

## 9-15-1950 Contract

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF RECLAMATION

Minidoka Project, Idaho

CONTRACT BETWEEN THE UNITED STATES OF AMERICA  
and the  
IDAHO POWER COMPANY

1. THIS CONTRACT, Made as of this 15th day of September, 1950, pursuant to the Act of June 17, 1902 (32 Stat. 388), and acts amendatory thereof and supplementary thereto, between THE UNITED STATES OF AMERICA, represented by the officer executing this contract, hereinafter referred to as the United States; and the IDAHO POWER COMPANY, a corporation organized under the laws of the State of Maine and authorized to do business in the State of Idaho, having its principal place of business at Boise, Idaho, hereinafter referred to as the Company;

WITNESSETH, THAT:

2. WHEREAS, the United States and the Company have entered into a contract dated June 15, 1923 defining the relative rights to storage in American Falls Reservoir, and

3. WHEREAS, the parties desire to enter into a temporary contract to provide for the release of water from American Falls Reservoir at varying rates during the yearly periods covered by this contract, and in a manner suited to the meeting of the Company's power system loads;

NOW, THEREFORE, the parties hereto, in consideration of the mutual covenants hereinafter stated, agree as follows:

4. (a) For the purpose of assisting the Company in meeting its power system loads, the United States, during the periods defined in (b) of this article, will release from and through American Falls Reservoir, as requested by the Company, such water as is available to the Company under its existing rights, and such other water as the United States releases from or through American Falls Reservoir to satisfy valid appropriation rights below American Falls, subject to the following limitations.

(1) Except in cases of emergency:--not more than four adjustments in the rate of release of water from American Falls Reservoir will be made at the request of the Company

in any calendar day, and no adjustments will be made between the hours of 10 p.m. of one day and 7 a.m. of the succeeding day, mountain standard time. Whether an emergency exists will be determined by the Project Superintendent.

(2) The maximum release at any time at the request of the Company will be the flow that can be used effectively for power production at its American Falls Power Plant.

(3) No requested release will be made in such manner or at such times that, in the judgment of the Project Superintendent, might result in substantial injury to any of the facilities of the United States being operated in connection with the Minidoka Project.

(4) Rates of release of water from American Falls Reservoir may be controlled by the Project Superintendent from time to time during the period defined in (b) of this article, without regard to the Company's requests, when such control is requisite, in the judgment of the Project Superintendent, to prevent undue flood below American Falls Dam or to avoid unsatisfactory operating conditions with respect to any of the facilities of the Minidoka Project.

(b) The periods during which rates of release will be adjusted for the Company as provided in (a) of this article 4 will begin September 15 of each year and end in the following spring season when the Project Superintendent notifies the Company that control of rates of release at American Falls Reservoir is being resumed in connection with irrigation operations, but in any event, not later than April 30.

(c) This contract shall become effective on September 15, 1950 and subject to prior termination as otherwise herein provided for, shall remain in effect until April 30, 1960. Either party hereto may terminate the contract as of September 14 of any year by written notice of termination given to the other party sixty (60) days before such September 14.

(d) Requests hereunder for adjustments in the rate of release will be made by the Company's Superintendent of Power or Chief Dispatcher, or the officer in charge of the American Falls plant. All requests shall be directed to the Project Superintendent through the Bureau's Reservoir Superintendent at American Falls and will be acted on when received by the Reservoir Superintendent, unless otherwise directed by the Project Superintendent. Oral requests shall be made only between

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed the day and year first above written.

THE UNITED STATES OF AMERICA

By J. Lyle Cunningham  
Acting Regional Director, Region 1  
Bureau of Reclamation  
Boise, Idaho

IDAHO POWER COMPANY

By T. E. Roach  
Title President and General Manager

(Corporate Seal)

ATTEST:

A. C. Inman  
Title Secretary

CERTIFICATE

I, A. C. Inman, certify that I am the  
Secretary of the IDAHO POWER COMPANY, the corpor-  
ation named as Company herein; that T. E. Roach,  
who signed the above contract on behalf of said Company, was then its  
President and General Manager; that said contract was duly signed  
for and in behalf of said Company by authority of its governing body and  
is within the scope of its corporate powers.

A. C. Inman

(CORPORATE SEAL)

# 12-15-1950 Contract

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
Bureau of Reclamation

Boise and Minidoka Projects, Idaho

Contract with the IDAHO POWER COMPANY for Sale of  
Electric Power and Energy and for Service to Loads of  
United States or its Customers

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UNITED STATES  
DEPARTMENT OF THE INTERIOR  
Bureau of Reclamation

Boise and Minidoka Projects, Idaho

Contract with the IDAHO POWER COMPANY for Sale of  
Electric Power and Energy and for Service to Loads of  
United States or its Customers

THIS CONTRACT, made this 15th day of December, 1950, in pursuance of the Federal Reclamation Laws, between THE UNITED STATES OF AMERICA, hereinafter called the United States, represented by the officer executing this contract, his duly appointed successor, or his duly authorized representative, hereinafter referred to as the contracting officer; and the IDAHO POWER COMPANY, a corporation duly organized and existing under and by virtue of the laws of the State of Maine and authorized to do business in the State of Idaho, its successors and assigns, hereinafter called the Company,

WITNESSETH, That:

2. WHEREAS, the Company is engaged as a public utility, subject to the jurisdiction of the regulatory authorities of the states of Idaho, Oregon and Nevada, in the business of generating, transmitting and distributing electric energy in and to various parts of said states;

3. WHEREAS, the United States has constructed and is now operating, through the Bureau of Reclamation, hydroelectric powerplants at Black Canyon Dam on the Payette River, at Diversion Dam on the Boise River, and at Minidoka Dam on the Snake River, and is now constructing a powerplant at Anderson Ranch Dam on the Boise River, all in the State of Idaho, and power generated at such plants is intended by the United States to be marketed in accordance with the provisions of the Federal Reclamation Laws;

4. WHEREAS, the United States, through the Corps of Engineers, is now constructing Lucky Peak Dam on the Boise River for the main purpose of controlling floods but which, when completed, will also permit an increase in firm electric power generation at the Anderson Ranch Dam powerplant; and

5. WHEREAS, the United States and the Company mutually desire, through the interconnection of the powerplants of the United States with the Company's system, to permit the fullest practicable utilization of the Federal powerplants consistent with the conservation of water for irrigation use and to make the benefits of such interconnection available to power consumers and water users; and, in order to carry out this desire, wish to provide for the supply of power and energy over the Company's system to certain loads of the United States and its customers and for the exchange and purchase of power and energy between the parties on terms other than are provided in the existing contracts between the parties;

NOW, THEREFORE, in consideration of the mutual covenants herein set forth, the parties hereto agree as follows:

Definitions

6. The following terms, wherever used in this contract, shall have the following respective meanings:

"Federal powerplants" shall mean the Federal powerplants at Anderson Ranch, Black Canyon, Diversion and Minidoka dams.

"Federal Reclamation Laws" shall mean the Act of June 17, 1902 (32 Stat. 388) and acts amendatory thereof or supplemental thereto.

"Primary energy" shall mean the kilowatthours delivered by the United States into the Company's system from the Federal powerplants under the provisions of subarticle 7(a) during each year of the contract term, when and as scheduled by the Company.

"Secondary energy" shall mean that energy which, in the judgment of the United States, can be produced at the Federal powerplants in any year in excess of 225,500,000 kilowatt-hours,—being the amount which could be supplied in a critical water supply year like that of the water year ending September 1932, assuming that amount to be distributed through the year in such a manner as to meet the primary energy requirements, as above defined, and the amount of energy required to supply loads of the United States directly from the Federal powerplants.

"Year" shall mean the twelve-month period ending October 31.

Power and Energy to be Supplied by the United States

7. (a) The United States shall generate and deliver, and the Company shall receive and accept, from the Federal powerplants into the Company's system, 126,142,500 kilowatthours of primary energy per year during the contract term as follows:

- (1) 123,405,000 kilowatthours of such primary energy, of which not less than 3,650,000 kilowatthours of

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<sup>1/</sup> Calculated on the basis of a five-hour average daily peaking each month of 2,000 kilowatts.

peaking energy shall be for the Company's own use, shall be made available as scheduled by the Company, but, except as set forth in article 10, the Company shall not schedule such power at a total rate from all Federal powerplants greater than 24,000 kilowatts between April 30 and September 1, than 23,000 kilowatts during the month of September, than 16,250 kilowatts between October 31 and April 1, than 19,500 kilowatts during the months of April and October; and, except as provided in article 10, the Company shall schedule the delivery of primary energy to it within the following maxima:

Not to exceed 48,207,000 kilowatthours between April 30 and September 1; 9,986,000 kilowatthours in the month of September; 49,806,000 kilowatthours between October 31 and April 1; 15,406,000 kilowatthours during the months of April and October of any year.

- 2/
- (2) 2,737,500 kilowatthours of such primary energy shall be made available for the Company's own use, as scheduled by the Company. On not less than two (2) years' written notice given to the Company, the amount of primary energy delivered to the Company
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2/ Calculated on the basis of a five-hour average daily peaking each month of 1,500 kilowatts, which capacity and energy are in addition to that specified in paragraph 7(a)(1).

for its own use under this paragraph (2) may be reduced either by the increase in the requirements of loads served directly by the United States or, as provided in subarticle 11(d), by the addition of loads to be served over the Company's system.

There is attached hereto, as exhibit A, a table entitled "Boise and Minidoka Projects - Illustration Based on Estimated Distribution of Energy - 1956" from which the foregoing figures in this article and the figures in article 11 were derived. The figures in the exhibit, being estimates only, are appended only by way of explanation, and are not intended to impose limitations or requirements beyond those imposed by the figures set forth in the text of the contract.

(b) The United States shall generate and deliver, and the Company shall receive and accept, from the Federal powerplants into the Company's system, secondary energy as follows:

- (1) All secondary energy available from the Federal powerplants and which, in the judgment of the United States, can be safely supplied from those plants to the extent of the first 28,500,000 kilowatthours of secondary energy during the months of November through February and July through October of each year, or to the extent of the lesser amount to which the 28,500,000 kilowatt-hours may be adjusted in accordance with (a)(2) of this article or subarticle 11(d) by the addition of loads therein provided for.

- (2) All secondary energy in excess of 28,500,000 kilowatthours during each year made available by the United States and that the Company desires to purchase and accept under the terms hereof.

Frequency, Voltages and Points of Delivery

8. The power and energy to be generated and delivered by the United States to the Company, as provided in this contract, shall be developed as three-phase alternating current at a nominal frequency of 60 cycles per second, and shall be provided at the following nominal voltages and points of delivery:

- (a) 138,000 volts, at the point at which the Company's 138,000-volt circuit connects with the 138,000-volt circuit from the Federal substation near Mountain Home, Idaho;
- (b) 69,000 volts, at the point at which the Company's 69,000-volt transmission line connects with the Federal 69,000-volt circuit near Emmett, Idaho;
- (c) 138,000 volts, at the point at which the Company's 138,000-volt circuit connects with the Federal substation at the Minidoka powerplant;
- (d) 23,000 volts, at the point at which the Company's 23,000-volt circuit connects with the Federal 23,000-volt circuit at or near Barber Dam in Idaho;

and at such other voltages and points as may be mutually agreed on in writing.

Interruptions or Reductions in Service

9. (a) The electric service to be provided the Company under article 7 and the electric service to be provided the United States under article 11 will be furnished continuously except for (1) interruptions or reductions due to uncontrollable forces, as herein defined; (2) interruptions or reductions due to operation of devices installed for power system protection; and (3) temporary interruptions or reductions which, as determined by each party with respect to its own facilities, are necessary or desirable for the purposes of repairs, replacements, installation of equipment, investigation and inspection, or nonscheduled maintenance.

(b) In the event of brief interruptions or reductions of power deliveries from the Federal powerplants to the Company's system excusable under (a) of this article, the Company, if and so long as it determines that it has power and energy available therefor, will continue to deliver power and energy to loads of the United States and its customers under the provisions of article 11 at such price as may be agreed upon in writing between the contracting officer and the Company. If the Company determines that it does not have power and energy available during such interruptions or reductions, it will, upon request by the contracting officer, endeavor to make arrangements for securing power from adjacent connected sources and make it available to the United States at the incremental cost of providing such service; provided, that the arrangements for the temporary service shall be authorized by the contracting officer before the service is initiated, subject to the right of the Company to cancel or discontinue such arrangements at any time.

(c) All generating units in the Federal powerplants shall be maintained in commercial operating condition by the United States, excluding periods for maintenance, repairs, replacements, installation of equipment, or investigation and inspection, during the contract term. Outages of equipment will be held to the shortest possible duration, and, except in case of emergency as determined by the contracting officer, will be permitted only after giving the Company reasonable advance notice thereof, and the United States will endeavor to coordinate such periods with the Company's system maintenance program.

Scheduling of Generation; Temporary Storage of  
Water for Power Production in Federal Reservoirs

10. (a) Within the maximum yearly quantity of primary energy provided in article 7 but without regard to the kilowatt and kilowatthour or other limitations of that article, the Company, for the purpose of achieving the most efficient and flexible utilization of productive capacity, may, within the limits of this article, (1) provide for the temporary storage of water in Federal reservoirs, and (2) schedule generation of primary and secondary energy by the Federal powerplants, both in such manner that it considers desirable to meet the general power requirements of the Company's market area, including the requirements of the United States and its customers.

(b) Temporary Storage of Water. Beginning with the effective date of this contract, the Company may schedule for storage in Anderson Ranch and Cascade reservoirs for release for power production in subsequent months, water to which the Company is entitled and such other water

as the contracting officer determines to be available for that purpose, subject to the following limitations:

- (1) No water shall be so stored that is required to be released to meet the requirements of prior rights downstream for irrigation or other beneficial consumptive uses.
- (2) No water shall be so stored in Anderson Ranch Reservoir if such storage, together with other water being stored, would result in the encroachment on space in that reservoir that is required to be held vacant for flood control purposes under the terms of the operating plan set forth in exhibit B. Waters so stored in Cascade Reservoir shall be released if the contracting officer, after consultation with the Company, determines that space in that reservoir is required for flood control purposes.

(c) Scheduling of Generation. (1) Both for the purpose of making use of temporary storage available to the Company under (b) of this article and to make use of other water available for power production at the Federal powerplants, the fullest practicable use shall be made of the Federal powerplants, to obtain the most valuable electrical energy therefrom, as requested by the Company, within these limitations and on these conditions:

- (i) No water, except that temporarily stored as provided in (b) of this article, will be released for the

production of power at Federal powerplants except as the release of water is required by reason of prior rights downstream or it is determined by the contracting officer that the release may be made consistently with the objective of conserving, to the greatest extent practicable, water for irrigation uses.

(ii) Water temporarily stored as provided in (b) of this article may be released whenever requested by the Company, except that no releases shall be made that will result in the loss of water for irrigation purposes and in no case may such water be carried beyond an irrigation season if its release is required to satisfy prior rights to the use of stored waters for irrigation purposes.

(iii) All releases ordered by the Company shall be limited at any time by the safe operating capability of the various units in the Federal powerplants as determined by the United States and to the capability of the Company's system to receive and utilize such energy as determined by the Company, and, except as approved by the contracting officer, power shall not be scheduled so as to require the operation of any individual generating unit in any Federal powerplant at less than thirty per cent (30%) of its

capability, nor shall the production at the Black Canyon plant be at less than 1,000 kilowatts at any time.

(2) There are attached hereto as exhibit C and incorporated by reference herein operating criteria to govern both the storage and release of water in keeping with the provisions of this article. Within the limits of this article, however, these criteria may be revised from time to time by agreements in writing between the contracting officer and the Company.

(d) The Company shall furnish at all times, except for interruptions or reductions within the provisions of article 9, power and energy to satisfy such requirements of the United States and its customers as could have been met by the United States from the Federal powerplants but for the operations of the Company under the provisions of this article.

Supply of Power and Energy for the  
United States and its Customers

11. (a) The Company, to provide service to the United States and its customers out of power and energy to be made available to the Company under this contract, shall supply the United States or its customers power and energy to the extent and on the terms set out in this article.

(b) Except as subsequently modified pursuant to the provisions of (d) of this article, the maximum demand of the United States, as defined in (g) of this article, and the maximum amount of energy per year required to be delivered by the Company hereunder shall not exceed the following:

| <u>Period</u>           | <u>Maximum<br/>Demand</u><br>(Kilowatts) | <u>Maximum<br/>Energy</u><br>(Kilowatthours) |
|-------------------------|------------------------------------------|----------------------------------------------|
| April 30 to September 1 | 20,500)                                  |                                              |
| September               | 19,500)                                  | 52,493,000                                   |
| October 31 to April 1   | 13,100                                   | 43,824,000                                   |
| April and October       | 16,400                                   | <u>13,574,000</u>                            |
|                         |                                          | <u>109,891,000</u>                           |

(c) The existing customers of the United States and the loads of each individual customer to be served by the Company hereunder are shown on exhibit D, these loads including, as part of the Minidoka Project load, the delivery of not to exceed a maximum demand of 2,000 kilowatts and the maximum energy per year of 6,000,000 kilowatthours for the North Side Pumping Division so long as such delivery can be made within the limits of (b) of this article and only during an interim period until the availability of power from the American Falls powerplant and the making of permanent arrangements by the United States for delivery of power on the North Side Pumping Division. Delivery of power and energy to the North Side Pumping Division shall be made during such interim period to the ten (10) North Side wells listed in exhibit D at pump voltage (2,300 or 440 volts), the Company to furnish the necessary transformation equipment. Within the limits set forth in (b) of this article, and within the limits of excess capacity at any time existing in the Company's system as determined by the Company, the amount of power and energy to be delivered to the loads specified in exhibit D may be increased up to a maximum of ten per cent (10%) of the amounts so specified for any individual load.

(d) In addition to the loads covered by (c) of this article, but within the number of kilowatthours and other limitations and on the conditions specified in paragraph 7(a)(2) modified as hereinafter provided, the United States, by means of the Company's system, if there is available excess capacity in the system as determined by the Company, (i) may serve additional loads of its own, (ii) may contract to deliver power and energy to serve the irrigation and incidental operation and maintenance requirements of water users organizations, or (iii) may serve the requirements of customers entitled to preference in the purchase of power and energy under the Federal Reclamation Laws. Whenever such additional loads are to be served by the United States under this article or directly in accordance with paragraph 7(a)(2), there shall be:— a reduction in the amount of primary energy made available to the Company under the provisions of paragraph 7(a)(2); if the additional loads are to be served directly by the United States over its own facilities or are loads coming under item (i) or (ii) of this subarticle, a reduction of not to exceed a total of 2,750,000 kilowatthours in the amount of secondary energy made available to the Company under the provisions of paragraph 7(b)(1)<sup>3/</sup>; and appropriate adjustments of the maximum demand and maximum energy figures set forth in (b) of this article, taking account of an assumed transmission loss on energy delivered over Company facilities of four per cent (4%) for loads west of a north-south line through Glenns Ferry, Idaho, and seven per cent (7%) for loads east of said Glenns Ferry line. No additional load shall be served under this

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<sup>3/</sup> See, by way of explanation, footnote 7 of exhibit A.

subarticle except at 44,000 volts or such higher voltage as is available on the Company's system at or near the proposed point of delivery and except at a demand at any one point of delivery off the Company's system of 200 kilowatts or more; provided, that the contracting officer and the Company may agree on a smaller load limitation with respect to particular loads.

(e) The Company will deliver electric power and energy to the United States and its customers under this article at points of connection with the Company's system at which deliveries are now being made; and the Company will make at the expense of the United States whatever connections to the Company's system are agreed between the contracting officer and the Company to be necessary to make other deliveries coming within the provisions of this article.

(f) The Company shall not be responsible for supplying power and energy to the United States or its customers if power and energy are not made available hereunder to the Company by the United States for such purpose except as otherwise provided in subarticles 9(b) and 10(d), and shall not be liable for any claims, demands, causes of action or damages arising out of failure to supply power and energy in such cases.

(g) For the purpose of this article, the term "maximum demand" for any period shall mean the total of the maximum hourly integrated demands occurring during any month within the period at each of the delivery points from the Company's system to each of the loads of the United States, adjusted for lagging power factor under the provisions of subarticle 12(b); provided, that the maximum demands at the Minidoka

powerplant shall not include those occurring during the periods from 9 p.m. to 9 a.m. daily or from 9 p.m. Saturday night to 9 a.m. Monday morning.

Power Factor

12. (a) The Company shall take power and energy from the United States at the locations designated in article 8 at such power factor as will best serve the Company's system at that point; provided, that the Company shall not intentionally impose any power factor on the system of the United States in such a way as to overload or impair the facilities of the United States, or interfere with the generation of energy for commitments of the United States to other customers served directly from the Federal powerplants.

(b) The United States shall take power and energy from the Company at the power factor which the loads of the customers of the United States impose on the Company's system; provided, that, if the average power factor of the load of any such customer at the time of said customer's maximum demand during any month should be less than 0.85 lagging at its point of delivery, the maximum demand of the United States at such point of delivery shall be adjusted by determining the maximum demand of the United States imposed by such customer for such month, and by increasing the measured kilowatts of demand by one per cent (1%) for each one per cent (1%) or major fraction thereof by which the average power factor is less than 0.85 lagging.

(c) The reactive load imposed on the Company's system by customers of the United States shall be carried by the Federal powerplants at all times when requested by the Company.

Payment

13. (a) The Company shall pay the United States for power and energy and for the various related privileges accorded to it under this contract as follows:

(1)\* For power and energy and related privileges, exclusive of those covered by paragraphs (2), (3) and (4) below, for each full year, \$129,000, to be paid in equal monthly instalments of \$10,750, on or before the 20th day of the month following that for which it is payable, subject to adjustment as provided in (c) of this article; provided, that, if in any year by reason of interruptions or reductions coming within the provisions of article 9, or by reason of the addition of loads by the United States under paragraph 7(a)(2) or subarticle 11(d), the total amount of secondary energy as described in paragraph 7(b)(1) available to the Company is less than 28,500,000 kilowatthours, the total payment to be made under this paragraph shall be reduced by an amount equal to the deficiency in kilowatthours times \$.00175.

(2) For primary energy made available to the Company under the provisions of paragraph 7(a)(2), \$.006 per kilowatthour.

(3) For primary energy delivered to the Company pursuant to the provisions of paragraph 7(a)(1) for transfer

to loads of the United States or its customers, but which energy is not required to meet such loads and is delivered to the Company, at the rate of \$.0019 per kilowatthour. The kilowatthours to be paid for under this paragraph shall be the excess of kilowatthours that the Company is obligated to deliver to loads of the United States and its customers under the provisions of article 11 and for which energy is delivered to the Company, over the total amount actually delivered to the United States and its customers measured as provided in subarticle 14(b) less the excess of the actual kilowatthour generation for the year at the Minidoka powerplant over <sup>4/</sup>83,320,000 kilowatthours.

- (4) For secondary energy delivered to and taken by the Company in any year in excess of 28,500,000 kilowatthours or in excess of the resulting lesser amount should the above 28,500,000 kilowatthours of secondary energy be reduced by withdrawal under the provisions of subarticle 11(d), and energy delivered to the Company pursuant to the provisions of paragraph 7(a)(1) not used to meet Minidoka Project loads and not required to be paid for under paragraph (a)(3) of this article because generation at

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<sup>4/</sup> This figure represents the agreed estimate of generation at the Minidoka powerplant in a critical water year.

the Minidoka powerplant for the year exceeded 83,320,000 kilowatthours, at the rate of \$.001 per kilowatthour.

There shall be determinations as of the end of each year as to the amounts owed to the United States under paragraphs (1), (2), (3) and (4) above, and these amounts, less the amounts theretofore paid in monthly instalments under paragraph (1) above, shall be payable to the United States on or before the 20th day of December following the year for which the amounts are payable.

(b) The United States shall pay to the Company for the transfer and delivery of power and energy by means of the Company's interconnected system, for each kilowatthour delivered as provided in article 11 hereof measured at the point of delivery as follows:

- (1) For the transfer and delivery of power and energy to loads with delivery points west of a north-south line through Glens Ferry, Idaho, \$.001 per kilowatt-hour.
- (2) For the transfer and delivery of power and energy to loads with delivery points east of the Glens Ferry line, \$.0015 per kilowatthour.
- (3) In addition to the charges under paragraphs (1) or (2) above and except as otherwise agreed in writing, in those instances in which loads coming within the provisions of subarticle 11(c) require service over lines of the Company having a voltage of less than

44,000 volts, an additional charge of \$.0023 per kilowatthour; provided, however, that this paragraph shall not apply to service to the ten (10) North Side Pumping Division wells as covered in paragraph (4) below.

- (4) In addition to the charges under paragraph (2) above, an additional charge of \$.002 per kilowatthour shall be made for the delivery of power and energy at pump voltage for the ten (10) wells on the North Side Pumping Division of the Minidoka Project as provided in subarticle 11(c).
- (5) For power and energy secured and furnished by the Company for the United States during periods of brief interruptions or reductions of power deliveries from the Federal powerplants, in accordance with subarticle 9(b).

