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IDaho Public Utilities Commission

Attorneys for Idaho Power Company

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF)
IDAHO POWER COMPANY FOR APPROVAL)
OF AN AGREEMENT FOR SALE AND PUR-)
CHASE OF SURPLUS ELECTRIC ENERGY)
BETWEEN IDAHO POWER COMPANY)
AND THE AMALGAMATED SUGAR)
COMPANY, LLC)
_____)

CASE NO. IPC-E-03-10
APPLICATION FOR APPROVAL
OF AGREEMENT FOR SALE
AND PURCHASE OF SURPLUS
ELECTRIC ENERGY BETWEEN
IDAHO POWER COMPANY AND
THE AMALGAMATED SUGAR
COMPANY, LLC

COMES NOW Idaho Power Company ("Idaho Power" or the "Company")
and hereby applies for an Idaho Public Utilities Commission ("IPUC" or the
"Commission") Order approving an Agreement for Sale and Purchase of Surplus
Energy between Idaho Power and The Amalgamated Sugar Company, LLC ("TASCO").

Pursuant to this Agreement, TASCO desires to sell and Idaho Power agrees to
purchase non-firm surplus energy generated by TASCO's Nampa electric generation
facility which is to operate in parallel with Idaho Power's system under the terms and
conditions of the Agreement for Sale and Purchase of Surplus Energy between Idaho
Power and TASCO.

This Application is based on the following:

I.

TASCO owns and operates electric generation facilities at its refined sugar production facility in Nampa, Idaho (the "Nampa Plant"). TASCO provides a portion of its electric loads at the Nampa Plant with its own on-site generation.

II.

Idaho Power provides electric service to the Nampa Plant under Idaho Power's Schedule 19. TASCO takes service under Schedule 19 to supplement the energy TASCO generates with its own on-site generation at the Nampa Plant. On October 31, 1998, Idaho Power and TASCO entered into an agreement for the sale and purchase of surplus energy (the "Surplus Energy Agreement") under which Idaho Power currently purchases surplus electric energy from TASCO at market-based prices. In Order No. 27885 issued in Case No. IPC-E-98-15 on January 22, 1999, the Commission approved the Surplus Energy Agreement.

III.

On July 23, 2001 Idaho Power and TASCO entered into the First Amendment of the Surplus Energy Agreement under which the maximum surplus electric energy that TASCO was permitted to deliver to Idaho Power was increased to 8.5 MW and the expiration date of the Surplus Energy Agreement was extended to September 1, 2003. In Order No. 28865 issued in Case No. IPC-E-01-26 on September 28, 2001, the Commission approved the First Amendment to the Surplus Energy Agreement.

IV.

TASCO wishes to continue to sell surplus energy to Idaho Power from the Nampa Plant and Idaho Power wishes to purchase said surplus energy. However, as the Surplus Energy Agreement, as amended, does not adequately address either Idaho Power's or TASCO's future electrical energy requirements, both Idaho Power and TASCO have agreed to enter into a new "Agreement for Sale and Purchase of Surplus Energy" (the "Agreement") in which current regulations and operating issues are addressed and agreed upon by the Parties.

V.

On July 24, 2003, Idaho Power and TASCO entered into the Agreement. The effective date of the Agreement is September 1, 2003 which will result in a seamless transition from the Surplus Energy Agreement, as amended, which expires the same day, and the new Agreement.

VI.

Electric energy to be sold under the new Agreement is non-firm energy and will only be available when TASCO does not consume the electric energy in the Nampa Plant and/or when TASCO elects to generate in excess of its energy consumption.

- The purchase price for the energy is set at 85% of the Avoided Energy Cost as defined within Idaho Power's IPUC Schedule 86.
- The Term of the Agreement is 5 years with automatic annual renewals. Following the initial 5-year Term, the Agreement may be terminated by either Party with 6 months prior written notice.
- Interconnection equipment and point of delivery as specified in the Surplus Energy Agreement, as amended, will be maintained in the new

Agreement.

- A copy of the new Agreement is attached hereto as Exhibit 1.

VII.

The terms of the Agreement provide that the Agreement will not become finally effective until the Commission has approved the Agreement and declares that all payments for surplus energy under the Agreement shall be allowed as prudently incurred expenses for ratemaking purposes.

VIII.

