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IDAHO PUBLIC
UTILITIES COMMISSION

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF IDAHO POWER COMPANY FOR APPROVAL OF A FIRM ENERGY SALES AGREEMENT FOR THE SALE AND PURCHASE OF ELECTRIC ENERGY BETWEEN IDAHO POWER COMPANY AND PRISTINE SPRINGS, INC.	CASE NO. IPC-E-05-11 APPLICATION

COMES NOW Idaho Power Company ("Idaho Power" or the "Company") and, pursuant to RP 52, hereby applies for an Idaho Public Utilities Commission ("IPUC" or the "Commission") Order approving a Firm Energy Sales Agreement between Idaho Power and Pristine Springs, Inc. under which Pristine Springs, Inc. would sell and Idaho Power would purchase electric energy generated by the Pristine Springs small hydroelectric generation facility located on Warm Creek, north of Twin Falls, Idaho ("Facility").

This Application is based on the following:

I.

The Facility consists of a single 125 kW hydroelectric generation unit.

II.

Pristine Springs, Inc. is currently selling energy to Idaho Power from this Facility under a previously approved Firm Energy Sales Agreement dated October 7, 1994 and approved in IPUC Order 25793 dated November 15, 1994. This previous Firm Energy Sales Agreement was for a 10-year term commencing on the March 26, 1995 Operation Date. The existing Firm Energy Sales Agreement will expire on March 30, 2005. The Facility will continue to be a qualified small power production facility under the applicable provisions of the Public Utilities Regulatory Policy Act of 1978 ("PURPA").

III.

On February 18, 2005, Idaho Power and Pristine Springs, Inc. entered into a Firm Energy Sales Agreement ("Agreement") pursuant to the terms and conditions of Commission Order No. 29632 and Commission Order 29646 to replace the existing Firm Energy Sales Agreement that is due to expire on March 30, 2005 for this Facility. Under the terms of the Agreement, Pristine Springs, Inc. elected to contract with Idaho Power for a 10-year term. Pristine Springs, Inc. further elected to contract with the Company using the Non-Levelized Published Avoided Cost Rates as currently established by the Commission for energy deliveries for no more than 10 average MW.

IV.

In many respects, this Agreement is similar to the agreement entered into by Idaho Power and US Geothermal that was recently approved in Commission Order 29692, dated January 24, 2005 and also the Lewandowski Farms agreement submitted to the IPUC for approval on February 14, 2005 (Case No. IPC-E-05-03). The Pristine Spring, Inc. Agreement contains the various PURPA terms and conditions previously approved by the

Commission in other PURPA agreements and as revised by Commission Order No. 29632 in Case No. IPC-E-04-8 (US Geothermal complaint).

V.

The nameplate rating and the maximum generation capability of this Facility is 125 kW (Appendix B of the Agreement). Therefore, as stated in Paragraph 1.9 of the Agreement, this Facility is eligible for the less than 10 average MW published avoided cost rates.

VI.

Because this Facility is currently interconnected and selling energy to Idaho Power under an existing Firm Energy Sales Agreement, interconnection of this Facility to the Company's distribution system is completed. The previously established interconnection costs set out in the existing Firm Energy Sales Agreement will be used to value the interconnection costs under the proposed Agreement. The applicable monthly Schedule 72 charges will apply.

VII.

Article 24 of the Agreement provides that the Agreement will not become effective until the Commission has approved all of the Agreement's terms and conditions and declared that all payments Idaho Power makes to Pristine Springs, Inc. for purchases of energy will be allowed as prudently incurred expenses for ratemaking purposes.

VIII.

Within this Agreement, various requirements have been placed upon Pristine Springs, Inc. in order for Idaho Power to accept energy deliveries from this Facility. Idaho Power will monitor compliance with these initial requirements. Once these requirements have been met and upon expiration of the existing Firm Energy Sales Agreement, Idaho

Power will accept energy from this Facility under this Agreement. In addition, Idaho Power will monitor the ongoing requirements through the full term of this Agreement. Should the Commission approve this Agreement, Idaho Power intends to consider the Effective Date of the Agreement to be February 18, 2005.

IX.

The Agreement, as signed and submitted by the Parties thereto, contains Non-Levelized Published Avoided Cost Rates in conformity with applicable IPUC Orders.

X.

Service of pleadings, exhibits, orders and other documents relating to this proceeding should be served on the following:

Monica B. Moen, Attorney II Barton L. Kline, Senior Attorney Idaho Power Company P.O. Box 70 Boise, Idaho 83707	Randy C. Allphin Contract Administrator Idaho Power Company P.O. Box 70 Boise, Idaho 83707

NOW, THEREFORE, based on the foregoing, Idaho Power Company hereby requests that the Commission issue its Order:

(1) Approving the Firm Energy Sales Agreement between Idaho Power Company and Pristine Springs, Inc. without change or condition; and

(2) Declaring that all payments for purchases of energy under the firm Energy Sales Agreement between Idaho Power Company and Pristine Springs, Inc. be allowed as prudently incurred expenses for ratemaking purposes.

Respectfully submitted this 4th day of March 2005.

Monica B. Moen

MONICA B. MOEN
Attorney for Idaho Power Company

CERTIFICATE OF MAILING

I HEREBY CERTIFY that on the 4th day of March 2005, I served a true and correct copy of the within and foregoing APPLICATION upon the following named parties by the method indicated below, and addressed to the following:

Wendell Starke	____	Hand Delivered
Pristine Springs Inc.	x	U.S. Mail
274 Kay Drive	____	Overnight Mail
Twin Falls, ID 83301	____	FAX

Monica B. Moen

MONICA B. MOEN

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

CASE NO. IPC-E-05-11

IDAHO POWER COMPANY

EXHIBIT 1

FIRM ENERGY SALES AGREEMENT

BETWEEN

IDAHO POWER COMPANY

AND

PRISTINE SPRINGS, INC.

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FIRM ENERGY SALES AGREEMENT
(10 aMW or Less)

Pristine Springs

Project Number: 31415164

THIS AGREEMENT, entered into on this 18th day of February 2005 between PRISTINE SPRINGS, INC., an Idaho corporation (Seller), and IDAHO POWER COMPANY, an Idaho corporation (Idaho Power), hereinafter sometimes referred to collectively as "Parties" or individually as "Party."

WITNESSETH:

WHEREAS, Seller, owns, maintains and operates an electric generation facility; and

WHEREAS, Seller wishes to sell, and Idaho Power is willing to purchase, firm electric energy produced by the Seller's Facility.

THEREFORE, In consideration of the mutual covenants and agreements hereinafter set forth, the Parties agree as follows:

ARTICLE I: DEFINITIONS

As used in this Agreement and the appendices attached hereto, the following terms shall have the following meanings:

1.1 "Commission" - The Idaho Public Utilities Commission.

1.2 "Contract Year" - The period commencing each calendar year on the same calendar date as the Operation Date and ending 364 days thereafter.

1.3 "Designated Dispatch Facility" - Idaho Power's Systems Operations Group, or any subsequent group designated by Idaho Power.

1.4 "Disconnection Equipment" - All equipment specified in Appendix B and Appendix D.

1.5 "Facility" - That electric generation facility described in Appendix B of this Agreement.

1.6 "Generation Interconnection Process" – Idaho Power's generation interconnection application and engineering review process developed to ensure a safe and reliable generation

interconnection in compliance with all applicable regulatory requirements, Prudent Electrical Practices and national safety standards.

1.7 "Inadvertent Energy" – Electric energy Seller does not intend to generate. Inadvertent energy is more particularly described in paragraph 7.3 of this Agreement.

1.8 "Interconnection Facilities" - All equipment specified in Appendix B and Appendix D.

1.9 "Initial Capacity Determination" – As specified in Appendix B of this Agreement, the nameplate rating of this Facility is 125 kW. Therefore, Idaho Power accepts this nameplate data as establishing that under normal or average design conditions, this Facility's average monthly energy deliveries to Idaho Power will not exceed 10 MW and is therefore eligible to be paid the published rates in accordance with Commission Order No. 29632.

1.10 "Losses" – The loss of electrical energy expressed in kilowatt hours (kWh) occurring as a result of the transformation and transmission of energy between the point where the Facility's energy is metered and the point the Facility's energy is delivered to the Idaho Power electrical system. The loss calculation formula will be as specified in Appendix B of this Agreement.

