondence and requests for additional information regarding this matter should be addressed to:

By email (preferred): datarequest@pacificorp.com

By regular mail:

Data Request Response Center
PacifiCorp
825 NE Multnomah, Suite 2000
Portland, Oregon 97232

With copies to:

Mark Alder
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3. Informal inquiries related to this Application should be directed to Mark Alder, Idaho Regulatory Affairs Manager, at (801) 220-2313.

II. BACKGROUND

4. PacifiCorp requests approval to partially decommission and sell certain facilities and associated lands of Fall Creek, located in Jackson County, Oregon and Siskiyou County,

California, to the City of Yreka. For the Commission’s consideration, this section discusses the Fall Creek facilities and relevant terms of the disposition.

A. Fall Creek Facilities

5. The Fall Creek Development is on Fall Creek, a tributary to the Klamath River at River Mile 196.3, located about 0.4 miles south of the Oregon-California border.

6. The Fall Creek Development was originally constructed in 1903, prior to the 1935 amendment of the Federal Power Act which granted jurisdiction over the licensing of hydroelectric power resources to the Federal Energy Regulatory Commission (“FERC”). Fall Creek was subsequently included within the FERC license for PacifiCorp’s Klamath Hydroelectric Project (“Project No. 2082”) in 1954.¹ The Klamath Hydroelectric Project license was transferred to PacifiCorp in 1988,² and expired on February 28, 2006.³ The Fall Creek Development has been operating under annual FERC hydroelectric licenses since that time.⁴

7. In 2018, FERC amended PacifiCorp’s license for Project No. 2082 to separate the J.C. Boyle, Copco No. 1, Copco No. 2, and Iron Gate developments from the remaining Klamath Hydroelectric Project developments and place them into a separate license as the Lower Klamath Project (FERC Project No. 14803).⁵ The Lower Klamath Project license and associated hydroelectric developments and real property were ultimately transferred to the Klamath River Renewal Corporation and the states of California and Oregon as co-licensees⁶ and subsequently

¹ *In re Cal. Or. Power Co. Klamath Hydroelectric Project License*, 13 F.P.C. 1 (1954); *E.g., Pac. Power & Light Co.*, 44 F.P.C. 1065 (1970).

² *In re PP&L Klamath Hydroelectric Project License Transfer*, 25 FPC 1154; *In re PacifiCorp Klamath Hydroelectric Project License Transfer*, 45 FERC ¶ 62,146 (November 23, 1988).

³ *In re PacifiCorp’s Amendment of Klamath Hydroelectric Project License*, 162 FERC ¶ 61,236, ¶ 4 (Mar. 15, 2018).

⁴ *E.g.*, 16 U.S.C. § 808(a)(1) (allowing annual license renewals under certain circumstances).

⁵ *In re PacifiCorp’s Amendment of Klamath Hydroelectric Project License*, 162 FERC ¶ 61,236, Ordering Paragraph (C) (2018) the FERC subsequently amended Project No. 2082 to also remove the Keno Development and associated facilities).

⁶ *In re PacifiCorp’s Transfer of Lower Klamath Project License*, 175 FERC ¶ 61,236 (June 17, 2021).

decommissioned. FERC again amended the Project No. 2082 license to remove the non-generating Keno Development from the Klamath Hydroelectric Project.⁷ Consistent with these decisions, Project No. 2082 currently encompasses three developments: (1) the East Side Development; (2) the West Side Development; and (3) the Fall Creek Development.⁸

8. Currently, the Fall Creek Development has an approximate 2.2 megawatt (“MW”) nameplate capacity,⁹ and includes the following facilities: (a) a 127-foot-long, 7-foot-high diversion dam composed of two earth embankment sections separated by a 32-foot-long, concrete and timber flashboard spillway structure; (b) a 4,560-foot-long earthen and rock-cut power canal; (c) 2,834 feet of steel penstock; (d) a powerhouse containing three horizontal shaft Pelton turbines with a total of 2.2 MW of authorized capacity and a total rated discharge capacity of 60 cubic feet per second; (e) three single phase, step-up transformers; and (f) two associated 69-kilovolt primary transmission lines.¹⁰

9. With the decommissioning of the Lower Klamath Project completed, the Fall Creek Development is the only remaining hydroelectric development in PacifiCorp’s Klamath Hydroelectric Project currently operating. The Fall Creek Hatchery, located on land adjacent to the Fall Creek Development, is not part of the Klamath Hydroelectric Project, and neither the hatchery nor real property underlying the hatchery are included in, nor impacted by, the proposed sale of the Fall Creek Development.

10. The Fall Creek Development must either be relicensed with the FERC, or removed from the current FERC license through a license surrender or amendment process. When

⁷ *In re PacifiCorp’s Amendment of Klamath Hydroelectric Project License*, 185 FERC ¶ 61,207 (Dec. 10, 2023).