There shall be determinations as of the end of each month of the contract term as to amounts owed to the Company under (b) of this article and these amounts shall be paid to the Company on or before the 20th day of the month following that for which the amounts apply. Payments of amounts due under (b) of this article by the United States to the Company shall constitute full compensation for the transfer and delivery of power and energy for the United States over Company facilities in accordance with article 11.

(c) The payment to the United States under paragraph (1) of (a) of this article shall be reduced in the following circumstances:

- (1) In the event the United States fails for any reason, except because of interruptions or reductions within the scope of subarticle 9(a) or as the result of scheduling by the Company under article 10, to deliver the full amount of primary power and energy required to be put into the Company's system pursuant to subarticle 7(a) for the Company's own use and to provide service (with proper allowance for losses) to the United States and its customers.
- (2) In the event the United States and its individual customers utilize power and energy in excess of the amounts specified in article 11 and exhibit D hereto as modified from time to time under the provisions of (d) of that article.

The amount of reduction by reason of the deficiency under (1) or the excess use under (2) above shall be a sum equal to the kilowatts of deficiency or excess each month times \$1.50 plus the kilowatthours of such deficiency or excess times one cent. Adjustments under this article shall be made in connection with the monthly payment provided for in (a) of this article to be made by the Company following the end of the month affected by the adjustment. Nothing in this subarticle shall be construed to create or imply any obligation on the part of the Company to make up any such deficiency or to supply power and energy for any such excess use; and, in the event it appears that such deficiencies under (1) above or excess use under (2) above will be of long duration, the parties will negotiate with

the objectives of meeting those problems by long-term contractual arrangements other than herein set forth.

(d) In view of the fact that the date of initial service under this contract will not coincide with the beginning of a year as defined in article 6 and the fact that on that date only one of the two initial generating units at the Anderson Ranch powerplant will be in service, the bills for service under this article for the period from the date of initial service through October 31, 1951, shall be appropriately adjusted by formulae to be worked out by the contracting officer and the Company, to reflect such partial year of service and the fact, to the extent that it existed during that period, that only one generating unit had been placed in service. For any additional period prior to the placing in operation of the second generating unit and for the period upon termination of the contract which constitutes a partial year of service under the contract, a like procedure shall be followed to accomplish appropriate adjustment of bills.

#### Measurement of Electric Power and Energy

14. (a) The electric power and energy delivered hereunder by the United States to the Company's system shall be measured in the powerplants of the United States by metering equipment to be furnished and maintained by the United States. When such electric power and energy is delivered on the high voltage side of any substation, but is measured on the low voltage side of such substation, the meter readings shall be decreased by two per cent (2%); provided, that meter readings at the Anderson Ranch powerplant will be adjusted in accordance with exhibit E

attached hereto which exhibit shall be subject to change by mutual agreement of the contracting officer and the Company when changes of facilities of either party so warrant.

(b) The electric power and energy delivered to loads and customers of the United States over the Company's transmission system shall be measured at the voltage of the transmission line (or distribution line in case of delivery at distribution voltage as supplied to existing customers) from which it is delivered to the United States or its customers at or near the points of delivery of such electric power and energy, by metering equipment to be furnished and maintained by the United States. Power and energy delivered at any point or points of delivery, except on the North Side Pumping Division, may, at the option of the United States, be measured on the low voltage side of the substation at or near said point of delivery, in which event the meter readings at said point of delivery will be increased by two per cent (2%) in order to compensate for substation losses. With respect to service furnished to the ten (10) North Side Pumping Division wells, meter readings shall be increased by nine per cent (9%) to cover distribution and step-down transformation losses. With respect to service furnished the Gem Irrigation District pumping plant during the months of November to March, inclusive, under the present arrangements for supplying such service, the meter readings for the District's pumping plant shall be increased by an amount of sixty (60) kilowatts times the number of hours of use in each such monthly billing period in lieu of the two per cent (2%) adjustment factor provided for above. If the present arrangement for serving the

Gem District's pumping plant is changed, this formula shall be subject to change by mutual agreement of the contracting officer and the Company.

(c) Except as otherwise agreed to in writing by the contracting officer and the Company, the United States shall require that its employees or that its customers, as the case may be, read meters hourly at Federal powerplants and at delivery points to customers of the United States where an attendant is continuously on duty, recording such readings on appropriate log sheets, and shall read all other meters, the readings to be as nearly as practicable on the last day of the monthly billing period; shall submit a copy of all readings to the Company for its records; and shall make such information available to the Company at other times upon request. Either party shall have the right to inspect the meter reading charts or records of the other party.

(d) For billing purposes, the meters shall be read at the end of each monthly billing period, and account shall be taken of the losses between the metering points and the points of delivery as provided in (a) and (b) of this article.

(e) The meters shall be sealed and the seals shall be broken only upon occasions when the meters are to be inspected, tested, or adjusted, and representatives of the Company shall be afforded reasonable opportunity to be present upon such occasions. The meters shall be tested by the United States once each year or at any reasonable time upon request therefor by either party thereto. Any metering equipment found to be defective or inaccurate shall be repaired and readjusted or replaced. Should any meter fail to register, the electric power and energy delivered

hereunder during such period of failure to register shall be estimated jointly from the best information available.

(f) If any of the meter tests provided for herein discloses that the error of any meter or meters exceeds two per cent (2%), correction based upon the inaccuracy found shall be made of the records of electric service furnished since the beginning of the monthly billing period immediately preceding the billing period during which the test was made. Any correction in billing resulting from such correction in meter records shall be made in the next monthly bill rendered by the United States to the Company, and such correction, when made, shall constitute full adjustment of any claim between the parties hereto arising out of such inaccuracy of meters.

#### Cooperation in System Operation

15. It is understood that the details of operation of the Federal powerplants in conjunction with the Company's system cannot be covered by this contract, but the United States and the Company desire and intend that such operation shall be carried forward in and with a spirit of sympathetic cooperation in order that efficient results may be obtained for the benefit of all concerned. In this spirit, the United States, during its powerplant operating periods, will report hourly, through its powerplant operators or other designated employees, to designated representatives of the power department of the Company, giving such information as is available and is required in the operation and dispatching of the Company's system, and will provide said department information on log sheet forms to be furnished by the Company, showing power supplied by the Federal

powerplants and information as to voltage, amperage, reactive kva, water records, switching data, and such other information as is normally required for smooth system operation and the coordination of the Federal powerplants with the Company's system, and will furnish to the Company such hourly, daily or monthly meter readings of its various loads as they are available, such readings to be mailed at weekly or monthly intervals to the Superintendent of Power, Idaho Power Company, 1220 Idaho Street, Boise, Idaho. In a like spirit the Company will furnish the United States, upon request, such technical and operating information as may be required in the design and operation of power facilities involved in the carrying out of this contract.

#### Communication Equipment

16. Each party shall install and operate on its respective facilities such equipment as may be required to afford a carrier current telephone channel which will provide direct communication between the office of the Company's district operator and the operators at Anderson Ranch powerplant, and between the Company's American Falls powerplant and the Minidoka plant at a later date and upon arrangements to be agreed on by the contracting officer and the Company. Communications between the Company's district operator and the operators at other Federal powerplants will be over presently existing facilities.

#### Control and Maintenance of Electric Transmission System

17. Each party shall operate and maintain its respective electric transmission system in good and satisfactory operating condition. The United States will provide and maintain and, through its contracting officer, will require of its customers who are to be served through the

Company's system the installation, maintenance and operation of all proper service protective equipment as current electrical engineering practices recognize as necessary and efficient for the purpose of clearing and protecting the Company's electric transmission system of the faults, grounds and other types of electrical failures or disturbances that originate on the facilities of the United States or its customers.

#### Rights of Access

18. Each party shall afford to the duly authorized representative of the other the right, during the usual hours of business, to enter its premises for the purpose of reading or checking meters, or inspecting or testing any or all of the facilities of the other located on its property, or for the purpose of performing any other work incident to the performance of this contract.

#### Rights to Install and Remove Facilities

19. Each party hereby grants to the other the necessary licenses and permits to install, operate, maintain, replace or repair, either or all, on the property of the other such facilities as are agreed from time to time to be necessary or desirable for the purposes of this contract. Any facilities so installed shall be and remain the property of the party installing them, notwithstanding that they may have been affixed to the property of the other party; and the owning party shall have a reasonable time after the termination of this contract to remove such facilities. If either party desires a license or permit extending beyond the term of this contract with respect to certain facilities, the installation, operation, maintenance, replacement, repair and removal of such facilities on or

from the property of the other party will be covered by a separate license or permit.

#### Construction Standards

20. The parties hereto shall construct, maintain and operate their respective interconnected power receiving and delivery facilities in accordance with accepted standards at least equal to those provided by the National Electric Safety Code of the United States Bureau of Standards.

#### Equipment to be Sold by the Company to the United States

21. The United States will purchase and the Company will sell and convey to the United States such parts of the Company's installed metering equipment presently utilized by the Company in serving the United States or any of its customers, which the United States determines is necessary for metering power and energy delivered by the United States to itself or any such customer. The contracting officer and the Company will agree upon a price to be paid for the equipment involved and payment thereof by the United States will be made as soon after transfer of the equipment and receipt of an itemized bill therefor as the necessary vouchers can be prepared.

#### Uncontrollable Forces

22. Neither party shall be considered to be in default in respect to any obligation hereunder, if prevented from fulfilling such obligation by reason of uncontrollable forces. For the purpose of this agreement, the term "uncontrollable forces" shall mean any cause beyond the control of the party affected, including, but not limited to, inadequacy of water for the generation of the electric power and energy herein contracted for,

failure of facilities, flood, earthquake, storm, lightning, fire, epidemic, war, riot, civil disturbance, strike or labor disturbance, sabotage and restraint by court or public authority, which by exercise of due diligence and foresight such party could not reasonably have been expected to avoid. Either party rendered unable to fulfill any obligation by reason of uncontrollable forces shall exercise due diligence to remove such inability with all reasonable dispatch.

#### Liability

23. Neither party, its officers, agents and employees, or any of them, shall be liable for any claims, demands, costs, losses, cause of action, damages, or liability of whatsoever kind or nature, arising out of or resulting from the construction, operation, and maintenance of the facilities of the other party under this contract; provided, that each party shall be solely responsible for the claims of and payments to its employees and agents for injuries occurring in connection with their employment.

#### Rules and Regulations

24. The United States and the Company may mutually agree upon and put into effect, from time to time, such operating rules and regulations as may be required in order to establish the methods of operation to be followed in the performance of this contract.

#### Transfer of Interest in Contract

25. No voluntary transfer of this contract or of the rights of the Company hereunder shall be made without the written approval of the Secretary of the Interior, and any successor or assignee of the rights of the

Company, whether by voluntary transfer, judicial sale, foreclosure sale, or otherwise, shall be subject to all the provisions and conditions of this contract to the same extent as though such successor or assignee were the original contractor hereunder; provided, that the execution of a mortgage or trust deed, or indentures supplemental thereto, or judicial or foreclosure sale made thereunder, shall not be deemed voluntary transfer within the meaning of this article.

#### Waivers

26. Any waiver at any time by either party hereto of its rights with respect to a default or any other matter arising in connection with this contract shall not be deemed to be a waiver with respect to any subsequent default or matter. Any delay, short of the pertinent statutory period of limitation, in asserting or enforcing any right, shall not be deemed a waiver of such right.

#### Notices

27. Any notice, demand, or request required or authorized by this contract shall be deemed properly given if mailed, postage prepaid, to the Regional Director, United States Bureau of Reclamation, Boise, Idaho, on behalf of the United States, except where otherwise herein specifically provided, and to the President and General Manager, Idaho Power Company, 1220 Idaho Street, Boise, Idaho, on behalf of the Company. The designation of the person to be notified or the address of such person may be changed at any time by similar notice.

#### Contingent Upon Appropriations

28. The expenditure of any money or the performance of any work by the United States hereunder which may require appropriations of money by the Congress or the allotment of Federal funds shall be contingent upon such appropriations or allotments being made. The failure of the Congress to appropriate funds shall not relieve the Company from any obligations theretofore accrued under this contract, nor give the Company the right to terminate this contract as to any of its executory features. No liability shall accrue against the United States in case such funds are not so appropriated or allotted.

#### Officials Not to Benefit

29. No Member of or Delegate to Congress or Resident Commissioner shall be admitted to any share or part of this contract or to any benefit that may arise herefrom, but this restriction shall not be construed to extend to this contract if made with a corporation or company for its general benefit.

#### Covenant Against Contingent Fees

30. The Company warrants that it has not employed any person to solicit or secure this contract upon any agreement for a commission, percentage, brokerage, or contingent fee. Breach of this warranty shall give the United States the right to annul the contract or, in its discretion, to deduct from the contract price or consideration the amount of such commission, percentage, brokerage, or contingent fees. This warranty shall not apply to commissions payable by contractors upon contracts or sales secured or made through bona fide established commercial or selling agencies maintained by the Company for the purpose of securing business.

Term of Contract;  
Termination of Existing Contracts

31. (a) This contract shall become effective on the date of initial service as defined in this article, and shall remain in effect until October 31, 1963, subject to the right of either party to terminate it on October 31, 1956, or at the end of any month thereafter by giving to the other party not less than three (3) years' advance written notice of the date of such termination. The date of initial service hereunder is hereby defined as the date following the execution of this agreement on which the United States is ready to furnish electric energy at the delivery point described in (a) of article 8 hereunder.

(b) The following contracts between the parties hereto shall terminate at the date of initial service under this contract:

April 23, 1929, Symbol and No. I1r-543; April 10, 1930, Symbol and No. I1r-594; October 1, 1934, as amended November 9, 1940, April 18, 1941, and August 18, 1941, all Symbol and No. I1r-801; August 13, 1942, as amended August 15, 1944, both Symbol and No. I2r-14411; February 7, 1950, Symbol and No. I74r-1249; and July 28, 1950, Symbol and No. I74r-1412.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed the day and year first above written.

THE UNITED STATES OF AMERICA

By /s/ H. T. Nelson  
Regional Director, Region 1  
Bureau of Reclamation

(SEAL)

IDAHO POWER COMPANY

Attest:

/s/ A. C. Inman  
Secretary

By /s/ T. E. Roach  
President

C E R T I F I C A T E

I, A. C. Inman, certify that I am the  
Secretary of the Idaho Power Company,  
the corporation named as Company herein; that T. E. Roach,  
who signed the above contract in behalf of said Company, was then  
its President & General Manager; that said contract was duly signed  
for and in behalf of said Company by authority of its governing  
body and is within the scope of its corporate powers.

/s/ A. C. Inman

(SEAL)

1000

|                                                                         | Jan.         | Feb.          | Mar.         | Apr.          |
|-------------------------------------------------------------------------|--------------|---------------|--------------|---------------|
| <u>Primary Deliveries to Company</u>                                    |              |               |              |               |
| For transfer to U. S. loads                                             | 7,978        | 9,102         | 8,176        | 5,471         |
| Losses on Company system                                                | <u>816</u>   | <u>928</u>    | <u>837</u>   | <u>471</u>    |
| Subtotal - Input for transfer                                           | 8,794        | 10,030        | 9,013        | 5,951         |
| Purchase by Company:                                                    |              |               |              |               |
| 2000 kw, 5-hr. peaking <sup>2/</sup>                                    | <u>310</u>   | <u>280</u>    | <u>310</u>   | <u>301</u>    |
| Subtotal - Minimum primary to Company                                   | 9,104        | 10,310        | 9,323        | 6,251         |
| 1500 kw, 5-hr. peaking subject to withdrawal <sup>2/</sup>              |              |               |              |               |
| Unsold U.S. transfer energy <sup>4/</sup>                               | 233          | 210           | 232          | 221           |
| Total - Primary Input to Company                                        | <u>9,337</u> | <u>10,520</u> | <u>9,555</u> | <u>6,479</u>  |
| <u>Secondary Energy to Company</u>                                      |              |               |              |               |
| Covered by lump sum payments <sup>2/</sup>                              | 6,084        | 3,917         | -            | -             |
| Additional energy available <sup>5/</sup>                               | <u>-</u>     | <u>-</u>      | <u>5,936</u> | <u>11,462</u> |
| Total - Secondary Energy                                                | 6,084        | 3,917         | 5,936        | 11,462        |
| <u>Total Available for Delivery to Company System</u>                   | 15,421       | 14,437        | 15,491       | 17,941        |
| <u>Direct Deliveries<sup>6/</sup></u>                                   |              |               |              |               |
| U. S. sales by direct delivery                                          | 2,705        | 1,569         | 1,836        | 8,018         |
| Losses on U. S. system <sup>7/</sup>                                    | <u>494</u>   | <u>494</u>    | <u>463</u>   | <u>541</u>    |
| Total - Input for direct delivery                                       | 3,199        | 2,063         | 2,299        | 8,559         |
| Total Required from Federal Powerplants (Equals median year generation) | 18,620       | 16,500        | 17,790       | 26,500        |

<sup>1/</sup> Losses estimated on basis of the following loads served from U.S. transmission  
10,469 10,468 9,817 11,484

<sup>2/</sup> Covered by \$10,750 monthly payments. See Articles 7(a)(1) and 13(a)(1).

<sup>3/</sup> See Articles 7(a)(2) and 13(a)(2).

<sup>4/</sup> See Articles 7(a)(1) and 13(a)(3).

<sup>5/</sup> See Articles 7(b)(2) and 13(a)(4).

<sup>6/</sup> Direct deliveries are those in which power from a Federal powerplant is transmitted without intervening transfer over Company facilities. For example, Minidoka is and hence are served by direct delivery supplemented with transferred power.

<sup>7/</sup> Includes energy subject to withdrawal by the United States under provisions of A  
Estimated distribution in 1,000 kilowatt-hours:—July 950; Aug. 950; Sept. 660;

Minidoka Projects  
 Distribution Based on  
 Distribution of Energy—1956

Kilowatt-Hours

| May                                      | June         | July           | Aug.           | Sep.         | Oct.           | Nov.         | Dec.           | Total           |
|------------------------------------------|--------------|----------------|----------------|--------------|----------------|--------------|----------------|-----------------|
| 10,068                                   | 9,003        | 12,177         | 12,278         | 8,967        | 8,099          | 9,041        | 9,527          | 109,891         |
| <u>804</u>                               | <u>704</u>   | <u>967</u>     | <u>976</u>     | <u>719</u>   | <u>743</u>     | <u>922</u>   | <u>969</u>     | <u>9,864</u>    |
| 10,872                                   | 9,707        | 13,144         | 13,254         | 9,686        | 8,842          | 9,963        | 10,496         | 119,755         |
| <u>310</u>                               | <u>300</u>   | <u>310</u>     | <u>310</u>     | <u>300</u>   | <u>310</u>     | <u>300</u>   | <u>310</u>     | <u>3,650</u>    |
| 11,182                                   | 10,007       | 13,454         | 13,564         | 9,986        | 9,152          | 10,263       | 10,806         | 123,405         |
| <u>233</u>                               | <u>225</u>   | <u>232</u>     | <u>233</u>     | <u>225</u>   | <u>232</u>     | <u>225</u>   | <u>232.5</u>   | <u>2,737.5</u>  |
| <u>0</u>                                 | <u>0</u>     | <u>0</u>       | <u>0</u>       | <u>0</u>     | <u>0</u>       | <u>0</u>     | <u>0</u>       | <u>0</u>        |
| 11,415                                   | 10,232       | 13,686         | 13,797         | 10,211       | 9,384          | 10,488       | 11,038.5       | 126,142.5       |
| <u>5,640</u>                             | <u>6,512</u> | <u>2,654.7</u> | <u>3,009.7</u> | <u>660.7</u> | <u>5,052.7</u> | <u>3,333</u> | <u>3,748.5</u> | <u>28,457.5</u> |
| 5,640                                    | 6,512        | 2,654          | 3,009          | 660          | 5,052          | 3,333        | 3,748.5        | 29,550          |
| 17,055                                   | 16,744       | 16,340         | 16,806         | 10,871       | 14,436         | 13,821       | 14,787         | 184,150         |
| 13,680                                   | 12,936       | 14,338         | 14,338         | 13,056       | 4,887          | 1,740        | 2,583          | 91,686          |
| <u>815</u>                               | <u>740</u>   | <u>872</u>     | <u>876</u>     | <u>773</u>   | <u>527</u>     | <u>499</u>   | <u>560</u>     | <u>7,654</u>    |
| 14,495                                   | 13,676       | 15,210         | 15,214         | 13,829       | 5,414          | 2,239        | 3,143          | 99,340          |
| 31,550                                   | 30,420       | 31,550         | 32,020         | 24,700       | 19,850         | 16,060       | 17,930         | 283,490         |
| facilities disregarding source of power: |              |                |                |              |                |              |                |                 |
| 17,292                                   | 15,717       | 18,489         | 18,592         | 16,392       | 11,175         | 10,579       | 11,889         | 162,360         |

mitted over Federal transmission facilities  
 loads exceed the Minidoka powerplant capability

Articles 11(d) and 13(a)(1).  
 ; Oct. 190.

Region I  
 Branch of Power Utilization  
 November 29, 1950

Exhibit B

Operating Plan for Boise River Reservoirs  
For Irrigation, Flood Control and Power  
(Interim Plan--Without Mountain Home Project)

The Bureau of Reclamation is completing construction on and will operate Anderson Ranch Reservoir and the Corps of Engineers plans to construct and operate Lucky Peak Reservoir. A coordinated plan of operation for these reservoirs together with existing Arrowrock Reservoir (herein referred to collectively as the reservoir system), and for the New York Canal diversion to Lake Lowell (Deer Flat Reservoir) and the Boise Project, is necessary to achieve the optimum multiple-purpose use of the combined total storage of 1,084,000 acre-feet. To attain this objective will require the close collaboration of the agencies operating the reservoir system. A plan of operation is set forth herein and the success thereof is contingent on its acceptance and approval by the Secretary of the Interior and the Secretary of the Army and, so far as it affects Anderson Ranch, Arrowrock, and Deer Flat Reservoirs, on its being agreed to by all entities having rights to storage in these reservoirs. To attain the maximum benefits from the reservoir system, the total capacity of 1,084,000 acre-feet will be utilized as follows: 101,000 acre-feet (75,000 acre-feet in Anderson Ranch Reservoir and 26,000 acre-feet in Lucky Peak Reservoir) will be reserved for dead storage and allocated exclusively to the production of power, maintenance of permanent pools for the preservation and propagation of fish and wildlife, and silt control; the remainder of the combined storage capacity in the amount of 983,000 acre-feet (418,000 acre-feet in Anderson Ranch,

285,000 acre-feet in Arrowrock, and 280,000 acre-feet in Lucky Peak Reservoirs) will be operated in the joint interests of irrigation and flood control governed by the best available forecasts of runoff.

Periodically during the period from January 1 to July 31 of each year on the basis of precipitation, temperature, snow survey and runoff data, the Bureau of Reclamation and the Corps of Engineers will determine the volume of runoff that may be expected in the drainage area tributary to the Boise River above Diversion Dam (approximately six miles southeast of Boise, Idaho). To the extent that such services can be arranged for by cooperative agreements, the forecasts will be made after consultation with the Reclamation Engineer of Idaho, or his authorized representative; and the Project Manager, Boise Project Board of Control, or his authorized representative. To facilitate the forecasting of runoff, arrangements will be made among the interested agencies and water users to expand the existing hydrologic network and to establish and operate continuously a system for the efficient assembling and analyzing of the basic data. Until such time as a better method of forecasting be devised, the forecasts of runoff will be based upon average snow-water content at index snow survey courses as determined from periodic snow surveys on or about January 1, February 1, March 1, April 1, and May 1, together with a relationship between weighted accumulated precipitation, mean temperature, and runoff.

To the end of accomplishing the optimum multiple-purpose use of the reservoir system, beginning with the first year it is put into operation,

the system will be operated, through close collaboration with all agencies concerned, on the basis of the forecasted runoff as nearly as practicable in accordance with the following plan:

1. For the purpose of rules and regulations to be prescribed by the Secretary of the Army under section 7 of the Flood Control Act of 1944 (58 Stat. 887, 890), the storage space allocated to flood control is defined as follows:

It is the combined reservoir space, which, using the governing forecast of flood runoff for the year, is required to control the forecasted flood volume, from the time in that year that the total natural inflow to the reservoir system exceeds the allowable release through the succeeding July 31, by releases from the reservoir system during that period such that the flow in the river channel below Diversion Dam will not exceed 6,500 second-feet, so far as this control can be accomplished with a total system capacity of 983,000 acre-feet together with the diversion to the New York Canal of an average of 1,365 second-feet during March and of 2,820 second-feet from April 1 through July. The governing forecast of flood volume

for each year is the forecast made as of the day the total natural inflow to the three reservoirs first exceeds the allowable releases.