1.11 "Market Energy Cost" – Eighty-five percent (85%) of the weighted average of the daily on-peak and off-peak Dow Jones Mid-Columbia Index (Dow Jones Mid-C Index) prices for non-firm energy. If the Dow Jones Mid-Columbia Index price is discontinued by the reporting agency, both Parties will mutually agree upon a replacement index, which is similar to the Dow Jones Mid-Columbia Index. The selected replacement index will be consistent with other similar agreements and a commonly used index by the electrical industry.

1.12 "Material Breach" – A Default (paragraph 23.2.1) subject to paragraph 23.2.2.

1.13 "Maximum Capacity Amount" – The maximum capacity (MW) of the Facility will be as specified in Appendix B of this Agreement.

1.14 "Metering Equipment" - All equipment specified in this Agreement and specified in Appendix B and Appendix D required to measure, record and telemeter power flows between the Seller's electric generation plant and Idaho Power's system.

1.15 "Net Energy" – All of the electric energy produced by the Facility, less Station Use, less Losses, expressed in kilowatt hours (kWh). Seller commits to deliver all Net Energy to Idaho Power at the Point of Delivery for the full term of the Agreement. Net Energy does not include Inadvertent Energy.

1.16 "Operation Date" – The day commencing at 0001 hours, Mountain Time following the day that all requirements of paragraph 5.2 have been completed.

1.17 "Point of Delivery" – The location specified in Appendix B, where Idaho Power's and the Seller's electrical facilities are interconnected.

1.18 "Prudent Electrical Practices" – Those practices, methods and equipment that are commonly and ordinarily used in electrical engineering and operations to operate electric equipment lawfully, safely, dependably, efficiently and economically.

1.19 "Schedule 72" – Idaho Power's Tariff No 101, Schedule 72 or its successor schedules as approved by the Commission.

1.20 "Season" – The three periods identified in paragraph 6.2.1 of this Agreement.

1.21 "Special Facilities" - Additions or alterations of transmission and/or distribution lines and transformers as described in Appendix B, Appendix D, Schedule 72 or the Generation Interconnection Process required to safely interconnect the Seller's Facility to the Idaho Power system.

1.22 "Station Use" – Electric energy that is used to operate equipment that is auxiliary or otherwise related to the production of electricity by the Facility.

1.23 "Surplus Energy" – (1) Net Energy produced by the Seller's Facility and delivered to the Idaho Power electrical system during the month which exceeds 110% of the monthly Net Energy Amount for the corresponding month specified in paragraph 6.2. or (2) If the Net Energy produced by the Seller's Facility and delivered to the Idaho Power electrical system during the month is less than 90% of the monthly Net Energy Amount for the corresponding month specified in paragraph 6.2, then all Net Energy delivered by the Facility to the Idaho Power

electrical system for that given month or (3) All Net Energy produced by the Seller's Facility and delivered by the Facility to the Idaho Power electrical system prior to the Operation Date.

1.24 "Total Cost of the Facility" - The total cost of structures, equipment and appurtenances.

ARTICLE II: NO RELIANCE ON IDAHO POWER

2.1 Seller Independent Investigation - Seller warrants and represents to Idaho Power that in entering into this Agreement and the undertaking by Seller of the obligations set forth herein, Seller has investigated and determined that it is capable of performing hereunder and has not relied upon the advice, experience or expertise of Idaho Power in connection with the transactions contemplated by this Agreement.

2.2 Seller Independent Experts - All professionals or experts including, but not limited to, engineers, attorneys or accountants, that Seller may have consulted or relied on in undertaking the transactions contemplated by this Agreement have been solely those of Seller.

ARTICLE III: WARRANTIES

3.1 No Warranty by Idaho Power - Any review, acceptance or failure to review Seller's design, specifications, equipment or facilities shall not be an endorsement or a confirmation by Idaho Power and Idaho Power makes no warranties, expressed or implied, regarding any aspect of Seller's design, specifications, equipment or facilities, including, but not limited to, safety, durability, reliability, strength, capacity, adequacy or economic feasibility.

3.2 Qualifying Facility Status - Seller warrants that the Facility is a "Qualifying Facility," as that term is used and defined in 18 CFR §292.207. After initial qualification, Seller will take such steps as may be required to maintain the Facility's Qualifying Facility status during the term of this Agreement and Seller's failure to maintain Qualifying Facility status will be a Material Breach of this Agreement. Idaho Power reserves the right to review the Seller's Qualifying Facility status and associated support and compliance documents at anytime during the term of this Agreement.

3.3 FERC License - Seller warrants that the Facility possesses a valid license or exemption from licensing from the Federal Energy Regulatory Commission ("FERC") for the Facility. Seller recognizes that Seller's possession and retention of a valid FERC license or exemption is a material part of the consideration for Idaho Power's execution of this Agreement. Seller will take such steps as may be required to maintain a valid FERC license or exemption for the Facility during the term of this Agreement and Seller's failure to maintain a valid FERC license or exemption will be a Material Breach of this Agreement.

ARTICLE IV: CONDITIONS TO CONTINUED ACCEPTANCE OF ENERGY

4.1 Idaho Power may suspend acceptance of deliveries of energy from the Seller's Facility if the Seller fails to comply with the following on or before the dates specified below:

4.1.1 This Facility is currently interconnected to Idaho Power and is selling energy to Idaho Power as a Qualifying Facility in accordance with a Firm Energy Sales agreement dated October 7, 1994. No later than March 30, 2005 the Seller shall submit proof to Idaho Power that all licenses, permits or approvals necessary for Seller to continue operations have been obtained from applicable federal, state or local authorities, including, but not limited to, evidence of compliance with Subpart B, 18 CFR 292.207.

4.1.2 Engineer's Certifications - This Facility is currently interconnected to the Idaho Power system. No later than March 30, 2005 the Seller will submit a Certification of Ongoing Operations and Maintenance (O & M) as described in Commission Order No. 21690 that has been completed no more than 60 days prior to than March 30, 2005. This certificate will be in the form specified in Appendix C but may be modified to the extent necessary to recognize the different engineering disciplines providing the certificates.

4.1.4 Insurance – By March 30, 2005, Seller shall submit written proof to Idaho Power of all insurance required in Article XVI.

4.1.5 Interconnection – Seller shall complete all interconnection modifications, upgrades or additions as specified in Appendix D of this Agreement.

4.1.6 By March 30, 2005, Seller shall demonstrate to Idaho Power's reasonable satisfaction that the Facility is capable of delivering Net Energy in the amounts as specified in paragraph 6.2 of this Agreement for the full term of this Agreement in a consistent, reliable and safe manner.

4.1.7 Written Acceptance - Obtain written confirmation from Idaho Power that all conditions to acceptance of energy have been fulfilled. Such written confirmation shall not be unreasonably withheld by Idaho Power.

ARTICLE V: TERM AND OPERATION DATE

5.1 Term - This agreement shall be in full force and effect for a period of ten (10) Contract Years from the Operation Date.

5.2 Operation Date – This Facility is currently under a Firm Energy Sales Agreement dated October 7, 1984 that is scheduled to expire at midnight on March 29, 2005. The Operation Date will be at the earliest, March 30, 2005 and may occur only after the Facility has achieved all of the following:

a) Completed all requirements of Article IV of this Agreement

b) Commission approval of this Agreement in a form acceptable to Idaho Power has been received.

c) Seller has requested an Operation Date from Idaho Power in a written format.

d) Seller has received written confirmation from Idaho Power of the Operation Date. This confirmation will not be unreasonably withheld by Idaho Power.

5.3 Seller's failure to complete all of the requirements of Article IV, Conditions to Continued Acceptance of Energy of this Agreement by April 30, 2005 will be an event of default.

ARTICLE VI: PURCHASE AND SALE OF NET ENERGY

6.1 Delivery and Acceptance of Net Energy - Except when either Party's performance is excused as provided herein, Idaho Power will purchase and Seller will sell all of the Net Energy to Idaho Power at the Point of Delivery. All Inadvertent Energy produced by the Facility will also be delivered by the Seller to Idaho Power at the Point of Delivery. At no time will the total amount of Net Energy and/or Inadvertent Energy produced by the Facility and delivered by the Seller to the Point of Delivery exceed the Maximum Capacity Amount.