⁸ *Id.*

⁹ E.g., *In re PacifiCorp’s 2025 IRP*, at 122 (available here: https://www.pacificorp.com/content/dam/pcorp/documents/en/pacificorp/energy/integrated-resource-plan/2025-irp/2025_IRP_Vol_1.pdf).

¹⁰ *In re PacifiCorp’s Amendment of Klamath Facility License*, 185 FERC ¶ 61,207, Ordering ¶ (B)(4).

considering the limited generation produced by the facility, its lack of storage as a run-of-river facility, the cost of implementing new relicensing requirements, and the fact that no other hydroelectric developments remain in the local area, which increases the operational costs for the remote facility, the Company has determined that the sale of the Fall Creek Development to the City of Yreka is preferable to continuing to operate the development under a new FERC license. Accordingly, PacifiCorp's request to remove all infrastructure, lands, and license articles related to the Fall Creek Development from the Klamath Hydroelectric Project license will be filed shortly with the FERC.

B. Disconnection of Fall Creek Generating Units

11. Following approval from the FERC, PacifiCorp plans to cease power generation, disconnect the generating units from the power grid, drain the facilities of any fluids, and convey certain facilities and associated lands to the City of Yreka upon closing of a purchase and sale agreement with the City of Yreka. PacifiCorp's request to the FERC to disconnect the Fall Creek Development from the grid and remove the Fall Creek Development from the Project No. 2082 license does not seek approval of any construction, development, or any other ground-disturbing activities, nor does it involve any statutory or regulatory requirements of the State of California. As a result, the transaction with the City of Yreka will only require a partial decommissioning of the facility, and no reclamation costs.

12. Absent a potential sale of the facility, full decommissioning of the facilities would be necessary, subject to approval and oversight from the FERC. PacifiCorp estimates that full decommissioning, consistent with FERC standards, would cost approximately \$5 million.

C. Disposition

13. The City of Yreka has agreed to purchase the following Fall Creek facilities: all improvements and fixtures, including (i) a concrete flash-board diversion dam; (ii) intake structure

and slide gates; (iii) a power canal; (iv) reinforced concrete forebay with trashrack;; (v) steel penstock; (vi) a wood-framed metal clad powerhouse containing three generating units rated at a total of 2.2 MW (will be inoperable) ; (vii) a tailrace; (viii) office trailer; and (ix) a residential dwelling. In addition to the sale of the Fall Creek facilities, the proposed transaction also includes the relevant items: real property located in Siskiyou County California; real property located in Jackson County, Oregon; personal property, including various Fall Creek records and plant equipment and inventory; and related Fall Creek contract rights and certain permitted encumbrances.

14. As of June 2025, the Fall Creek assets had a total-Company net book value of \$286,000. If approved, PacifiCorp will record the disposition of the property in the following FERC accounts: hydroelectric, account 33010, and transmission, account 35010.

15. The disposition does not require any construction, development, or any other ground-disturbing activities that would otherwise impact the appropriation, diversion, and use of water.

16. The transaction includes two conditions precedent that require PacifiCorp to receive all necessary state and federal regulatory approvals, as well as approval from the FERC regarding the amendment of the license for Project No. 2082 to remove the Fall Creek Development, prior to closing.

17. Within 30 days of receiving FERC approval, Yreka and PacifiCorp will agree to a process to transfer Fall Creek to the City of Yreka, and identify a specific closing date. The parties specifically waive special, punitive, exemplary, consequential, incidental or indirect losses or damages that could arise from the purchase and sale agreement.

18. The timing and sequencing of regulatory approval is important to protect parties'

interests under a sales agreement and ensure orderly disposition of Fall Creek facilities and lands. For these reasons, PacifiCorp respectfully requests the Commission approve the Application prior to the City of Yreka taking title to the Fall Creek Development and related assets.

III. PARTIAL DECOMMISSIONING

19. PacifiCorp anticipates incurring approximately \$500,000 in costs for the partial decommissioning of the facility, and related administrative and legal fees to execute the agreement.

20. Regarding partial decommissioning, among other activities, PacifiCorp proposes to leave the diversion and conduit infrastructure in-place as part of the transfer of ownership to support the City of Yreka's intended use of the facility, but PacifiCorp will remove connections between transmission and generation infrastructure and leave the hydroelectric generating units incapable of generating electricity as the City of Yreka has no interest in generating electricity from the remaining infrastructure. There is no ground-disturbing activity associated with PacifiCorp's decommissioning plan.