Service of pleadings, exhibits, orders and other documents relating to this proceeding should be served on the following:

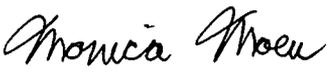
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NOW, THEREFORE, Idaho Power hereby requests that the Commission issue its order:

- (1) Approving terms and provisions of the Agreement without change or condition; and
- (2) Declaring that all payments for purchases of energy under the Agreement shall be allowed as prudently-incurred expenses for ratemaking purposes.

Respectfully submitted this 2nd day of September 2003.



MONICA MOEN
Attorney for Idaho Power Company

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 2nd day of September 2003, I served a true and correct copy of the within and foregoing APPLICATION upon the following named parties by the method indicated below, and addressed to the following:

Scott Woodbury	<u> x </u>	Hand Delivered
Deputy Attorney General	<u> </u>	U.S. Mail
Idaho Public Utilities Commission	<u> </u>	Overnight Mail
472 W. Washington Street	<u> </u>	FAX
P.O. Box 83720		
Boise, Idaho 83720-0074		

Roy L. Eiguren	<u> </u>	Hand Delivered
Givens, Pursley LLP	<u> x </u>	U.S. Mail
277 North 6th Street, Suite 200	<u> </u>	Overnight Mail
P. O. Box 2720	<u> </u>	FAX
Boise, Idaho 83701-2720		

Monica B. Moen

MONICA B. MOEN

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

CASE NO. IPC-E-03-_____

IDAHO POWER COMPANY

EXHIBIT 1

AGREEMENT FOR SALE AND PURCHASE OF SURPLUS ENERGY

BETWEEN

IDAHO POWER COMPANY

AND THE AMALGAMATED SUGAR COMPANY, LLC

NAMPA FACILITY

THIS AGREEMENT is entered into on this 24th day of July, 2003, by The Amalgamated Sugar Company, LLC, a Delaware Limited Liability Company authorized to do business in the State of Idaho (TASCO), and Idaho Power Company, an Idaho corporation (Idaho Power or Company). TASCO and Idaho Power are hereinafter sometimes referred to collectively as Parties or individually as Party.

RECITALS

A. TASCO owns and operates electric generation facilities at its refined sugar production facility in Nampa, Idaho ("Nampa Plant") and carries a portion of its electric loads at the Nampa Plant with its own on-site generation.

B. Idaho Power provides electric service to the Nampa Plant under Idaho Power Schedule 19. TASCO takes service under Schedule 19 to supplement the energy generated by TASCO's on-site generation.

C. TASCO currently purchases standby electric service for the Nampa Plant from Idaho Power under the Agreement for Supply of Standby Electric Service Between Idaho Power Company and The Amalgamated Sugar Company, LLC dated April 6, 1998 (Standby Agreement).

D. TASCO desires to sell to Idaho Power Surplus Energy from its on-site generation and to operate the Nampa Plant and the Nampa Generator (hereinafter defined) in parallel with Idaho Power's system under the terms and conditions of this Agreement.

E. Within the parameters established in the Standby Agreement, Idaho Power is willing to allow TASCO to operate in parallel with Idaho Power and, as provided in this Agreement, will purchase the Surplus Energy from the Nampa Generator not otherwise consumed by TASCO in the Nampa Plant.

THEREFORE, In consideration of the mutual covenants hereinafter set forth and other good and valued consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

SECTION 1 - DEFINITIONS

In addition to the previously defined Capitalized Terms, when used in this Agreement, the following Capitalized Terms shall have the following meanings:

1.1 "Commission" means the Idaho Public Utilities Commission or its successor agency.

1.2 "Contract Year" means the annual period from September 1 through August 31 of each calendar year.

1.3 "Designated Dispatch Facility" means Idaho Power's Control Area Operations Group, or any subsequent group designated by Idaho Power.

1.4 "Disconnection Equipment" means any device or combination of devices by which Idaho Power can manually and /or automatically interrupt the flow of energy between the Nampa Generator and Idaho Power's system, including enclosures

or other equipment as may be required to ensure that only Idaho Power will have access to the devices. The Disconnection Equipment is part of the Interconnection Facilities described in Paragraph 1.6.

1.5 “Fiber Optic Communications Equipment” means the fiber optic signal cable and converters required to coordinate the Disconnection Equipment and Interconnection Facilities protective relays and to provide the instantaneous telemetry of the power flows at the Point of Delivery as required by Idaho Power’s dispatchers.