6.2 Net Energy Amounts - Seller intends to produce and deliver Net Energy in the following monthly amounts:

6.2.1 Initial Year Monthly Net Energy Amounts:

	Month	**kWh**
Season 1	March	76,000
	April	76,000
	May	76,000
Season 2	July	76,000
	August	76,000
	November	76,000
	December	76,000
Season 3	June	76,000
	September	76,000
	October	76,000
	January	76,000
	February	76,000

6.2.2 Ongoing Monthly Net Energy Amounts - Seller shall initially provide Idaho Power with one year of monthly generation estimates (Initial Year Monthly Net Energy Amounts) and beginning at the end of month nine and every three months thereafter provide Idaho Power with an additional three months of forward generation estimates. This information will be provided to Idaho Power by written notice in accordance with paragraph 29.1, no later than 5:00 PM of the 5th day following the end of the previous month. If the Seller

does not provide the Ongoing Monthly Net Energy amounts in a timely manner, Idaho Power will use the most recent 3 months of the Initial Year Monthly Net Energy Amounts specified in paragraph 6.2.1 for the next 3 months of monthly Net Energy amounts.

6.2.3 Seller's Adjustment of Net Energy Amount –

6.2.3.1 No later than the Operation Date, by written notice given to Idaho Power in accordance with paragraph 29.1, the Seller may revise all of the previously provided Initial Year Monthly Net Energy Amounts.

6.2.3.2 Beginning with the end of the 3rd month after the Operation Date and at the end of every third month thereafter: (1) the Seller may not revise the immediate next three months of previously provided Net Energy Amounts, (2) but by written notice given to Idaho Power in accordance with paragraph 29.1, no later than 5:00 PM of the 5th day following the end of the previous month, the Seller may revise all other previously provided Net Energy Amounts. Failure to provide timely written notice of changed amounts will be deemed to be an election of no change.

6.2.4 Idaho Power Adjustment of Net Energy Amount – If Idaho Power is excused from accepting the Seller's Net Energy as specified in paragraph 14.2.1 or if the Seller declares a Suspension of Energy Deliveries as specified in paragraph 14.3.1 and the Seller's declared Suspension of Energy Deliveries is accepted by Idaho Power, the Net Energy Amount as specified in paragraph 6.2 for the specific month in which the reduction or suspension under paragraph 14.2.1 or 14.3.1 occurs will be reduced in accordance with the following:

Where:

NEA = Current Month's Net Energy Amount (Paragraph 6.2)

SGU = a.) If Idaho Power is excused from accepting the Seller's Net Energy as specified in paragraph 14.2.1 this value will be equal to the percentage of curtailment as specified by Idaho Power multiplied by the TGU as defined below.

b.) If the Seller declares a Suspension of Energy Deliveries as specified in paragraph 14.3.1 this value will be the sum of the individual generation units size ratings as specified in Appendix B that are impacted by the circumstances causing the Seller to declare a Suspension of Energy Deliveries.

TGU = Sum of all of the individual generator ratings of the generation units at this Facility as specified in Appendix B of this agreement.

RSH = Actual hours the Facility's Net Energy deliveries were either reduced or suspended under paragraph 14.2.1 or 14.3.1

TH = Actual total hours in the current month

Resulting formula being:

$$\text{Adjusted Net Energy Amount} = NEA - \left(\left(\frac{SGU}{TGU} \times NEA \right) \times \left(\frac{RSH}{TH} \right) \right)$$

This Adjusted Net Energy Amount will be used in applicable Surplus Energy calculations for only the specific month in which Idaho Power was excused from accepting the Seller's Net Energy or the Seller declared a Suspension of Energy.

6.3 Unless excused by an event of Force Majeure, Seller's failure to deliver Net Energy in any Contract Year in an amount equal to at least ten percent (10%) of the sum of the Initial Year Net Energy Amounts as specified in paragraph 6.2 shall constitute an event of default.

ARTICLE VII: PURCHASE PRICE AND METHOD OF PAYMENT

7.1 Net Energy Purchase Price – For all Net Energy, Idaho Power will pay the non-levelized energy price in accordance with Commission Order 29646 with seasonalization factors applied:

Year	Season 1 - (73.50 %) Mills/kWh	Season 2 - (120.00 %) Mills/kWh	Season 3 - (100.00 %) Mills/kWh
2005	37.00	60.41	50.34
2006	37.85	61.80	51.50
2007	38.73	63.23	52.69
2008	39.62	64.68	53.90
2009	40.53	66.17	55.14
2010	41.46	67.69	56.41
2011	42.42	69.25	57.71
2012	43.39	70.85	59.04
2013	44.39	72.48	60.40
2014	45.42	74.16	61.80
2015	46.47	75.86	63.22
2016	47.54	77.62	64.68

7.2 Surplus Energy Price - For all Surplus Energy, Idaho Power shall pay to the Seller the current month's Market Energy Cost or the Net Energy Purchase Price specified in paragraph 7.1, whichever is lower.

7.3 Inadvertent Energy –

7.3.1 Inadvertent Energy is electric energy produced by the Facility, expressed in kWh, which the Seller delivers to Idaho Power at the Point of Delivery that exceeds 10,000 kW multiplied by the hours in the specific month in which the energy was delivered. (For example January contains 744 hours. 744 times 10,000 kW = 7,440,000 kWh, Energy delivered in January in excess of 7,440, 000 kWh in this example would be Inadvertent Energy.)

7.3.2 Although Seller has designed and operates the Facility to generate no more than 10 average MW and therefore does not intend to generate Inadvertent Energy, Idaho Power will accept Inadvertent Energy that does not exceed the Maximum Capacity Amount but will not purchase or pay for Inadvertent Energy

7.4 Payment Due Date – Energy payments to the Seller will be disbursed within 30 days of the date which Idaho Power receives and accepts the documentation of the monthly Net Energy and Inadvertent Energy actually produced by the Seller's Facility and delivered to Idaho Power as specified in Appendix A.

7.5 Continuing Jurisdiction of the Commission –This Agreement is a special contract and, as such, the rates, terms and conditions contained in this Agreement will be construed in accordance with Idaho Power Company v. Idaho Public Utilities Commission and Afton Energy, Inc., 107 Idaho 781, 693 P.2d 427 (1984); Idaho Power Company v. Idaho Public Utilities Commission, 107 Idaho 1122, 695 P.2d 1 261 (1985); Afton Energy, Inc, v. Idaho Power Company, 111 Idaho 925, 729 P.2d 400 (1986); Section 210 of the Public Utilities Regulatory Policies Act of 1978 and 18 CFR §292.303-308.

ARTICLE VIII: ENVIRONMENTAL ATTRIBUTES

8.1 Idaho Power 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 Seller's Facility.

ARTICLE IX: FACILITY AND INTERCONNECTION

9.1 Design of Facility - This Facility is interconnected to Idaho Power and is selling energy to Idaho Power as a Qualifying Facility in accordance with a Firm Energy Sales agreement dated October 7, 1994. In this previous agreement, Seller was required to design, construct, install, own, operate and maintain the Facility and any Seller-owned Interconnection Facilities so as to allow safe and reliable generation and delivery of electric energy to Idaho Power for the full term of the Agreement. Seller will be required to maintain these same standards in the on-going operations of this facility for the term of this Agreement.

9.2 Interconnection Facilities - This Facility is interconnected to Idaho Power and is selling energy to Idaho Power as a Qualifying Facility in accordance with a Firm Energy Sales agreement dated October 7, 1994. Idaho Power has reviewed the existing Interconnection Facilities and has identified specific items that will require modification, upgrades or additions to the existing equipment. These items are documented in Appendix D of this agreement. The Seller will be responsible to complete the modifications, upgrades or additions as specified in Appendix D. All costs of all items identified within Appendix D and payment to Idaho Power will be in accordance with Schedule 72.

ARTICLE X: DISCONNECTION EQUIPMENT

10.1 This Facility is interconnected to Idaho Power and is selling energy to Idaho Power as a Qualifying Facility in accordance with a Firm Energy Sales agreement dated October 7, 1994. Idaho Power has reviewed the existing Disconnection Equipment and has identified specific items that will require modification, upgrades or additions to the existing equipment. These items are documented in Appendix D of this agreement. The Seller will be responsible to complete the modifications, upgrades or additions as specified in Appendix D. All costs of all items identified within Appendix D and payment to Idaho Power will be in accordance with Schedule 72.

