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IDAHO PUBLIC
UTILITIES COMMISSION

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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF THE JOINT APPLICATION
OF IDAHO POWER COMPANY AND SINCLAIR
OIL CORPORATION FOR THE SALE AND
TRANSFER OF CERTAIN COMPANY OWNED
FACILITIES**

Case No. IPC-E-05-16

**APPLICATION AND
REQUEST FOR
MODIFIED PROCEDURE**

COME NOW Idaho Power Company ("Idaho Power") and Sinclair Oil Corporation, a Wyoming Corporation, d/b/a Sun Valley Company ("Sun Valley") and, pursuant to RP 052 and Idaho Code 6-328, apply for the approval of the sale and transfer of certain Company Owned Facilities (as that term is defined in Section I below) from Idaho Power to Sun Valley.

In support of the Application, Idaho Power and Sun Valley respectfully submit the following:

I.

Idaho Power provides electric service to Sun Valley pursuant to Idaho Power Rate Schedule 19 at Sun Valley's resort in Blaine County, Idaho. Pursuant to Schedule 19 Idaho

Power has installed, and operates and maintains, certain Company Owned Facilities Beyond the Point of Delivery (“Company Owned Facilities”). The Company Owned Facilities are more particularly described in the Memorandum of Understanding attached hereto as Exhibit A.

II.

Pursuant to the Memorandum of Understanding, Idaho Power has agreed to sell, and Sun Valley has agreed to purchase, the Company Owned Facilities. The purchase of the Company Owned Facilities will enable Sun Valley to efficiently operate electric distribution facilities located on and within its resort complex and is consistent with the public interest.

III.

The purchase price for the Company Owned Facilities is the sum of \$135,533, to be paid in cash on the date of transfer of the facilities. The purchase price is revenue neutral from Idaho Power’s point of view in the sense that Idaho Power will realize neither a gain nor a loss on the sale. Accordingly, the rates of other customers of Idaho Power will not be affected by the sale of the Company Owned Facilities and the Company’s cost for supplying service will not be increased by the sale and transfer of the Company Owned Facilities.

IV.

Sun Valley has contacted all of its tenants in the Sun Valley Mall that currently receive electric service directly from Idaho Power and has reached an agreement with those tenants that following the Transfer Date, the tenants will be billed for the cost of their electric service in their lease rates.

V.

As provided in the Memorandum of Understanding, Sun Valley will reimburse Idaho Power for the costs of reconfiguration of metering and other reasonable costs associated with the

transfer of the Company Owned Facilities to Sun Valley.

VI.

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

Barton L. Kline
IDAHO POWER COMPANY
1221 West Idaho Street
P.O. Box 70
Boise, Idaho 83707
Fax: 208.388.6936
bkline@idahopower.com

and

Dean J. Miller
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P.O. Box 2564 -83701
Boise, Idaho 83702
Fax: 208.336.6912
joe@mcdevitt-miller.com

APPLICATION FOR MODIFIED PROCEDURE

VII.

Idaho Power and Sun Valley submit that the public interest does not require a hearing to consider the issues presented herein. Accordingly, Idaho Power and Sun Valley request that this Application be processed under Modified Procedure pursuant to Commission Rules 201-204.

WHEREFORE it is respectfully requested that the Commission issue its Orders:

1. Determining that the public interest does not require a hearing and that this matter may be processed by modified procedure
2. Approving the sale and transfer of the Company Owned Facilities as herein requested.

Dated this 2nd day of May, 2005.

IDAHO POWER COMPANY



Barton L. Kline
Attorney for Idaho Power Company

**SINCLAIR OIL CORPORATION
d/b/a/ SUN VALLEY COMPANY**



Dean J. Miller
Attorney for Sun Valley Company

EXHIBIT A

**MEMORANDUM
OF
UNDERSTANDING**

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING is made and entered into this 2nd day of May, 2005, by and between Idaho Power Company, an Idaho corporation ("Idaho Power") and Sinclair Oil Corporation, a Wyoming corporation d/b/a the Sun Valley Company ("Sun Valley").

RECITALS

WHEREAS Idaho Power is an electric utility providing electric service in the State of Idaho and subject to the jurisdiction of the Idaho Public Utilities Commission ("the Commission," or "IPUC")

WHEREAS Sun Valley is a customer taking electric service from Idaho Power in Blaine County, Idaho pursuant to Idaho Power's Rate Schedule 19.

WHEREAS Idaho Power has installed certain equipment and facilities to provide service to Sun Valley, which equipment and facilities are described in Schedule 19 as "Company Owned Facilities Beyond the Point of Delivery" ("Company Owned Facilities").

WHEREAS Idaho Power and Sun Valley have agreed upon terms and conditions by which Sun Valley may purchase said Company Owned Facilities and the parties desire to memorialize their understandings in a written memorandum.

NOW THEREFORE, in consideration of the mutual agreements and covenants hereinafter set forth, the parties agree as follows:

1. ELECTRIC FACILITIES TO BE TRANSFERRED.

As of the Transfer Date, (as that term is defined in paragraph 2 below) Idaho Power shall

grant, sell, transfer and convey to Sun Valley all of its right, title and interest in and to the Company Owned Facilities located within the cross-hatched area depicted on Exhibit A, which is attached hereto and included by reference. The Company Owned Facilities transferred hereby will be sold on an "AS-IS", "WHERE-IS" basis, with all faults, and, with the exception of warranty of title, without any express or implied warranties as to merchantability, fitness or otherwise. On the Transfer Date, Idaho Power shall execute and deliver to Sun Valley a Bill of Sale in the form attached hereto as Exhibit B.