The parameters shown on Plate I,<sup>1/</sup> empirically derived from floods of record, are enveloping curves of the storage requirements for various volumes of total forecasted runoff from any given date to July 31. The total reservoir capacity required to control a flood to a discharge of 6,500 second-feet (or less) past Diversion Dam is indicated by the ordinate of the parameter corresponding to the forecasted runoff on the date of the governing forecast.

2. During the period of each year from the date of the first forecast, about January 1, to the date of making the governing forecast for that year (approximately the middle of April) herein designated as the evacuation period, the reservoir system will be operated in such a manner that the reservoir levels as determined by the parameters on Plate I at the time total inflow to the reservoirs exceeds allowable releases can be attained with the minimum practicable rates and fluctuations of discharge. The rate of discharge during the evacuation period would be determined as follows:

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<sup>1/</sup> See footnote on page 8 of this exhibit B.

the combined total reservoir capacity required on or about April 15 (the date on which total inflows normally may be expected to exceed allowable releases) would be estimated by use of the parameters on Plate I and an April 15 forecast which would be derived by deducting probable minimum inflows for the intervening period from the date of periodic forecasts beginning on January 1. The reservoir capacities required thus estimated would comprise tentative allocations of flood control space at which to aim the evacuation procedure. The rate of discharge at Lucky Peak Reservoir then would be selected as that required to release the probable maximum inflow for the period between the date of forecast and April 15 plus the evacuation necessary to attain the required total reservoir capacity indicated by the latest tentative allocation.

3. The evacuation of the active capacity in the reservoirs will be made in the following order: first, from Lucky Peak, second, from Arrowrock, and last, from Anderson Ranch. Filling of these reservoirs shall follow this schedule in reverse order to the extent that water is available at each of the respective sites.

4. From the date of the governing forecast each year through July 31 of that year, herein designated as the filling period, the reservoirs will be operated in such a manner that the combined reservoir content shown on the parameter chart (Plate I) will be maintained but not exceeded, except when total storage above those capacities is required to limit the releases to allowable flows (as determined by downstream channel capacity and irrigation diversions) at Diversion Dam. However, when the forecasted runoff indicates extraordinary flood flows requiring storage capacity for flood control in excess of the total active storage capacity of the reservoir system (983,000 acre-feet) temporary releases at Lucky Peak in excess of the allowable flows may be required, but such releases will be made at a rate so as to minimize the peak rate of flow in the river channel below the Diversion Dam. The rate of such releases shall be specified by the Corps of Engineers after consultation with the Bureau of Reclamation.
5. All releases from the reservoir system, as herein provided, are subject to the condition that no releases will be made at rates or in a manner that would be inconsistent with whatever operating rules

and regulations are laid down by the Chief Engineer, Bureau of Reclamation, or the Chief of Engineers, Department of the Army, for the purpose of protecting from damage the dams and reservoirs being operated under his supervision.

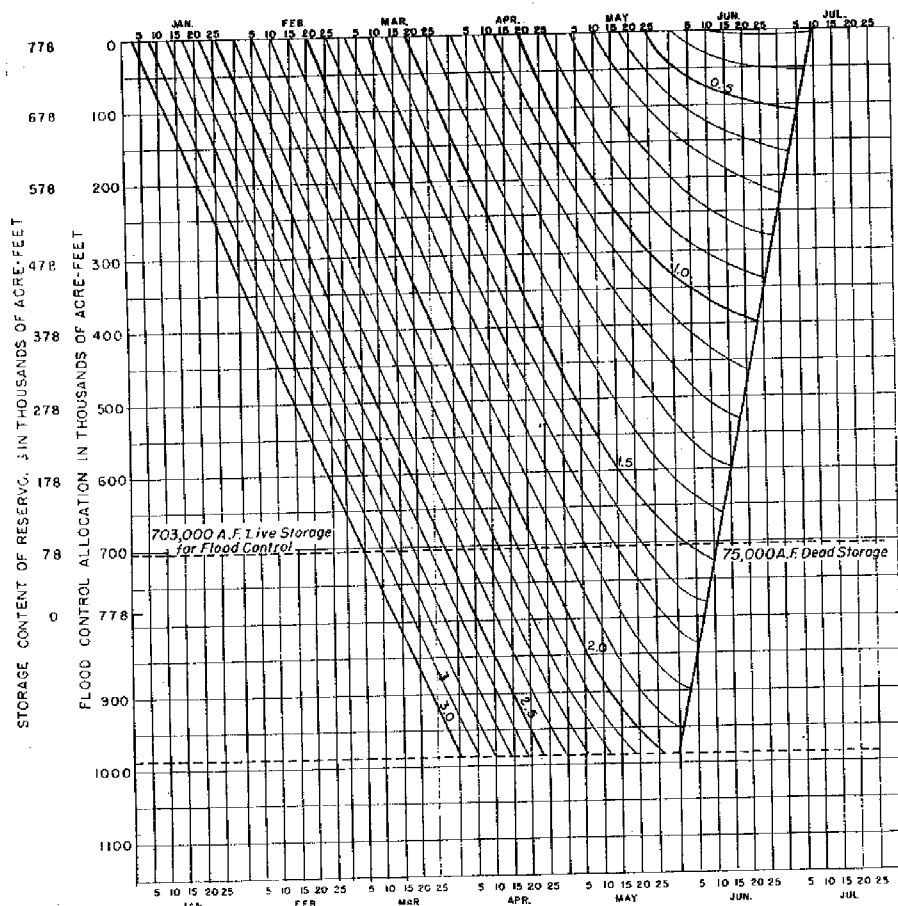
6. In order to enhance the recreational value of Lucky Peak Reservoir after recession of the flood each year that reservoir will be filled by transfer of water from Arrowrock storage, if not already full from flood water storage, and will be held full through September 7 each year except when Arrowrock Reservoir irrigation storage is exhausted prior to that date.

If operating experience indicates the desirability therefor or if justified by future improvements in downstream channel of the Boise River, the Secretary of the Interior and the Secretary of the Army may, after consultation with the Reclamation Engineer of Idaho or his authorized representative and the Project Manager, Boise Project Board of Control or his authorized representative, modify from time to time the operating plan herein described with respect to allowable releases and the amount of space allocated to flood control each year on the basis of advanced forecasts of runoff. However, no modification which would result in a substantial change in the control of floods herein stated to be the objective of the original operating plan shall be made without the concurrence of all entities having rights in the reservoir system.

Revisions of the rules and regulations prescribed under the Flood Control Act of 1944 will be made by the Secretary of the Army if, in his judgment, those are requisite because of such modifications in flood control space allocations.

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1/ Plate I shows the limiting flood control allocation in Anderson Ranch and Arrowrock as 703,000 acre-feet. With completion of Lucky Peak, this limitation would be raised to include also the live storage capacity of Lucky Peak Reservoir.



**NOTES:**

RESERVOIR CAPACITIES  
ALLOTTED FOR FLOOD CONTROL  
UNITS - 1,000 A.F.

|                | <u>LIVE</u> | <u>DEAD</u> | <u>TOTAL</u> |
|----------------|-------------|-------------|--------------|
| ANDERSON RANCH | 418         | 758         | 493          |
| SHROBROOK      | 285         | 0           | 285          |
| <u>TOTAL</u>   | <u>703</u>  | <u>75</u>   | <u>778</u>   |

\* Of this amount 5,000 kwh. are reserved as live storage for power.

Parameters are anticipated natural flood runoff of Boise River at diversion less the millions of acre-feet for the remainder of the period from any given date to July 31.

Storage reservation is based upon a release which would allow a maximum regulated flow at Lucky Peak Reservoir of 6,500 c.f.s. in January and February, 7,865 c.f.s. in March, and 4,100 c.f.s. in April to July.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF RECLAMATION  
BOISE PROJECT - IDAHO  
ALLOCATION OF FLOOD CONTROL SPACE

OPERATING ANDERSON RANCH AND ARROW ROCK  
RESERVOIRS DURING CONSTRUCTION OF  
LUCKY PEAK DAM AND RESERVOIR

BOISE, IDAHO

OCTOBER 19, 1950

Operating Criteria for the Utilization of  
Storage in Anderson Ranch and Cascade Reservoirs for  
Power Production

The Bureau of Reclamation is completing construction of: Anderson Ranch and Cascade reservoirs, two initial units of the Anderson Ranch powerplant, and modification of the Black Canyon dam and powerplant with a view to utilizing the storage for power production to the maximum degree consistent with its primary purpose of providing irrigation water. The following operating criteria have been developed for this purpose and especially to set adequately conservative limitations on such use of this storage as to obviate waste of water that might otherwise be storable for irrigation use.

Anderson Ranch Storage

In order to meet the estimated requirements of irrigation and other beneficial consumptive uses in the Boise Valley, having regard for existing natural flow rights and seeking efficient use of Anderson Ranch Reservoir by its coordination with Arrowrock and Lake Lowell reservoirs, water may be released from Anderson Ranch Reservoir for power production only within the following limitations:

1. Power production at the Anderson Ranch plant may be maintained at full rated capacity (27,000 kw) to the extent that head and water are sufficient for this purpose subsequent to the time the reservoirs attain their maximum content in the spring of a given year until September 30 of that year unless releases for this purpose would result in a reduction of Anderson

Ranch storage concurrently with spill of water from Arrowrock in excess of irrigation requirements.

2. Except as hereinafter provided, the release of water for power production will not be made from Anderson Ranch Reservoir when to do so would result in storage in Arrowrock Reservoir in excess of the following limiting values:<sup>1/</sup>

| <u>Date</u> | <u>Storage in Arrowrock</u><br><u>(Acre-Feet)</u> |
|-------------|---------------------------------------------------|
| October 1   | 207,000                                           |
| November 1  | 203,000                                           |
| December 1  | 170,000                                           |
| January 1   | 199,000                                           |
| February 1  | 224,000                                           |
| March 1     | 250,000                                           |
| April 1     | 264,000                                           |

or would result in a lesser amount in storage in Anderson Ranch Reservoir than is indicated as the minimum under the curves shown on plate 2.

3. Release of water for power production that will result in storage above the limiting values given in 2 above and release of water for power production between April 1 of a given year and the date Anderson Ranch and Arrowrock reservoirs attain their maximum content in that year will be permitted only when the least favorable forecast for

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<sup>1/</sup> These values represent the maximum allowable content of Arrowrock Reservoir for the dates shown which, after fulfillment of downstream requirements, would have permitted complete regulation of inflow below Anderson Ranch Reservoir and above Diversion Dam in any year of past record.

a given date for a given storage season of storable inflow at Anderson Ranch indicates that water will be spilled therefrom concurrently with spill from Arrowrock Reservoir, and only to the extent of the indicated spill. Until more satisfactory forecasting for this purpose is developed, the attached curves on plate 1 showing minimum storable flow at Anderson Ranch Reservoir in relation to forecast runoff for Boise River at Diversion Dam from date of forecast through July 31 will be used together with the best available forecasts of runoff for the latter point.

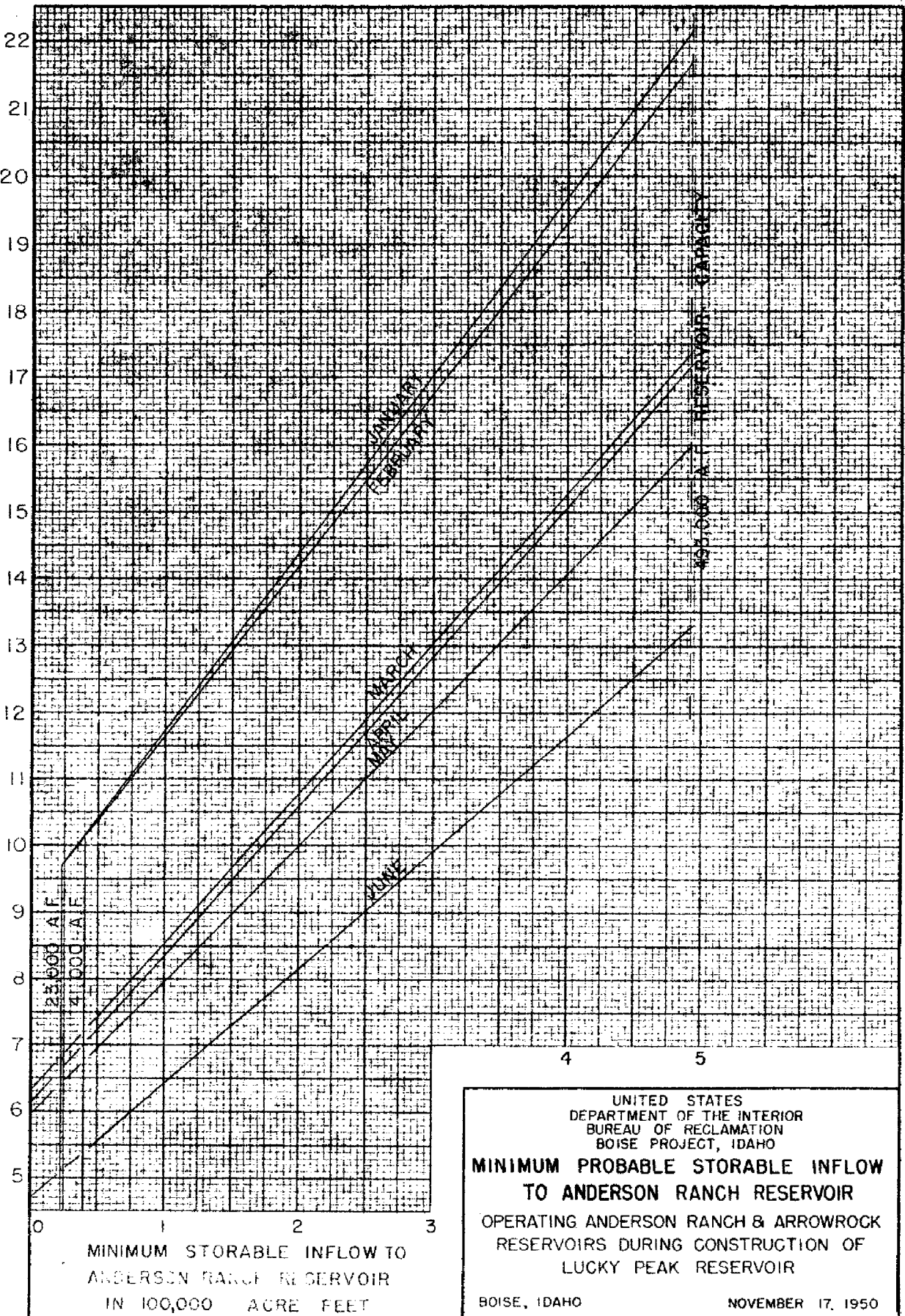
#### Cascade Reservoir Storage

Storage of water in Cascade Reservoir and release of water therefrom for the production of power at Black Canyon powerplant will be guided by the following criteria and subjected to the following limitations:

Negotiations are now in progress among the United States, the Black Canyon Irrigation District and other irrigation interests of the Payette River Basin to determine, by contract, the respective allocations of active storage space in Cascade and Deadwood reservoirs as among those interests and prospective irrigation developments outside the Payette River

Basin. Until allocations of space are concluded by contract, it is expected that the top 425,000 acre-feet of active capacity in Cascade Reservoir will be available for storage of water for power production, subject, however, to the rights of the United States to release such water for the production of power at any powerplant situated above the Black Canyon powerplant.

FORECASTED RUNOFF AT DIVERSION DAM, FIRST OF MONTH TO JULY 31, 100,000 ACRE FEET



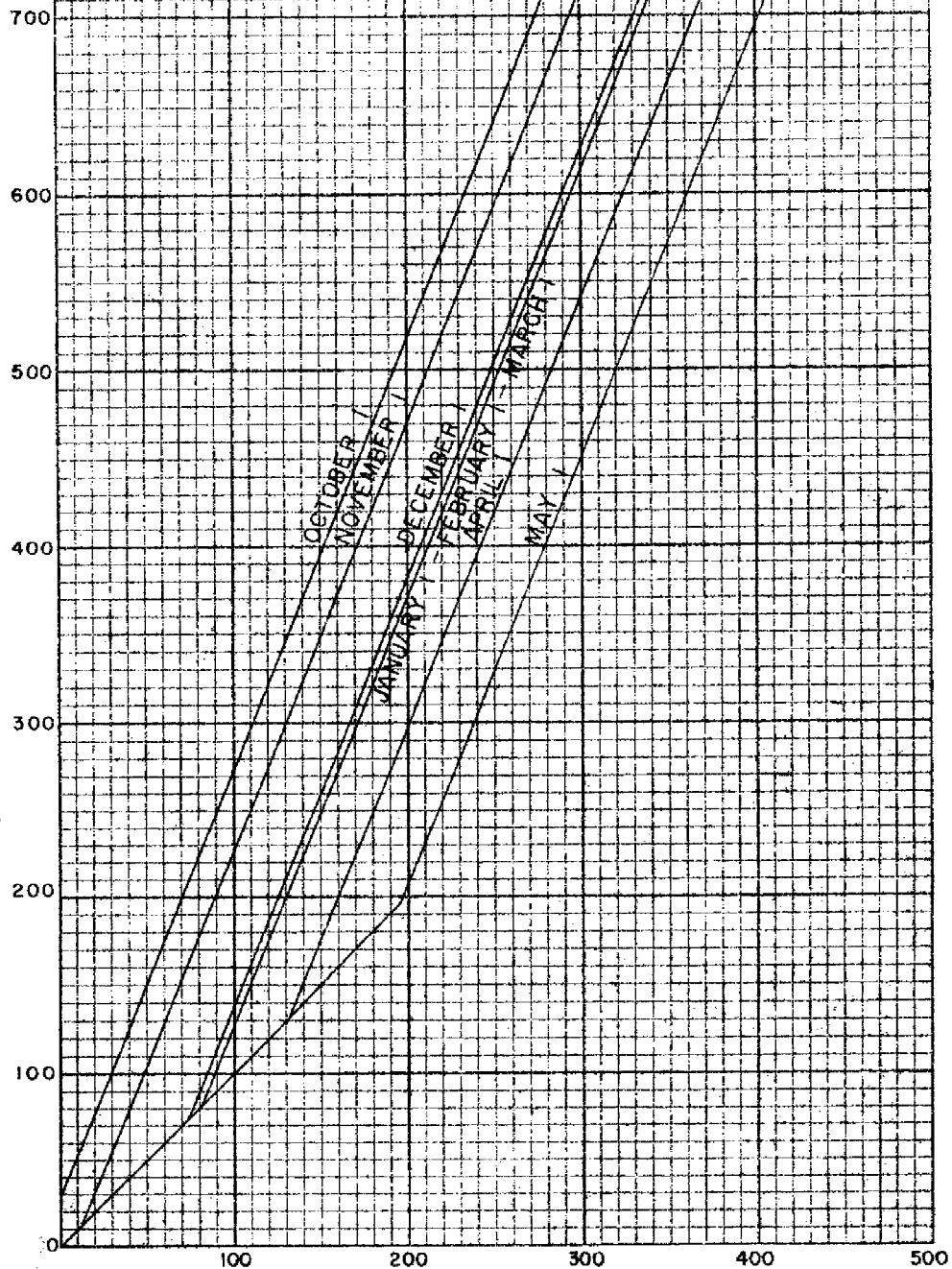
UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF RECLAMATION  
BOISE PROJECT, IDAHO

**MINIMUM PROBABLE STORABLE INFLOW  
TO ANDERSON RANCH RESERVOIR**

OPERATING ANDERSON RANCH & ARROWROCK  
RESERVOIRS DURING CONSTRUCTION OF  
LUCKY PEAK RESERVOIR

BOISE, IDAHO NOVEMBER 17, 1950

TOTAL RESERVOIR CONTENT -- 1,000 ACRE FEET  
(ANDERSON RANCH AND ARROWROCK)



MINIMUM ANDERSON RANCH  
RESERVOIR CONTENT  
1,000 ACRE FEET

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF RECLAMATION  
BOISE PROJECT, IDAHO

PROPORTION ANDERSON RANCH  
CONTENT TO THE TOTAL CONTENT  
OPERATING ANDERSON RANCH & ARROWROCK  
RESERVOIRS DURING CONSTRUCTION OF  
LUCKY PEAK RESERVOIR

BOISE, IDAHO

NOVEMBER 14, 1950

## Exhibit D

Existing Loads of United States and its  
Customers Requiring Service Over the  
Company's System, with Data as to Maximum  
Demand and Energy Requirements now Anticipated

| <u>Load</u>                                                                               | <u>May 1 to Sept. 30</u> |            | <u>Nov. 1 to Mar. 31</u> |            | <u>April &amp; October</u> |            |
|-------------------------------------------------------------------------------------------|--------------------------|------------|--------------------------|------------|----------------------------|------------|
|                                                                                           | <u>Max. KW</u>           | <u>MWH</u> | <u>Max. KW</u>           | <u>MWH</u> | <u>Max. KW</u>             | <u>MWH</u> |
| <u>Owyhee Project:</u>                                                                    |                          |            |                          |            |                            |            |
| Gem Pumping Plant .....                                                                   | 5,500                    | 16,008     | 80                       | 285        | 3,300                      | 1,707      |
| Dead Ox Pumping Plant ....                                                                | 2,200                    | 7,016      | 12                       | 28         | 1,320                      | 756        |
| Ontario-Nyssa and Owyhee<br>Ditch Pumping Plants,<br>Owyhee Dam and Delos<br>Foster ..... | 2,638                    | 4,637      | 147                      | 490        | 1,650                      | 609        |
| Advancement Pumping Plant                                                                 | 65                       | 181        | ---                      | ---        | 39                         | 19         |
| Malheur Siphon .....                                                                      | 8                        | 2          | 8                        | 2          | ---                        | ---        |
| Kingman Colony Pumping<br>Plant .....                                                     | 30                       | 115        | ---                      | ---        | 30                         | 23         |
| <u>Boise Project:</u>                                                                     |                          |            |                          |            |                            |            |
| Arrowrock Dam .....                                                                       | ---                      | ---        | 83                       | 116        | 70                         | 20         |
| Boise Diversion Dam .....                                                                 | ---                      | ---        | 56                       | 65         | 40                         | 11         |
| C-Line Relift Pumps .....                                                                 | 140                      | 384        | ---                      | ---        | 84                         | 40         |
| <u>Minidoka Project:</u>                                                                  |                          |            |                          |            |                            |            |
| American Falls Dam .....                                                                  | 50                       | 36         | 50                       | 49         | 50                         | 15         |
| Minidoka Power System,<br>including 10 wells on<br>North Side Pumping<br>Division .....   | 7,900                    | 18,134     | 12,700                   | 42,789     | 8,600                      | 9,754      |
| <u>Miscellaneous Loads:</u>                                                               |                          |            |                          |            |                            |            |
| Milner Low Lift Pumping<br>Plant .....                                                    | 2,000                    | 5,980      | ---                      | ---        | 1,200                      | 620        |
| Totals .....                                                                              | 20,531                   | 52,493     | 13,136                   | 43,824     | 16,383                     | 13,574     |
| Rounded Totals ...                                                                        | 20,500                   |            | 13,100                   |            | 16,400                     |            |

Loads at pumping plants are primarily irrigation pumping loads, with incidental uses in connection with the operation and maintenance of those plants.

Loads at dams are for construction and operation and maintenance activities at those dams and uses incidental thereto.

The Minidoka power system load comprises both irrigation pumping and a general commercial load.

The Boise and Owyhee project loads herein described are west of a north-south line through Glenns Ferry, Idaho, and the Minidoka Project and Milner Low Lift loads are east of it.

November 30, 1950

Method for Computing  
Transformer and Transmission Line Losses  
Anderson Ranch Powerplant to the  
138-kv Connection to I. P. Co. System at  
Mountain Home, Idaho

Tabulated below are computed losses which shall be taken into account in determination of power and energy transfers between the Anderson Ranch powerplant and the Idaho Power Company system. The tabulated amounts cover losses in (1) the Anderson Ranch 6900/460-volt station transformers, (2) the Anderson Ranch 6900/115,000-volt main unit transformers, (3) the Anderson Ranch-Mountain Home 115-kv transmission line, and (4) the Mountain Home 115,000/138,000-volt auto-transformers. Three operating conditions are treated in the tabulation defined by the number of generators being operated at the Anderson Ranch powerplant during the periods of measurement.

Computed Losses

| Metered Output<br>for Transmission<br>to Company<br><u>Kw or Kwhr/hour 1/</u> | Computed<br>Losses<br><u>Kw or Kwhr/hour</u> |
|-------------------------------------------------------------------------------|----------------------------------------------|
| Condition 1: No generators operating at Anderson Ranch                        |                                              |
| Negative                                                                      | 85                                           |
| Condition 2: One generator operating at Anderson Ranch                        |                                              |
| 2000 to 3999                                                                  | 95                                           |
| 4000 to 5999                                                                  | 110                                          |
| 6000 to 7999                                                                  | 130                                          |
| 8000 to 9999                                                                  | 155                                          |
| 10000 to 11999                                                                | 190                                          |
| 12000 to 13999                                                                | 225                                          |

Metered Output  
for Transmission  
to Company  
Kw or Kwhr/hour 1/

Computed  
Losses  
Kw or Kwhr/hour

Condition 3: Two generators operating at Anderson Ranch

|                |     |
|----------------|-----|
| 10000 to 11999 | 205 |
| 12000 to 13999 | 240 |
| 14000 to 15999 | 280 |
| 16000 to 17999 | 325 |
| 18000 to 19999 | 380 |
| 20000 to 21999 | 430 |
| 22000 to 23999 | 485 |
| 24000 to 25999 | 540 |
| 26000 to -     | 600 |

1/ Metered output for transmission to the Company is the sum of main generator meter readings minus the station service meter reading.