1.6 “Interconnection Facilities” means all facilities which are reasonably required by Prudent Electrical Practices and the National Electric Safety Code to interconnect and deliver power and energy to the Nampa Plant and to physically and electronically interconnect to receive energy generated by TASCOS’s Nampa Generator to Idaho Power’s system. The Interconnection Facilities include, but are not limited to, Special Facilities, Disconnection Equipment, Communications Equipment, Fiber Optic Communications Equipment and Metering Equipment.

1.7 “Metering Equipment” means the equipment required to measure and record power flows between Idaho Power and the Nampa Plant and between the Nampa Generator and Idaho Power’s system.

1.8 “Nampa Generator” means TASCOS’s electric generation facilities located at the Nampa Plant, consisting of 4 generators, with a combined nameplate rating of 14.7 MW capable of delivering Surplus Energy to Idaho Power through a single common Point of Delivery.

1.9 “Point of Delivery” means the location where Idaho Power’s Metering Equipment for the Nampa Plant is installed.

1.10 "Prudent Electrical Practices" means those practices, methods and equipment that are commonly and ordinarily used in electrical engineering and utility operation to operate electrical equipment and deliver electric power and energy with safety, dependability, efficiency and economy.

1.11 "Reliability Management System" or "RMS" shall mean the contractual reliability management program implemented through the WECC Reliability Criteria Agreement, Section 9 of this Agreement, and any similar contractual arrangement.

1.12 "Special Facilities" means additions or alterations of Idaho Power transmission and/or distribution lines, transformers, apparatus, system protection equipment and control equipment to safely interconnect the Nampa Generator to the Company's system.

1.13 "Surplus Energy" means the electric generation of the Nampa Generator not otherwise consumed by TASC0 at the Nampa Plant, delivered to Idaho Power at the Point of Delivery not to exceed the maximum allowed limit of 8.5 MW.

1.14 "Total Contract Demand" is measured at the Point of Delivery and means the sum of the Standby Facilities Contract Demand as specified in the Standby Agreement and the KVA of demand specified in the Uniform Large Power Service Agreements (Schedule 19 Agreements).

SECTION 2 - WARRANTIES

2.1 No Warranty By Idaho Power. Any review, acceptance, or failure to review TASC0's design, specifications, equipment or facilities associated with the Nampa Generator or any TASC0-owned Interconnection Facility shall not be an

endorsement or a confirmation by Idaho Power, and Idaho Power makes no warranties, expressed or implied, regarding any aspect of TASC0's design, specifications, equipment or facilities, including but not limited to safety, durability, reliability, strength, capacity, adequacy or economic feasibility.

2.2 Equipment Protection. Idaho Power does not assume any responsibility for the protection of the Nampa Generator. TASC0 is fully responsible for protecting the Nampa Generator and its electrical equipment at the Nampa Plant from faults or disturbances, negative sequence currents, reclosing, reverse power flows, or single phasing on Idaho Power's system.

2.3 Qualifying Facility Status. TASC0 warrants that the Nampa Generator is a qualifying facility as that term is used and defined in 18 CFR, Part 292. Idaho Power Company at its discretion may request documents from TASC0 supporting the Qualifying Facility Status and also reserves the right to audit the associated and supporting records.

SECTION 3 - TERM AND TERMINATION

3.1 Term of Agreement. The term of this Agreement shall be for five (5) Contract Years from September 1, 2003 and will automatically renew and extend each year thereafter unless written notice of termination is given by either Party to the other not less than six (6) months prior to the desired termination date.

SECTION 4 - PURCHASE OF SURPLUS GENERATION

4.1 Deliveries and Acceptance of Surplus Energy. For the full term of this Agreement, except when otherwise excused as provided in Paragraph 8.2 herein, Idaho Power will purchase the Surplus Energy delivered and accepted at the Point of Delivery.

4.2 Estimated Monthly Surplus Energy Amounts. TASCOCO will provide Idaho Power with Estimated Monthly Surplus Energy Amounts to be delivered to Idaho Power by March 31st, for April 1 of the current year through March 31st of the following year. The Estimated Monthly Surplus Energy Amounts for the first contract year of this agreement are to be provided by September 1, 2003.

4.3 Purchase Price.

4.3.1 Surplus Energy Purchase Price - The purchase price per Kwh for Surplus Energy will be Eighty-five percent (85%) of the Avoided Energy Cost as defined within Idaho Power's IPUC Schedule 86 and/or its successor schedules as those schedules may be modified from time to time by Commission order.