21. Additionally, PacifiCorp will remove the 120-volt, direct current battery bank, relays, meters, controls, and other assorted equipment for potential reuse in other non-Project locations and additional isolation of potentially energized equipment. Conductors on the low-side bushings will be removed, and the high- and low-side bushings will be grounded. The resistor bank will be decommissioned in-place, grounded, and isolated from voltage. The main plant control panel and switches will remain in-place. The powerhouse structure, associated water diversion infrastructure within the powerhouse, and other equipment incapable of hydroelectric power generation in the resulting, isolated state within the powerhouse will remain for the City of Yreka's water supply purposes.

22. Absent a potential sale of Fall Creek, full decommissioning or relicensing of the

facilities would be necessary. Given the difference in forecasted cost burdens for customers as shown in Confidential Attachment A, PacifiCorp would likely pursue full decommissioning of the development if the sale of these facilities is not approved.

IV. STANDARD OF DECISION

23. I.C. § 61-328(1) requires the Company to obtain Commission approval before transferring property used in the generation of electric power to the public. As relevant here, in order to approve a property transfer, I.C. § 61-328(3) requires that the Commission determine: “(a) That the transaction is consistent with the public interest; (b) That the cost of and rates for supplying service will not be increased by reason of such transaction; and (c) That the applicant for such acquisition or transfer has the bona fide intent and financial ability to operate and maintain said property in the public service.”

V. APPLICATION

A. Public Interest

24. The partial decommissioning and sale of the relevant Fall Creek facilities to the City of Yreka serves the public interest because it represents the best balance of cost and risk for customers as it is lower cost and lower risk than continued operations as shown in the present value revenue requirement (“PVRR”) analyses summarized in Confidential Attachment A to this Application. Further, the sale of certain Fall Creek facilities will not adversely affect retail or wholesale customers and will have no material effect on the Company’s generation capacity. These issues are detailed below.

25. Fall Creek, with a generation capacity of 2.2 MW, has averaged 8,100 megawatt-hours (“MWh”) of annual generation from 2009 through 2023, and has generated electricity for

PacifiCorp customers for over 100 years. As the Company intends to remove the generation units from Fall Creek prior to the disposition to the City of Yreka, this resource will no longer serve electric customers. However, this 2.2 MW of generation capacity represents a *de minimis* amount of PacifiCorp's overall generation portfolio, which consists of more than 11,800 MW of Company-owned hydroelectric, wind, natural gas, coal, solar, and geothermal resources.

26. The loss of generation from Fall Creek nonetheless provides customer benefits, as the Company's PVRR analyses summarized in Confidential Attachment A and the supporting confidential workpaper used increased thermal generation and wholesale market purchases to replace this lost generation. Said another way: the Fall Creek transaction, even considering replacement power costs, provides benefit to customers through increased thermal generation and wholesale market purchases, compared to the full decommissioning, or relicensing and continued operation of the facility.

27. Following transfer of ownership, the City of Yreka intends to use the existing infrastructure of the Fall Creek Development for non-power, water supply purposes to continue the delivery of water to the City of Yreka's municipal water supply intake located immediately downstream of the Fall Creek powerhouse tailrace, consistent with the city's historic and current operations.

B. Economic Analysis

28. The Company's decision was based on a financial analysis to evaluate the best alternative for customers. The analysis considered three options for the Fall Creek Development: sale, relicense, or 2027 decommissioning. The results indicate that a sale of the facility consistent with the terms being negotiated with the City of Yreka would provide a PVRR benefit to customers, as compared to the full decommissioning alternative and the relicensing and continued

operation alternative. The results of the financial analyses are summarized in Confidential Attachment A and the supporting confidential workpaper filed with this Application.

29. The approval of this transfer will not impact current rates. The Company's present Application seeks authorization for the partial decommissioning and sale of Fall Creek with a PVRR lower than the alternatives considered. Therefore, the transfer proposed in this proceeding will not affect current rates.

C. Maintain in the Public Service

30. As shown in current draft of the purchase and sale agreement, provided as Confidential Attachment B, the City of Yreka intends to purchase this property. Further, based on Rocky Mountain Power's current knowledge, because the City intends to utilize the facilities to meet its water needs, the City will operate and maintain the property, to the extent applicable, in the public service for its citizens.

VI. REQUEST FOR MODIFIED PROCEDURE

31. Rocky Mountain Power believes that a hearing is not necessary to consider the issues presented herein and respectfully requests that this Application be processed under Modified Procedure, i.e., by written submissions rather than by hearing, in accordance with Idaho Public Utilities Commission Rules of Procedure 201 – 204.

VII. CONFIDENTIAL INFORMATION

32. This filing, specifically Confidential Attachment A and the supporting confidential workpaper and the purchase and sale agreement included with Confidential Attachment B, includes trade secrets and confidential information exempt from public review under Idaho Code §§ 74-104–109 and Idaho Public Utilities Commission's Rule of Procedure 67.