ARTICLE XI: METERING AND TELEMETRY

11.1 Metering - This Facility is interconnected to Idaho Power and is selling energy to Idaho Power as a Qualifying Facility in accordance with a Firm Energy Sales agreement dated October 7, 1994. Idaho Power has reviewed the Metering and Telemetry and has identified specific items that will require modification, upgrades or additions to the existing equipment. These items are documented in Appendix D of this agreement. The Seller will be responsible to complete the modifications, upgrades or additions as specified in Appendix D. All costs of all items identified within Appendix D and payment to Idaho Power will be in accordance with Schedule 72. All meters used to determine the billing hereunder shall be sealed and the seals shall be broken only

by Idaho Power when the meters are to be inspected, tested or adjusted.

11.1.1 Meter Inspection - Idaho Power shall inspect and test all meters upon their Installation and at least once every four (4) years thereafter. If requested by Seller, Idaho Power shall make a special inspection or test of a meter and Seller shall pay the reasonable costs of such special inspection. Both Parties shall be notified of the time when any inspection or test shall take place, and each Party may have representatives present at the test or inspection. If a meter is found to be inaccurate or defective, it shall be adjusted, repaired or replaced, at Idaho Power's expense in order to provide accurate metering. If a meter fails to register, or if the measurement made by a meter during a test varies by more than two percent (2%) from the measurement made by the standard meter used in the test, adjustment (either upward or downward) to the payments Seller has received shall be made to correct those payments affected by the inaccurate meter for the actual period during which inaccurate measurements were made. If the actual period cannot be determined, corrections to the payments will be based on the shorter of (1) a period equal to one-half the time from the date of the last previous test of the meter to the date of the test which established the inaccuracy of the meter; or (2) six (6) months.

ARTICLE XII - RECORDS

12.1 Maintenance of Records - Seller shall maintain at the Facility or such other location mutually acceptable to the Parties adequate total generation, Net Energy, Station Use and Inadvertent Energy records in a form and content recommended by Idaho Power.

12.2 Inspection - Either Party, after reasonable notice to the other Party, shall have the right, during normal business hours, to inspect and audit any or all generation, Net Energy, Station Use and Inadvertent Energy records pertaining to the Seller's Facility.

ARTICLE XIII - PROTECTION

13.1 This Facility is interconnected to Idaho Power and is selling energy to Idaho Power as a

Qualifying Facility in accordance with a Firm Energy Sales agreement dated October 7, 1994. Idaho Power has reviewed the existing Protection equipment and has identified specific items that will require modification, upgrades or additions to the existing equipment. These items are documented in Appendix D of this agreement. The Seller will be responsible to complete the modifications, upgrades or additions as specified in Appendix D. All costs of all items identified within Appendix D and payment to Idaho Power will be in accordance with Schedule 72. Seller shall provide and maintain adequate protective equipment sufficient to prevent damage to the Facility and Seller-furnished Interconnection Facilities. In some cases, some of Seller's protective relays will provide back-up protection for Idaho Power's facilities. In that event, Idaho Power will test such relays annually and Seller will pay the actual cost of such annual testing.

ARTICLE XIV - OPERATIONS

14 .1 Communications - Idaho Power and the Seller shall maintain appropriate operating communications through Idaho Power's Designated Dispatch Facility in accordance with Appendix A of this Agreement.

14 .2 Energy Acceptance –

14.2.1 Idaho Power shall be excused from accepting and paying for Net Energy or accepting Inadvertent Energy produced by the Facility and delivered by the Seller to the Point of Delivery, if it is prevented from doing so by an event of Force Majeure, or if Idaho Power determines that curtailment, interruption or reduction of Net Energy or Inadvertent Energy deliveries is necessary because of line construction or maintenance requirements, emergencies, electrical system operating conditions on its system or as otherwise required by Prudent Electrical Practices. If, for reasons other than an event of Force Majeure, Idaho Power requires such a curtailment, interruption or reduction of Net Energy deliveries for a period that exceeds twenty (20) days, beginning with the twenty-first day of such interruption, curtailment or reduction, Seller will be deemed to be delivering Net Energy at a rate equivalent to the pro rata daily average of the amounts specified for the

applicable month in paragraph 6.2. Idaho Power will notify Seller when the interruption, curtailment or reduction is terminated.

14.2.2 If, in the reasonable opinion of Idaho Power, Seller's operation of the Facility or Interconnection Facilities is unsafe or may otherwise adversely affect Idaho Power's equipment, personnel or service to its customers, Idaho Power may physically interrupt the flow of energy from the Facility as specified within Schedule 72 or take such other reasonable steps as Idaho Power deems appropriate.

14.2.3 Under no circumstances will the Seller deliver Net Energy and/or Inadvertent Energy from the Facility to the Point of Delivery in an amount that exceeds the Maximum Capacity Amount. Seller's failure to limit deliveries to the Maximum Capacity Amount will be a Material Breach of this Agreement.

14.3 Seller Declared Suspension of Energy Deliveries

14.3.1 If the Seller's Facility experiences a forced outage due to equipment failure which is not caused by an event of Force Majeure or by neglect, disrepair or lack of adequate preventative maintenance of the Seller's Facility, Seller may, after giving notice as provided in paragraph 14.3.2 below, temporarily suspend all deliveries of Net Energy to Idaho Power from the Facility or from individual generation unit(s) within the Facility impacted by the forced outage for a period of not less than 48 hours to correct the forced outage condition ("Declared Suspension of Energy Deliveries"). The Seller's Declared Suspension of Energy Deliveries will begin at the start of the next full hour following the Seller's telephone notification as specified in paragraph 14.3.2 and will continue for the time as specified (not less than 48 hours) in the written notification provided by the Seller. In the month(s) in which the Declared Suspension of Energy occurred, the Net Energy Amount will be adjusted as specified in paragraph 6.2.4.

14.3.2 If the Seller desires to initiate a Declared Suspension of Energy Deliveries as provided in paragraph 14.3.1, the Seller will notify the Designated Dispatch Facility by telephone. The beginning hour of the Declared Suspension of Energy Deliveries will be at the

earliest the next full hour after making telephone contact with Idaho Power. The Seller will, within 24 hours after the telephone contact, provide Idaho Power a written notice in accordance with Article XXIX that will contain the beginning hour and duration of the Declared Suspension of Energy Deliveries and a description of the conditions that caused the Seller to initiate a Declared Suspension of Energy Deliveries. Idaho Power will review the documentation provided by the Seller to determine Idaho Power's acceptance of the described forced outage as qualifying for a Declared Suspension of Energy Deliveries as specified in paragraph 14.3.1. Idaho Power's acceptance of the Seller's forced outage as an acceptable forced outage will be based upon the clear documentation provided by the Seller that the forced outage is not due do an event of Force Majeure or by neglect, disrepair or lack of adequate preventative maintenance of the Seller's Facility.

14.5 Voltage Levels - Seller, in accordance with Prudent Electrical Practices shall minimize voltage fluctuations and maintain voltage levels acceptable to Idaho Power. Idaho Power may, in accordance with Prudent Electrical Practices, upon one hundred eighty (180) days' notice to the Seller, change its nominal operating voltage level by more than ten percent (10%) at the Point of Delivery, in which case Seller shall modify, at Idaho Power's expense, Seller's equipment as necessary to accommodate the modified nominal operating voltage level.

14.6 Generator Ramping - Idaho Power, in accordance with Prudent Electrical Practices, shall have the right to limit the rate that generation is changed at startup, during normal operation or following reconnection to Idaho Power's electrical system. Generation ramping may be required to permit Idaho Power's voltage regulation equipment time to respond to changes in power flow.

14.7 Scheduled Maintenance – On or before January 31 of each calendar year, Seller shall submit a written proposed maintenance schedule of significant Facility maintenance for that calendar year and Idaho Power and Seller shall mutually agree as to the acceptability of the proposed schedule. The Parties determination as to the acceptability of the Seller's timetable for scheduled maintenance will take into consideration Prudent Electrical Practices, Idaho Power system requirements and the Seller's preferred schedule. Neither Party shall unreasonably withhold

acceptance of the proposed maintenance schedule.