4.3.2 Adjusted Surplus Energy Purchase Price – If at the request of Idaho Power TASCOCO Generator agrees to provide continuous energy at a designated MW level for an agreed upon length of time, at a specific time, an Adjusted Surplus Energy Purchase Price will be mutually agreed upon prior to the commencement of the agreed upon energy deliveries

and will only be in effect for the energy deliveries designated as being eligible for the Adjusted Surplus Energy Purchase Price.

4.4 Energy Payment. The monthly calculated Energy Payment shall be credited to TASC0 in the form of a dollar credit to TASC0's Schedule 19 purchase of energy and capacity for TASC0's Nampa Plant.

SECTION 5 - INTERCONNECTION

5.1 Design of Nampa Generator. TASC0 has designed, constructed, installed, and will own, operate and maintain the Nampa Generator. The Nampa Generator and any TASC0-furnished Interconnection Facilities shall be maintained in accordance with Prudent Electrical Practices, the National Electric Code, the National Electrical Safety Code, and any other applicable local, state, and federal codes so as to allow safe and reliable delivery of electric energy to Idaho Power's system.

5.2 Interconnection Facilities. TASC0 has reimbursed the Company for the cost of the Interconnection Facilities specified in Exhibit 1. Except for the Company-owned Interconnection Facilities specified in Exhibit 1, TASC0 has constructed, installed, owns and will maintain all Interconnection Facilities. TASC0 will reimburse the Company for the cost of future additions and modifications to the Interconnection Facilities reasonably required by operation of the Nampa Plant and/or the Nampa Generator and/or Prudent Electrical Practices. Exhibit 1 will be amended to reflect any additional facility cost associated with such additions or modifications. TASC0 agrees to pay monthly the operation and maintenance charges associated with

the Company-owned Interconnection Facilities identified on Exhibit 1. The monthly operation and maintenance charges shall be included with the monthly TASCOSchedule 19 billing.

The Interconnection Equipment as identified in Exhibit 1 was installed and operational as of October 31, 1998 under a previous energy purchase and sales agreement. Therefore, the year to be used in the following table, to determine the Monthly Operating and Maintenance Charges, will be calculated based upon the annual period of November 1 thru October 31, beginning with Year 5 on the following table which shall be the period of November 1, 2002 thru October 31, 2003. The applicable operation and maintenance charges are then determined by multiplying the cost of the facilities identified on Exhibit 1 by the year's percentage rate specified below. In the event the term of this agreement exceeds the number of years identified in this table, the percentage will be set at .70% for the remaining term of this Agreement.

MONTHLY OPERATING AND MAINTENANCE CHARGES

Year	1	2	3	4	5	6	7	8
O & M Charge	.26%	.27%	.28%	.29%	.30%	.32%	.33%	.35%
Year	9	10	11	12	13	14	15	16
O & M Charge	.36%	.38%	.40%	.41%	.43%	.45%	.47%	.49%
Year	17	18	19	20	21	22	23	24
O & M Charge	.52%	.54%	.56%	.59%	.59%	.64%	.67%	.70%

5.3 Idaho Power Review. To assure the Nampa Generator and TASCOS-furnished Interconnection Facilities are of suitable size and are compatible with Idaho Power's system, TASCOS has submitted the designs, plans, specifications and performance data for the Facility and TASCOS-furnished Interconnection Facilities to

Idaho Power for review. Idaho Power has accepted and confirmed that the provided design, plans, specifications and performance data are compatible with the current Idaho Power system. If any changes are made to the Nampa Generator or the TASC0-furnished Interconnection Facilities, it is required that these changes be submitted to Idaho Power, in writing, for review and acceptance prior to making said changes. Idaho Power will review both the existing equipment and the requested changes, consistent with Prudent Electrical Practices, and determine any necessary changes to assure the safe delivery of electric energy from the Nampa Generator to Idaho Power's system.

SECTION 6 - DISCONNECTION EQUIPMENT

6.1 Disconnection Equipment. Idaho Power has, at TASC0's expense, provided, and will own, operate and maintain all Disconnection Equipment. Idaho Power will establish the settings of Disconnection Equipment to disconnect automatically from the Nampa Generator for the protection and operation of Idaho Power's system and personnel consistent with Prudent Electrical Practices, and in accordance with the Nampa Generator allowed Surplus Energy deliveries to Idaho Power.