2. PURCHASE PRICE.

The purchase price of the Company Owned Facilities will be One Hundred Thirty-Five Thousand Five Hundred Thirty-Three Dollars (\$135,533). The purchase price and the estimated Transfer Costs (as that term is defined in Paragraph 3 below) will be paid by Sun Valley in full within fourteen (14) days after the date that the sale of the Company Owned Facilities is approved by the IPUC. The date of payment is herein referred to as the "Transfer Date".

3. REIMBURSEMENT FOR METER RECONFIGURATION.

Sun Valley will reimburse Idaho Power for the actual costs Idaho Power incurs for reconfiguring the metering and other reasonable costs associated with the transfer of the Company Owned Facilities to Sun Valley ("Transfer Costs"). The Transfer Costs are currently estimated to be Seven Thousand Five Hundred Dollars (\$7,500). Sun Valley will pay the estimated Transfer Costs at the time provided in Paragraph 2, and if the actual Transfer Costs are ultimately determined to be more or less than the estimate, Sun Valley will promptly pay any additional amounts due or Idaho Power will promptly refund any excess collected.

4. OPERATION AND MAINTENANCE.

From and after the Transfer Date, Sun Valley will assume all responsibility for operation,

repair or maintenance of the transferred Company Owned Facilities described on Exhibit A.

5. Sun Valley warrants that it has contacted all of its tenants within the cross-hatched area shown on Exhibit A that are currently receiving electric service directly from Idaho Power and advised them that after the Transfer Date they will be receiving electric service pursuant to their lease agreement with Sun Valley rather than directly from Idaho Power.

6. SCHEDULE 19 AGREEMENT.

Until the Transfer Date, Sun Valley will continue paying the facilities charges currently established under its existing Schedule 19 Uniform Large Power Service Agreement.

7. COMMISSION APPROVAL.

The transfer of the Company Owned Facilities will be contingent upon approval by the Idaho Public Utilities Commission. The parties agree to cooperate and will use their best efforts to obtain approval by the Commission.

8. INDEMNIFICATION.

Each party agrees to protect, indemnify and hold harmless the other party, its directors, officers, employees, agents, and representatives against and from any and all loss, claims, actions, or suits, including costs and attorneys' fees from both trial and appeals therefrom, on account of injury, bodily or other, to, or death of, persons, or for damage to, or destruction of property resulting from or arising out of any of the indemnifying party's actions or facilities, excepting only such injury, death, damage or destruction as may be caused by the fault or negligence of the other party, its directors, officers, employees, agents, or representatives.

9. FURTHER COOPERATION.

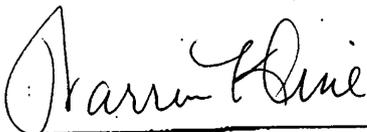
The parties agree to use their mutual best efforts to carry out and effectuate the intent of this Memorandum.

10. GENERAL PROVISIONS.

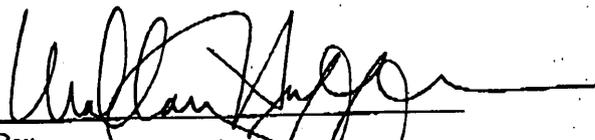
- 10.1** This Memorandum and all the terms and provisions hereof shall be binding upon and inure to the benefit of the respective successors and assigns of the parties hereto.
- 10.2** No modification of this Memorandum shall be valid unless it is in writing and signed by both parties and subsequently approved by the Commission.
- 10.3** Any waiver at any time by either party of its rights with respect to a default under this Memorandum, or with respect to any other matters arising in connection with this Memorandum, shall not be deemed a waiver with respect to any subsequent default or matter.
- 10.4** Nothing contained in this Memorandum shall ever be construed to create an association, partnership, or impose 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 Memorandum.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed in their respective names on the date set forth above.

IDAHO POWER COMPANY


By: WARREN KLINE
Its: GENERAL MANAGER - REGIONAL OPERATIONS

**SINCLAIR OIL CORPORATION
d/b/a/ SUN VALLEY COMPANY**


By: _____
Its: Vice Pres.

SEE CASE FILE

FOR MAP(S)

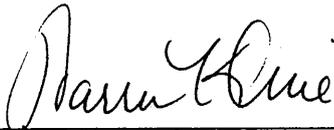
EXHIBIT B
BILL OF SALE

Idaho Power Company, an Idaho corporation, whose address is 1221 West Idaho, P.O. Box 70, Boise, Idaho 83707 (Seller), for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, does hereby sell, assign, transfer, and set over to Sinclair Oil Corporation, a Wyoming corporation d/b/a Sun Valley Company, whose address is Post Office Box 10, Sun Valley, Idaho 83353 ("Buyer"), the Company Owned Facilities (as that term is defined in the Memorandum of Understanding dated May 2, 2005, between Buyer and Seller) located within the cross-hatched area on Exhibit A attached hereto and made a part hereof (the Property").

Seller hereby represents and warrants to Buyer that Seller is the absolute owner of the Property, that the Property is free and clear of liens, charges and encumbrances, that Seller shall defend the same from all claims whatsoever, and that Seller has full right, power and authority to sell said Property and to make this Bill of Sale; provided, however, Seller has neither made nor makes any warranties, whether expressed or implied, concerning the condition of the Property, and Buyer takes and receives the Property "AS-IS," "WHERE IS" with "ALL FAULTS."

IN WITNESS WHEREOF, Seller has signed this Bill of Sale this day 2nd day of May, 2005.

IDAHO POWER COMPANY



By: WARREN KLINE
Its: GENERAL MANAGER - REGIONAL MANAGER