Determinations of losses shall be made each hour and shall be recorded in units of 100 kilowatt-hours; provided, however, that the entries each hour shall be made in such amounts as will keep the deviation from the true total within plus or minus 100 kilowatt-hours for each billing period.

5-9-1951 Supp Contract

IDAHO POWER COMPANY  
BOISE, IDAHO

Supplement to Contract  
Symbol & No. I74r-1506

May 9, 1951

Mr. H. T. Nelson, Regional Director  
Region 1  
U. S. Bureau of Reclamation  
Boise, Idaho

Contract Between Idaho Power Company and  
United States of America dated Dec. 15, 1950

Dear Mr. Nelson:

In accordance with your request and the informal discussions between representatives of both parties to the above contract, interpretation of sub-paragraph 11(c) of said contract, insofar as it affects the figures shown for the combined months of April and October only, in the tabulation designated as Exhibit D, shall be as follows:

- (a) The maximum demands for the six individual loads under the Owyhee Project, for the months of April and October, shall not exceed the amounts shown for such individual loads for the period of May to September, inclusive, provided, that this shall in no way affect the total figure of 16,400 kw shown at the bottom of this exhibit for the combined months of April and October.
- (b) The total energy requirements of the six loads, shown under the Owyhee Project in the last column of Exhibit D, may be considered as one load during the months of April and October, and as such be subject to the provisions set forth in the last sentence of sub-paragraph 11(c), and may be divided between these six users as desired by the United States. It is understood that this interpretation of the energy requirements of these loads shall in no way affect the total of 13,574,000 kwh provided for all of the United States' loads for these two months combined.

We are also agreeable to the making of minor plus-and-minus adjustments in that portion of Exhibit D relating to the Owyhee Project, so that the tabulation will be as follows:

| <u>Load</u>                                                                              | <u>May 1 to Sept. 30</u> |            | <u>Nov. 1 to Mar. 31</u> |            | <u>April &amp; October</u> |            |
|------------------------------------------------------------------------------------------|--------------------------|------------|--------------------------|------------|----------------------------|------------|
|                                                                                          | <u>Max. KW</u>           | <u>MWH</u> | <u>Max. KW</u>           | <u>MWH</u> | <u>Max. KW</u>             | <u>MWH</u> |
| <u>Owyhee Project:</u>                                                                   |                          |            |                          |            |                            |            |
| Gem Pumping Plant.....                                                                   | 5,500                    | 16,008     | 80                       | 285        | 3,300                      | 1,707      |
| Dead Ox Pumping Plant....                                                                | 2,200                    | 7,016      | 29                       | 68         | 1,320                      | 756        |
| Ontario-Nyssa and Owyhee<br>Ditch Pumping Plants,<br>Owyhee Dam and Delos<br>Foster..... | 2,635                    | 4,618      | 130                      | 450        | 1,650                      | 609        |
| Advancement Pumping Plant                                                                | 65                       | 200        | —                        | —          | 39                         | 19         |
| Malheur Siphon.....                                                                      | 8                        | 2          | 8                        | 2          | —                          | —          |
| Kingman Colony Pumping<br>Plant.....                                                     | 33                       | 115        | —                        | —          | 30                         | 23         |

If these arrangements meet with your understanding and approval, please so indicate in the space provided below, and the above interpretations will thereupon be effective until further notice.

Very truly yours,

/s/ A. C. Inman

A C Inman  
Secretary

fb

Approved: /s/ H. T. Nelson, effective as of April 1, 1951  
Regional Director, Region I  
U. S. Bureau of Reclamation

6-18-1952 Supp Contract

IDAHO POWER COMPANY  
Boise, Idaho

Supplement to Contract  
Sym. & No. I74r-1506

June 18, 1952

Mr H T Nelson, Regional Director  
Bureau of Reclamation  
Box 937  
Boise, Idaho

Dear Mr Nelson:

Reference is made to the request of the Milner Low Lift Irrigation District for an extension of its 1942 contract with the Bureau and to the understanding arrived at in our recent conferences concerning the District's request.

When the December 15, 1950 contract (No I74r-1506) between the Bureau and the Company was negotiated, the problem of power supply to the Milner District was recognized and provision was made under which the Bureau would supply the District power requirements under a new arrangement within the terms of the December 1950 contract. However, since the District now desires to continue to purchase power from the Minidoka power plant under an extension of approximately five years of your former agreement with it (limited to 2/5 of the power available from the Minidoka seventh unit) the Company will continue during the period of your proposed extension agreement, beginning at the commencement of the 1952 irrigation season, to supply the necessary transmission service to the District from the Minidoka power plant subject to the following operating arrangements and conditions:

1. Idaho Power Company will receive the power and energy provided for the Milner District (up to 2,000 kilowatts) at the 132-kv bus of the Government's Minidoka substation, for the account of the District. The amount of such energy shall be determined and computed from the readings on the meters as now installed at the District's pumps by dividing by 0.95. The maximum demand shall be the highest recorded maximum demand during the month involved (but not in excess of 1,900 kilowatts) divided by 0.95.

2. Idaho Power Company, under a separate agreement with the Milner District, will charge and receive from the District the sum of \$2,170 annually for transmission of power and energy from the Minidoka substation to the District's pumps (and will also supply the District's power requirements in excess of those hereinabove provided for). In view of this separate agreement, the United States is relieved during the term of such separate agreement of its obligation under the December 15, 1950 contract, to pay the Company (a) the distribution charge of 2.3 mills per kilowatt-hour provided for in subarticle 13(b)(3) of the December 15, 1950 contract, to the extent of the Milner District deliveries, and (b) the transmission charge of 1.5 mills per kilowatt-hour for energy delivered from the Minidoka power plant as set forth in paragraph 3 below.

3. The transmission charge of 1.5 mills per kilowatt-hour to be paid the Company under subarticle 13(b)(2) of the 1950 contract for transmitting power and energy eastward to (a) the Minidoka 132-kv substation, (b) the Milner District (as set forth in paragraph 1 above) and (c) the Government wells on the North Side Pumping Division of the Minidoka Project, will be based upon the hourly algebraic sums of the deliveries for these loads. The Minidoka power plant generation will be scheduled by the Company so as to supply the maximum energy possible, within the limits of the available water supply, for the Minidoka power system load and the loads of the Milner District and the aforesaid Government wells.

4. Inasmuch as the energy received by the Company at Minidoka substation for the account of the Milner District, over and above that delivered at the District pumps, as compensation for system losses as set forth in paragraph 1 above, duplicates an equal amount of energy furnished to the Company by the United States in compensation for system losses under the December 15, 1950 contract, the energy thus supplied by the United States will be considered as "additional secondary energy" purchased by the Company under subarticle 13(a)(4) of the 1950 contract.

If the arrangement outlined above is satisfactory to the Bureau, it is requested that you indicate your acceptance thereof by signing in the space provided in the lower left-hand corner of this letter and returning one of the duplicate copies to us for our files.

Very truly yours,

/s/ A. C. Inman

A C Inman  
Vice-President

ACI:mb

Arrangement set out above is acceptable  
to the Bureau of Reclamation.

By           /s/ H. T. Nelson            
Regional Director

6-14-1954 IDPCO to House of Reps Hamer Budge



IDAHO POWER COMPANY  
BOISE, IDAHO

REC'D JUN 14 1954

June 14, 1954

Honorable Hamer Budge  
House of Representatives  
Washington, D. C.

Dear Mr. Budge:

The Congressional Record for June 8, 1954, pages A4230-32, contains a reprint of a letter written by Mr. G. H. R. Taylor, a director of the National Hells Canyon Association. This organization is one of the parties to the proceeding now pending before the Federal Power Commission to determine the proper type of development of the Hells Canyon-Weiser reach of the Snake River for power and other multi-purpose uses. The letter discusses, and gives the views of Mr. Taylor concerning a number of matters which are before the Commission for its decision, and in addition comments on the construction of the American Falls Dam in southeastern Idaho by the Bureau of Reclamation.

Because the American Falls Dam has been a frequent subject of propaganda against the Idaho Power Company, I thought you would be interested in the attached memorandum concerning this project, and the contract of June 15, 1923, between the United States Government and the Idaho Power Company, in which the rights of the parties are set forth.

Contrary to the statements of Mr. Taylor, no condemnation of the Idaho Power Company's property at American Falls was necessary or involved, as all the numerous problems inherent in the construction of the project were settled by amicable negotiations between the Government, the irrigators and the company.

Very truly yours,

A. C. Inman  
Secretary

Attachment

REFERENCE

7. P. C.

Mud

MICROFILMED

U.S. - I.P.CO. Contract of June 15, 1923

American Falls Reservoir

The American Falls reservoir, constructed by the U. S. Bureau of Reclamation, was planned, financed, and is operated, primarily as an irrigation reservoir. Use of the water for power purposes has always been incidental and secondary.

Prior to the construction of the present reservoir, the Idaho Power Company owned and operated a dam and three power plants at American Falls. These plants provided the Company's entire power generation for the American Falls-Blackfoot-Pocatello area, and were a source of large potential development to serve the future power needs of southeastern Idaho.

The Power Company was preparing to enlarge its dam and generating stations to meet the rapidly growing power demand. Its plans included a storage reservoir which would not only make possible the installation of additional power capacity at American Falls to meet local needs, but also would have served to increase the firm capacity of its downstream plants at Shoshone, Lower Salmon and Swan Falls.

This was a period of rapid growth in southern Idaho, and the need for additional water for irrigation development was growing apace with the need for power. American Falls was selected by the Bureau of Reclamation as an ideal site for a large and economical reservoir for the storage of water for irrigation use, as contrasted with power purposes. The Power Company already owned much of the necessary lands and flooding easements, which it intended to use for its own reservoir development, and which otherwise would have had to be acquired by the Government by purchase or condemnation from the original owners. Negotiations were immediately started to acquire these properties from the Company, resulting in the contract of June 15, 1923, by which the construction of the present American Falls reservoir was made possible.

Under the contract with the United States, the Idaho Power Company transferred to the Government two of its American Falls power plants, and also all the lands and reservoir flooding easements which it had acquired for the proposed power and reservoir development. The Company retained its power plant and site on the south side of the river, a short distance downstream from the site of the Government dam.

Because of the loss of nearly one-half of its existing power plant capacity in southeastern Idaho, the Power Company was required to provide transmission facilities eastward across the state from its Thousand Springs power plant, including 80 miles of new high voltage line from Shoshone Falls to American Falls, at total cost of approximately \$914,000.

**MICROFILMED**

Although the contract provided for payment to the Company of \$1,000,000, a compromise figure arrived at after lengthy negotiations, the actual amount paid was \$965,000, due to prepayment credits provided for in the agreement. This was in full compensation not only for the two power plants, but also for all of the reservoir lands, water rights and flooding easements which were necessary for the reclamation development.

The negotiations leading up to the contract involved some two years of conferences of officials of the Bureau of Reclamation, the Idaho Power Company, local water-users organizations, and the State of Idaho. The Power Company (according to Mr F A Banks of the USBR) had originally placed a value upon its power plants, reservoir lands and other property of \$2,500,000 and asked for 80,000 acre-feet of primary storage in the American Falls reservoir (which has a total capacity of 1,700,000 acre-feet).

Instead, the Company finally received \$965,000 and 45,000 acre-feet of storage capacity in the reservoir, with 255,000 acre-feet of "secondary" storage space. The secondary space has no annual storage carry-over, as all rights to this space expire at the first filling of the reservoir each season, and in any event not later than June 10th. For the limited storage rights which it has in the reservoir, the Company pays the same proportionate charges as any other water user. The Company's rights under the contract are considerably less than the original continuous flow rights which the Company had for its American Falls operations and future development, which totaled 8,000 cubic feet per second of the flow of the river, in addition to its reservoir storage permit. Total 8,000 cfs

The agreement provides that the Power Company may use through its remaining power plant at American Falls any water released or wasted from the reservoir so long as this water is not used by any power plant constructed by the United States. The contract did not provide for the construction of any Government power plant or plants, nor does it contain any agreement or commitment by the Company as to any such plant. This subject was left entirely open pending future developments and conditions. The Company has never used any head developed by the American Falls dam, and any water released or wasted from the reservoir is simply free-flowing water, the use of which in no way conflicts with irrigation needs.

The terms of the contract were the result of lengthy conferences both in Idaho and Washington, D. C., in which representatives of the parties and water-users participated. Before formal presentation to the Idaho Power Company for signature, the United States required the approval of the Idaho State Board of Land Commissioners, which was obtained in October, 1921, and the contract was signed by the Company shortly thereafter. However, it was not until nearly two years later that other preliminary steps necessary to the construction of the dam were finally completed, and the contract was signed on behalf of the Government in June, 1923.

MICROFILMED

In the meantime, the terms of the agreement were fully publicized. The entire contract was published in both the Rupert and Twin Falls newspapers, and a full report on its provisions was prepared by a committee in southern Idaho, headed by W H Spence, of Kimberly; and published in the Twin Falls newspaper in 1922. Approval was expressed by various interested groups, and water-users, newspapers, chambers of commerce and other local civic organizations in southern Idaho became critical of the delay and urged that the dam be gotten underway. Eventually, other necessary arrangements for the project were completed, and the contract was signed by the Secretary of the Interior on June 15, 1923, with the result that the American Falls Reservoir, which has been so largely responsible for the development of southern Idaho, became a reality.

The criticism of the contract, and the payment made for the two power plants, dam, reservoir lands and other rights of the Power Company, is an unwarranted criticism of the officials of the Government and the Bureau of Reclamation. In the negotiations with the Company -- in addition to representatives of water-users' organizations and the State Engineer of the State of Idaho -- the Bureau of Reclamation was represented by A P Davis, Director; F E Weymouth, Chief Engineer; F A Banks, Engineer; B E Stoutemyer, District Counsel; and J M Gaylor, Electrical Engineer. The contract was considered by Reclamation officials as a highly successful negotiation, and this opinion was shared by numerous Idaho people who had worked so hard and so long to make the American Falls dam possible.

Incidentally, about three-fourths of the cost of the dam has already been repaid to the United States Government, in only about 25 years, which in itself is indicative of the economic value and success of this major reclamation development, one of the most successful projects ever constructed by the U S Bureau of Reclamation.

**MICROFILMED**

10-21-1954 Supp Contract

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF RECLAMATION

Boise and Minidoka Projects, Idaho

Supplemental Contract to Contract dated December 15, 1950, with Idaho Power Company, for Sale of Electric Power and Energy and for Service to Loads of the United States or its Customers.

THIS SUPPLEMENTAL CONTRACT, Made this 21st day of October, 1954, in pursuance of the Federal Reclamation Laws, between THE UNITED STATES OF AMERICA, hereinafter called the United States, represented by the officer executing this contract, his duly appointed successor, or his duly authorized representative, hereinafter called the contracting officer, and the IDAHO POWER COMPANY, a corporation duly organized and existing under and by virtue of the laws of the State of Maine, and authorized to do business in the State of Idaho, its successors and assigns, hereinafter called the Company,

WITNESSETH, THAT:

2. WHEREAS, the parties hereto entered into a contract dated December 15, 1950, Symbol and No. I74r-1506, as amended by Letter Supplement dated June 18, 1952, and by Supplemental Contract dated August 25, 1953, (herein called collectively the 1950 contract) which contract provides for the supply of power and energy over the Company's system to certain loads of the United States and its customers, and for the exchange and purchase of power and energy between the parties; and

3. WHEREAS, the customers of the United States, particularly on the Minidoka Project, but not limited thereto, require more power and energy during the irrigation season of each year than is presently available under the 1950 contract; and

4. WHEREAS, subarticle 13(c) of the 1950 contract provides that the parties thereto will negotiate contractual arrangements in the event of long term deficiencies of the type described in paragraphs 13(c)(1) and (2) of said 1950 contract; and

5. WHEREAS, the parties hereto have determined it desirable for operating purposes to make minor revisions in Exhibit E to the 1950 contract.

NOW, THEREFORE, in consideration of the mutual covenants herein set forth, the parties hereto agree as follows:

6. The first sentence of the last paragraph of subarticle 13(c) of the 1950 contract, which sentence begins on the eleventh line from the bottom of page 20 of said contract is amended to read as follows:

"The amount of reduction by reason of the deficiency under paragraph 13(c)(1) or the excess use under paragraph 13(c)(2) shall be a sum equal to the kilowatts of deficiency or excess each month times \$0.30 plus the kilowatthours of such deficiency or excess times \$0.005."

7. Exhibit E, revised April 1, 1954, attached hereto and made a part hereof, is substituted for Exhibit E attached to the 1950 contract.

8. This supplemental contract shall become effective as of April 1, 1954.

9. Except as herein modified, the provisions of the 1950 contract as amended shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be executed the day and year first above written.

THE UNITED STATES OF AMERICA

(Signed) Wm. H. Tuller

By Anthony Regional Director, Region I  
Bureau of Reclamation

IDAHO POWER COMPANY

By /s/ T. E. Roach  
President

(SEAL)

Attest:

/s/ A. C. Inman  
Secretary

C E R T I F I C A T E

I,       A. C. INMAN       , certify that I am the  
Secretary       of the Idaho Power Company, the corporation  
named as Company herein; that       T. E. ROACH       , who signed  
the above contract in behalf of said Company, was then its  
President       ; that said contract was duly signed for and  
in behalf of said Company by authority of its governing body and  
is within the scope of its corporate powers.

/s/ A. C. Inman

(SEAL)

Revised April 1, 1954 1/

Method for Computing  
Transformer and Transmission Line Losses  
Anderson Ranch Powerplant to the  
138-kv Connection to I. P. Co. System at  
Mountain Home, Idaho

Tabulated below are computed losses which shall be taken into account in determination of power and energy transfers between the Anderson Ranch Powerplant and the Idaho Power Company system. The tabulated amounts cover losses in (1) the Anderson Ranch 6900/460-volt station transformers, (2) the Anderson Ranch 6900/115,000-volt main unit transformers, (3) the Anderson Ranch-Mountain Home 115-kv transmission line, and (4) the Mountain Home 115,000/138,000-volt auto-transformers. Three operating conditions are treated in the tabulation defined by the number of generators being operated at the Anderson Ranch Powerplant during the periods of measurement.

Computed Losses

| Metered Output<br>for Transmission<br>to Company<br><u>Kw or Kwhr/hour 2/</u> | Computed<br>Losses<br><u>Kw or Kwhr/hour</u> |
|-------------------------------------------------------------------------------|----------------------------------------------|
| Condition 1: No generators operating at Anderson Ranch                        |                                              |
| Negative                                                                      | 85 <u>3/</u>                                 |

---

/ Footnotes to this exhibit appear at the end thereof.

---

Metered Output  
for Transmission  
to Company  
Kw or Kwhr/hour 2/

Computed  
Losses  
Kw or Kwhr/hour

Condition 2: One generator operating at Anderson Ranch

|                |     |
|----------------|-----|
| 2000 to 3999   | 95  |
| 4000 to 5999   | 110 |
| 6000 to 7999   | 130 |
| 8000 to 9999   | 155 |
| 10000 to 11999 | 190 |
| 12000 to 13999 | 225 |
| 14000 to 15999 | 265 |
| 16000 to -     | 310 |

Metered Output  
for Transmission  
to Company  
Kw or Kwhr/hour 2/

Computed  
Losses  
Kw or Kwhr/hour

Condition 3: Two generators operating at Anderson Ranch

|                |     |
|----------------|-----|
| 10000 to 11999 | 205 |
| 12000 to 13999 | 240 |
| 14000 to 15999 | 280 |
| 16000 to 17999 | 325 |
| 18000 to 19999 | 375 |
| 20000 to 21999 | 430 |
| 22000 to 23999 | 485 |
| 24000 to 25999 | 540 |
| 26000 to 27999 | 600 |
| 28000 to 29999 | 660 |
| 30000 to 31999 | 720 |
| 32000 to 33999 | 780 |
| 34000 to 35999 | 840 |
| 36000 to -     | 900 |

---

/ Footnotes to this exhibit appear at the end thereof.

Determinations of losses shall be made each hour and shall be recorded in units of 100 kilowatthours; provided, however, that the entries each hour shall be made in such amounts as will keep the deviation from the true total within plus or minus 100 kilowatthours for each billing period.

- 
- 1/ Revised to reflect full generating capability.
  - 2/ Metered output for transmission to the Company is the sum of main generator meter readings minus the local service meter reading and minus the Prairie Co-op meter reading.
  - 3/ Exclusive of Prairie Power Cooperative load.

## 1954 Memo Inman



# IDAHO POWER COMPANY

BOISE, IDAHO

REC'D JUN 14 1954

June 14, 1954

Honorable Hamer Budge  
House of Representatives  
Washington, D. C.

Dear Mr. Budge:

The Congressional Record for June 8, 1954, pages A4230-32, contains a reprint of a letter written by Mr. G. H. R. Taylor, a director of the National Hells Canyon Association. This organization is one of the parties to the proceeding now pending before the Federal Power Commission to determine the proper type of development of the Hells Canyon-Weiser reach of the Snake River for power and other multi-purpose uses. The letter discusses, and gives the views of Mr. Taylor concerning a number of matters which are before the Commission for its decision, and in addition comments on the construction of the American Falls Dam in southeastern Idaho by the Bureau of Reclamation.

Because the American Falls Dam has been a frequent subject of propaganda against the Idaho Power Company, I thought you would be interested in the attached memorandum concerning this project, and the contract of June 15, 1923, between the United States Government and the Idaho Power Company, in which the rights of the parties are set forth.

Contrary to the statements of Mr. Taylor, no condemnation of the Idaho Power Company's property at American Falls was necessary or involved, as all the numerous problems inherent in the construction of the project were settled by amicable negotiations between the Government, the irrigators and the company.

Very truly yours,

A. C. Inman  
Secretary

Attachment

FILE REFERENCE

*7. P. C. - Misc.*

**MICROFILMED**

U.S. - I.P.CO. Contract of June 15, 1923

American Falls Reservoir

The American Falls reservoir, constructed by the U. S. Bureau of Reclamation, was planned, financed, and is operated, primarily as an irrigation reservoir. Use of the water for power purposes has always been incidental and secondary.

Prior to the construction of the present reservoir, the Idaho Power Company owned and operated a dam and three power plants at American Falls. These plants provided the Company's entire power generation for the American Falls-Blackfoot-Pocatello area, and were a source of large potential development to serve the future power needs of southeastern Idaho.

The Power Company was preparing to enlarge its dam and generating stations to meet the rapidly growing power demand. Its plans included a storage reservoir which would not only make possible the installation of additional power capacity at American Falls to meet local needs, but also would have served to increase the firm capacity of its downstream plants at Shoshone, Lower Salmon and Swan Falls.

This was a period of rapid growth in southern Idaho, and the need for additional water for irrigation development was growing apace with the need for power. American Falls was selected by the Bureau of Reclamation as an ideal site for a large and economical reservoir for the storage of water for irrigation use, as contrasted with power purposes. The Power Company already owned much of the necessary lands and flooding easements, which it intended to use for its own reservoir development, and which otherwise would have had to be acquired by the Government by purchase or condemnation from the original owners. Negotiations were immediately started to acquire these properties from the Company, resulting in the contract of June 15, 1923, by which the construction of the present American Falls reservoir was made possible.

Under the contract with the United States, the Idaho Power Company transferred to the Government two of its American Falls power plants, and also all the lands and reservoir flooding easements which it had acquired for the proposed power and reservoir development. The Company retained its power plant and site on the south side of the river, a short distance downstream from the site of the Government dam.

Because of the loss of nearly one-half of its existing power plant capacity in southeastern Idaho, the Power Company was required to provide transmission facilities eastward across the state from its Thousand Springs power plant, including 80 miles of new high voltage line from Shoshone Falls to American Falls, at total cost of approximately \$914,000.

**MICROFILMED**

Although the contract provided for payment to the Company of \$1,000,000, a compromise figure arrived at after lengthy negotiations, the actual amount paid was \$965,000, due to prepayment credits provided for in the agreement. This was in full compensation not only for the two power plants, but also for all of the reservoir lands, water rights and flooding easements which were necessary for the reclamation development.

The negotiations leading up to the contract involved some two years of conferences of officials of the Bureau of Reclamation, the Idaho Power Company, local water-users organizations, and the State of Idaho. The Power Company (according to Mr F A Banks of the USBR) had originally placed a value upon its power plants, reservoir lands and other property of \$2,500,000 and asked for 80,000 acre-feet of primary storage in the American Falls reservoir (which has a total capacity of 1,700,000 acre-feet).

