

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. FOR PRISTINE SPRINGS #3)**

**CASE NO. IPC-E-05-12
NOTICE OF APPLICATION
NOTICE OF MODIFIED
PROCEDURE
ORDER NO. 29739**

On March 4, 2005, Idaho Power Company filed an Application requesting approval of a Firm Energy Sales Agreement (Agreement) between Idaho Power and Pristine Springs, Inc. dated February 18, 2005. Under the Agreement, Pristine Springs will sell and Idaho Power will purchase electric energy generated by the Pristine Springs hydroelectric generation facility #3 located on Warm Creek, north of Twin Falls, Idaho in an area more particularly described as the NW ¼ of Section 19, Township 9 South, Range 17 East, Boise Meridian, Jerome County, Idaho. The Pristine Springs facility #3 consists of a single 200 kW hydroelectric generation unit. The nameplate rating and maximum generation capability of the Pristine Springs facility #3 is 200 kW.

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YOU ARE HEREBY NOTIFIED that the Pristine Springs facility #3 will be a qualified small power production facility (QF) under the applicable provisions of the Public Utility Regulatory Policies Act of 1978 (PURPA). The Agreement was developed pursuant to Commission Order Nos. 29632 (*U.S. Geothermal, et al. v. Idaho Power*) and 29646 (avoided cost) and will replace the previously approved Schedule 86, Uniform Agreement for the sale of non-firm energy dated March 23, 2003. See Order No. 29234. In the proposed Agreement, the parties agree to a ten-year contract term and to use the non-levelized published avoided cost rates as currently established by the Commission for energy deliveries of no more than 10 average MW.

YOU ARE FURTHER NOTIFIED that, because the Pristine Springs facility #3 is currently interconnected and selling energy to Idaho Power under an existing Schedule 86, non-

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firm agreement, interconnection to the Company's distribution system is completed. The previously established interconnection costs set out in the Schedule 86 will be used to value the interconnection costs under the proposed Agreement. The applicable monthly Schedule 72 charges will apply.

YOU ARE FURTHER NOTIFIED that within the proposed Agreement, various requirements have been placed upon Pristine Springs in order for Idaho Power to accept energy deliveries from the Pristine Springs facility #3. Idaho Power proposes to monitor compliance with these initial requirements and, once the requirements have been met, the existing Schedule 86 agreement will be terminated.

YOU ARE FURTHER NOTIFIED that, as reflected in Article 24 of the Agreement, the Agreement will not become effective until the Commission has approved all the Agreement's terms and conditions and declares that all payments that Idaho Power makes to Pristine Springs for purchases of energy will be allowed as prudently incurred expenses for ratemaking purposes. The proposed effective date of the Agreement is February 18, 2005.

NOTICE OF MODIFIED PROCEDURE

YOU ARE FURTHER NOTIFIED that the Commission has determined that the public interest may not require a formal hearing in this matter and will proceed under Modified Procedure pursuant to Rules 201 through 204 of the Idaho Public Utilities Commission's Rules of Procedure, IDAPA 31.01.01.201 through .204.

YOU ARE FURTHER NOTIFIED that any person desiring to state a position on this Application may file a written comment in support or opposition with the Commission within twenty-one (21) days from the date of this Notice. The comment must contain a statement of reasons supporting the comment. Persons desiring a hearing must specifically request a hearing in their written comments. Written comments concerning this Application shall be mailed to the Commission and the Applicant at the addresses reflected below:

Commission Secretary
Idaho Public Utilities Commission
PO Box 83720
Boise, ID 83720-0074

Street Address for Express Mail:

472 W. Washington Street
Boise, ID 83702-5983

Monika Moen
Barton L. Kline
Randy C. Allphin
Idaho Power Company
PO Box 70

Boise, ID 83707-0070

E-Mail: mmoen@idahopower.com
bkline@idahopower.com
rallphin@idahopower.com

These 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.idaho.gov. Click the "Comments and Questions" icon, and complete the comment form, using the case number as it appears on the front of this document. These comments must also be sent to the Applicant at the e-mail addresses listed above.

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 may be viewed at www.puc.idaho.gov by clicking on "File Room" and "Electric Cases," or can be viewed during regular business hours at the Idaho Public Utilities Commission, 472 W. Washington Street, Boise, Idaho and at the general business office of Idaho Power Company, 1221 West Idaho Street, Boise, Idaho.

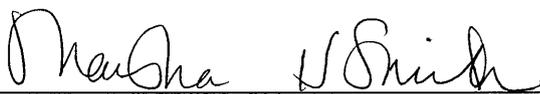
ORDER

IT IS HEREBY ORDERED that the Application of Idaho Power be processed by Modified Procedure, IDAPA 31.01.01.201 - .204. Persons interested in submitting written comments in this matter must do so no later than twenty-one (21) days from the service date of this Order.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 22nd
day of March 2005.



PAUL KJELLANDER, PRESIDENT

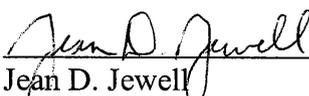


MARSHA H. SMITH, COMMISSIONER



DENNIS S. HANSEN, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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