

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF THE COMMISSION'S)
REVIEW OF PURPA QF CONTRACT) CASE NO. GNR-E-11-03
PROVISIONS INCLUDING THE)
SURROGATE AVOIDED RESOURCE (SAR)) NOTICE OF
AND INTEGRATED RESOURCE PLANNING) SETTLEMENT CONFERENCE
(IRP) METHODOLOGIES FOR)
CALCULATING PUBLISHED AVOIDED) ORDER NO. 32617
COST RATES.)**

In September 2011, the Commission initiated this generic investigation to review the terms of PURPA power purchase agreements (PPAs). The Commission convened a technical hearing last week (August 7-9, 2012), where parties presented evidence that addressed among other things curtailment of QF generation during light load periods and terms of delayed security/liquidated damages in PPAs. During the hearing, several parties lamented that they did not have an opportunity to informally discuss curtailment issues embodied in Idaho Power Company's curtailment Schedule No. 74. In addition, several parties proposed various solutions to the issue of delay security or liquidated damages in PPAs.

The Commission finds that it is reasonable to convene a settlement conference to allow the parties to determine whether settlement is possible for some or all of the issues related to: (1) light load curtailment as proposed in Idaho Power's Schedule No. 74 or an alternative process; and (2) PPA terms of delay security or liquidated damages. To provide an opportunity for the parties to informally discuss and possibly settle these issues, the Commission is scheduling a settlement conference on August 23, 2012. Pursuant to our Procedural Rule 273, the Commission invites the parties to settle or partially settle issues related to the two areas identified above.

NOTICE OF SETTLEMENT CONFERENCE

YOU ARE HEREBY NOTIFIED that a settlement conference will be convened in this matter to discuss the issues of light load curtailment and delay security/liquidated damages to begin on **THURSDAY, AUGUST 23, 2012, COMMENCING AT 9:00 A.M. IN THE COMMISSION'S HEARING ROOM, 472 W. WASHINGTON STREET, BOISE, IDAHO.**

Parties should come prepared to discuss the merits of these two issues and the possibility of settlement.

YOU ARE FURTHER NOTIFIED that parties will advise the Commission no later than September 12, 2012, on the results of their settlement negotiations.

YOU ARE FURTHER NOTIFIED that pursuant to Rule 272, settlement negotiations are confidential unless all parties to the negotiations agree to the contrary. IDAPA 31.01.01.272.

YOU ARE FURTHER NOTIFIED that a telephone bridge will be available for those parties unable to attend in person. Contact our Deputy Attorney General Donald Howell, at (208) 334-0312 for details.

YOU ARE FURTHER NOTIFIED that the settlement conference will be conducted pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

ORDER

IT IS HEREBY ORDERED that a settlement conference shall commence in this matter on Thursday, August 23, 2012, at 9:00 a.m. in the Commission Hearing Room. The purpose of the settlement conference will be for the parties to discuss and negotiate settlement of issues pertaining to light load curtailment as proposed in Idaho Power's Schedule No. 74 or an alternative process and delay security/liquidated damages provisions in PPAs.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 15th
day of August 2012.



PAUL KJELLANDER, PRESIDENT

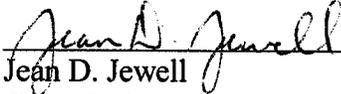


MACK A. REDFORD, COMMISSIONER



MARSHA H. SMITH, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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