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IDAHO PUBLIC UTILITIES COMMISSION

October 31, 2007

**Randy C. Allphin**  
Planning Administrator  
Tel: (208) 388-2614  
[rallphin@idahopower.com](mailto:rallphin@idahopower.com)

Idaho Public Utilities Commission  
Attn: Jean Jewell  
PO Box 83720  
Boise, ID 83720-0074

*IPC-E-04-01*

Dear Ms. Jewell:

Enclosed are 8 copies of the attached letter for distribution and filing in regards to the Horseshoe Bend Wind Park (Project #31315055) current Energy Sales Agreement with Idaho Power Company.

The current Energy Sales Agreement for this project requires the project to purchase energy reserves from the "transmitting entity". As this project is physically located within Northwestern's service territory, this has required the project to purchase reserves from Northwestern.

Both the project and Northwestern wish to have the project pursue reserve arrangements with parties other than Northwestern.

The attached letter agreement does not relieve the project's responsibility of acquiring and providing appropriate reserves but will enable the project to acquire these reserves from parties other than Northwestern.

Please file this letter with the Energy Sales Agreement for this project and return to me a file stamped copy, acknowledging receipt of this letter and the attachment.

Sincerely,

Randy C Allphin  
Idaho Power Company

October 29, 2007

IPC-E-04-01

**Randy C. Allphin**  
Planning Administrator  
Tel: (208) 388-2614  
[rallphin@idahopower.com](mailto:rallphin@idahopower.com)

United Materials of Great Falls, Inc  
Attn: Bob McIntyre  
P O Box 1690  
Great Falls, MT 59401

E-mail Copy: [unitedmaterials1@qwest.net](mailto:unitedmaterials1@qwest.net)  
[PascoeEnergy@aol.com](mailto:PascoeEnergy@aol.com)

RE: Horseshoe Bend Wind Park

Horseshoe Bend Wind Park representatives and Idaho Power Company representatives have discussed and agreed that paragraph 10.1.2 of the Energy Sales Agreement between Idaho Power Company and United Materials of Great Falls, Inc dated January 6, 2004 ("Agreement") requires modification to accommodate planned operations of this Facility.

Paragraph 10.1.2 currently contained within the Agreement states:

*"Energy Reserve Requirements – The Transmitting Entity(s) will provide all required generation reserves as required by the Western Electricity Coordinating Council (WECC) and/or as required by any other governing agency or industry standard."*

The existing paragraph 10.1.2 will be deleted and replaced with the following paragraph 10.1.2:

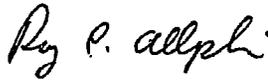
*"Energy Reserve Requirements – At the Seller's sole expense, the Seller shall acquire and provide all required generation reserves as required by the Western Electricity Coordinating Council (WECC) and/or as required by any other governing agency or industry standard. The Seller shall provide Idaho Power with acceptable documentation verifying the acquisition of the required reserves, Idaho Power shall have the right upon reasonable notice to the Seller to inspect all records pertaining to the Seller's acquired reserves to confirm that adequate reserves have been acquired by the Seller. Failure by the Seller to acquire and maintain adequate reserves for this Facility shall be a Material Breach of this Agreement."*

Please sign this letter in the designated space below and return to Idaho Power Company.

Upon receipt of this signed document, I will obtain the appropriate Idaho Power Company signatures, return a copy to you and file a copy with the Idaho Public Utilities Commission ("IPUC").

In our documentation sent to the IPUC, I will include a cover letter that will ask the IPUC to include this letter with the original agreement and if the IPUC requires any further action to please notify Idaho Power by November 12, 2007. If the IPUC were to require any additional action, approval or process, Idaho Power will advise the project of the IPUC requests and begin the process of complying with their request.

Sincerely,



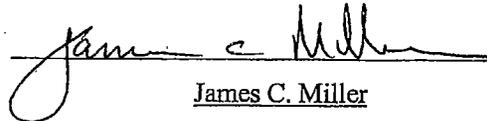
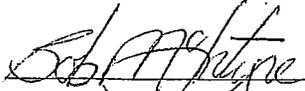
Randy C Allphin  
Idaho Power Company

UNDERSTOOD, AGREED AND ACCEPTED:

United Materials of Great Falls, Inc

Idaho Power Company

Signature



Name

Bob McIntyre

James C. Miller

Title

Chairman

Sr. Vice President, Power Supply

Date

10/29/07

Date

10/29/07