

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER)	
COMPANY'S APPLICATION FOR APPROVAL)	CASE NO. IPC-E-03-10
OF AN AGREEMENT WITH THE)	
AMALGAMATED SUGAR COMPANY, LLC)	NOTICE OF APPLICATION
FOR THE SALE AND PURCHASE OF)	
SURPLUS ELECTRIC ENERGY.)	NOTICE OF MODIFIED
)	PROCEDURE
)	
)	NOTICE OF COMMENT
)	DEADLINES
)	

On September 2, 2003, Idaho Power Company (Idaho Power, Company) filed an Application requesting approval of an Agreement for the Sale and Purchase of Surplus Energy (Agreement) between the Company and the Amalgamated Sugar Company, LLC (TASCO). Idaho Power provides electric service to TASCO's refined sugar production facility in Nampa, Idaho, to supplement the TASCO's own on-site electric generation. During periods where it generates electricity in excess of its needs, TASCO sells its excess generation to Idaho Power. The Company requests the Commission declare all payments for energy purchases made under this Agreement as prudently incurred expenses for ratemaking purposes. In this Notice, the Commission processes Idaho Power's Application under Modified Procedure and establishes a written comment deadline.

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that the Commission has approved the sale and purchase of surplus energy between Idaho Power and TASCO in the past. The Commission approved an agreement for the sale and purchase of surplus electric energy from TASCO at market-based prices in 1999. Order No. 27885. In 2001, the Commission approved modification of that contract to increase the maximum surplus electric energy TASCO was permitted to deliver to Idaho Power to 8.5 MW and extend the contract's expiration date to September 1, 2003. Order No. 28865.

YOU ARE FURTHER NOTIFIED that although Idaho Power and TASCOS wish this arrangement to continue, the Application indicated that the previous contract did not adequately address the future electrical requirements of either party. Both Idaho Power and TASCOS believe this new Agreement addresses current regulations and operating issues to their satisfaction. According to the Application, non-firm energy to be sold under the new Agreement will only be available when TASCOS's Nampa facility does not consume the electric energy and/or when TASCOS elects to generate in excess of its energy consumption. Under the new Agreement:

- 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, either party may terminate the Agreement with 6 months prior written notice.
- The interconnection equipment and point of delivery terms specified in the 2001 amended contract will continue.

YOU ARE FURTHER NOTIFIED that although the Agreement has a September 1, 2003 effective date to facilitate a smooth transition, the Agreement provides that it will not become finally effective until the Commission approves the Agreement and declares that all surplus energy payments made under the Agreement be allowed as prudently incurred expenses for ratemaking purposes.

YOU ARE FURTHER NOTIFIED that Idaho Power Company filed an amended Application on November 10, 2003 that incorporated the original Application by reference and replaced Exhibit 1 with a modified Agreement. The only portion of the Agreement that has changed since the original Application was filed on September 2, 2003 is the Surplus Energy Purchase Price term found in Section 4.3.2. As this section appears in the amended November 10 Application, if Idaho Power requests and TASCOS agrees to provide continuous energy at a designated MW level for set length of time, the Adjusted Surplus Energy Price for that energy will be less than or equal to the Surplus Energy Price set forth in the Agreement. This provision will not bind Idaho Power if the Company determines that the continuing operation of its electrical system is in jeopardy or access to alternative energy resources is not physically possible. In the event the contract parties agree to an Adjusted Surplus Energy Price, Idaho Power will advise the Commission of the agreed upon price.

NOTICE OF MODIFIED PROCEDURE

YOU ARE FURTHER NOTIFIED that the Commission has reviewed the filings of record in Case No. IPC-E-03-10. The Commission has preliminarily determined that the public interest may not require a hearing to consider the issues presented in this case, and that the issues raised by the Company's filing may be processed under **Modified Procedure**. (i.e., by written submission rather than by hearing). IDAPA 31.01.01.201-204. In so doing, the Commission notes that Modified Procedure and written comment have proven to be an effective means for obtaining public input and participation.

YOU ARE FURTHER NOTIFIED that the Commission will not hold a hearing in this proceeding unless it receives written protests or comments opposing the use of Modified Procedure and stating why Modified Procedure should not be used. IDAPA 31.01.01.203.

YOU ARE FURTHER NOTIFIED that if no protests or comments are received within the deadline, the Commission may consider the matter and enter its Order without a hearing. If protests or comments are filed within the deadline, the Commission will consider them and may set the matter for hearing or may decide the matter and issue its Order on the basis of the written positions before it. Reference IDAPA 31.01.01.204.

NOTICE OF COMMENT DEADLINES

YOU ARE FURTHER NOTIFIED that any person desiring to state a position on this Application may file a written comment in support or opposition with the Commission **within twenty-one (21) days from the service date of this Notice**. The comment must contain a statement of reasons supporting the comment. IDAPA 31.01.01.202.02. Persons desiring a hearing must specifically request a hearing in their written comments. Written comments concerning this Application shall be mailed to the Commission and the Applicant at the addresses reflected below:

COMMISSION SECRETARY
IDAHO PUBLIC UTILITIES COMMISSION
PO BOX 83720
BOISE, IDAHO 83720-0074

Street Address for Express Mail:
472 W WASHINGTON ST
BOISE, ID 83702-5983


MONICA MOEN
JOHN P. PRESCOTT
IDAHO POWER COMPANY
PO BOX 70
BOISE, ID 83707-0070
Email: mmoen@idahopower.com
jprescott@idahopower.com

These comments should contain the case caption and case number shown on the first page of this document. Persons desiring to submit comments via e-mail may do so by accessing the Commission's home page located at www.puc.state.id.us. Click the "Comments and Questions" icon, and complete the comment form, using the case number as it appears on the front of this document. These comments must also be sent to the Applicant at the e-mail addresses listed above.

YOU ARE FURTHER NOTIFIED that Idaho Power's Application can be viewed online at www.puc.state.id.us by clicking on "File Room" and "Electric Cases," or it can be viewed during regular business hours at the Idaho Public Utilities Commission, 472 West Washington Street, Boise, Idaho and Idaho Power Company located at 1221 West Idaho Street in Boise, Idaho (388-2200).

YOU ARE FURTHER NOTIFIED that the Commission has jurisdiction over this matter and Idaho Power Company, an electric utility, pursuant to the authority and power granted under Title 61 of the Idaho Code and the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

DATED at Boise, Idaho this 9th day of December 2003.



PAUL KJELLANDER, PRESIDENT

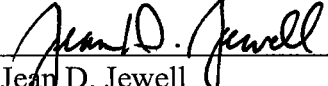


MARSHA H. SMITH, COMMISSIONER



DENNIS S. HANSEN, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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