

requested that its Application be withdrawn. Reference Commission Order No. 29503, May 27, 2004.

Under the terms of the newly submitted Agreement, Simplot has elected to contract with Idaho Power for a one-year term. The Agreement contains non-levelized published avoided cost rates established by the Commission for energy deliveries less than 10 MW (Order No. 29391) for a contract year March 1, 2004 through February 28, 2005. The Agreement will “evergreen” or automatically renew from year-to-year unless terminated. Agreement ¶ 5.3. Idaho Power will pay the published, less than 10 MW non-levelized non-fueled energy price in accordance with the Commission Order in effect as of March 1st of each contract year.

The submitted Agreement, the Company states, is similar in many respects to recent QF contracts between Idaho Power and Tiber Montana LLC (IPC-E-03-1), and United Materials of Great Falls, Inc. (IPC-E-04-1).

The Company in this Agreement defines energy delivered to Idaho Power exceeding 10,000 kW in a single hour as “Inadvertent Energy.” Agreement ¶ 1.9. As reflected in the Agreement, Simplot does not intend to generate and deliver Inadvertent Energy. If Simplot accidentally generates and delivers Inadvertent Energy, Idaho Power will not purchase or pay for Inadvertent Energy.

As an incentive for Simplot to deliver energy to the Company during times when it is of greater value to Idaho Power, the Company has refined the seasonalization of rates to coincide to the months in which Idaho Power has identified actual energy needs and periods of higher demands. Reference Agreement § 6.2.

As reflected in Agreement § 8.1, Idaho Power states that it waives any claim to ownership of Environmental Attributes. Environmental Attributes include, but are not limited to green tags, green certificates, renewable energy credits (RECs) and tradable renewable certificates (TRCs) directly associated with the production of energy from the Simplot project. Noting the Commission’s language regarding Environmental Attributes in Case No. IPC-E-04-2, Order No. 29480, Idaho Power states that it is willing to waive any legal rights to the Environmental Attributes, if the Commission is willing to provide the Company with reasonable assurance that the Company will not be penalized in a future revenue requirement proceeding for having agreed to forego any ownership interest or right in the Environmental Attributes. By

filing this Agreement, including the language in Article 8, Idaho Power states that it is presenting the Commission with a real case or controversy and, therefore, the lack of ripeness identified by the Commission in the declaratory judgment action is not present in this case.

Agreement § 24 provides that the Agreement will not become effective until the Commission has approved without change all the Agreement terms and conditions and declared that all payments to Simplot that Idaho Power makes for purchases of energy will be allowed as prudently incurred expenses for ratemaking purposes. Should the Commission approve the Agreement, Idaho Power intends to consider the effective date of the Simplot Agreement to be March 1, 2004.

Idaho Power further requests a Commission finding that all payments for purchases of energy under the January and February 2004 extensions of the 1991 Agreement will be allowed as prudently incurred expenses for ratemaking purposes. The rate paid for energy during the months of January and February 2004 was the same rate specified in the 1991 Agreement for December 2003 (0.04201¢ per kWh) and is less than the then and current published avoided cost rates for those same months.

YOU ARE FURTHER NOTIFIED that the Commission has reviewed the filings of record in Case No. IPC-E-04-16. The Commission has preliminarily found that the public interest in this matter may not require a hearing to consider the issues presented and that issues raised by the Company's filing may be processed under **Modified Procedure**, i.e., by written submission rather than by hearing. Reference Commission Rules of Procedure, IDAPA 31.01.01.201-204.

YOU ARE FURTHER NOTIFIED that **the deadline for filing written comments or protests** with respect to the Application and the Commission's use of Modified Procedure in **Case No. IPC-E-04-16** is **Friday, August 13, 2004**. Persons desiring a hearing must specifically request a hearing in their written protests or comments.

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the deadline, the Commission may consider the issue on its merits and enter its Order without a formal hearing. If comments or protests are filed within the deadline, the Commission will consider them and in its discretion may set the matter for hearing or may

decide the matter and issue its Order based on the written positions before it. Reference IDAPA 31.01.01.204.

YOU ARE FURTHER NOTIFIED that written comments concerning Case No. IPC-E-04-16 should be mailed to the Commission and the Company 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, ATTORNEY II
BARTON L KLINE, SR. ATTORNEY
IDAHO POWER COMPANY
PO BOX 70
BOISE ID 83707-0070
e-mail: bkline@idahopower.com
e-mail: mmoen@idahopower.com

RANDY C. ALLPHIN
CONTRACT ADMINISTRATOR
IDAHO POWER COMPANY
PO BOX 70
BOISE ID 83707-0070
e-mail: rallphin@idahopower.com

Street Address for Express Mail:

1221 West Idaho Street
Boise, Idaho 83702

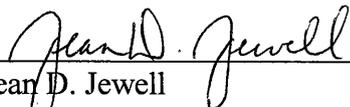
All comments should contain the case caption and case number shown on the first page of this document. Persons desiring to submit comments via e-mail may do so by accessing the Commission's home page located at www.puc.state.id.us. Click the "Comments and Questions" icon, and complete the comment form,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

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the time limit set, the Commission will consider this matter on its merits and enter its Order without a formal hearing. If written comments are received within the time limit set, the Commission will consider them and, in its discretion, may set the same for formal hearing.

YOU ARE FURTHER NOTIFIED that the Application in Case No. IPC-E-04-16 may be viewed at www.puc.state.id.us by clicking on "File Room" and "Electric Cases," or can be viewed during regular business hours at the Idaho Public Utilities Commission, 472 West

Washington Street, Boise, Idaho and at the general business office of Idaho Power Company,
1221 West Idaho Street, Boise, Idaho.

DATED at Boise, Idaho this 22nd day of July 2004.



Jean D. Jewell
Commission Secretary

Vld/N:IPCE0416_sw