Instead, the Company finally received \$965,000 and 45,000 acre-feet of storage capacity in the reservoir, with 255,000 acre-feet of "secondary" storage space. The secondary space has no annual storage carry-over, as all rights to this space expire at the first filling of the reservoir each season, and in any event not later than June 10th. For the limited storage rights which it has in the reservoir, the Company pays the same proportionate charges as any other water user. The Company's rights under the contract are considerably less than the original continuous flow rights which the Company had for its American Falls operations and future development, which totaled 8,000 cubic feet per second of the flow of the river, in addition to its reservoir storage permit. Total  
8,000 cfs

The agreement provides that the Power Company may use through its remaining power plant at American Falls any water released or wasted from the reservoir so long as this water is not used by any power plant constructed by the United States. The contract did not provide for the construction of any Government power plant or plants, nor does it contain any agreement or commitment by the Company as to any such plant. This subject was left entirely open pending future developments and conditions. The Company has never used any head developed by the American Falls dam, and any water released or wasted from the reservoir is simply free-flowing water, the use of which in no way conflicts with irrigation needs.

The terms of the contract were the result of lengthy conferences both in Idaho and Washington, D. C., in which representatives of the parties and water-users participated. Before formal presentation to the Idaho Power Company for signature, the United States required the approval of the Idaho State Board of Land Commissioners, which was obtained in October, 1921, and the contract was signed by the Company shortly thereafter. However, it was not until nearly two years later that other preliminary steps necessary to the construction of the dam were finally completed, and the contract was signed on behalf of the Government in June, 1923.

MICROFILMED

In the meantime, the terms of the agreement were fully publicized. The entire contract was published in both the Rupert and Twin Falls newspapers, and a full report on its provisions was prepared by a committee in southern Idaho, headed by W H Spence, of Kimberly; and published in the Twin Falls newspaper in 1922. Approval was expressed by various interested groups, and water-users, newspapers, chambers of commerce and other local civic organizations in southern Idaho became critical of the delay and urged that the dam be gotten underway. Eventually, other necessary arrangements for the project were completed, and the contract was signed by the Secretary of the Interior on June 15, 1923, with the result that the American Falls Reservoir, which has been so largely responsible for the development of southern Idaho, became a reality.

The criticism of the contract, and the payment made for the two power plants, dam, reservoir lands and other rights of the Power Company, is an unwarranted criticism of the officials of the Government and the Bureau of Reclamation. In the negotiations with the Company -- in addition to representatives of water-users' organizations and the State Engineer of the State of Idaho -- the Bureau of Reclamation was represented by A P Davis, Director; F E Weymouth, Chief Engineer; F A Banks, Engineer; B E Stoutemyer, District Counsel; and J M Gaylor, Electrical Engineer. The contract was considered by Reclamation officials as a highly successful negotiation, and this opinion was shared by numerous Idaho people who had worked so hard and so long to make the American Falls dam possible.

Incidentally, about three-fourths of the cost of the dam has already been repaid to the United States Government, in only about 25 years, which in itself is indicative of the economic value and success of this major reclamation development, one of the most successful projects ever constructed by the U S Bureau of Reclamation.

# 7-00-1956 American Falls Powerplant Definite Plan Report

# **AMERICAN FALLS POWERPLANT**

Minidoka Project, Idaho

## **DEFINITE PLAN REPORT**

VOLUME 1

GENERAL PLAN

JULY 1956

93

## SUMMARY

### American Falls Powerplant, Idaho

LOCATION: Idaho, in Power County at American Falls.

AUTHORIZED: Public Law 864, 81st Congress, 2nd Session; approved September 30, 1950 with an expenditure limitation of \$6,600,000.

#### PLAN

The selected plan of development involves construction of a powerplant consisting of three 10,000-kilowatt units on the right bank of Snake River immediately below American Falls Dam. The powerplant will utilize water released to satisfy downstream irrigation and power rights and the power produced will be used to provide pumping energy needed on the Minidoka North Side and Michaud Flats Projects. The operation of the powerplant will be coordinated with the Palisades and Minidoka powerplants.

#### PHYSICAL FEATURES

##### American Falls Powerplant

|                                              |                               |
|----------------------------------------------|-------------------------------|
| Installed capacity (3 units at 10,000 kw.) - | 30,000 kw.                    |
| Powerhouse -                                 | 70 feet wide by 147 feet long |
| Operating head -                             | 50 to 107 feet                |

#### HYDROLOGY

American Falls Reservoir is operated in coordination with Jackson Lake, Island Park, Palisades and Lake Walcott Reservoirs to supply irrigation water to several hundred thousand acres of land in the upper Snake River Basin. Releases from American Falls Reservoir for irrigation downstream, power requirements and waste will be passed through the American Falls powerplant up to the capacity of the plant.

#### COSTS (Official Estimate dated April 20, 1956)

|                         |                    |
|-------------------------|--------------------|
| Powerplant              | \$8,291,000        |
| Switchyard              | 654,000            |
| Total construction cost | <u>\$8,945,000</u> |

#### BENEFITS, ALLOCATIONS AND REPAYMENT

|            | <u>Benefits</u><br><u>Annual</u> | <u>Cost</u><br><u>Allocation</u> | <u>Repayment</u> |
|------------|----------------------------------|----------------------------------|------------------|
| Power      | \$515,910                        | \$8,945,000                      | \$8,945,000      |
| Commercial | 0                                | 0                                | 0                |
| Irrigation | 515,910                          | 8,945,000                        | 8,945,000        |

## Summary - American Falls Powerplant, Idaho

The American Falls powerplant will be integrated financially with the Palisades powerplant for payout purposes. Under this plan all financial requirements of the two plants will be met 34 years after the installation of the last generating unit at Palisades.

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## CHAPTER III

### W A T E R   S U P P L Y

The need for conserving water for irrigation use has required the limiting of the water supply for power generation, particularly the supply for the proposed American Falls powerplant, to those flows that are incidental to the operation of the Snake River reservoir system for existing and proposed irrigation development and for satisfying domestic water rights. During years of low runoff, the flow at American Falls Dam will be completely regulated.

As described elsewhere in this report, the American Falls Dam is located just above the American Falls on the Snake River. Prior to construction of the dam, the Idaho Power Company had in operation a small powerplant below the falls on the east side of the river and owned also two other small plants, one on an island below the falls and the other on the west side of the river. When the United States constructed the American Falls Dam, it acquired from the company, among other properties and rights, the Island powerplant and the West Side plant and certain power and irrigation water rights with the intention to construct a 30,000-kilowatt powerplant on the west side of the river, also below the falls. These transactions with the company are covered by contract Ilr-733, dated June 15, 1923.

### CONTRACTS WITH IDAHO POWER COMPANY

Although license No. 4118 granted by the Commissioner of Reclamation, State of Idaho, with a priority date of March 30, 1921, gives the United States the right to store 1,800,000 acre-feet of water in American Falls Reservoir for domestic and irrigation purposes, the June 15, 1923 contract limits the flow available at American Falls for power production at that point by either the United States or the Idaho Power Company primarily to releases for irrigation, power, and domestic water rights downstream. The provisions of the contract dealing with division of power water rights between the company plant and the proposed United States plant are complex and guarded with many provisos and cross references. Hence, each situation requires careful analysis for proper interpretation of the contract. However, a general discussion in terms of usual operations will serve to develop a reasonably accurate but not precise description of the water rights.

In the contract, the company (1) reserved for its use certain water rights and (2) acquired, in addition, two storage rights in the American Falls Reservoir in order to have some control in the release of its water. In general, the company primary water right for the period April to October, inclusive, is a specific quantity of water each day. Also, the company may use through its plant

## Water Supply

any additional water released from American Falls Reservoir that is in excess of the primary right of the company plant and the secondary right of the United States plant.

During the period beginning October 1, each year, until the American Falls Reservoir first fills the succeeding year, the company has the right to use 300,000 acre-feet of water, of which 195,000 acre-feet must be used by April 1 and not more than 45,000 (primary storage) can be carried over beyond the time the reservoir first fills or beyond June 10, whichever occurs first. The 45,000 acre-feet must be released by the following November 15. If the company does not utilize the water in the quantities and within the times above stated, it relinquishes its rights to the unused water.

A further limitation operates to control releases of water for the company in the nonirrigation period in the form of a schedule of flows for stated periods, and it is this latter limitation that usually governs the amounts of water available for release through the company plants during the period October 1 through June 10 or until the reservoir fills.

The United States power water right during the period April 1 to October 31, inclusive, is expressed in terms of a limitation on the average daily generation. The quantity of water that may be used for power generation is also specified but is not the limiting factor. The United States water right during the period November to March, inclusive, is the right to generate such power and energy as is needed supplemental to the Minidoka powerplant generation to satisfy the requirements of a load at Minidoka having a 10,000-kilowatt half-hour peak. This winter right has priority over the company winter rights and, of course, requires that Minidoka make the most efficient use of water available to it for power generation.

### Contract No. Ilr-733, June 15, 1923

The various provisions of the June 15, 1923 contract between the United States and the Idaho Power Company, which are outlined above in general terms, are discussed in greater detail in the following paragraphs.

#### Rights Acquired by the United States

The United States, as against the Idaho Power Company, acquired the following water rights at American Falls:

- (a) Summer Power Right, April 1 to October 31  
(Secondary to Idaho Power Company Summer Right). A

## Water Supply

secondary right to that amount of water which will generate continuously for delivery from the generator bus bars in the Government power station at American Falls, 6,700 kilowatts beginning on April 1, increasing uniformly to 25,000 kilowatts on May 1 and to 30,000 kilowatts on June 1, continuing at that amount to August 15, inclusive, then decreasing uniformly to 25,000 kilowatts on September 15 and to 5,500 kilowatts on October 31. In no case, however, shall the water utilized under this power right exceed a daily average of 1,500 second-feet on April 1, increasing uniformly to 5,000 second-feet on May 1, and to 6,000 second-feet on June 1, continuing at that amount to September 15, inclusive, and decreasing uniformly to 1,500 second-feet on October 31.

(b) Winter Power Right, November 1 to March 31 (Primary to Idaho Power Company Winter Right). A primary right for developing not to exceed a half-hour peak of 10,000 kilowatts of power needed to supply the power demands and uses on the Minidoka Project and its proposed extensions. The United States shall secure all of this winter power at the Minidoka powerplant insofar as it is reasonably practicable to secure that power from the installed machinery at the Minidoka plant without releasing water which otherwise might be held for irrigation, generating at American Falls the balance, if any, of the amount required. The United States has the right to generate the full ten thousand kilowatts at its American Falls plant when the Minidoka plant is out of operation on account of enlargement, improvement, or repairs.

(c) Storage Rights. The primary right, as against the Idaho Power Company, to build, fill, and use 3,000,000 acre-feet of storage capacity, including the capacity of the American Falls Reservoir, anywhere on the Snake River, in addition to the storage capacity available in 1923 in Jackson Lake Reservoir and Lake Walcott. The United States, as against the Idaho Power Company, also has the right to store and use for irrigation and domestic purposes the water authorized to be used for the generation of the 10,000 kilowatts of winter power, and the water authorized to be used by the United States for generation of summer power, whenever the Secretary of the Interior shall decide such water is required for irrigation purposes.

### Rights Reserved by the Idaho Power Company

The Idaho Power Company specifically reserved the following water rights out of those conveyed to the United States under the terms of the 1923 contract:

(a) Summer Power Right, April 1 to October 31 (Primary to the United States Summer Right). The right to use

## Water Supply

for power production at American Falls the following amounts of water: 100 cubic feet per second beginning April 1, and increasing uniformly to 2,500 cubic feet per second on May 1 and continuing at that amount to September 15, inclusive, then decreasing uniformly to 100 second-feet on October 31.

(b) Additional Summer Power Right. A tertiary power right at American Falls to all additional water released, or wasted, from the reservoir, by the United States from April 1 to October 1, inclusive, over and above the amounts required to furnish the primary rights reserved by the company and the secondary rights granted to the United States. Records of flows past American Falls Dam in recent years indicate that the maximum controlled summer release is about 12,000 cubic feet per second. Since the existing irrigation developments below American Falls received a full supply of water in years of maximum controlled summer releases, and plans for future irrigation development using surface water of the Snake River below American Falls, are limited to the development of about 13,000 acres in the Minidoka Project, it is unlikely that the maximum release will be materially increased over that in the past. Of this maximum release about 6,000 cubic feet per second would accrue to the United States summer power right and about 6,000 cubic feet to the company under its primary and tertiary summer power rights. Since the Idaho Power Company's powerplant at American Falls (completed in 1927) has a hydraulic capacity of about 8,400 cubic feet per second, at normal head and normal tailwater, all of the company's right can be utilized for generation of power at its American Falls plant. River operation studies indicate that it will be necessary to waste limited amounts of water at American Falls during the summer period at infrequent intervals in addition to required releases. Under its tertiary summer right the Idaho Power Company is entitled to use such water up to the limits of installed capacity. The remaining wasted water is unappropriated and available for use by either party during such infrequent periods.

(c) Reserved Water Right. The right (for power development at American Falls and for power development below Milner Dam within limits discussed hereafter under Idaho Power Company Secondary Storage Right) to the first 300,000 acre-feet flowing into the American Falls reservoir after October 1 of each year and actually storable therein. Precedence, however, must be given to the release through the American Falls Dam of the amount of water, if any, required to satisfy the Government's winter power right. The water required to fill the 45,000 acre-feet of primary storage capacity conveyed to the Idaho Power Company by the United States and discussed hereafter is part of the above 300,000 acre-feet of water reserved

## Water Supply

by the company. The remaining 255,000 acre-feet of this reserved water is regulated in the Idaho Power Company's secondary storage space in American Falls Reservoir. Releases therefrom for the Idaho Power Company's use are limited to those required to maintain certain minimum flows below Milner Dam during the period October 1 to June 10 as discussed hereafter under the Idaho Power Company Secondary Storage Right. The company has no right to require the release of more than 300,000 acre-feet in any one year beginning October 1, in addition to the company's primary summer power rights and the hold-over in its 45,000 acre-feet of primary storage capacity.

(d) Power Right to Winter Waste. The right, as against the United States, to use for power purposes at American Falls water released, or wasted, between November 1 and March 31, in excess of the amount allowed the United States under the United States winter power and storage right granted by the contract. The contract provides that the Bureau of Reclamation shall determine the amount available for waste by assuming for a water year beginning October 1, 200,000 acre-feet less storable runoff than the lowest year of record at the time of such determination, and that such water as under this assumption is not necessary to provide 300,000 acre-feet for the company and to fill existing storage capacity, will be considered available for wasting. A storable runoff of about 1,050,000 acre-feet was recorded in 1934 and is the minimum of record. The contract provides that available waste shall be released as nearly uniformly as practicable so as to make it available for beneficial use for power development.

### Storage Rights Granted the Idaho Power Company

The United States granted to the Idaho Power Company the following rights to use of space in American Falls Reservoir:

(a) Primary Storage Capacity. The right to perpetual use of 45,000 acre-feet of storage capacity in American Falls Reservoir to regulate its reserved water within the limitations of the contract. The company has the privilege of holding after October 1 and until November 15 of each year, any water which it may have in its primary storage capacity of 45,000 acre-feet, but the company's right to such water expires on November 15.

(b) Secondary Storage Capacity. A secondary right between October 1 and June 10 to use not to exceed 255,000 acre-feet of storage capacity in American Falls Reservoir, when such capacity is not then required and not being used by the

## Water Supply

owners of irrigation storage rights. This secondary right to storage capacity was granted the company for the purpose of regulating and controlling the water reserved to the company under their reserved water right of 300,000 acre-feet during the winter and spring months. However, the right to use any part of this 255,000 acre-feet of storage capacity and to any water stored therein is relinquished as soon as the reservoir is first filled each year, and further, the company releases on April 1 of each year all right and claim to such capacity and water stored therein, except 60,000 acre-feet, and releases all right and claim to the remainder, if any, on June 10 each year.

(c) Summer Regulation of 5,000 Acre-Feet. The company has the right to accumulate from time to time, in storage capacity that would otherwise be unused in the American Falls Reservoir, out of the amounts of water to which it is entitled under its primary summer power right, an amount not exceeding 5,000 acre-feet, and use the same as desired, except that after the reservoir has been filled in any year, the company shall be entitled to only that part of the 5,000 acre-feet accumulated after the filling of the reservoir. The company must release, upon demand by the United States, such portion of the 5,000 acre-feet as the company may have accumulated, whenever the available stored water in the American Falls Reservoir to which the present Minidoka Project and extensions thereof diverting from Lake Walcott are entitled, amounts to less than 5,000 acre-feet, and in any event, the company has no claim to any part of the 5,000 acre-feet of accumulated water remaining after September 30.

(d) Rights below Milner Dam. The right to demand the release of water from the American Falls Reservoir, for release by and use below Milner Dam, is limited to the 45,000 acre-feet of primary storage rights described above, and to such portion of the 255,000 acre-feet of secondary storage rights described above, as is needed for beneficial use for power development at Shoshone Falls or Twin Falls. The releases of secondary storage must be limited so as not to exceed the amounts necessary to make the total flow at the Idaho Power Company Twin Falls powerplant:

- 690 second-feet - October 1 to November 30, inclusive
- 790 second-feet - December 1 to January 31, inclusive
- 690 second-feet - February 1 to February 12, inclusive
- 590 second-feet - February 13 to April 15, inclusive
- 690 second-feet - April 16 to June 10, inclusive

These releases must be made from American Falls Reservoir in such a way that the required flow can be maintained at Twin

## Water Supply

Falls by the utilization of not to exceed 3,000 acre-feet of storage capacity in Lake Walcott. These operations do not in any way abridge the company's right to require the release from the American Falls Reservoir and have passed by Milner Dam, at any time, any part of its 45,000 acre-feet of primary storage.

### Contract No. Ilr-801 - October 1, 1934

Because of a series of dry years which occurred during the early 1930's, the June 15, 1923 contract was further modified by a new contract between the United States and the Idaho Power Company, dated October 1, 1934, Symbol and No. Ilr-801. The objective sought in the October 1, 1934 contract was to curtail the winter release of water by the company at American Falls Dam and to permit the storage of the saved water for irrigation purposes. Releases from American Falls Reservoir, to satisfy Idaho Power Company rights, were made under the terms of the October 1, 1934 contract until December 16, 1950, the effective date of a new contract, Symbol and No. Il74r-1506, which terminated the October 1, 1934 contract, thus restoring on December 16, 1950, the conditions of the June 15, 1923 contract as regards the water rights of the Idaho Power Company and the United States.

The 1934 contract provided a primary storage right of about 45,000 acre-feet for Island Park Reservoir in addition to the more substantial benefits which accrued to the American Falls Reservoir. Section I of the 1934 contract included the following statement: "It is agreed that the water conserved and made available by the terms of this agreement is for storage in the American Falls Reservoir, except the water saved by the company's release of the right to have water discharged over Milner Dam which water may be stored in Island Park or Teton reservoirs if built, and is in lieu of water that would otherwise be conserved and so stored by construction of the said generating unit at American Falls Reservoir and shall inure to the benefit of all parties interested in American Falls Reservoir in like manner and extent." The estimated average annual saving during the 1930-34 period resulting from the reduction in releases past Milner Dam for the company is 45,000 acre-feet. During the life of the 1934 contract this saving was credited toward filling Island Park Reservoir each year. Provision of a similar storage right for Island Park Reservoir has been incorporated in contracts with the Snake River water users regarding the sale of the reserved space in American Falls Reservoir and the space in Palisades Reservoir.

## Water Supply

### MINIDOKA POWER RIGHT

The Foster Decree of June 20, 1931, recognizes two power rights at Minidoka Dam for a total flow of 2,700 cubic feet per second. The amounts and priority dates are as follows: 2,500 cubic feet per second, June 15, 1909, and 200 cubic feet per second, July 1, 1912. During periods of low runoff, operation of American Falls Reservoir for the purpose of maintaining flows at the Power Company's Twin Falls plant at the minimum flows provided in the contract of June 15, 1923 and meeting the minimum requirements of canals diverting below American Falls has the effect of precluding the full use of the power rights at Minidoka Dam during the months October through March. It is planned to offset this decrease by generation at the proposed United States powerplant at American Falls. In the case of Burley Irrigation District v. Ickes (116 Fed. 2d, 529), the court ruled that the United States, acting through the Secretary of the Interior, as the holder of title to the powerplant and the related water right, with the right to manage, control and operate the works, could curtail power production at Minidoka Dam and that, when curtailment was part of a program to save water for irrigation (with at least incidental benefit to the Burley Irrigation District), the action could not be attacked as arbitrary. Since water savings from such curtailment accrue primarily to water users other than the Burley and Minidoka Irrigation Districts, the curtailment is conditioned on reasonable compensation being made to the Minidoka powerplant.

### STREAM REGULATION AND STORAGE

An engineering determination of the amount of water available for power production at the proposed American Falls powerplant must take into account the many diverse and interrelated factors governing the administration and use of the surface flow of the upper Snake River. Foremost among these is the multitude of natural flow and storage rights which have been adjudicated by the courts over the past four decades and which now serve as a basis for distributing the available water supply. The effect of future irrigation and power developments and of the 1923 contract with the Idaho Power Company must also be considered.

A comprehensive study of the operation of the upper Snake River system since 1918 was made by the Bureau of Reclamation for the purpose of determining, first, where winter diversions could be economically eliminated; second, the most feasible means of eliminating such diversions; and third, the best use of water so conserved and thus made available for storage. Results of this study, which was begun in 1942, were published in October 1946 in Project

## Water Supply

Planning Report No. 1-5.17-1, "Water Supply for Palisades Reservoir Project." This report is the basis for subsequent agreements with the water users as to the extent of the winter water saving program to be carried out when Palisades Reservoir is placed in operation and as to the allocation of the reserved irrigation space in American Falls Reservoir between existing and new land projects.

### River Operation Studies

The original operation studies in the above report were revised to reflect the terms of the current agreements with the water users regarding winter water saving and the allotment of the reserved irrigation space in American Falls Reservoir and to reflect the terms of the June 15, 1923 contract with the Idaho Power Company. In line with current plans Palisades Reservoir was operated on a forecast basis and American Falls Reservoir was operated on the basis of a rule curve in order to increase the winter power production at Minidoka. The basic data on streamflow, diversion requirements, and river gains and losses used in the revised studies are the same as used in the original studies, except that the period of study was changed from 1919-1942 to 1928-1953. The important criteria and assumptions used in the revised study are summarized as follows:

#### Study Period

The study was confined to the period October 1, 1927 through September 30, 1953. Reservoir contents at the beginning of the period were estimated on the basis of previous studies. The study period includes one average wet cycle and the driest cycle since about 1870, the earliest date for which any precipitation records are available for Idaho.

#### Irrigated Areas

All existing irrigation projects diverting from the Snake River or its tributaries, above Milner Dam were included. Two new land projects, Unit A, North Side Pumping Division, Minidoka Project, and the Michaud Flats Project, were included. Unit A includes an irrigable area of 13,650 acres as discussed in Project Planning Report No. 1-5.53.1-1 dated April 1949. The area included in the Michaud Flats Project is limited by the allotment of American Falls storage space. Sufficient area will be developed to utilize the water available under the storage allotment in American Falls Reservoir supplemented by Palisades storage. This water supply will be delivered by pumping from American Falls Reservoir.

## Water Supply

### Irrigation Requirements

Requirements for existing projects are the same as used in the original studies. Records of past diversions were used except during periods of shortage which were adjusted to provide a full supply of irrigation water. Estimated annual requirements of 56,000 acre-feet and 170,000 acre-feet, respectively, were used for Unit A, North Side Pumping Division, Minidoka Project and for the Michaud Project.

### Domestic Requirements

Domestic requirements during summer are included as part of the irrigation requirement. Winter diversions were limited to the recorded diversions to the South Side Twin Falls Canal and to the North Side Twin Falls Canal, plus a stock water run of 5,000 acre-feet for the Milner-Gooding Canal. Winter diversions (October-March) by the North Side Twin Falls Canal in excess of 126,000 acre-feet were charged to storage owned by that company in years when American Falls Reservoir failed to fill.

### Power Requirements

The only set power requirement included in the study is that at Milner Dam for downstream Idaho Power Company plants. Power production at Palisades, American Falls, and Minidoka was considered as incidental to the operation for irrigation and domestic water. Required releases for the Idaho Power Company's plants below Milner Dam were computed on the basis of the 1923 contract. The company's 45,000 acre-feet of primary storage capacity in American Falls Reservoir was assumed to fill each year and the water was released in line with past use of this water by the company. The company's secondary storage water was released to maintain specified minimum flows at Twin Falls during the period October 1 through June 10 as required by the 1923 contract, as shown below. The required minimum flows at Twin Falls are as follows except in years when American Falls Reservoir fills prior to June 10. The company has no right to secondary storage water after the reservoir first fills each year.