14.8 Maintenance Coordination - The Seller and Idaho Power shall, to the extent practical, coordinate their respective line and Facility maintenance schedules such that they occur simultaneously.

14.9 Contact Prior to Curtailment - Idaho Power will make a reasonable attempt to contact the Seller prior to exercising its rights to curtail, interrupt or reduce deliveries from the Seller's Facility. Seller understands that in the case of emergency circumstances, real time operations of the electrical system, and/or unplanned events Idaho Power may not be able to provide notice to the Seller prior to interruption, curtailment, or reduction of electrical energy deliveries to Idaho Power.

ARTICLE XV: RELIABILITY MANAGEMENT SYSTEM

15.1 Purpose. In order to maintain the reliable operation of the transmission grid, the WECC Reliability Criteria Agreement sets forth reliability criteria adopted by the WECC to which this Seller and Idaho Power Company shall be required to comply. Seller acknowledges receipt of and understanding of the WECC Reliability Criteria Agreement and how it pertains to the Seller's facility.

15.2 Compliance. This Seller shall comply with the requirements of the WECC Reliability Criteria Agreement, including the applicable WECC reliability criteria set forth in Section IV of Annex A thereof, and, in the event of failure to comply, Seller agrees to be subject to the sanctions applicable to such failure. Such sanctions shall be assessed pursuant to the procedures contained in the WECC Reliability Criteria Agreement. Each and all of the provisions of the WECC Reliability Criteria Agreement are hereby incorporated by reference into this Article 15 as though set forth fully herein, and Seller shall for all purposes be considered a Participant, and shall be entitled to all of the rights and privileges and be subject to all of the obligations of a Participant, under and in connection with the WECC Reliability Criteria Agreement, including, but not limited to the rights, privileges and obligations set forth in Sections 5, 6 and 10 of the WECC Reliability Criteria Agreement.

15.3 Payment of Sanctions. Seller shall be responsible for reimbursing Idaho Power Company for any monetary sanctions assessed against Idaho Power Company due to the action or inaction of the Seller by WECC pursuant to the WECC Reliability Criteria Agreement. Seller also shall be responsible for payment of any monetary sanction assessed against the Seller by WECC pursuant to the WECC Reliability Criteria Agreement. Any such payment shall be made pursuant to the procedures specified in the WECC Reliability Criteria Agreement.

15.4 Transfer of Control or Sale of Generation Facilities. In any sale or transfer of control of any generation facilities subject to this Agreement, Seller shall, as a condition of such sale or transfer, require the acquiring party or transferee with respect to the transferred facilities either to assume the obligations of the Seller with respect to this Agreement or to enter into an agreement with Idaho Power Company imposing on the acquiring party or transferee the same obligations applicable to the Seller pursuant to this Article 15.

15.5 Publication. Seller consents to the release by the WECC of information related to the Seller's compliance with this Agreement only in accordance with the WECC Reliability Criteria Agreement.

15.6 Third Parties. Except for the rights and obligations between the WECC and the Seller specified in this Article 15, this Agreement creates contractual rights and obligations solely between the Parties. Nothing in this Agreement shall create, as between the Parties or with respect to the WECC: (a) any obligation or liability whatsoever (other than as expressly provided in this Agreement), or (b) any duty or standard of care whatsoever. In addition, nothing in this Agreement shall create any duty, liability or standard of care whatsoever as to any other party. Except for the rights, as a third-party beneficiary under this Article 15, of the WECC against the Seller for the Seller, no third party shall have any rights whatsoever with respect to enforcement of any provision of this Agreement. Idaho Power Company and the Seller expressly intend that the WECC is a third-party beneficiary to this Article 15, and the WECC shall have the right to seek to enforce against the Seller any provision of this Article 15, provided that specific performance shall be the sole remedy available to the WECC pursuant to Article 15 of this

Agreement, and the Seller shall not be liable to the WECC pursuant to this Agreement for damages of any kind whatsoever (other than the payment of sanctions to the WECC, if so construed), whether direct, compensatory, special, indirect, consequential, or punitive.

15.7 Reserved Rights. Nothing in the Article 15 of this Agreement or the WECC Reliability Criteria Agreement shall affect the right of Idaho Power Company, subject to any necessary regulatory approval, to take such other measures to maintain reliability, including disconnection that Idaho Power Company may otherwise be entitled to take.

15.8 Termination of Article 15. Seller may terminate its obligations pursuant to this Article 15:

15.8.1 If after the effective date of this Article 15, the requirements of the WECC Reliability Criteria Agreement applicable to the Seller are amended so as to adversely affect the Seller, provided that the Seller gives fifteen (15) days' notice of such termination to Idaho Power Company and WECC within forty-five (45) days of the date of issuance of a Commission order accepting such amendment for filing, provided further that the forty-five (45) day period within which notice of termination is required may be extended by the Seller for an additional forty-five (45) days if the Seller gives written notice to Idaho Power Company of such requested extension within the initial forty-five (45) day period; or

15.8.2 For any reason on one year's written notice to Idaho Power Company and the WECC.

ARTICLE XVI: INDEMNIFICATION AND INSURANCE

16.1 Indemnification - Each Party shall agree to hold harmless and to indemnify the other Party, its officers, agents, affiliates, subsidiaries, parent company and employees against all loss, damage, expense and liability to third persons for injury to or death of person or injury to property, proximately caused by the indemnifying Party's construction, ownership, operation or maintenance of, or by failure of, any of such Party's works or facilities used in connection with this Agreement. The indemnifying Party shall, on the other Party's request, defend any suit asserting a claim covered by this indemnity. The indemnifying Party shall pay all costs, including

reasonable attorney fees that may be incurred by the other Party in enforcing this indemnity.

16.2 Insurance - During the term of this Agreement, Seller shall secure and continuously carry the following insurance coverage:

16.2.1 Comprehensive General Liability Insurance for both bodily injury and property damage with limits equal to $1,000,000, each occurrence, combined single limit. The deductible for such insurance shall be consistent with current Insurance Industry Utility practices for similar property.

16.2.2 The above insurance coverage shall be placed with an insurance company with an A.M. Best Company rating of A- or better and shall include:

(a) An endorsement naming Idaho Power as an additional insured and loss payee as applicable; and

(b) A provision stating that such policy shall not be canceled or the limits of liability reduced without sixty (60) days' prior written notice to Idaho Power.

16.3 Seller to Provide Certificate of Insurance - As required in paragraph 4.1.4 herein and annually thereafter, Seller shall furnish Idaho Power a certificate of insurance, together with the endorsements required therein, evidencing the coverage as set forth above.

16.4 Seller to Notify Idaho Power of Loss of Coverage - If the insurance coverage required by paragraph 16.2 shall lapse for any reason, Seller will immediately notify Idaho Power in writing. The notice will advise Idaho Power of the specific reason for the lapse and the steps Seller is taking to reinstate the coverage. Failure to provide this notice and to expeditiously reinstate or replace the coverage will constitute a Material Breach of this Agreement.

ARTICLE XVII. FORCE MAJEURE

17.1 As used in this Agreement, "Force Majeure" or "an event of Force Majeure" means any cause beyond the control of the Seller or of Idaho Power which, despite the exercise of due diligence, such Party is unable to prevent or overcome. Force Majeure includes, but is not limited to, acts of God, fire, flood, storms, wars, hostilities, civil strife, strikes and other labor disturbances,

earthquakes, fires, lightning, epidemics, sabotage, or changes in law or regulation occurring after the Operation Date, which, by the exercise of reasonable foresight such party could not reasonably have been expected to avoid and by the exercise of due diligence, it shall be unable to overcome. If either Party is rendered wholly or in part unable to perform its obligations under this Agreement because of an event of Force Majeure, both Parties shall be excused from whatever performance is affected by the event of Force Majeure, provided that:

(1) The non-performing Party shall, as soon as is reasonably possible after the occurrence of the Force Majeure, give the other Party written notice describing the particulars of the occurrence.

(2) The suspension of performance shall be of no greater scope and of no longer duration than is required by the event of Force Majeure.

(3) No obligations of either Party which arose before the occurrence causing the suspension of performance and which could and should have been fully performed before such occurrence shall be excused as a result of such occurrence.