6.2 Excess Demand Warning. If the Nampa Plant's load exceeds the Total Contract Demand, and/or the Surplus Energy being delivered to Idaho Power at the Point of Delivery exceeds the maximum allowed Surplus Energy, a signal will be transmitted to TASC0 via the Fiber Optic Communications Equipment. Should the Nampa Plant's load continue to exceed the Total Contract Demand and/or the Surplus

Energy deliveries continue to exceed the allowed maximum Surplus Energy, eight (8) seconds after the signal is transmitted, Idaho Power's service to the Nampa Plant and interconnection to the Nampa Generator will disconnect automatically. This disconnection will result in both the interruption of energy deliveries to the Nampa Plant and interruption of energy deliveries from the Nampa Generator to Idaho Power.

6.3 Remote Disconnection. Other Disconnection Equipment, including equipment which will provide Idaho Power's operating personnel with the ability to remotely control the breaker or other disconnecting device by radio or hard-wire circuit, may be specified by Idaho Power when, in Idaho Power's reasonable judgment, such equipment is required by Prudent Electrical Practices. TASCOCO recognizes that such remote control equipment may not initially be required by Idaho Power, but at such time as operating conditions on Idaho Power's system dictate, Idaho Power will install this remote control equipment at TASCOCO's expense.

6.4 Interference with Disconnection Equipment. If TASCOCO attempts to modify, adjust, or otherwise interfere with the Disconnection Equipment or its enclosure, such action shall constitute grounds to cease parallel operation.

SECTION 7 - METERING

7.1 Metering. Idaho Power has provided, installed, and will maintain the required Metering Equipment at the Point of Delivery to record and measure power flows and kilovar-hours from Idaho Power to the Nampa Plant and from the Nampa Generator to Idaho Power. All Metering Equipment and installation costs shall be borne by TASCOCO, including costs incurred by Idaho Power for inspecting and testing such equipment at reasonable intervals, at Idaho Power's actual cost of providing this

Metering Equipment and services.

7.2 Meter Inspection. Idaho Power shall inspect all meters every six (6) months and test all meters upon their installation and at least once every four (4) years thereafter. Idaho Power will provide TASCOS reasonable advance notice of the time Idaho Power will inspect and /or test such meters. If requested by TASCOS, Idaho Power shall make a special inspection or test of a meter and TASCOS shall pay the reasonable costs of such special inspection or test. Both Parties shall be notified of the time when any test shall take place, and each Party may have representatives present at the test. If a meter is found to be inaccurate or defective, it shall be adjusted, repaired or replaced, at Idaho Power's expense, in order to provide accurate metering. If a meter fails to register, or if the measurement made by a meter during a test varies by more than two percent (2%) from the measurement made by the standard meter used in the test, adjustment (either upward or downward) to the payments made to TASCOS shall be made to correct those payments affected by the inaccurate meter for the actual period during which inaccurate measurements were made. If the actual period cannot be determined, corrections to the payments will be based on the shorter of: (1) a period equal to one-half the time from the date of the last previous test of the meter to the date of the test which established the inaccuracy of the meter; or, (2) six (6) months.

7.3 Telemetry. Idaho Power has installed, operates and will maintain, at TASCOS expense, metering, communications and telemetry which will be capable of providing Idaho Power with instantaneous telemetry of the measurement of power flows at the Point of Delivery. TASCOS recognizes that the power flow data provided by the

telemetry equipment is only for general indication purposes and will not be as accurate or reliable as the data recorded by the Metering Equipment at the Point of Delivery. TASC0 further recognizes that Idaho Power makes no representations regarding the accuracy or reliability of the power flow data received from the telemetry equipment. TASC0 assumes the risk for its operating decisions based on the power flow information from the telemetry equipment. All billing and other determinations based on power flows under this Agreement will be based solely on the recorded meter data from the Metering Equipment at the Point of Delivery.

SECTION 8 - OPERATIONS

8.1 Facility Maintenance. TASC0 has full responsibility for the maintenance of the Nampa Generator and the TASC0-furnished Interconnection Facilities protecting the Nampa Generator. If, in the opinion of Idaho Power, TASC0 has failed to provide proper maintenance of the Nampa Generator or the TASC0-furnished Interconnection Facilities, and this failure could adversely impact Idaho Power or other Idaho Power customers, Idaho Power can operate the Disconnection Equipment to prevent parallel operation.

8.2 Energy Acceptance. Idaho Power shall be excused from accepting and paying for Surplus Energy delivered by TASC0 from the Nampa Generator under the following circumstances:

8.2.1 If it is prevented from doing so by any event of force majeure.

8.2.2 If Idaho Power determines that curtailment, interruption or reduction of Surplus Energy deliveries is necessary because of line construction or maintenance requirements, emergencies, operating conditions on its system or as otherwise required by Prudent Electrical Practices. To the extent practicable, Idaho Power will attempt to provide notice to TASC0 in advance of any curtailment, interruption or reduction.