October 1 - November 30 - 690 cubic feet per second  
December 1 - January 31 - 790 cubic feet per second  
February 1 - February 12 - 690 cubic feet per second  
February 13 - April 15 - 590 cubic feet per second  
April 16 - June 10 - 690 cubic feet per second

### Henrys Fork Operations

A separate operation study for existing projects and reservoirs on the Henrys Fork River was made to determine the inflow to the Snake River from the Henrys Fork as modified by changed conditions

## Water Supply

since 1927. Changes over past operation of that system since 1940 are slight, being limited to a slight increase in supply which results from the coordinated operation of all reservoirs in the Henrys Fork River and the Snake River systems. The major change prior to 1940 resulted from extending the operation of Island Park and Grassy Lake Reservoirs back to 1927. Natural flows of the Henrys Fork, bypassed to those Snake River natural flow rights, which are senior to the Henrys Fork natural flow rights, are the same as recorded in the past. All reservoirs were operated on a holdover basis and storage water was shifted to and maintained as long as possible in the farthest upstream reservoirs in order to obtain a maximum amount of holdover storage for use in dry years. Water was stored adversely to downstream natural flow and storage rights and was released only as necessary to avoid shortages downstream after all downstream storage had been utilized.

### Available Water

The modified flow of the Henrys Fork River at its mouth, as shown by the operation study of that river system, and the computed natural flow of Snake River where it emerges on the Snake River Plain near Heise, Idaho, were used as the original water supply available for regulation and use in the upper Snake River Valley.

### Winter Water Saving

The winter water saving program, assumed to be in effect, was confined to the elimination of winter operation of canals above American Falls Reservoir and to the limiting of winter diversions of natural flow by the North Side Canal Company to 126,000 acre-feet annually in years when American Falls Reservoir fails to fill. It was assumed that the canals serving the Minidoka Project will continue to be shut off in the future as they have been in recent years. Winter diversions to the South Side Twin Falls Project were assumed to be the same as recorded in the past. The estimated winter saving of 135,000 acre-feet was assumed to be stored in Palisades Reservoir to the credit of the upper valley canals making the saving.

### Jackson Lake Reservoir

It was assumed that no irrigation water would be drawn from this reservoir until all of Palisades irrigation storage had been completely used, except in years when a water shortage is forecast. Holdover privileges would be granted in Jackson Lake Reservoir. The storage content of this reservoir was limited to 647,000 acre-feet during the December through April period to protect the dam from ice damage. Special storage releases were made in October and November when necessary to meet this limitation.

## Water Supply

### Palisades Reservoir

The active capacity of 1,200,000 acre-feet in Palisades Reservoir was operated jointly for irrigation, flood control, and power. This reservoir was operated on a forecast basis in accordance with a tentative agreement between the Corps of Engineers and the Bureau of Reclamation. The 135,000 acre-feet of winter water saved in the upper valley was assumed to be stored in Palisades Reservoir to the credit of the upper valley canals. The bottom 200,000 acre-feet of space in Palisades Reservoir was reserved as dead storage to maintain a minimum power head. Irrigation releases from Palisades Reservoir were limited to those needed to supply the upper valley as long as irrigation storage was available in American Falls Reservoir.

### Palisades Powerplant

The operation of the Palisades powerplant is entirely incidental to the operation of Palisades Reservoir for irrigation and flood control. Winter releases from this reservoir, required to fill the prior storage right of American Falls Reservoir, permit the generation of about 16,000 kilowatts of firm power. During the peak of the irrigation season and when storage is being evacuated for flood control, the plant could be operated at its rated capacity (114,000 kilowatts).

### American Falls Reservoir

The inflow to American Falls Reservoir under future conditions was obtained by adjusting the recorded inflow to reflect the anticipated changes in water uses resulting from the operation of Palisades Reservoir and elimination of winter diversions. Using this modified inflow, American Falls Reservoir was operated to meet the anticipated water requirements downstream for irrigation, domestic, and power purposes. During the winter period, October through March, this reservoir was operated on a rule curve basis in order to increase and make more uniform the power production at the Government's Minidoka powerplant.

### American Falls Powerplant

No water was released past American Falls specifically for power production at the proposed American Falls powerplant. The division of the incidental flow at this point between the Government's proposed powerplant and the existing Idaho Power Company plant at American Falls was computed on the basis of the 1923 contract between the United States and the Idaho Power Company. However, in the interest of optimum power production, all of the flows were utilized through the proposed American Falls powerplant

## Water Supply

to the limit of its capacity and the Idaho Power Company plant was credited with the production which it could have achieved using water according to its right under the 1923 contract. Water in excess of plant capacity would be utilized through the Idaho Power Company plant to the extent of its capacity or as required to meet load. Water available for power production was determined by storage content rule curves for the four reservoirs (Jackson Lake, Palisades, American Falls and Lake Walcott) for the months October through December and on the basis of forecasted storable flow for the months January through April. In years of adequate irrigation supplies, the proposed American Falls powerplant was normally operated at the installed capacity of 30,000 kilowatts during the peak of the irrigation season when flows past American Falls Dam are high.

### Lake Walcott

The total active capacity of Lake Walcott is about 95,000 acre-feet; however, it was assumed that the normal drawdown would be limited to 55,000 acre-feet in order to maintain a higher effective head for power production at the Minidoka powerplant. In extremely dry years, a total drawdown of 80,000 acre-feet was assumed. Use of the remaining 15,000 acre-feet of storage is impracticable, since it seriously interferes with diversions by canals diverting from this reservoir.

### Minidoka Powerplant

In order to conserve water for irrigation use, the water supply for this powerplant was assumed to be limited to irrigation and power releases necessary to meet requirements below Minidoka Dam and to spills from American Falls Reservoir. Operation of American Falls Reservoir on the basis of a rule curve permits the release of anticipated minimum spills during the winter months in some years and increases the power production at Minidoka. In some years, however, the basic power right of 2,700 cubic feet per second at Minidoka was curtailed in order to conserve water for irrigation uses. It is planned to make up this loss from power generated at the proposed American Falls powerplant. It was assumed that the incidental flow past Minidoka Dam will be utilized to the maximum extent practicable for generation of power at the Minidoka powerplant. The installed capacity of this plant is 13,400 kilowatts.

### Allocation of Reserved Space, American Falls Reservoir

It was assumed that 315,000 acre-feet of the 433,000 acre-feet of unsold space in American Falls Reservoir would be allotted to existing projects and that the remaining 118,000 acre-feet would be allotted to new lands. Of the allotment to new land, 47,000 acre-feet were allotted to Unit A, North Side Pumping Division, Minidoka

## Water Supply

Project and 71,000 acre-feet to the Michaud Flats Project. It was assumed that the water supply for the latter area would be delivered by pumping from American Falls Reservoir.

### Available Water Supply, American Falls Powerplant

The revised river operation study discussed in the preceding paragraphs reflects expected future conditions. The estimated monthly runoff past American Falls Dam under future conditions of development and with streamflow similar to that of the 1928-1953 period is given in table A.

Table A.--Total flow past American Falls Dam  
(Based on 1923 contract)

| Year | (Units of 1,000 Acre-Feet) |     |     |     |     |     |       |       |     |     |     |     |       | Total |
|------|----------------------------|-----|-----|-----|-----|-----|-------|-------|-----|-----|-----|-----|-------|-------|
|      | O                          | N   | D   | J   | F   | M   | A     | M     | J   | J   | A   | S   |       |       |
| 1928 | 392                        | 282 | 364 | 579 | 572 | 509 | 1,147 | 1,172 | 687 | 683 | 700 | 423 | 7,510 |       |
| 29   | 236                        | 147 | 161 | 130 | 142 | 437 | 497   | 923   | 625 | 702 | 693 | 387 | 5,080 |       |
| 1930 | 171                        | 30  | 82  | 76  | 53  | 194 | 498   | 459   | 630 | 703 | 709 | 405 | 4,010 |       |
| 31   | 148                        | 86  | 84  | 83  | 59  | 124 | 293   | 645   | 667 | 751 | 711 | 428 | 4,079 |       |
| 32   | 218                        | 91  | 86  | 87  | 72  | 92  | 214   | 584   | 590 | 721 | 715 | 459 | 3,929 |       |
| 33   | 181                        | 75  | 78  | 76  | 58  | 78  | 286   | 587   | 676 | 710 | 744 | 448 | 3,997 |       |
| 34   | 208                        | 78  | 87  | 88  | 67  | 141 | 254   | 494   | 400 | 490 | 237 | 191 | 2,735 |       |
| 35   | 219                        | 97  | 54  | 74  | 47  | 83  | 177   | 594   | 660 | 601 | 490 | 330 | 3,426 |       |
| 36   | 213                        | 65  | 76  | 59  | 15  | 64  | 207   | 722   | 610 | 702 | 695 | 390 | 3,818 |       |
| 37   | 185                        | 56  | 65  | 75  | 44  | 86  | 180   | 628   | 590 | 738 | 706 | 384 | 3,737 |       |
| 38   | 191                        | 49  | 67  | 69  | 53  | 88  | 216   | 623   | 613 | 634 | 702 | 448 | 3,753 |       |
| 39   | 167                        | 60  | 125 | 156 | 141 | 232 | 613   | 648   | 609 | 708 | 709 | 397 | 4,565 |       |
| 1940 | 169                        | 60  | 76  | 66  | 43  | 79  | 237   | 656   | 666 | 709 | 704 | 389 | 3,854 |       |
| 41   | 131                        | 56  | 64  | 65  | 45  | 85  | 255   | 666   | 577 | 693 | 693 | 375 | 3,705 |       |
| 42   | 130                        | 33  | 60  | 90  | 55  | 86  | 252   | 541   | 597 | 727 | 722 | 415 | 3,708 |       |
| 43   | 194                        | 60  | 56  | 281 | 256 | 311 | 1,241 | 888   | 731 | 707 | 722 | 427 | 5,874 |       |
| 44   | 336                        | 156 | 160 | 107 | 355 | 424 | 476   | 533   | 817 | 723 | 712 | 433 | 5,232 |       |
| 45   | 198                        | 62  | 67  | 164 | 141 | 186 | 436   | 766   | 825 | 705 | 714 | 398 | 4,662 |       |
| 46   | 358                        | 152 | 168 | 346 | 537 | 602 | 779   | 836   | 672 | 620 | 706 | 356 | 6,132 |       |
| 47   | 208                        | 149 | 159 | 289 | 532 | 518 | 578   | 682   | 564 | 732 | 709 | 405 | 5,525 |       |
| 48   | 244                        | 155 | 161 | 286 | 164 | 479 | 559   | 1,009 | 951 | 729 | 707 | 394 | 5,838 |       |
| 49   | 215                        | 127 | 107 | 284 | 260 | 451 | 739   | 925   | 627 | 756 | 722 | 381 | 5,594 |       |
| 1950 | 127                        | 51  | 73  | 143 | 257 | 411 | 1,222 | 817   | 858 | 753 | 711 | 426 | 5,851 |       |
| 51   | 233                        | 173 | 503 | 546 | 604 | 614 | 1,126 | 1,006 | 648 | 761 | 673 | 457 | 7,344 |       |
| 52   | 244                        | 155 | 246 | 593 | 578 | 719 | 864   | 1,175 | 757 | 750 | 757 | 453 | 7,291 |       |
| 53   | 182                        | 63  | 154 | 57  | 173 | 488 | 418   | 616   | 923 | 780 | 740 | 458 | 5,052 |       |
|      |                            |     |     |     |     |     |       |       |     |     |     |     |       |       |
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## 1954 IDWR file excerpts



# IDAHO POWER COMPANY

BOISE, IDAHO

*Idaho file*  
REC'D JUN 14 1954

June 14, 1954

Honorable Hamer Budge  
House of Representatives  
Washington, D. C.

Dear Mr. Budge:

The Congressional Record for June 8, 1954, pages A4230-32, contains a reprint of a letter written by Mr. G. H. R. Taylor, a director of the National Hells Canyon Association. This organization is one of the parties to the proceeding now pending before the Federal Power Commission to determine the proper type of development of the Hells Canyon-Weiser reach of the Snake River for power and other multi-purpose uses. The letter discusses, and gives the views of Mr. Taylor concerning a number of matters which are before the Commission for its decision, and in addition comments on the construction of the American Falls Dam in southeastern Idaho by the Bureau of Reclamation.

Because the American Falls Dam has been a frequent subject of propaganda against the Idaho Power Company, I thought you would be interested in the attached memorandum concerning this project, and the contract of June 15, 1923, between the United States Government and the Idaho Power Company, in which the rights of the parties are set forth.

Contrary to the statements of Mr. Taylor, no condemnation of the Idaho Power Company's property at American Falls was necessary or involved, as all the numerous problems inherent in the construction of the project were settled by amicable negotiations between the Government, the irrigators and the company.

Very truly yours,

A. C. Inman  
Secretary

Attachment

FILED REFERENCE

*F. P. C. - Miss*

MICROFILMED

U.S. - I.P.CO. Contract of June 15, 1923

American Falls Reservoir

The American Falls reservoir, constructed by the U. S. Bureau of Reclamation, was planned, financed, and is operated, primarily as an irrigation reservoir. Use of the water for power purposes has always been incidental and secondary.

Prior to the construction of the present reservoir, the Idaho Power Company owned and operated a dam and three power plants at American Falls. These plants provided the Company's entire power generation for the American Falls-Blackfoot-Pocatello area, and were a source of large potential development to serve the future power needs of southeastern Idaho.

The Power Company was preparing to enlarge its dam and generating stations to meet the rapidly growing power demand. Its plans included a storage reservoir which would not only make possible the installation of additional power capacity at American Falls to meet local needs, but also would have served to increase the firm capacity of its downstream plants at Shoshone, Lower Salmon and Swan Falls.

This was a period of rapid growth in southern Idaho, and the need for additional water for irrigation development was growing apace with the need for power. American Falls was selected by the Bureau of Reclamation as an ideal site for a large and economical reservoir for the storage of water for irrigation use, as contrasted with power purposes. The Power Company already owned much of the necessary lands and flooding easements, which it intended to use for its own reservoir development, and which otherwise would have had to be acquired by the Government by purchase or condemnation from the original owners. Negotiations were immediately started to acquire these properties from the Company, resulting in the contract of June 15, 1923, by which the construction of the present American Falls reservoir was made possible.

Under the contract with the United States, the Idaho Power Company transferred to the Government two of its American Falls power plants, and also all the lands and reservoir flooding easements which it had acquired for the proposed power and reservoir development. The Company retained its power plant and site on the south side of the river, a short distance downstream from the site of the Government dam.

Because of the loss of nearly one-half of its existing power plant capacity in southeastern Idaho, the Power Company was required to provide transmission facilities eastward across the state from its Thousand Springs power plant, including 80 miles of new high voltage line from Shoshone Falls to American Falls, at total cost of approximately \$914,000.

MICROFILMED

Although the contract provided for payment to the Company of \$1,000,000, a compromise figure arrived at after lengthy negotiations, the actual amount paid was \$965,000, due to prepayment credits provided for in the agreement. This was in full compensation not only for the two power plants, but also for all of the reservoir lands, water rights and flooding easements which were necessary for the reclamation development.

The negotiations leading up to the contract involved some two years of conferences of officials of the Bureau of Reclamation, the Idaho Power Company, local water-users organizations, and the State of Idaho. The Power Company (according to Mr F A Banks of the USBR) had originally placed a value upon its power plants, reservoir lands and other property of \$2,500,000 and asked for 80,000 acre-feet of primary storage in the American Falls reservoir (which has a total capacity of 1,700,000 acre-feet).

Instead, the Company finally received \$965,000 and 45,000 acre-feet of storage capacity in the reservoir, with 255,000 acre-feet of "secondary" storage space. The secondary space has no annual storage carry-over, as all rights to this space expire at the first filling of the reservoir each season, and in any event not later than June 10th. For the limited storage rights which it has in the reservoir, the Company pays the same proportionate charges as any other water user. The Company's rights under the contract are considerably less than the original continuous flow rights which the Company had for its American Falls operations and future development, which totaled 8,000 cubic feet per second of the flow of the river, in addition to its reservoir storage permit. TOTAL 8,000 cfs

The agreement provides that the Power Company may use through its remaining power plant at American Falls any water released or wasted from the reservoir so long as this water is not used by any power plant constructed by the United States. The contract did not provide for the construction of any Government power plant or plants, nor does it contain any agreement or commitment by the Company as to any such plant. This subject was left entirely open pending future developments and conditions. The Company has never used any head developed by the American Falls dam, and any water released or wasted from the reservoir is simply free-flowing water, the use of which in no way conflicts with irrigation needs.

The terms of the contract were the result of lengthy conferences both in Idaho and Washington, D. C., in which representatives of the parties and water-users participated. Before formal presentation to the Idaho Power Company for signature, the United States required the approval of the Idaho State Board of Land Commissioners, which was obtained in October, 1921, and the contract was signed by the Company shortly thereafter. However, it was not until nearly two years later that other preliminary steps necessary to the construction of the dam were finally completed, and the contract was signed on behalf of the Government in June, 1923.

MICROFILMED

In the meantime, the terms of the agreement were fully publicized. The entire contract was published in both the Rupert and Twin Falls newspapers, and a full report on its provisions was prepared by a committee in southern Idaho, headed by W H Spence, of Kimberly, and published in the Twin Falls newspaper in 1922. Approval was expressed by various interested groups, and water-users, newspapers, chambers of commerce and other local civic organizations in southern Idaho became critical of the delay and urged that the dam be gotten underway. Eventually, other necessary arrangements for the project were completed, and the contract was signed by the Secretary of the Interior on June 15, 1923, with the result that the American Falls Reservoir, which has been so largely responsible for the development of southern Idaho, became a reality.

The criticism of the contract, and the payment made for the two power plants, dam, reservoir lands and other rights of the Power Company, is an unwarranted criticism of the officials of the Government and the Bureau of Reclamation. In the negotiations with the Company -- in addition to representatives of water-users' organizations and the State Engineer of the State of Idaho -- the Bureau of Reclamation was represented by A P Davis, Director; F E Weymouth, Chief Engineer; F A Banks, Engineer; B E Stoutemyer, District Counsel; and J M Gaylor, Electrical Engineer. The contract was considered by Reclamation officials as a highly successful negotiation, and this opinion was shared by numerous Idaho people who had worked so hard and so long to make the American Falls dam possible.

Incidentally, about three-fourths of the cost of the dam has already been repaid to the United States Government, in only about 25 years, which in itself is indicative of the economic value and success of this major reclamation development, one of the most successful projects ever constructed by the U S Bureau of Reclamation.

*Idwer file*

**AMERICAN FALLS POWER PLANT** (East Side Plant) owned by Idaho Power Co. and located adjacent to the town of American Falls.

| Water Right No.                                                     | Water Right and Date                             | Remarks                                                          | Priority Date          | Flow in cfs                                 | Subordination Permit License/Decree |
|---------------------------------------------------------------------|--------------------------------------------------|------------------------------------------------------------------|------------------------|---------------------------------------------|-------------------------------------|
| A01-10382<br>Transfer #464<br>(6-17-1929)                           | Beneficial Use Claim on 10-23-1996 for 6,000 cfs | (From West Side Plant to East Side Plant)<br>Microfilm file 01-B | 7-15-1901              | 253                                         | Not likely                          |
| A01-10383<br>Transfer #463<br>(6-17-1929)                           | Beneficial Use Claim on 10-23-1996 for 2,000 cfs | (From Island Plant to East Side Plant)<br>Microfilm file 01-B    | 8-01-1901              | 611                                         | Not likely                          |
| 01-02017                                                            | Permitted on 11-28-1908<br>Licensed on 2-05-1920 |                                                                  | 9-03-1908              | 1,400 <sup>1</sup>                          | Not found No                        |
| 01-02032                                                            | Permitted on 7-05-1919<br>Licensed on 7-21-1924  |                                                                  | 3-08-1919              | 4,600 <sup>1</sup>                          | No No                               |
| 01-02046                                                            | Permitted on 1-18-1927<br>Licensed on 12-23-1971 |                                                                  | 10-15-1926             | 2,000 <sup>2</sup>                          | No No                               |
| A01-10384                                                           | Claimed on 10-23-1996                            |                                                                  | 1-01-1929 <sup>3</sup> | 136 <sup>2</sup>                            | Probably <sup>4,5</sup>             |
| 01-07128                                                            | Application                                      |                                                                  | 10-23-1996             | 7,850                                       |                                     |
| Subtotal of non-subordinated assumed water rights (probable amount) |                                                  |                                                                  |                        | 8,8640 cfs <sup>6</sup> (9,000 cfs maximum) |                                     |
| Subtotal (using licensed rights of record)                          |                                                  |                                                                  |                        | 8,864 cfs                                   |                                     |
| Total                                                               |                                                  |                                                                  |                        | 16,850 cfs <sup>7</sup>                     |                                     |

<sup>1</sup> For the East Side Plant located in the SW 1/4, SE 1/4, Sec 30, T. 7 S., R. 31 E., B.M. The Report of Engineer states 1200 cfs was used at the time of the field examination. The older Island Plant and the West Side Plant were sold to the United States of America in 1923. See p. 4 & 11 of the June 15, 1923, contract of Idaho Power Co. and the USA (11r-733) entered into subsequent to the 1921 American Falls storage water rights request. The 1923 agreement changed the water rights in transfers 464 and 463 and in licenses 01-02017 and 01-02032 only to the extent that the agreement provided, in essence, for the prior filling of American Falls Reservoir and "existing storage."

- <sup>2</sup> The location for the license is listed as the NW 1/4, NE 1/4, Sec. 31, T. 7 S., R. 31 E., B.M. The license, issued in 1971, indicates the total project capacity is 9,000 cfs. Copy of June 14, 1954, letter in file 01-02032 from IPC secretary, A. C. Inman to U.S. Representative Hamer Budge indicates total water rights are 8,000 cfs. February 26, 1971, letter in file 01-02046 from IPC secretary, James E. Bruce to Department of Water Administration indicates total water rights are 9,000 cfs. Surface water put to beneficial use prior to May 20, 1971, can acquire a water right without an application for a permit.
- <sup>3</sup> An adjudicated claim priority date will be the verified date the diversion started, not the date the new project construction was decided upon or even started as in the preceding (10-15-1926) application for permit and subsequent license.
- <sup>4</sup> The state established by a ratified constitutional amendment of Article XV, Section 3, on November 6, 1928, the authority to "regulate and limit the use" of water for power purposes. Regardless of the issue spurring the constitutional amendment, the general pattern of using subordination language on the permits and licenses did not start until 1952. See permit for C.J. Strike (02-02080). Idaho Power Co. may or may not forgo claiming non-subordination privileges in its water right claim particularly if the diversion under the claim did not start until after the November 6, 1928, constitutional amendment.
- <sup>5</sup> See footnote 3 for the Minidoka Powerplant table.
- <sup>6</sup> Idaho Code 42-203B(5) provides that the State can enter into agreements with holders of water rights for power purposes to define that portion of their water rights that are to be non-subordinated to upstream depletions. Such an agreement with Idaho Power Co. in 1984 for the projects below Milner Dam provided for much lower non-subordinated rights than the total of the original water rights. A similar agreement for the American Falls project and the Minidoka Project with respectively Idaho Power Co. and the Bureau of Reclamation would provide a legal basis for the past allowance of subsequent upstream diversions including ground water diversions.
- <sup>7</sup> By telephone on about September 16, 1996, the Idaho Power Co. plant operator states, IPC has three turbines that have a capacity of 5,000 cfs each for a total hydraulic capacity of 15,000 cfs. (The book, *Project Data*, by the Water and Power Resources Services (U.S. Bureau of Reclamation), 1981 edition, states on p. 646 that the capacity is 13,500 cfs.) The increased size is the result of the rebuilding of the power plant in about 1976 near the completion time of the rebuilding of American Falls Dam. Verification of the stated hydraulic capacity has not been made through a review of the FERC license application. A change in the point of diversion is due to be filed for the above two transfers and three licenses.

*Edwards file*

MEMORANDUM

TO: The File

October 10, 1996

FROM: Ralph Mellin, Special Projects Coordinator *Rm*

SUBJECT: American Falls Hydroelectric Water Rights from Contract Between the U.S. and Idaho Power Co.  
dated June 15, 1923

The water rights "reserved to the company" [par. 9(d), p. 11] consist of the following:

1. The following flows between the noted dates: zero on March 31st, then 100 cfs on April 1st, and uniformly increased to 2,500 cfs on May 1st, continuing until September 15th, then uniformly decreased to 100 cfs on October 31st, and zero on November 1st (par. 10, p. 12). This is a primary right.
2. The first 300,000 ac-ft of inflow after October 1st. That is after flows to generate up to 10,000 kw at the Minidoka Power Plant for "demands" on the "Minidoka Project" are released (par 19, p. 20; & par. 23 & p. 23); use the un-subordinated water rights at Minidoka of 3,525 cfs. Storage for 45,000 ac-ft will be provided--a primary right, and storage may be provided if not needed for irrigation for the remaining 255,000 ac-ft--a secondary right--with 195,000 ac-ft to be released by April 1st & an additional 60,000 ac-ft to be released by June 10th under specific criteria of par. 21; and the remaining 45,000 ac-ft to be released by the following November 15th (par. 16, p. 18; & par. 18, p. 19).
3. A power right at American Falls to all additional water released or wasted from the reservoir between April 1st and October 31st--a tertiary right--(par. 12, p. 14). Also, "reserved" from IPC's previous water rights all additional water released or wasted from November 1st to March 31st; a formula is provided to define waste water, but the formula would appear to have little impact more than allowing for the filling of American Falls Reservoir and "existing storage" for example, Jackson Lake (par. 14, p.16).

