

## DECISION MEMORANDUM

**TO:** COMMISSIONER KJELLANDER  
COMMISSIONER SMITH  
COMMISSIONER HANSEN  
COMMISSION SECRETARY  
COMMISSION STAFF  
LEGAL  
WORKING FILE

**FROM:** KEITH HESSING

**DATE:** JUNE 18, 2004

**RE:** CASE NO. IPC-E-04-14 (Idaho Power)  
60-DAY EXTENSION OF J.R. SIMPLOT SPECIAL CONTRACT

On June 15, 2004, Idaho Power Company filed an Application to extend the term of an August 27, 1973 Agreement that it has with J.R. Simplot Company for the supply of power and energy to Simplot's Pocatello fertilizer plant. Idaho Power represents that the JR Simplot Company agrees with the request for a 60-day extension. Without the extension, the Agreement terminates June 30, 2004. The parties are negotiating in good faith and progress is being made on a new contract, but the time remaining under the existing Agreement may not be enough to finalize it.

The Application presents the request as follows. "The parties herewith respectfully request that the terms and conditions of the existing Agreement, as amended, remain in full force and effect and that the Term of the Agreement be *extended to the earlier of either August 29, 2004 or to a date on which the Commission approves a new Agreement* between Idaho Power and the J.R. Simplot Company for electric service in accordance with tariff Schedule 29 and its successor schedules." See Schedule 29 attached.

### STAFF REVIEW AND RECOMMENDATIONS

Staff has reviewed the Application and recommends approval of the extended contract term (60 days). The electric rates that Idaho Power charges J.R. Simplot are not currently established by contract. They are established under the tariff standard and, as such, were recently re-established as a result of the Company's general rate case with an effective date of June 1, 2004. Staff does not believe that any other person will be disadvantaged by Commission approval of the contract extension. Staff believes it to be in the public interest to approve the extension without further procedure. Does the Commission agree?

  
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Keith Hessing