ARTICLE XVIII: LAND RIGHTS

18.1 Seller to Provide Access - Seller hereby grants to Idaho Power for the term of this Agreement all necessary rights-of-way and easements to install, operate, maintain, replace, and remove Idaho Power's Metering Equipment, Interconnection Equipment, Disconnection Equipment, Protection Equipment and other Special Facilities necessary or useful to this Agreement, including adequate and continuing access rights on property of Seller. Seller warrants that it has procured sufficient easements and rights-of-way from third parties so as to provide Idaho Power with the access described above. All documents granting such easements or rights-of-way shall be subject to Idaho Power's approval and in recordable form.

18.2 Use of Public Rights-of-Way - The Parties agree that it is necessary to avoid the adverse environmental and operating impacts that would occur as a result of duplicate electric lines being

constructed in close proximity. Therefore, subject to Idaho Power's compliance with paragraph 18.4, Seller agrees that should Seller seek and receive from any local, state or federal governmental body the right to erect, construct and maintain Seller-furnished Interconnection Facilities upon, along and over any and all public roads, streets and highways, then the use by Seller of such public right-of-way shall be subordinate to any future use by Idaho Power of such public right-of-way for construction and/or maintenance of electric distribution and transmission facilities and Idaho Power may claim use of such public right-of-way for such purposes at any time. Except as required by paragraph 18.4, Idaho Power shall not be required to compensate Seller for exercising its rights under this paragraph 18.2.

18.3 Joint Use of Facilities - Subject to Idaho Power's compliance with paragraph 18.4, Idaho Power may use and attach its distribution and/or transmission facilities to Seller's Interconnection Facilities, may reconstruct Seller's Interconnection Facilities to accommodate Idaho Power's usage or Idaho Power may construct its own distribution or transmission facilities along, over and above any public right-of-way acquired from Seller pursuant to paragraph 18.2, attaching Seller's Interconnection Facilities to such newly constructed facilities. Except as required by paragraph 18.4, Idaho Power shall not be required to compensate Seller for exercising its rights under this paragraph 18.3.

18.4 Conditions of Use - It is the intention of the Parties that the Seller be left in substantially the same condition, both financially and electrically, as Seller existed prior to Idaho Power's exercising its rights under this Article XVIII. Therefore, the Parties agree that the exercise by Idaho Power of any of the rights enumerated in paragraphs 18.2 and 18.3 shall: (1) comply with all applicable laws, codes and Prudent Electrical Practices, (2) equitably share the costs of installing, owning and operating jointly used facilities and rights-of-way. If the Parties are unable to agree on the method of apportioning these costs, the dispute will be submitted to the Commission for resolution and the decision of the Commission will be binding on the Parties, and (3) shall provide Seller with an interconnection to Idaho Power's system of equal capacity and durability as existed prior to Idaho Power exercising its rights under this Article XVIII.

ARTICLE XIX: LIABILITY; DEDICATION

19.1 Nothing in this Agreement shall be construed to create any duty to, any standard of care with reference to, or any liability to any person not a Party to this Agreement. No undertaking by one Party to the other under any provision of this Agreement shall constitute the dedication of that Party's system or any portion thereof to the other Party or to the public or affect the status of Idaho Power as an independent public utility corporation or Seller as an independent individual or entity.

ARTICLE XX: SEVERAL OBLIGATIONS

20.1 Except where specifically stated in this Agreement to be otherwise, the duties, obligations and liabilities of the Parties are intended to be several and not joint or collective. Nothing contained in this Agreement shall ever be construed to create an association, trust, partnership or joint venture or impose a trust or partnership duty, obligation or liability on or with regard to either Party. Each Party shall be individually and severally liable for its own obligations under this Agreement.

ARTICLE XXI: WAIVER

21.1 Any waiver at any time by either Party of its rights with respect to a default under this Agreement or with respect to any other matters arising in connection with this Agreement shall not be deemed a waiver with respect to any subsequent default or other matter.

ARTICLE XXII: CHOICE OF LAWS AND VENUE

22.1 This Agreement shall be construed and interpreted in accordance with the laws of the State of Idaho without reference to its choice of law provisions.

22.2 Venue for any litigation arising out of or related to this Agreement will lie in the District Court of the Fourth Judicial District of Idaho in and for the County of Ada.

ARTICLE XXIII: DISPUTES AND DEFAULT

23.1 Disputes - All disputes related to or arising under this Agreement, including, but not limited to,

the interpretation of the terms and conditions of this Agreement, will be submitted to the Commission for resolution.

23.2 Notice of Default -

23.2.1 Defaults. If either Party fails to perform any of the terms or conditions of this Agreement (an "event of default"), the nondefaulting Party shall cause notice in writing to be given to the defaulting Party, specifying the manner in which such default occurred. If the defaulting Party shall fail to cure such default within the sixty (60) days after service of such notice, or if the defaulting Party reasonably demonstrates to the other Party that the default can be cured within a commercially reasonable time but not within such sixty (60) day period and then fails to diligently pursue such cure, then, the nondefaulting Party may, at its option, terminate this Agreement and/or pursue its legal or equitable remedies.

23.2.2 Material Breaches – The notice and cure provisions in paragraph 23.2.1 do not apply to defaults identified in this Agreement as Material Breaches. Material Breaches must be cured as expeditiously as possible following occurrence of the breach.

23.3 Security for Performance - Prior to the Operation Date and thereafter for the full term of this Agreement, Seller will provide Idaho Power with the following:

23.3.1 Insurance - Evidence of compliance with the provisions of paragraph 16.2. If Seller fails to comply, such failure will be a Material Breach and may only be cured by Seller supplying evidence that the required insurance coverage has been replaced or reinstated;

23.3.2 Engineer's Certifications - Every three (3) years after the Operation Date, Seller will supply Idaho Power with a Certification of Ongoing Operations and Maintenance (O & M) from a Registered Professional Engineer licensed in the State of Idaho, which Certification of Ongoing O & M shall be in the form specified in Appendix C. Seller's failure to supply the required certificate will be an event of default. Such a default may only be cured by Seller providing the required certificate; and

23.3.3 Licenses and Permits - During the full term of this Agreement, Seller shall maintain compliance with all permits and licenses described in paragraph 4.1.1 of this Agreement. In addition, Seller will supply Idaho Power with copies of any new or additional permits or licenses. At least every fifth Contract Year, Seller will update the documentation described in Paragraph 4.1.1. If at any time Seller fails to maintain compliance with the permits and licenses described in paragraph 4.1.1 or to provide the documentation required by this paragraph, such failure will be an event of default and may only be cured by Seller submitting to Idaho Power evidence of compliance from the permitting agency.

ARTICLE XXIV: GOVERNMENTAL AUTHORIZATION

24.1 This Agreement is subject to the jurisdiction of those governmental agencies having control over either Party of this Agreement.

ARTICLE XXV: COMMISSION ORDER

25.1 This Agreement shall become finally effective upon the Commission's approval of all terms and provisions hereof without change or condition and declaration that all payments to be made to Seller hereunder shall be allowed as prudently incurred expenses for ratemaking purposes.

ARTICLE XXVI: SUCCESSORS AND ASSIGNS

26.1 This Agreement and all of the terms and provisions hereof shall be binding upon and inure to the benefit of the respective successors and assigns of the Parties hereto, except that no assignment hereof by either Party shall become effective without the written consent of both Parties being first obtained. Such consent shall not be unreasonably withheld. Notwithstanding the foregoing, any party which Idaho Power may consolidate, or into which it may merge, or to which it may convey or transfer substantially all of its electric utility assets, shall automatically, without further act, and without need of consent or approval by the Seller, succeed to all of Idaho Power's rights,

obligations and interests under this Agreement. This article shall not prevent a financing entity with recorded or secured rights from exercising all rights and remedies available to it under law or contract. Idaho Power shall have the right to be notified by the financing entity that it is exercising such rights or remedies.

ARTICLE XXVII: MODIFICATION

27.1 No modification to this Agreement shall be valid unless it is in writing and signed by both Parties and subsequently approved by the Commission.

ARTICLE XXVIII: TAXES

28.1 Each Party shall pay before delinquency all taxes and other governmental charges which, if failed to be paid when due, could result in a lien upon the Facility or the Interconnection Facilities.