The net contract result appears to be the contract provides for the filling of American Falls Reservoir and "existing storage" after described primary and secondary rights for Idaho Power Company reserved from its original water rights are met. No other change is seen in the existing water rights.

# May 1956 Deed

Recorded at the request of J. A. Bush at 3:30 o'clock P.M. this 24th day of August, 1956  
in Book 102 of Deeds at page 255. Fee \$1.75

C. W. Adams, Ex-Officio Recorder

Instrument No. 75885

INDEXED

WARRANTY DEED

COMPANIES

THIS INDENTURE, Made this 24th day of August, 1956, between the IDAHO POWER COMPANY, a corporation of the State of Maine, Grantor, and THE UNITED STATES OF AMERICA and its assigns, Grantee.

WITNESSETH: That the said Grantor, for and in consideration of Twenty Dollars (\$20.00), lawful money of The United States of America, to it in hand paid by the said Grantee, the receipt whereof is hereby acknowledged, has granted, bargained and sold, and by these presents does grant, bargain, sell, convey and confirm unto THE UNITED STATES OF AMERICA and its assigns forever, all the following described real estate, situated in the County of Power, State of Idaho, to-wit:

A perpetual right, privilege and easement across that portion of Lots 1 and 2, of Block 63 of the Original Townsite of American Falls, Idaho, northerly of a line parallel to and forty (40) feet southerly of the centerline described below, to construct, reconstruct, operate and maintain the American Falls Pumping Plant Main Discharge Line with all fixtures and devices used or useful in the operation of said Main Discharge Line, including the right of ingress thereto and egress therefrom, through, under and across said Lots 1 and 2; also including the right and privilege to construct or reconstruct a twelve inch city water main parallel to and fifteen (15) feet northerly of said centerline; said centerline being more particularly described as follows:

Commencing at Station 4+97.55 on the centerline of the American Falls Pumping Plant Main Discharge Line which Station is 440.81 feet north and 1279.91 feet west of the section corner common to Sections 29, 30, 31 and 32, T. 7 S, R. 31 E, B.M., said section corner being at the intersection of Falls Avenue and Oregon Trail Street of the Original Townsite of American Falls; thence South 67°27'08" East a distance of 1145.38 feet to Station 16+42.93, which Station is at the intersection of the centerline of the Main Discharge Line with the south line of Section 30, T. 7 S, R. 31 E, B. M., and being a distance of 222.28 feet North 89°33'53" West of the southeast corner of said Section 30; thence, continuing South 67°27'08" East a distance of 240.15 feet to Station 18+83.08, which station is the intersection of the centerline of the Main Discharge Line with the section line between Sections 31 and 32, T. 7 S, R. 31 E, B. M., and being a distance of 90.40 feet South 0°18'08" West from the aforementioned section corner; thence, continuing South 67°27'08" East a distance of 2830.19 feet to Station 47+13.27, which station is at the intersection of the centerline of the Main Discharge Line with the North-South centerline of Section 32, T. 7 S, R. 31 E, B. M., and being a distance of 163.92 feet North 0°20'11" East of the Southeast corner of the Northeast Quarter of the Northwest Quarter (NE $\frac{1}{4}$ NW $\frac{1}{4}$ ) of Section 32, T. 7 S, R. 31 E, B. M., said corner being the Southeast corner of the Original Townsite of American Falls.

Correct as to engineering data

ERVIN L. WERNER

Engineer, Bureau of Reclamation

Subject to presently used rights-of-way for canals, ditches, flumes, pipelines, railroads, highways, roads, telephone, telegraph and power transmission lines, created in favor of the public of public utilities.

Also subject to the terms of a Mortgage and Deed of Trust dated Oct. 1, 1937 and indentures supplementary thereto between Idaho Power Company and Bankers Trust Company and J. C. Kennedy as Trustees.

TOGETHER with all and singular the tenements, hereditaments, and appurtenances thereunto belonging, or in anywise appertaining, the reversion and reversions, remainder and remainders, rents, issues, and profits thereof; and all estate, right, title and interest in and to the said property, as well in law as in equity, of the said Grantor.

TO HAVE AND TO HOLD, all and singular the above mentioned and described premises, together with the appurtenances, unto THE UNITED STATES OF AMERICA, and its assigns forever. And the said Grantor and its heirs, the said premises in the quiet and peaceful possession of THE UNITED STATES OF AMERICA, and its assigns, against the said Grantor and its heirs, and against all and every person and persons whomsoever, lawfully claiming or to claim the same shall and will warrant and by these presents forever defend.

IN WITNESS WHEREOF, the Grantor above named has hereunto set its hand the day and year first above written.

(SEAL)

Attest:

JAMES E. BRUCE  
Secretary

IDAHO POWER COMPANY

By R. E. GALE  
Vice President

STATE OF IDAHO ) ss.  
County of Ada )



8-30-1962 BOR ltr to Swidler



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
OFFICE OF THE SECRETARY  
WASHINGTON 25, D. C.

OFFICIAL FILE  
Rec'd AUG 31 1962

| TO  | INIT. | DATE |
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Dear Mr. Swidler:

~~AUG 30 1962~~  
Aug 30, 1962

As indicated in previous correspondence, this Department has had under consideration the preparation of suitable comments and recommendations with respect to the application of the Idaho Power Company for a license under Project No. 2258 for the facilities heretofore constructed by the power company on the Snake River in Idaho at American Falls, at Shoshone Falls, and at Upper Salmon Falls, together with certain described transmission facilities. The time permitted the Department to look into this matter, which involves a history of complicated arrangements with the Idaho Power Company prior to and including the time of the first enactment of the Federal Water Power Act in 1920, is appreciated.

The hydroelectric installations sought to be licensed by the Idaho Power Company under Project No. 2258 are located in part on Federal lands reserved for use in connection with Federal reclamation projects which are the responsibility of this Department. Specifically, the hydroelectric plant at American Falls is located in part on public lands and on lands acquired by the Department for the construction of the American Falls Reservoir, a feature of the Minidoka Federal Reclamation Project, and water stored in that project for project uses is infringed upon by the installation proposed to be licensed by the Idaho Power Company. The hydroelectric stations at Shoshone Falls and at Upper Salmon Falls as shown on the drawing submitted by the Idaho Power Company's application as being lands owned by the company include public lands of the United States. Descriptions of the public lands involved will be transmitted at an early date. No authorization has been given for occupancy of the Federal lands in question.

The American Falls installation of the Idaho Power Company is immediately downstream from the American Falls storage project of the United States which was constructed in 1926. The impoundment of the water in the forebay of the Idaho Power Company's plant backs up to and infringes upon the downstream toe of the American Falls Dam of the United States. To evacuate all the stored water from the active storage capacity of American Falls Reservoir of the United States requires the lowering of the forebay elevation of water in the plant constructed by the Idaho Power Company. In these circumstances, to protect the integrity of operation of the Federal reclamation project which is a responsibility

COPY FOR BUREAU OF RECLAMATION

Copies to Base & AOCF  
9/5/62

8-31

of this Department, it is essential that the license contain appropriate provisions with respect to the requirements of the Idaho Power Company in connection with its operation of the American Falls plant constructed by it.

It is therefore the view of this Department that the Idaho Power Company as a condition to the issuance of the license be directed to obtain from this Department with respect to the American Falls powerplant an appropriate operating agreement which should include the following:

1. The company shall operate its facilities at American Falls in such a manner as not to interfere with the release of water by the Government at American Falls Dam, and when required by the United States, acting through this Department, the company shall draw down the elevation of water in its forebay pool sufficiently to permit the waters to flow from the Government's American Falls Dam into the forebay of the power company's installation at rates of flow required for irrigation operations as determined by this Department.

*for irrigation*  
*require*

2. The power company shall agree for itself, its successors and assigns, that all rights for the use of water for power purposes heretofore or hereafter acquired for the development of power at the company's site, shall be held and considered at all times inferior and subordinate to all rights heretofore or hereafter acquired by the United States or other parties for irrigation or other beneficial uses.

3. The company shall cooperate with the United States Department of the Interior, Bureau of Reclamation, in making the maximum justifiable development of the power resources of the site. Such cooperation shall include: (a) the use of the company's water entitlements together with other water releases at American Falls Dam for operation of the authorized Government powerplant, or (b) the use of Government and other water releases together with the company's water entitlements for operation of the company's plant at American Falls Dam in whatever combinations from time to time as will maximize the production of electricity at this site. Under such arrangement the company would receive the same amount of energy from the combined

operations as it could have produced at its own plant (without using the water developed by the Government) as determined by the Secretary of the Interior. The arrangements should include provision that prior to the construction and operation of the authorized Government powerplant at American Falls Dam, the company, upon the request of the Secretary of the Interior, shall generate for the United States electrical energy using the water entitlements of the United States provided in the contract made between the Government and the company in June of 1923 (a copy of that contract is attached). The electric energy so produced for the United States should be furnished to the United States at a nominal voltage of 46 kilovolts or such other voltage as may be agreed upon by the Secretary of the Interior and the company at the American Falls substation of the company or at the Michael Flats pumping plant substation of the United States in the following amounts: (a) during the period April 1 to October 31 for operation of the irrigation pumping installations up to a maximum rate of delivery of 19,600 kilowatts, and (b) during the period November 1 to March 31 for purposes described in articles 19 and 23 of the contract of June 1923 up to a maximum rate of delivery of 10,000 kilowatts. The arrangement would contain provisions for reimbursement to the company for the use of its generating facilities at a rate per kilowatt-hour which would cover a ratable portion of the company's hydroelectric production expenses prescribed and recorded under the Federal Power Commission uniform system of accounts, accounts Nos. 535 to 545, inclusive.

The foregoing provisions of an operating agreement with the Idaho Power Company are the minimum essentials needed to protect the operating integrity and financial investment of the United States in the existing American Falls Reservoir Federal Reclamation Project upon which the Idaho Power Company has located its constructed American Falls plant. The costs of the project include not only \$1,000,000 which was paid to the Idaho Power Company by the United States for interference with the Company's alleged power rights at American Falls, but also includes the cost of providing special penstocks through the dam for the company's use in developing the capabilities of the power site at American Falls. The company, without consulting with this Department, or so far as is known, with the Federal Power Commission, determined on its own motion not to utilize these specially constructed penstocks, but the company proceeded to build the plant for which it is now required to have a license. The Government's project at American Falls from its authoriza-

tion in 1920 has included a power installation which powerplant was reauthorized by the Congress in 1950 (64 Stat. 1033). Under items 1 and 2 above, the company would be required to provide a return to the United States of the energy from the water rights which were purportedly sold to the United States by the company under the 1923 agreement. Also, it would provide a commitment by the company to subordinate its entitlements at American Falls to the principal purpose for which the storage reservoir at American Falls was constructed, that is, for the irrigation of arid lands in the State of Idaho. Supporting details concerning the provisions of the 1923 contract and the engineering facts concerning the water entitlements involved will be provided in a supplemental communication.

The Shoshone Falls plant of the Idaho Power Company proposed to be licensed under Application No. 2258 is immediately downstream from the Twin Falls plant of the company which was licensed under Project No. 18. The Twin Falls plant, like the Shoshone Falls plant, involves the utilization of public lands of the United States. The Shoshone plant is located downstream from Milner Dam, the control point for the utilization of the waters of the Snake River for development of public lands of the United States through irrigation. The Idaho Power Company officials have been repeatedly advised, beginning with the early negotiations concerning the development of stored water for irrigation at American Falls, that the best development of the waters of the Snake River require there be no power developments below Milner Dam which rely upon flows of water past Milner Dam for power production. The United States, acting through this Department, has constructed upstream from Milner a reservoir system in excess of 4,500,000 acre-feet, all of which is operated with the objective of conserving the water to minimize spills past Milner Dam. This matter was the subject of extended negotiations with the Idaho Power Company in connection with the issuance of the license under Project No. 18 at the Twin Falls site. In view of this long history of the obvious need for the conservation of water above Milner Dam, and in view of the many public statements of the officials of the Idaho Power Company, including those made to your Commission in connection with the issuance of the license in the Hells Canyon reach of the Snake River, there should be no objection, and it is in the public interest, that the license for the Shoshone Falls plant should clearly subordinate the water supply for that plant to the use of water for development of irrigated areas upstream. Accordingly, it is recommended that any license contain provisions along these lines:

"The power company shall agree for itself, its successors and assigns, that all rights for the use of water for power purposes heretofore or

hereafter acquired for the development of power at the company's site, shall be held and considered at all times inferior and subordinate to all rights heretofore or hereafter acquired by the United States or other parties for irrigation or other beneficial uses."

The Upper Salmon Falls development is also located downstream from the Milner Dam and its water supply should also be clearly subordinate to upstream irrigation development. This Department has underway an extensive program of investigations and project proposals which will provide further multiple purpose storage and irrigation development in the Snake River Basin above Milner Dam. These include, of course, the Burns Creek Project, the Fremont Project, and others. We are prepared to provide the Commission with detailed information concerning these presently recommended and potential irrigation developments.

The records available to this Department indicate that the projects of the Idaho Power Company described in Project No. 2258 were in existence at American Falls and Shoshone Falls prior to 1920 and the Upper Salmon Falls installation was undertaken in 1937. As these projects involve the unauthorized use of the public lands of the United States, it is appropriate to comment with respect to the term of license. It is recommended that the license as issued not exceed the 50-year period from the time of first enactment of the Federal Water Power Act or from the beginning of construction by the company, whichever is later. This recommendation is particularly appropriate in order to discourage further unauthorized entry on public lands for the construction of hydro-electric stations and not to give advantage to companies which do so. Our records indicate that the Idaho Power Company had notice of the existence of the applicability of the provisions of the Federal Power Act in connection with these specific projects. An application for a preliminary permit at Upper Salmon Falls was made to the Federal Power Commission on June 17, 1920 (Project No. 19). Also, the 1923 contract which was negotiated with the Idaho Power Company officials during 1919 and 1920 contains a specific article (Article 36) which provides that the execution of the contract was not to relieve the Idaho Power Company of its responsibility to comply with the provisions of the Federal Water Power Act with respect to obtaining licenses at the American Falls site and downstream sites on the Snake River. Article 36 reads as follows:

"No waiver of rights of Federal Power Commission or State. The execution of this contract shall not be construed as waiving any authority, jurisdiction or control which the Federal Power Commission may have over the Company or its assigns at American Falls or elsewhere, and the

approval of this contract by W. C. Swendsen Rec. Comm. Representing the State of Idaho shall not be construed as waiving or abridging any lawful jurisdiction, authority, or control which such officer or the State of Idaho may have over the waters of the State or the Issuing of permits, certificates or licenses thereto."

The transmission lines included in this project are an essential part of the major transmission grid for which this Department has made arrangements to wheel power, through a relatively recent contract with the Idaho Power Company. We therefore request that any license that might be issued recognize and protect the basic elements of these wheeling arrangements, and provide that the applicant will, during the term of the license, make its transmission facilities available for the wheeling of Government power on such terms and conditions as may be mutually satisfactory to the applicants and the Department of the Interior.

Fish resources of the development areas are resident species, principally rainbow trout, which are supplemented with stocked fish released by local, State, and Federal fish hatcheries. A good trout fishery occurs below the diversion dams at Upper Salmon Falls, and below Shoshone Falls and American Falls. Sturgeon inhabit the river below Shoshone Falls, and bass and bluegills have been introduced in the pool above the falls. Species of fish which compete to the detriment of game fish are numerous throughout this reach of Snake River. There are no anadromous fish associated with the three developments. Except for a short section of the river below American Falls Dam, the stream is open to fishing throughout the year and is well utilized by fishermen.

Existing fish facilities include ladders at the two diversion dams at the Upper Salmon Falls development. The ladder at the downstream diversion provides access for rainbow trout to spawning grounds in the section of river between the diversion and the upstream powerhouse. The ladder at the upper diversion receives little use.

Peak-power releases of upstream developments result in increases of streamflow which are not all passed through the reject spillway at the Upper Salmon Falls development. This causes an increase in flow over the upper diversion dam, excessive flow through the fish ladder, and side-spills from the canal leading to the upper powerhouse. In addition to being a hazard to fishermen, such flows adversely affect fish and wildlife habitat by creating unstable water conditions. Emergency closure of gates controlling flows to generator penstocks creates similar conditions, although the reject spillway at the powerhouse releases most of these flows. The hazard to fishermen is greatest below this

point because of the large volume of water that is released. The channel below the spillway has been fenced to exclude fishermen from this section. Signs warning fishermen that a sudden increase in water levels in the river may occur unexpectedly have also been installed along the river by the company.

Fish and wildlife resources would benefit if surplus upstream releases, which overflow facilities associated with the upper powerhouse, could be diverted through one or two outlets into one river channel. This could be accomplished by either enlarging the reject spillway and passing additional flows through the present structure, or by releasing flows through a gate in the canal near the diversion dam. To prevent side-spills from the canal, the wall for about one-half mile upstream from the powerhouse would have to be increased in height by about 12 inches to match the remaining portion upstream.

Snake River streamflow in the Shoshone Falls development area is affected by heavy irrigation diversion at Milner Dam, about 24 miles upstream from Shoshone Falls. Springs and irrigation return flows contribute significant amounts, and there is a sizable streamflow at Shoshone Falls. During normal flows, all water is diverted through the powerhouse at the Shoshone Falls development. Discharge from the powerplant is made directly into the Snake River channel and is adequate to maintain fish in this portion of the river. When facility repairs are being made at Shoshone Falls, upstream reservoirs are operated to store water and none is released through the powerplant to the river below the falls. If repairs were continued for extended periods, adverse effects on the fishery below Shoshone Falls development would result. To avoid such losses, an outlet structure should be provided to release unused water into the river channel for fish. At no time should this flow be interrupted for a period longer than six hours. Construction of roads to the powerhouse has improved the access for fishing in this section of Snake River.

Extreme fluctuations and periods of very low streamflow downstream from American Falls Dam have resulted in substantial fish losses. The company has deepened the stream channel immediately downstream from the powerplant to provide a sanctuary for fish during periods of minimum releases. The company also has installed lights near the channel to attract fish into the deeper water when low flows occur at night.

No formal negotiations regarding fish and wildlife resources associated with the developments have ever been conducted between the company and conservation agencies. The Idaho Department of Fish and Game and the Idaho Power Company have informally agreed that, in the interest

of economy, it is considered unnecessary to operate the fish ladder at the diversion dam at upper Salmon Falls during the period from March 1 to September 1 of each year. Negotiations are planned between conservation agencies and the Bureau of Reclamation in an attempt to find a method for providing sustained flows below American Falls Dam. If sustained flows could be maintained below the Idaho Power Company developments, additional benefits to fish and wildlife resources would result.

Ring-necked pheasant, valley quail, muskrat, mink, and numerous species of waterfowl inhabit the thick cover on islands and shorelines of Snake River within the project areas. Wildlife resources are not significantly affected by the company's operations except at the Upper Salmon Falls development where wildlife habitat is subject to inundation as a result of flow increases over the diversion dam. This operating procedure precludes use of the area by nesting waterfowl.

In order to protect the fish and wildlife resources affected by the project, it is recommended that, in addition to the appropriate L-form provisions, the following special conditions be included in any license issued for this project:

(1) The Licensee shall construct, maintain, and operate or shall arrange for the construction, maintenance, and operation of such fishways, including fish traps, or other fish facilities or fish protective devices and supporting facilities for artificial propagation and shall comply with such reasonable modifications of the project structures and operations in the interest of fish life, provided that such modifications shall be reasonably consistent with the primary purpose of the project and not unduly impair the power value of the project, as may be prescribed hereafter by the Secretary of the Interior (pursuant to Section 18 of the Act) upon consultation with the Licensee, the Commission, and the Idaho Department of Fish and Game.

(2) The Licensee shall construct, maintain, and operate, or shall arrange for the construction, maintenance, and operation of such protective devices (exclusive of facilities which may be prescribed by the Secretary of the Interior pursuant to Section 18 of the Act) and shall comply with such reasonable modifications of project structures and operation in the interest of fish and wildlife resources, provided that such modifications shall be reasonably consistent with the primary purpose of the project and not unduly impair the power value of the project, as may be pre-

scribed hereafter by the Commission upon its own motion or upon the recommendation of the Secretary of the Interior or the Idaho Department of Fish and Game after notice and opportunity for hearing and upon a finding based on substantial evidence that such modifications are necessary and desirable, and consistent with the provisions of the Act. "

(3) Whenever the United States shall desire, in connection with the project, to construct fish handling facilities or to improve existing fish handling facilities at its expense, the Licensee shall permit the United States or its designated agency to use, free of cost, such of Licensee's lands and interests in lands, reservoirs, waterways, and project works as may be reasonably required to complete such fish handling facilities or such improvements thereof. In addition, after notice and opportunity for hearing, the Licensee shall modify the project operation as may be prescribed by the Commission, consistent with the primary purpose of the project, in order to permit the maintenance and operation of the fish handling facilities constructed or improved by the United States under the provisions of this article. This article shall not be interpreted to place any obligation on the United States to construct or improve fish handling facilities or to relieve the Licensee of any obligation under this license.

(4) The Licensee shall, at the Upper Salmon Falls development, eliminate or minimize overflows at the upper diversion dam, excessive flows through the fish ladder, and side-spills from the powerhouse canal.

(5) The Licensee shall, at the upper powerplant of Upper Salmon Falls development, provide an automatic warning device designed to alert anyone immediately downstream from the project spillway simultaneously with increased water releases.

(6) The Licensee shall release all unused flows into the river below Shoshone Falls development during periods when facility repairs are required.

If it becomes necessary to interrupt flows,  
they shall not be interrupted for a period  
exceeding 24 hours.

Sincerely yours,

(sgd) Kenneth Nelson

Assistant

Secretary of the Interior

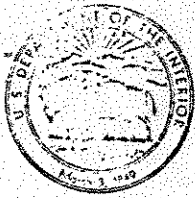
Hon. Joseph C. Suidler  
Chairman  
Federal Power Commission  
Washington 25, D. C.

Enclosure

cc:  
Secretary's Reading File  
Bureau of Reclamation  
Fish and Wildlife Service  
P. Van Deraa, Rm. 6629

PVanDeraa:bp 8/21/62

3-24-1965 Interior letter to FPC



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
OFFICE OF THE SECRETARY  
WASHINGTON, D.C. 20240

1925  
M  
MAR 24 1965

Dear Mr. Swidler:

Reference is made to your letter of October 9, 1964, transmitting for our views the Idaho Power Company's comments on this Department's recommendations on the company's application for license for constructed Project No. 2258, located on the Snake River, Idaho.

BUREAU OF RECLAMATION  
FEDERAL POWER COMMISSION

1923 Contract Subordinate to FPC Licensing Authority

TO: INTR. 700-124  
7380  
At the outset, we note that Article 36 of the 1923 contract between the United States and the company expressly preserves the full licensing authority of the Federal Power Commission over the company's American Falls project and makes the provisions of the contract subordinate to that authority. The company did not, accordingly, acquire any vested rights inconsistent with the paramount power of the United States over its navigable waters, as exercised through the licensing procedures of the Federal Power Commission.

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Public Ownership of Project Lands

The Department has heretofore corrected certain erroneous information which was furnished with respect to Dolman Island (occupied by the Upper Salmon plant) by letter to the Federal Power Commission dated March 25, 1964. We cannot, however, agree with the company's contentions with the Shoshone Falls and American Falls plants. Since patents have never been issued for those islands, title continues in the United States. / Scott v. Lattig, 227 U. S. 229, 57 L. Ed. 490 (1913); Pac. Co. v. Hirzel, 29 Idaho 438, 161 p. 854 (1916); Miller v. Lewiston-Clarkston Canning Co., 35 Idaho 669, 209 Pac. 194 (1922).