8.2.3 TASC0 exceeds the maximum Surplus Energy as defined within this Agreement.

8.2.4 TASC0 exceeds the Total Contract Demand as defined within this Agreement.

8.2.5 If Idaho Power determines that TASC0 is not in compliance with any of the other requirements of Article 8 of this Agreement.

8.3 Voltage Levels. When delivering Surplus Energy, TASC0 shall minimize voltage fluctuations and maintain voltage levels acceptable to Idaho Power. Power output from and input to the facility shall be in accordance with the power quality standards contained in IEEE Standards 141 (voltage flicker) and 519 (harmonics).

8.4 Generator Ramping. Idaho Power shall have the right to limit the rate that generation at the TASC0 Facility is changed at startup, during normal operation or following reconnection to Idaho Power's system. Generation ramping may be required to permit Idaho Power's voltage regulation equipment time to respond to

changes in power flow.

8.5 Reactive Power. While in Surplus Energy mode (exporting power to Idaho Power Company), the Nampa Generator shall be operated to maintain a voltage schedule, reactive schedule or power factor schedule, whichever is applicable, as prescribed by Idaho Power within the Nampa Generator's reactive capabilities of the generation equipment in operation. Idaho Power may request the Nampa Generator to change its voltage schedule, reactive schedule or power factor schedule, whichever is applicable, or request the Nampa Generator to supply its maximum available reactive power output or absorb its maximum reactive power input (measured in MVAR) within the capabilities of the generation equipment in operation at the time in order to maintain system security. The Parties recognize that the Nampa Generator will typically be able to provide reactive power at no cost and, therefore, agree that the Nampa Generator will provide reactive power to or absorb reactive power from Idaho Power within the capabilities of the generation equipment in operation at the time at no charge to Idaho Power. In the event the Nampa Generator is unable to consistently maintain required reactive power capability at the Point of Delivery, the Nampa Generator shall take other appropriate steps to configure the Nampa Generator to meet such requirements, including, as necessary, the installation of reactive power compensating devices subject to prior review and approval by Idaho Power.

8.6 Scheduled Maintenance. On or before March 31 of each year, TASC0 shall submit a proposed maintenance schedule for the next 12 months and Idaho Power and TASC0 shall mutually agree as to the acceptability or unacceptability of the proposed schedule. The Parties determination as to the acceptability of

TASCO's timetable for scheduled maintenance will take into consideration Prudent Electrical Practices and neither party shall unreasonably withhold its acceptance of the proposed schedule.

8.7 Maintenance Coordination. The Parties shall, to the extent practical, coordinate their respective facility maintenance schedules such that they occur simultaneously.

8.8 Contact Prior to Curtailment. Idaho Power will make a reasonable attempt to contact TASCO prior to exercising its rights to curtail, interrupt or reduce Surplus Energy deliveries from the Nampa Generator. TASCO understands that, in the case of emergency circumstances, notice may not be given to TASCO prior to interruption, curtailment or reduction.

8.9 Performance measurements. TASCO shall provide Idaho Power Company with all performance measurements required by NERC, WECC, and the RTO (if applicable) for compliance monitoring programs such as, but not limited to, the Reliability Management System (RMS).

8.10 Operating Communications. – TASCO and Idaho Power will maintain appropriate operating communications through the Designated Dispatch Facility.

8.11 Certification. – TASCO will obtain and provide to Idaho Power Company a certification by a professional engineer licensed in the State of Idaho, certifying that the TASCO-furnished Interconnection and Generation facilities successfully meet all applicable electrical and safety standards and are capable of operating in parallel with the Idaho Power electrical system in a safe and reliable

manner. The first of these certifications will be required by September 30, 2003, thereafter, September 30th of every 3rd year for the remaining term of this agreement.

SECTION 9 – RELIABILITY MANAGEMENT SYSTEM

9.1 Purpose. In order to maintain the reliable operation of the transmission grid, the WECC Reliability Criteria Agreement sets forth reliability criteria adopted by the WECC to which the Nampa Generator and Idaho Power Company shall be required to comply.