ARTICLE XXIX: NOTICES

29.1 All written notices under this agreement shall be directed as follows and shall be considered delivered when deposited in the U. S. Mail, first-class postage prepaid, as follows:

To Seller:

Pristine Springs Inc.
Curtis Gay
201 Warm Creek Road
Jerome, ID 83338

To Idaho Power:

Original document to:

Vice President, Power Supply
Idaho Power Company
P O Box 70
Boise, Idaho 83707

Copy of document to:

Cogeneration and Small Power Production
Idaho Power Company
P O Box 70
Boise, Idaho 83707

An electronic copy (e-mail) of the copy of the document is acceptable. If the Seller desires to provide the copy via e-mail Idaho Power will provide the Seller the appropriate e-mail address upon request by the Seller.

ARTICLE XXX: ADDITIONAL TERMS AND CONDITIONS

30.1 This Agreement includes the following appendices, which are attached hereto and included by reference:

Appendix A	-	Generation Scheduling and Reporting
Appendix B	-	Facility and Point of Delivery
Appendix C	-	Engineer's Certifications
Appendix D	-	Modifications, Upgrades and Additions

ARTICLE XXXI: SEVERABILITY

31.1 The invalidity or unenforceability of any term or provision of this Agreement shall not affect the validity or enforceability of any other terms or provisions and this Agreement shall be construed in all other respects as if the invalid or unenforceable term or provision were omitted.

ARTICLE XXXII: COUNTERPARTS

32.1 This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

ARTICLE XXXIII: ENTIRE AGREEMENT

33.1 This Agreement constitutes the entire Agreement of the Parties concerning the subject matter hereof and supersedes all prior or contemporaneous oral or written agreements between the Parties concerning the subject matter hereof.

IN WITNESS WHEREOF, The Parties hereto have caused this Agreement to be executed in their respective names on the dates set forth below:

Idaho Power Company	Pristine Springs, Inc.
By	By
N. Vern Porter - Mgr Power Supply Operations	Wendell M. Starke - President
Dated FEBRUARY 17, 2005	Dated Feb. 18th, 2005
"Idaho Power"	"Seller"

APPENDIX A

A –1 MONTHLY POWER PRODUCTION AND SWITCHING REPORT

At the end of each month the following required documentation will be submitted to:

Idaho Power Company
Attn: Cogeneration and Small Power Production
P 0 Box 70
Boise, Idaho 83707

The Meter readings required on this report will be the reading on the Idaho Power Meter Equipment measuring the Facility's total energy production, Station Usage, Inadvertent Energy delivered to Idaho Power and the maximum energy delivery (kW) as recorded on the Meter Equipment and/or any other required energy measurements to adequately administer this Agreement.

Idaho Power Company

Cogeneration and Small Power Production

MONTHLY POWER PRODUCTION AND SWITCHING REPORT

Month _____ **Year** _____

Project Name _____ **Project Number:** _____

Address _____ **Phone Number:** _____

City _____ **State** _____ **Zip** _____

	Facility Output	Station Usage	Station Usage	Metered Maximum Generation
Meter Number:				
End of Month kWh Meter Reading:				kW
Beginning of Month kWh Meter:				
Difference:				
Times Meter Constant:				Net Generation
kWh for the Month:	-	-	=	
Metered Demand:				

Breaker Opening Record

Date	Time	Meter

*	Reason

Breaker Closing Record

Date	Time	Meter

* **Breaker Opening Reason Codes**

1 Lack of Adequate Prime Mover
2 Forced Outage of Facility
3 Disturbance of IPCo System
4 Scheduled Maintenance
5 Testing of Protection Systems
6 Cause Unknown
7 Other (Explain)

I hereby certify that the above meter readings are true and correct as of Midnight on the last day of the above month and that the switching record is accurate and complete as required by the Firm Energy Sales Agreement to which I am a Party.

_____ **Signature** _____ **Date**

2/17/2005

A-2 ROUTINE REPORTING

Seller's Contact Information

24-Hour Project Operational Contact

Name:	Curtis Gay
Office Telephone:	208-736-1606
Home Telephone:	208-733-1335
Cell Phone:	208-308-8220

Name:	Brian Tadlock
Office Telephone:	208-736-1684
Home Telephone:	208-543-2809
Cell Phone:	208-420-7217

Project On-site Contact information

Telephone Number: _____

APPENDIX B

FACILITY AND POINT OF DELIVERY

PROJECT NO. 31415164

PRISTINE SPRINGS PROJECT

B-1 DESCRIPTION OF FACILITY

The Seller's Facility is described as a single synchronous generator with a nameplate rating of 125 kW, 480 volt, three phase, 60 hertz, driven by a Pelton Turbine.

B-2 LOCATION OF FACILITY

The Facility is located in the NE 1/4 of the NW 1/4 of Section 29, Township 9 South, Range 17 East, Boise Meridian, Jerome County, Idaho.

B-3 MAXIMUM CAPACITY AMOUNT: This value will be 125 kW, the maximum energy that potentially could be delivered by the Seller's Facility to the Idaho Power electrical system at any moment in time.

B-4 POINT OF DELIVERY

The Point of Delivery of energy from the Seller to Idaho Power will be Idaho Power's 12.5 kV distribution line deadend insulators where they attach to the Seller's 12.5 kV transformer pole. The Seller will provide three 12.5/7.2 kV grounded wye to 480/277 V ungrounded wye overhead transformers with associated fused disconnects, arresters, hardware, jumpers, and busing as well as all secondary conductor and hardware.

B-5 LOSSES

If the Idaho Power Metering equipment is capable of measuring the exact energy deliveries by the Seller to the Idaho Power electrical system at the Point of Delivery, no Losses will be calculated

for this Facility. If the Idaho Power Metering is unable to measure the exact energy deliveries by the Seller to the Idaho Power electrical system at the Point of Delivery, a Losses calculation will be established to measure the energy losses (kWh) between the Seller's Facility and the Idaho Power Point of Delivery. This loss calculation will be initially set at 2% of the kWh energy production recorded on the Facility generation metering equipment. At such time as Seller provides Idaho Power with the electrical equipment specifications (transformer loss specifications, conductor sizes, etc) of all of the electrical equipment between the Facility and the Idaho Power electrical system, Idaho Power will configure a revised loss calculation formula to be agreed to by both parties and used to calculate the kWh Losses for the remaining term of the Agreement. If at anytime during the term of this Agreement, Idaho Power determines that the loss calculation does not correctly reflect the actual kWh losses attributed to the electrical equipment between the Facility and the Idaho Power electrical system, Idaho Power may adjust the calculation and retroactively adjust the previous 12 months kWh loss calculations.

B-6 METERING AND TELEMETRY

The Metering Equipment is on the 480-volt side of the Seller's step up transformers. Idaho Power provided Metering Equipment consists of: two electromechanical meters; one to measure generation and one to measure auxiliary loads. Seller provided Metering Equipment will consist of all conduit, junction boxers and the meter enclosures. Seller will install all Seller provided material as well as the metering transformers. The meters will register kilowatt-hours and kilowatts of demand. Idaho Power provided Meter Equipment will be owned and maintained by Idaho Power, with total cost of purchase, installation, operation, and maintenance, including administrative cost to be reimbursed to Idaho Power by the Seller Payment of these costs will be in accordance with Schedule 72 and the total metering cost will be included in the calculation of the Monthly Operation and Maintenance Charges specified in Schedule 72.

B-7 SPECIAL FACILITIES

The installation of approximately 400 feet of 12.5 kV three phase line extension has been supplied and will be maintained by Idaho Power. The total cost of these facilities will be reimbursed to Idaho Power by the Seller.

B-8 REACTIVE POWER

The Seller shall operate the synchronous generator within plus or minus 5% of unity power factors or as listed in Appendix A. Payment of these costs will be in accordance with Schedule 72 and the total reactive power cost will be included in the calculation of the Monthly Operation and Maintenance Charges specified in Schedule 72.