Accordingly, all of the company's projects except Upper Salmon involve lands of the United States and can be operated only by using such lands, together with the waters released by the United States from its American Falls project. Similarly, the operation of a Federal powerplant at American Falls will require the use of the company's water entitlement. We believe that under the auspices of the Commission, the company and the United States are capable of a voluntary accommodation of their joint needs and interests in this area. Such an accommodation should not be left to chance, however, but should be made a condition of granting the license, by imposing the following requirement on the company:

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\* The company shall within one year from issuance of this order enter into an agreement with the Bureau of Reclamation, United States Department of the Interior, to effect the maximum justifiable development of the power resources of the American Falls site. Such agreement shall include provision for:

- (a) The use of the company's water entitlements, together with other water releases at American Falls Dam for operation of any Federal powerplant at the site, and
- (b) The use of Federal lands and of Federal water releases, together with the company's water entitlements, for operation of the company's plant at American Falls Dam,

in such a way as to maximize the production of electricity at the site. The agreement shall also include appropriate provisions that until the construction and operation of a Federal powerplant at American Falls, the company, upon the request of the Secretary of the Interior, shall generate for the United States electrical energy using the water entitlements of the United States provided for in the contract between the Government and the company, dated June 15, 1923. The company shall be reimbursed for the production of such energy at a rate per kilowatt-hour which will cover a ratable portion of the company's hydroelectric production expenses prescribed and recorded under the Federal Power Commission Uniform System of Accounts; provided, however, that such reimbursement to the company be made in electric energy if so desired by the Secretary of the Interior.

The above-suggested requirement would, of course, replace stipulation No. 3 recommended for inclusion in the license by the Department in its letter of August 30, 1962, to the Federal Power Commission, beginning on page 2.

As pointed out in the Department's letter of March 25, 1964, to the Commission, reporting the correction of the landownership description for Dolman Island, the Bureau of Reclamation is now engaged in studying the possibility of enlarging American Falls Reservoir. The possibility of this enlargement, of course, makes it even more

imperative that appropriate stipulations and conditions be incorporated in any license which may be issued to the company.

The substitution of the provision outlined above for the third stipulation, appearing in the Department's August 30, 1962, letter to the Commission, appears to be consistent with the action that was taken by the Commission in issuing a license to the Portland General Electric Company for its Round Butte project, Project No. 2259. You will recall in that instance the Round Butte project for which the company was seeking a license involved the inundation of the Bureau's Cove powerplant. The Commission incorporated as a condition of the license a requirement that the licensee, prior to commencement of construction on the development, should enter into an agreement with the Bureau and the Pacific Power and Light Company relating to the settlement of rights and interests involved in inundation of the Cove powerplant. Such an agreement was consummated promptly and did not delay construction of the Round Butte project by the Portland General Electric Company.

Here, because the project is already constructed, it is appropriate that the accommodation be ordered to be worked out before the license is issued.

#### Protection for Present and Future Irrigation Development

The Idaho Power Company in its letter of January 24, 1963, has agreed to the inclusion in a license of a provision which it states is substantially the same as the Department's stipulation No. 1 appearing on page 2 of the Department's letter of August 30, 1962. The stipulation which the company recommends reads as follows:

The Licensee shall operate its facilities at American Falls in such a manner as not to interfere with the release of water by the Government at American Falls Dam for irrigation requirements, and when required by the United States, acting through the Department of the Interior, the Licensee shall draw down the elevation of water in its forebay pool sufficiently to permit the waters to flow from the Government's American Falls Dam into the forebay of the Licensee's installation at rates of flow required for irrigation uses as determined by the Department of the Interior. The company, it should be noted, uses 5-foot flashboards to increase the forebay level.

The significant difference between the provision which the company is willing to accept and our recommended stipulation is the inclusion by the company of the words "for irrigation requirements." The company's wording limits the application of the stipulation to interference with irrigation releases rather than to interference with all types of releases. We do not consider that the company should have the

right to interfere with releases from American Falls at low reservoir elevations by raising the company's forebay elevation and thereby decreasing the flow available to the Government for all downstream uses.

The Government, and not the company, should have control of river regulation at American Falls Dam.

With respect to the second numbered stipulation recommended by the Department, also appearing on page 2 of the August 30, 1962, letter, the company takes issue with the wording of this stipulation and has offered instead to accept a stipulation similar to the one included in article 41 of the license for Project No. 1971 (Brownlee, Oxbow, and Hells Canyon). The provision which the company is willing to accept reads as follows:

"Article \_\_\_\_\_. The project shall be operated in such manner as will not conflict with the future depletion in flow of the waters of Snake River and its tributaries, or prevent or interfere with the future upstream diversion and use of such water above the backwater created by the project for the irrigation of lands and other beneficial consumptive uses in the Snake River watershed."

The Department has previously indicated that it does not consider that the article recommended by the company meets the Department's requirements. For one thing, it is completely silent as to whether the company will expect compensation for future alleged interferences with its projects by reason of continuing reclamation developments in the Upper Snake River Basin. The company's position under the Brownlee license with respect to the requirements of that license for coordination would certainly indicate that compensation would be expected. Similarly, past experience with the company with respect to the release for irrigation purposes of its alleged water entitlements at American Falls indicates that the company expects a very substantial compensation for any water entitlements which it might make available to irrigation interests.

#### License Term

\*  
The Commission has ruled that licenses granted for projects constructed prior to 1935 shall terminate on December 31, 1993, which is 50 years from the 1943 Commission ruling which adopted the concept of navigable waters as being waters required for transporting of logs. A license issued to the Idaho Power Company, therefore, would not expire 50 years from the date of the company's application in 1957, but 50 years from the 1943 navigability ruling of the Commission.

Power Wheeling Arrangement

With respect to the possible transmission of Government power over the company lines, we note that the Commission had already imposed such a condition on the company in Project No. 1971. Moreover, both the Departments of Interior and Agriculture have issued regulations with respect to utilization of excess capacity of private transmission lines where rights-of-way are required over public lands. We see no reason why a similar requirement should not be imposed on the company in this case.

Fish and Wildlife Provisions

We believe that conditions (1), (2) and (3) recommended in the Departmental letter of August 30, 1962, can be omitted provided that the standard conditions for fish and wildlife and recreational resources contained in FPC Form L-3 (revised August 1, 1964) are included in the license issued for this project.

Our recommended conditions (4), (5) and (6) are supported on pages 6 and 7 of the Departmental letter. These conditions are necessary for the conservation and development of fish and wildlife resources. These recommendations are based on studies conducted by the Fish and Wildlife Service in cooperation with the Idaho Fish and Game Department. We request, therefore, that special conditions (4), (5) and (6) be included in any license issued for this project.

Sincerely yours,

(sgd) Stewart L. Udall

Secretary of the Interior

Hon. Joseph C. Swidler  
Chairman  
Federal Power Commission  
Washington, D. C. 20426

cc:  
Secretary's Reading File

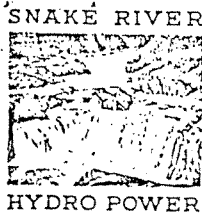
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FWS

P. Van Deraa - Room 6627

PVanDeraa:fp - 2/26/65

10-27-1966 IDPCO to Keith Higginson & IWR



ORIGINAL  
IDAHO POWER COMPANY

BOX 770 • BOISE, IDAHO 83701

October 27, 1966

Mr R Keith Higginson  
Idaho State Reclamation Engineer  
Idaho State Capitol Building  
Boise, Idaho

Idaho State Water Resources Board  
c/o Mr Carl E Tappan, Director  
Idaho State Capitol Building  
Boise, Idaho

Gentlemen:

Enclosed is a copy of our statement on the Southwest Idaho Water Development Project, as submitted earlier to the House Irrigation and Reclamation Subcommittee. We will appreciate your including this statement in the record of your hearings on this subject.

Idaho Power Company has a long and consistent record of active support for Southern Idaho reclamation projects, and we stand ready to cooperate with the water users and the Idaho State Water Resources Board to secure land reclamation for the benefit of this area.

Very truly yours,

R F Ball  
Executive Vice President

RFB:rm  
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ATTACHMENT NO. 2 TO MINUTES OF THE THIRTEENTH  
MEETING OF THE IDAHO WATER RESOURCE BOARD AT  
BOISE, IDAHO, ON OCTOBER 31, 1966

STATEMENT OF IDAHO POWER COMPANY  
TO IRRIGATION AND RECLAMATION SUBCOMMITTEE  
HOUSE INTERIOR AND INSULAR AFFAIRS COMMITTEE  
Regarding H.R. 13914, Southwest Idaho Water Development Project  
September 9, 1966

Idaho Power Company welcomes the opportunity to submit a statement for the record concerning H. R. 13914, the Southwest Idaho Water Development Project. The entire project area is included in our electric service area and naturally we are vitally interested in the practical development of the arid lands of the project area.

We have always been an active partner in the promotion and encouragement of Southern Idaho reclamation projects, consistently recognizing that reclamation which is developed on a sound financial basis provides important and lasting economic returns for this area.

Idaho Power Company is an investor-owned and financed electric utility which serves a 22,000 square mile area in southern Idaho, eastern Oregon and northern Nevada. We were a pioneer in extension of electric service to rural areas and have accomplished virtually 100 percent farm electrification. Our farm electric rates are the same as enjoyed by the Company's urban customers and are far below the national average. Ownership in the Company rests in 16,500 shareowners, with 4,000 shareowners residing in the Company's service area. Our general offices are located in Boise, Idaho.

Idaho Power Company believes that the extremely fertile but now arid lands of the Snake River Valley should be developed at the earliest practical time and that water conservation projects to achieve maximum water efficiency and land development are essential to the future economy of this area. Idaho Power has consistently recognized that the use of the water for reclamation should obtain a higher priority than the use for other purposes. Accordingly, the Company has voluntarily included in both its C J Strike Project license and its Brownlee-Oxbow-Hells Canyon license from the Federal Power Commission

a provision which makes the use of water for power generation at these projects subject to the depletion of the river flow by upstream diversions and use of the water for irrigation in the Snake River basin. The specific provision is as follows:

"The project shall be operated in such manner as will not conflict with the future depletion in flow of the waters of Snake River and its tributaries, or prevent or interfere with the future upstream diversion and use of such water above the backwater created by the project, for the irrigation of lands and other beneficial consumptive uses in the Snake River watershed."

The Company's partnership with reclamation development dates back to 1923, when a contract with the Bureau of Reclamation was accomplished to help make possible the highly productive American Falls dam project. Since that time many contracts have been developed in the interest of irrigation. The latest contract is dated 1959 and extends until 1976, whereby the Company delivers the power generated at the Bureau of Reclamation project plants to preference customers in southern Idaho; also whereby the Company purchases surplus power from these plants that might otherwise go to waste, thereby providing an assured source of revenue to assist in making the projects financially feasible. These contracts have been found by the Courts to be mutually beneficial to the United States government, the irrigators and the Company alike and the 1959 contract also received the careful scrutiny and endorsement of the Senate Interior and Insular Affairs Committee.

Idaho Power has been an active partner in working for the Anderson Ranch project, the North Side Pumping project and the Palisades project. We now expect to actively support the irrigation features of the Southwest Idaho Project which are ultimately determined to be feasible and in the best interests of Idaho reclamation farmers.

Analytical and statistically accurate comment is not possible at this time because the Bureau of Reclamation's feasibility report has just now been

released. A thorough study of the report is necessary before any meaningful comment on the feasibility of the various project features is possible. The report must also receive close examination of the water users of the area, because they have a direct and logical concern for preservation of their existing water rights and improvement of their present water supplies. We anticipate that additional hearings will be held to hear testimony on the feasibility of the various project features.

The proposed legislation, H. R. 13914, would authorize reclamation development of the Mountain Home part of the project but defers authorization of the reclamation features of the Garden Valley Division, the Weiser River Division and the Bruneau Division for several years.

Southern Idaho's economy is based on agriculture. The advent of each new reclamation project has added to the wealth of the area, creating new jobs, markets, processing plants and retail trade. What Idaho needs now to further improve its economy is the development of more new lands and the benefits that development will create. Consequently, we believe that the Garden Valley Division should be studied as a whole, rather than authorize the power features and postpone consideration of reclamation land development as proposed in H. R. 13914.

H. R. 13914 also postpones consideration of the Bruneau Division and the Weiser Division, and we urge that those reclamation projects receive prompt attention.

The only part of the Garden Valley project included in H. R. 13914 involves a diversion dam at Smiths Ferry, a Scriver Creek tunnel, a power plant at Upper Scriver Creek, a Scriver Creek dam and reservoir, a tunnel to Lower Scriver Creek, a Lower Scriver Creek power plant, a Garden Valley dam and reservoir, a Garden Valley power plant and a Garden Valley reregulating dam and power plant.

Should the power features of Garden Valley be authorized, the Company submits that the Federal government would better serve its reclamation purposes and be money ahead by consideration of a falling water contract with the Company, whereby Idaho Power would at its own expense install the power generating equipment and pay the Federal government an assured income for the falling water as well as ad valorem and other local taxes. This is the principle adopted at Hoover Dam, which has been so effective and profitable to the government. The Company is entirely willing to explore this plan with the government. In the light of the high estimated cost of a Federal power installation, the Company's proposal could well be the only means of assuring financial feasibility for the entire Garden Valley Division.

The fertile but arid lands yet undeveloped in southern Idaho lend themselves to the raising of high value crops, as attested to by the widespread development of desert lands in the area by irrigation pumping in the last fifteen years. There have been more than 800,000 acres of desert land developed by private initiative since 1948 and there are still some 115,000 acres available in southwestern Idaho alone, not in conflict with the Southwest Idaho Project, which lend themselves to economic development now. These lands will be rapidly developed, barring a continuation of present federal policy which for all practical purposes has frozen these lands from private development.

We call specific attention to the addendum items requested by Idaho water-users which were not included in H. R. 13914, which we believe are meritorious and should be given full consideration by the Committee.

Idaho Power stands ready to cooperate with the water-users of the Boise Valley, Payette Valley, the Mountain Home area, the Bruneau Division and Weiser River Division to secure land reclamation for the benefit of this area.

12-16-1968 BOR ltr to Fed Power Comm

DEC 16 1963

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Dear Mr. Chairman:

This responds to your April 21, 1960 letter to the Commissioner of our Bureau of Reclamation, granting our request to submit supplemental recommendations on the Idaho Power Company application for constructed Project No. 2258 - Idaho.

END  
WTS

In previous correspondence dated August 30, September 23, November 1962, and our letters dated March 23, 1964 and March 24, 1965, recommendations and rebuttal comments were quite extensive and somewhat involved, particularly with respect to the company's plant at American Falls.

In addition to the complicated situation at American Falls which existed at the time the 1965 recommendations were made, we are now faced with the fact that American Falls Dam will have to be replaced or modified within the relatively near future. The studies and recommendations with respect to the replacement have been discussed at some length with the water users involved, and our Bureau of Reclamation Regional Director's feasibility report will be submitted to this office in the near future. The implications of the complete replacement of American Falls, as you can readily appreciate, cast an entirely new light on the rights and obligations of the company at American Falls, the possible development of the full power resource, and the operation of company and Federal government facilities at the site.

The proposed replacement will involve the construction of a new dam downstream from the present structure and parts of the replacement structure will need to be located in the company's present project area. The question of providing penstocks in the dam for possible use by the Government for power production, the matter of modifying the company's existing forebay dam which the new structure will encroach upon, numerous right-of-way matters, problems regarding effects on rights which the company considers it has under the 1923 contract, and interference with the company's operations during construction of the replacement dam, all remain for study and resolution. None of these matters have been discussed with the company as of the present time.

In view of the above, we recommend that the Commission be asked to hold in abeyance the issuing of a license to the company for its American Falls Powerplant. We believe the license should not be issued until the problems arising out of the contemplated replacement of American Falls Dam have been resolved.

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If the Commission should decide to issue a license for the Upper Salmon and Shoshone Falls plants at this time, we believe that attention should be directed once again to our comments in the Department's letter to the Commission of March 24, 1965, with one change. In view of the company's resistance to a license provision subordinating its rights to subsequent depletions for irrigation or other beneficial uses, we would accept the provision that the company offered in its letter of January 24, 1963, provided there is included with it the provision that the Commission has itself prescribed in Utah Power and Light Company's Cutler Project (No. 2420) on the Bear River, Utah. We recommend that both of these stipulations be included in the license which may be issued to read as follows:

The project shall be operated in such a manner as will not conflict with the future depletion in flow of the waters of Snake River and its tributaries, or prevent or interfere with the future upstream diversion and use of such water above the backwater created by the project for the irrigation of lands and other beneficial consumptive uses in the Snake River watershed.

The licensee shall not make any claims under the authority of this license against the United States or other parties claiming through the United States for any damage resulting from any future reduction in the flow of the waters of the Snake River and its tributaries for the irrigation of lands or other beneficial purposes.

Thank you for the extension of time to allow our study of the impacts of the proposed license on existing and potential Bureau of Reclamation projects.

Sincerely yours,

(sgd) James Watt

Deputy Assistant Secretary of the Interior

Honorable John N. Nassikas  
Chairman  
Federal Power Commission  
Washington, D. C. 20426

cc:  
Secretary's Reading Files (2)  
Bureau of Reclamation  
John W. Neuberger, Rm. 6629  
JWNeuberger:bsf 12-9-69



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
OFFICE OF THE SECRETARY  
WASHINGTON, D.C. 20240

1925  
MAR 24 1966

Dear Mr. Swidler:

Reference is made to your letter of October 9, 1964, transmitting for our views the Idaho Power Company's comments on this Department's recommendations on the company's application for license for constructed Project No. 2258, located on the Snake River, Idaho.

BUREAU OF RECLAMATION  
FEDERAL POWER COMMISSION

1923 Contract Subordinate to FPC Licensing Authority

Rec'd MAR 25 1966

| TO       | INDEX |
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| 100-2258 | 11    |
| 738-100  |       |
| 951      |       |

At the outset, we note that Article 36 of the 1923 contract between the United States and the company expressly preserves the full licensing authority of the Federal Power Commission over the company's American Falls project and makes the provisions of the contract subordinate to that authority. The company did not, accordingly, acquire any vested rights inconsistent with the paramount power of the United States over its navigable waters, as exercised through the licensing procedures of the Federal Power Commission.

Public Ownership of Project Lands

The Department has heretofore corrected certain erroneous information which was furnished with respect to Dolman Island (occupied by the Upper Salmon plant) by letter to the Federal Power Commission dated March 25, 1964. We cannot, however, agree with the company's contentions with the Shoshone Falls and American Falls plants. Since patents have never been issued for those islands, title continues in the United States. / Scott v. Lattig, 227 U. S. 229, 57 L. Ed. 490 (1913); Pac. Co. v. Hirzel, 29 Idaho 438, 161 p. 854 (1916); Miller v. Lewiston-Clarkston Canning Co., 35 Idaho 669, 209 Pac. 194 (1922).

Accordingly, all of the company's projects except Upper Salmon involve lands of the United States and can be operated only by using such lands, together with the waters released by the United States from its American Falls project. Similarly, the operation of a Federal powerplant at American Falls will require the use of the company's water entitlement. We believe that under the auspices of the Commission, the company and the United States are capable of a voluntary accommodation of their joint needs and interests in this area. Such an accommodation should not be left to chance, however, but should be made a condition of granting the license, by imposing the following requirement on the company:

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\* The company shall within one year from issuance of this order enter into an agreement with the Bureau of Reclamation, United States Department of the Interior, to effect the maximum justifiable development of the power resources of the American Falls site. Such agreement shall include provision for:

- (a) The use of the company's water entitlements, together with other water releases at American Falls Dam for operation of any Federal powerplant at the site, and
- (b) The use of Federal lands and of Federal water releases, together with the company's water entitlements, for operation of the company's plant at American Falls Dam,

in such a way as to maximize the production of electricity at the site. The agreement shall also include appropriate provisions that until the construction and operation of a Federal powerplant at American Falls, the company, upon the request of the Secretary of the Interior, shall generate for the United States electrical energy using the water entitlements of the United States provided for in the contract between the Government and the company, dated June 15, 1923. The company shall be reimbursed for the production of such energy at a rate per kilowatt-hour which will cover a ratable portion of the company's hydroelectric production expenses prescribed and recorded under the Federal Power Commission Uniform System of Accounts; provided, however, that such reimbursement to the company be made in electric energy if so desired by the Secretary of the Interior.

The above-suggested requirement would, of course, replace stipulation No. 3 recommended for inclusion in the license by the Department in its letter of August 30, 1962, to the Federal Power Commission, beginning on page 2.

As pointed out in the Department's letter of March 25, 1964, to the Commission, reporting the correction of the landownership description for Dolman Island, the Bureau of Reclamation is now engaged in studying the possibility of enlarging American Falls Reservoir. The possibility of this enlargement, of course, makes it even more

imperative that appropriate stipulations and conditions be incorporated in any license which may be issued to the company.

The substitution of the provision outlined above for the third stipulation, appearing in the Department's August 30, 1962, letter to the Commission, appears to be consistent with the action that was taken by the Commission in issuing a license to the Portland General Electric Company for its Round Butte project, Project No. 2259. You will recall in that instance the Round Butte project for which the company was seeking a license involved the inundation of the Bureau's Cove powerplant. The Commission incorporated as a condition of the license a requirement that the licensee, prior to commencement of construction on the development, should enter into an agreement with the Bureau and the Pacific Power and Light Company relating to the settlement of rights and interests involved in inundation of the Cove powerplant. Such an agreement was consummated promptly and did not delay construction of the Round Butte project by the Portland General Electric Company.

Here, because the project is already constructed, it is appropriate that the accommodation be ordered to be worked out before the license is issued.

Protection for Present and Future Irrigation Development

The Idaho Power Company in its letter of January 24, 1963, has agreed to the inclusion in a license of a provision which it states is substantially the same as the Department's stipulation No. 1 appearing on page 2 of the Department's letter of August 30, 1962. The stipulation which the company recommends reads as follows:

The Licensee shall operate its facilities at American Falls in such a manner as not to interfere with the release of water by the Government at American Falls Dam for irrigation requirements, and when required by the United States, acting through the Department of the Interior, the Licensee shall draw down the elevation of water in its forebay pool sufficiently to permit the waters to flow from the Government's American Falls Dam into the forebay of the Licensee's installation at rates of flow required for irrigation uses as determined by the Department of the Interior. The company, it should be noted, uses 5-foot flashboards to increase the forebay level.

The significant difference between the provision which the company is willing to accept and our recommended stipulation is the inclusion by the company of the words "for irrigation requirements." The company's wording limits the application of the stipulation to interference with irrigation releases rather than to interference with all types of releases. We do not consider that the company should have the

right to interfere with releases from American Falls at low reservoir elevations by raising the company's forebay elevation and thereby decreasing the flow available to the Government for all downstream uses.

The Government, and not the company, should have control of river regulation at American Falls Dam.

With respect to the second numbered stipulation recommended by the Department, also appearing on page 2 of the August 30, 1962, letter, the company takes issue with the wording of this stipulation and has offered instead to accept a stipulation similar to the one included in article 41 of the license for Project No. 1971 (Brownlee, Oxbow, and Hells Canyon). The provision which the company is willing to accept reads as follows:

"Article \_\_\_\_\_. The project shall be operated in such manner as will not conflict with the future depletion in flow of the waters of Snake River and its tributaries, or prevent or interfere with the future upstream diversion and use of such water above the backwater created by the project for the irrigation of lands and other beneficial consumptive uses in the Snake River watershed."

The Department has previously indicated that it does not consider that the article recommended by the company meets the Department's requirements. For one thing, it is completely silent as to whether the company will expect compensation for future alleged interferences with its projects by reason of continuing reclamation developments in the Upper Snake River Basin. The company's position under the Brownlee license with respect to the requirements of that license for coordination would certainly indicate that compensation would be expected. Similarly, past experience with the company with respect to the release for irrigation purposes of its alleged water entitlements at American Falls indicates that the company expects a very substantial compensation for any water entitlements which it might make available to irrigation interests.

#### License Term

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The Commission has ruled that licenses granted for projects constructed prior to 1935 shall terminate on December 31, 1993, which is 50 years from the 1943 Commission ruling which adopted the concept of navigable waters as being waters required for transporting of logs. A license issued to the Idaho Power Company, therefore, would not expire 50 years from the date of the company's application in 1957, but 50 years from the 1943 navigability ruling of the Commission.

Power Wheeling Arrangement

With respect to the possible transmission of Government power over the company lines, we note that the Commission had already imposed such a condition on the company in Project No. 1971. Moreover, both the Departments of Interior and Agriculture have issued regulations with respect to utilization of excess capacity of private transmission lines where rights-of-way are required over public lands. We see no reason why a similar requirement should not be imposed on the company in this case.

Fish and Wildlife Provisions

We believe that conditions (1), (2) and (3) recommended in the Departmental letter of August 30, 1962, can be omitted provided that the standard conditions for fish and wildlife and recreational resources contained in FPC Form L-3 (revised August 1, 1964) are included in the license issued for this project.

Our recommended conditions (4), (5) and (6) are supported on pages 6 and 7 of the Departmental letter. These conditions are necessary for the conservation and development of fish and wildlife resources. These recommendations are based on studies conducted by the Fish and Wildlife Service in cooperation with the Idaho Fish and Game Department. We request, therefore, that special conditions (4), (5) and (6) be included in any license issued for this project.

Sincerely yours,

(sgd) Stewart L. Udall

Secretary of the Interior

Hon. Joseph C. Swidler  
Chairman  
Federal Power Commission  
Washington, D. C. 20426

cc:  
Secretary's Reading File  
HxBR

FWS  
P. Van Deraa - Room 6627

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