VIII. CONCLUSION

33. WHEREFORE, Rocky Mountain Power respectfully requests an order approving the sale of certain Fall Creek facilities to the City of Yreka pursuant to I.C. § 61-328 and determining that the property disposition is in the public interest.

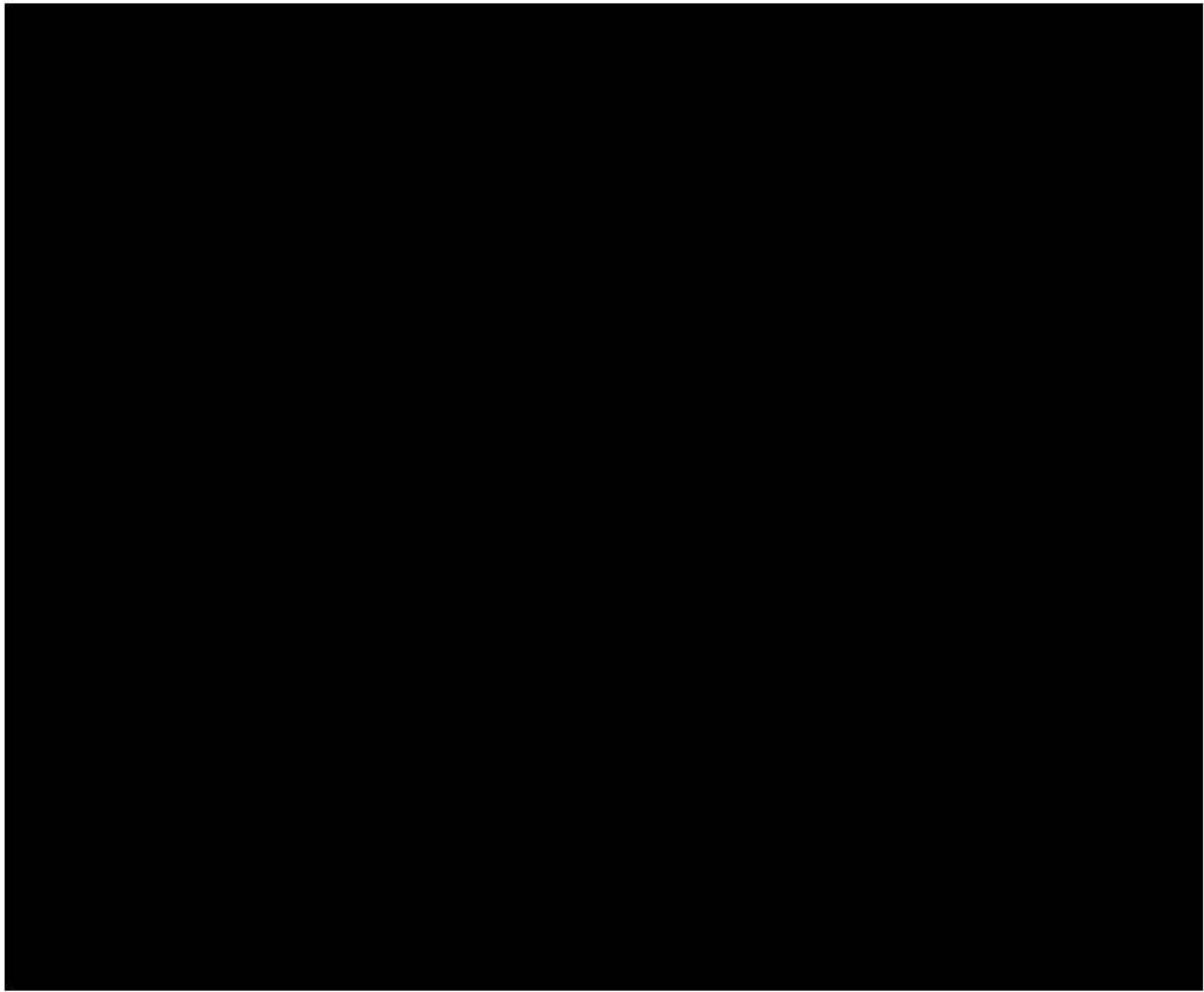
Respectfully submitted this 4th day of September 2025.



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Attorney for Rocky Mountain Power

ATTACHMENT A



As shown in the Confidential Figure above, the sale of Fall Creek would result in a \$ [REDACTED] present value revenue requirement ("PVRR") benefit to customers, compared to either a \$ [REDACTED] PVRR cost for the decommissioning of the facility, or a \$ [REDACTED] PVRR cost for relicensing and continued operation of the facility. In other words, there is a \$ [REDACTED] cost to customers if the Company decided to relicense and continue operating the facility, and a \$ [REDACTED] cost to customers if the Company fully decommissioned the facility.

Attachment B is Confidential in its entirety and
is Provided under Separate Cover