

DECISION MEMORANDUM

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

FROM: KEITH HESSING

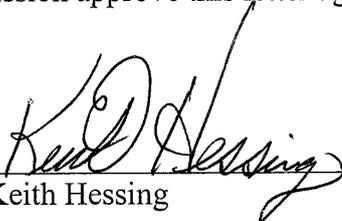
DATE: SEPTEMBER 21, 2004

RE: SIMPLOT ELECTRIC SERVICE AGREEMENT
CASE NO. IPC-E-04-17

On September 17, 2004, Idaho Power Company filed a letter agreement with the Commission requesting extension of the 1973 Agreement for the three-day period, August 30 through September 1, 2004. By Commission Order No. 29535 the 1973 Agreement expired August 29, 2004 and by Commission Order No. 29576 the new agreement, the 2004 Agreement, became effective September 2, 2004. The three-day extension of the old agreement fills the gap. The letter agreement is attached.

COMMISSION DECISION

Staff recommends approval. Does the Commission approve this letter agreement?


Keith Hessing

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**IDAHO
POWER**

An IDACORP Company

IDAHO POWER COMPANY
P.O. BOX 70
BOISE, IDAHO 83707

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IDAHO PUBLIC
UTILITIES COMMISSION

JOHN R. GALE
Vice President
Regulatory Affairs

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September 7, 2004

David Hawk
Director, Energy & Natural Resources
J. R. Simplot Company
999 Main Street - 10th Floor
Boise, Idaho 83707-0027

Re: Case No. IPC-E-04-17 (Electric Service Agreement)

Dear Mr. Hawk:

On September 2 in Order No. 29576 issued in Case No. IPC-E-04-17, the Idaho Public Utilities Commission (IPUC) approved an Agreement for Electric Service between Idaho Power and the J. R. Simplot Company (Simplot) dated June 29, 2004 (the 2004 Agreement). The 2004 Agreement replaces the Electric Service Agreement between our two companies that has been in effect since 1973 (the 1973 Agreement).

Pursuant to Commission Order No. 29535, dated June 28, 2004, the termination date of the 1973 Agreement was the earlier of either August 29, 2004 or the date on which the Commission approved a new service agreement between the parties.

Order No. 29576 approved the 2004 Agreement effective on September 2, 2004. As a result, it is necessary for the parties to agree on the rate to be applicable from August 29, 2004 until September 2, 2004.

Based upon discussions between our two companies, we have agreed that the 1973 Agreement would be extended through September 1, 2004 and the rates, terms and conditions of the 2004 Agreement would be effective beginning September 2, 2004.

If the foregoing accurately portrays the agreement of our two companies, please execute all three copies of this Letter Agreement in the space provided below and return two copies to me. Upon receipt of the executed letter, Idaho Power will file this agreement with the Commission, requesting the Commission's approval.

Cordially,

John R. Gale

JRG:ma

The Above Letter Agreement Read,
Understood and Agreed to:

September 14, 2004

J. R. SIMPLOT COMPANY

BY:

ITS: VP, General Counsel