9.2 Compliance . Nampa Generator shall comply with the requirements of the WECC Reliability Criteria Agreement, including the applicable WECC reliability criteria set forth in Section IV of Annex A thereof, and, in the event of failure to comply, TASC0 agrees to be subject to the sanctions applicable to such failure. Such sanctions shall be assessed pursuant to the procedures contained in the WECC Reliability Criteria Agreement. Each and all of the provisions of the WECC Reliability Criteria Agreement are hereby incorporated by reference into this Article 9 as though set forth fully herein, and TASC0, for the Nampa Generator, shall for all purposes be considered a Participant, and shall be entitled to all of the rights and privileges and be subject to all of the obligations of a Participant, under and in connection with the WECC Reliability Criteria Agreement, including but not limited to the rights, privileges and obligations set forth in Sections 5, 6 and 10 of the WECC Reliability Criteria Agreement.

9.3 Payment of Sanctions. TASC0, for the Nampa Generator, shall be responsible for reimbursing Idaho Power Company for any monetary sanctions assessed against Idaho Power Company due to the action or inaction of Nampa Generator, by

WECC pursuant to the WECC Reliability Criteria Agreement. TASC0 also shall be responsible for payment of any monetary sanction assessed against Nampa Generator by WECC pursuant to the WECC Reliability Criteria Agreement. Any such payment shall be made pursuant to the procedures specified in the WECC Reliability Criteria Agreement.

9.4 Transfer of Control or Sale of Generation Facilities In any sale or transfer of control of any generation facilities subject to this Agreement, TASC0 shall, as a condition of such sale or transfer, require the acquiring party or transferee with respect to the transferred facilities either to assume the obligations of TASC0 with respect to this Agreement or to enter into an agreement with Idaho Power Company imposing on the acquiring party or transferee the same obligations applicable to Nampa Generator pursuant to this Section 9.

9.5 Publication. TASC0 consents to the release by the WECC of information related to the Nampa Generator's compliance with this Agreement only in accordance with the WECC Reliability Criteria Agreement.

9.6 Third Parties. Except for the rights and obligations between the WECC and TASC0 specified in this Section 9, this Agreement creates contractual rights and obligations solely between the Parties. Nothing in this Agreement shall create, as between the Parties or with respect to the WECC: (a) any obligation or liability whatsoever (other than as expressly provided in this Agreement), or (b) any duty or standard of care whatsoever. In addition, nothing in this Agreement shall create any duty, liability or standard of care whatsoever as to any other party. Except for the rights, as a third-party beneficiary under this Section 9, of the WECC against TASC0 for the Nampa Generator, no third party shall have any rights whatsoever with respect to enforcement of any

provision of this Agreement. Idaho Power Company and TASC0 expressly intend that the WECC is a third-party beneficiary to this Section 9, and the WECC shall have the right to seek to enforce against TASC0 any provision of this Section 9, provided that specific performance shall be the sole remedy available to the WECC pursuant to Section 9 of this Agreement, and TASC0 shall not be liable to the WECC pursuant to this Agreement for damages of any kind whatsoever (other than the payment of sanctions to the WECC, if so construed), whether direct, compensatory, special, indirect, consequential or punitive.

9.7 Reserved Rights. Nothing in the RMS or the WECC Reliability Criteria Agreement shall affect the right of Idaho Power Company, subject to any necessary regulatory approval, to take such other measures to maintain reliability, including disconnection, that Idaho Power Company may otherwise be entitled to take.

9.8 Severability. If one or more provisions of this Section 9 shall be invalid, illegal or unenforceable in any respect, it shall be given effect to the extent permitted by applicable law, and such invalidity, illegality or unenforceability shall not affect the validity of the other provisions of this Agreement.

9.9 Termination of Section 9. TASC0 may terminate its obligations pursuant to this Section 9:

9.9.1 If after the effective date of this Section 9, the requirements of the WECC Reliability Criteria Agreement applicable to the Nampa Generator are amended so as to adversely affect the Nampa Generator, provided that TASC0 gives fifteen (15) days notice of such termination to Idaho Power Company and WECC within forty-five (45) days of the date

of issuance of a Commission order accepting such amendment for filing, provided further that the forty-five (45) day period within which notice of termination is required may be extended by TASC0 for an additional forty-five (45) days if TASC0 gives written notice to Idaho Power Company of such requested extension within the initial forty-five (45) day period; or

9.9.2 For any reason on one year's written notice to Idaho Power Company and the WECC.

SECTION 10 - MISCELLANEOUS PROVISIONS

10.1 Insurance. TASC0 will comply with the liability insurance requirements contained in Idaho Power's IPUC Schedule 86 and/or its successor schedules as those schedules may be modified from time to time by Commission order.