B-9 DISCONNECTION EQUIPMENT

Disconnection Equipment is required to insure that the Seller's Facility will be disconnected from Idaho Power's system in the event of (1) the Sellers delivery of energy exceeds the Maximum Capacity Amount or (2) Idaho Power or the Seller require interruption or curtailment of energy deliveries to Idaho Power or (3) a disturbance on either Idaho Power's system or the Seller's Facility. This equipment is for the protection of Idaho Power's equipment only. Idaho Power will supply Disconnection Equipment which consists of a relay and control enclosure containing relays, batteries, arresters and other necessary hardware, an enunciator panel to be mounted in the Seller's switchgear line up and an enclosure containing a size five contactor. Seller will provide all conduit, junction boxes and interconnecting wire necessary for the operation of the contactor, relays & controls and 600 V fused and nonfused disconnects on either side of the contactor enclosure. Seller will install all Seller provided material as well as the Idaho Power contactor enclosure, the relay/control enclosure and the enunciator panel. Idaho Power will supply details for the Disconnection Equipment and will test the equipment prior to operation of the Facility. Seller will provide drawings of their disconnection wiring for engineering approval before installation. The total cost of Disconnection Equipment and testing will be reimbursed to Idaho

Power by the Seller. Idaho Power owned equipment will be maintained by Idaho Power, with total cost of purchase, installation, operation, and maintenance, including administrative cost to be reimbursed to Idaho Power by the Seller. Payment of these costs will be in accordance with Schedule 72 and the total Disconnection Equipment cost will be included in the calculation of the Monthly Operation and Maintenance Charges specified in Schedule 72.

B-10 COSTS

The total cost of Special Facilities, Metering Equipment and the Disconnecting Equipment was $24,308.04, which was paid by the Seller to Idaho Power under the previous Firm Energy Sales Agreement dated October 7, 1994. In addition to the installation and construction charges above, during the term of the Agreement Seller will pay Idaho Power an operation and maintenance charge of the sum of the following:

Original Equipment - This Facility has been interconnected and delivering energy to Idaho Power Company under an existing agreement. The monthly Schedule 72 operations and maintenance expense in regards to the equipment originally installed at a total cost of $24,308.04 will be calculated based upon the year the equipment was originally installed. Therefore, for the March 30, 2005 through March 31, 2006 Contract Year, the Schedule 72 year to be referenced to the Schedule 72 Operations and Maintenance table will be year 11 and the applicable Schedule 72 rate will apply to this year and subsequent years based upon March 30, 2005 thru March 31, 2006 being year 11.

Additional Equipment – any new equipment installations beyond the scope of routine maintenance of the Original Equipment will considered to be Additional Equipment and the Schedule 72 year will be determined based upon the completed installation date of the Additional Equipment. The complete installed cost of the Additional Equipment will be the bases that the appropriate Schedule 72 Operations and Maintenance percentage shall be applied.

B-11 SALVAGE

No later than sixty (60) days after the termination or expiration of this Agreement, Idaho Power will prepare and forward to Seller an estimate of the remaining value of those Idaho Power furnished Interconnection Facilities as required under Schedule 72, the Generation Interconnection Process and/or described in this Agreement, less the cost of removal and transfer to Idaho Power's nearest warehouse, if the Interconnection Facilities will be removed. If Seller elects not to obtain ownership of the Interconnection Facilities but instead wishes that Idaho Power reimburse the Seller for said Facilities the Seller may invoice Idaho Power for the net salvage value as estimated by Idaho Power and Idaho Power shall pay such amount to Seller within thirty (30) days after receipt of the invoice. Seller shall have the right to offset the invoice amount against any present or future payments due Idaho Power.

APPENDIX C

ENGINEER'S CERTIFICATION

OF

ONGOING OPERATIONS AND MAINTENANCE

The undersigned _____, on behalf of himself and _____ hereinafter collectively referred to as "Engineer," hereby states and certifies to the Seller as follows:

1. That Engineer is a Licensed Professional Engineer in good standing in the State of Idaho.

2. That Engineer has reviewed the Energy Sales Agreement, hereinafter "Agreement," between Idaho Power as Buyer, and _____ as Seller, dated _____

3. That the cogeneration or small power production project which is the subject of the Agreement and this Statement is identified as IPCo Facility No. _____ and hereinafter referred to as the "Project".

4. That the Project, which is commonly known as the_____ Project, is located at _____

5. That Engineer recognizes that the Agreement provides for the Project to furnish electrical energy to Idaho Power for a twenty (20) year period.

6. That Engineer has substantial experience in the design, construction and operation of electric power plants of the same type as this Project.

7. That Engineer has no economic relationship to the Design Engineer of this Project.

8. That Engineer has made a physical inspection of said Project, its operations and maintenance records since the last previous certified inspection. It is Engineer's professional opinion, based on the Project's appearance, that its ongoing O&M has been substantially in accordance with said O&M Policy; that it is in reasonably good operating condition; and that if adherence to said O&M Policy continues, the Project will continue producing at or near its design electrical output, efficiency and plant factor for the

remaining _____ years of the Agreement.

9. That Engineer recognizes that Idaho Power, in accordance with paragraph 4.1 of the Agreement, is relying on Engineer's representations and opinions contained in this Statement.

10. That Engineer certifies that the above statements are complete, true and accurate to the best of his knowledge and therefore sets his hand and seal below.

By _____

(P.E. Stamp)

Date _____

APPENDIX D

MODIFICATIONS, UPGRADES AND ADDITIONS

PROJECT NO. 31415164

PRISTINE SPRINGS

This Facility is interconnected to Idaho Power and is selling energy to Idaho Power as a Qualifying Facility in accordance with a Firm Energy Sales agreement dated October 7, 1994. The Interconnection Facilities, Disconnection Equipment, Metering Equipment, Telemetry Equipment and Protection Equipment were designed, installed, operated and maintained in accordance with this previous agreement.

Idaho Power has reviewed the existing Interconnection Facilities, Disconnection Equipment, Metering Equipment, Telemetry Equipment and Protection Equipment and listed below are specific modifications, upgrades and /or additions required for these facility to continue to deliver energy to Idaho Power at the Point of Delivery under this new Firm Energy Sales Agreement. The Seller will be responsible to complete the modifications, upgrades or additions as specified in this Appendix D. All costs of all items identified within this Appendix D and payment to Idaho Power will be in accordance with Schedule 72.

D-1 INTERCONNECTION FACILITIES

Idaho Power has reviewed the existing Interconnection Facilities at the Sellers facility and finds that no upgrades, modifications or additions are required as of the date of this Agreement. If in the future, Prudent Electrical Practices, regulations, electrical codes or safety codes require upgrades, modifications or additions to the existing equipment, Idaho Power will notify the Seller of these requirements and the Seller will be responsible for all costs of all items identified and payment to Idaho Power will be in accordance with Schedule 72.

D-2 DISCONNECTION EQUIPMENT

Idaho Power has reviewed the existing Disconnection Equipment at the Sellers facility and finds that no upgrades, modifications or additions are required as of the date of this Agreement. If in

the future, Prudent Electrical Practices, regulations, electrical codes or safety codes require upgrades, modifications or additions to the existing equipment, Idaho Power will notify the Seller of these requirements and the Seller will be responsible for all costs of all items identified and payment to Idaho Power will be in accordance with Schedule 72.

D-3 METERING EQUIPMENT

Idaho Power has reviewed the existing Metering Equipment at the Sellers facility and finds that no upgrades, modifications or additions are required as of the date of this Agreement. If in the future, Prudent Electrical Practices, regulations, electrical codes or safety codes require upgrades, modifications or additions to the existing equipment, Idaho Power will notify the Seller of these requirements and the Seller will be responsible for all costs of all items identified and payment to Idaho Power will be in accordance with Schedule 72.

D-4 TELEMETRY EQUIPMENT

Telemetry is currently not required at this Facility. If in the future, Prudent Electrical Practices, regulations, electrical codes or safety codes requires this equipment be installed at this Facility, Idaho Power will notify the Seller of these requirements and the Seller will be responsible for all costs of all items identified and payment to Idaho Power will be in accordance with Schedule 72.

D-5 PROTECTION EQUIPMENT

Idaho Power has reviewed the existing Protection Equipment at the Sellers facility and finds that no upgrades, modifications or additions are required as of the date of this Agreement. If in the future, Prudent Electrical Practices, regulations, electrical codes or safety codes require upgrades, modifications or additions to the existing equipment, Idaho Power will notify the Seller of these requirements and the Seller will be responsible for all costs of all items identified and payment to Idaho Power will be in accordance with Schedule 72.