10.2 Rights of Way and Easements. TASC0 hereby grants to Idaho Power all necessary rights of way and easements to install, operate, maintain, replace and remove Idaho Power's metering and other Interconnection Facilities, including adequate and continuing access rights to TASC0's property. TASC0 warrants that it has procured sufficient easements and rights of way from third parties as are necessary to provide Idaho Power with the access described above. TASC0 will execute such other grants, deeds or documents as Idaho Power may require to enable it to record such rights of way and easements.

10.3 Indemnification. TASC0 agrees to hold harmless and indemnify Idaho Power, its officers, agents, employees, parent company, affiliates and sister

companies against all loss, damage, expense and liability to third persons or injury to or death of person or injury to property proximately caused by TASCOS construction, operation or maintenance of, or by failure of, the Nampa Generator or the TASCOS-furnished Interconnection Facilities.

10.4 Regulatory Requirements. This Agreement and the rates, terms and conditions of service set forth or incorporated herein, and the respective rights and obligations of the Parties hereunder, will be subject to valid laws and to the regulatory authority and orders, rules and regulations of the Commission and such other administrative bodies having jurisdiction.

10.5 Commission Jurisdiction. The purchase prices contained herein are negotiated rates. Their inclusion does not constitute a waiver by Idaho Power of its right to contest TASCOS entitlement to full avoided cost rates under PURPA. Nothing herein will be construed as limiting the Commission from changing any rates or charges or any rules, regulation or conditions relating to services provided and/or Surplus Energy purchases under this Agreement, or construed as affecting the right of Idaho Power or TASCOS to unilaterally make application to the Commission for any such change.

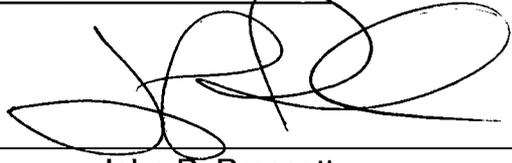
10.6 Attorney's Fees. In any action at law or equity commenced under this Agreement and upon which judgment is rendered, the prevailing party, as part of such judgment, will be entitled to recover all costs, including reasonable attorney's fees, incurred on account of such action.

10.7 Effective Date of Agreement. This Agreement will not become effective until the Commission has approved it and declares that all payments for

purchases of Surplus Energy shall be allowed as prudently incurred expenses for ratemaking purposes.

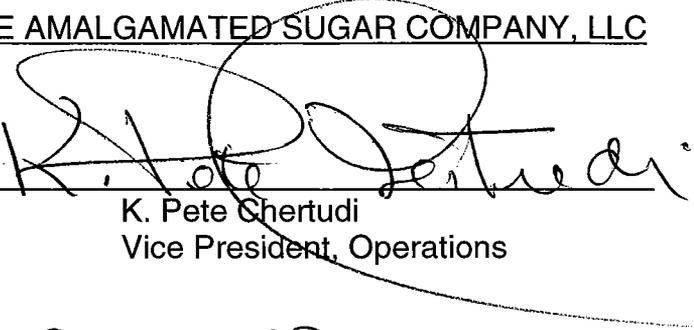
IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year herein written.

IDAHO POWER COMPANY

By 
John P. Prescott
Vice President, Power Supply

Date 7-24-03

THE AMALGAMATED SUGAR COMPANY, LLC

By 
K. Pete Chertudi
Vice President, Operations

Date 8-26-03

AGREEMENT FOR SALE AND PURCHASE OF SURPLUS ENERGY

BETWEEN

IDAHO POWER COMPANY

AND THE AMALGAMATED SUGAR COMPANY, LLC

NAMPA PLANT

EXHIBIT 1

TASCO's monthly operation and maintenance charges are determined by multiplying the cost of the following Interconnection Facilities by the appropriate percentage specified in section 5.2. As required within this Agreement, TASCO will pay Idaho Power a monthly Operations and Maintenance Charge based upon the total cost of the equipment as specified within this Exhibit.

Disconnection Equipment including the 3PH recloser	\$39,916
Communications equipment including the SEL-3510 over Current relay, the PO80116 relay, the phone line Switch, and the fiber optic transceiver.	\$51,518
Fiber Optics Signal Cable	<u>\$36,134</u>
TOTAL	\$127,568

This equipment is owned, operated and maintained by Idaho Power. As specified within this Agreement, TASCO has reimbursed Idaho Power the total amount as listed within this Exhibit.