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IDAHO PUBLIC
UTILITIES COMMISSION

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Attorney for the Commission Staff

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF)
IDAHO POWER COMPANY FOR APPROVAL) CASE NO. IPC-E-05-18
OF A FIRM ENERGY SALES AGREEMENT)
FOR THE SALE AND PURCHASE OF)
ELECTRIC ENERGY BETWEEN IDAHO)
POWER COMPANY AND BURLEY BUTTE)
WIND PARK L.L.C.) COMMENTS OF THE
) COMMISSION STAFF
)
)
)

COMES NOW the Staff of the Idaho Public Utilities Commission, by and through its attorney of record, Scott Woodbury, Deputy Attorney General, and in response to the Notice of Application, Notice of Modified Procedure and Notice on Comment Deadline issued on June 2, 2005, submits the following comments.

BACKGROUND

On May 13, 2005, Idaho Power Company (Idaho Power; Company) filed an Application with the Idaho Public Utilities Commission (Commission) requesting approval of a Firm Energy Sales Agreement (Agreement) between Idaho Power and Burley Butte Wind Park, LLC (Burley Butte) dated May 5, 2005. Under the Agreement, Burley Butte will sell and Idaho Power will purchase electric energy generated by the Burley Butte Project located near Burley, Idaho in an area more particularly described as Section 6, Township 11 South, Range 21 East, Boise

Meridian, Cassia County, Idaho. The Project consists of seven (7) 1.5 MW GE wind turbines. The nameplate rating of the project is 10.5 MW. Under normal and/or average conditions the project will not exceed 10 aMW on a monthly basis. If energy in excess of this amount (Inadvertent Energy) is accidentally generated, Idaho Power will accept Inadvertent Energy that does not exceed the 10.5 MW maximum capacity amount but will not purchase or pay for it. Agreement ¶ 7.3.2.

The Burley Butte Project will be a qualified small power production facility (QF) under the applicable provisions of the Public Utility Regulatory Policies Act of 1978 (PURPA). Burley Butte has selected October 30, 2005 as the first energy date and December 31, 2005 as the scheduled operation date. As reflected in Section 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 Burley Butte for purchases of energy will be allowed as prudently incurred expenses for ratemaking purposes.

STAFF ANALYSIS

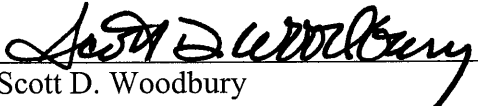
The Burley Butte Project is one of two nearly identical projects with contracts now pending before the Commission. Both projects are located southwest of the city of Burley. Attachment A shows the location of these two projects. The Agreement is similar to several other recent agreements for wind projects entered into by Idaho Power and approved by the Commission (Thousand Springs Wind Park – Order No. 29770; Pilgrim Stage Wind Park – Order No. 29771; Oregon Trail Wind Park – Order No. 29772; and the Tuana Gulch Wind Park – Order No. 29773).

Staff has reviewed the Agreement between Idaho Power and Burley Butte and finds that it comports with the terms and conditions of Commission Order No. 29632 (*U.S. Geothermal et. al v. Idaho Power*) and avoided cost Order No. 29646. The contract is for a 20-year term and contains the published non-levelized avoided cost rates set forth in Order No. 29646.

RECOMMENDATION

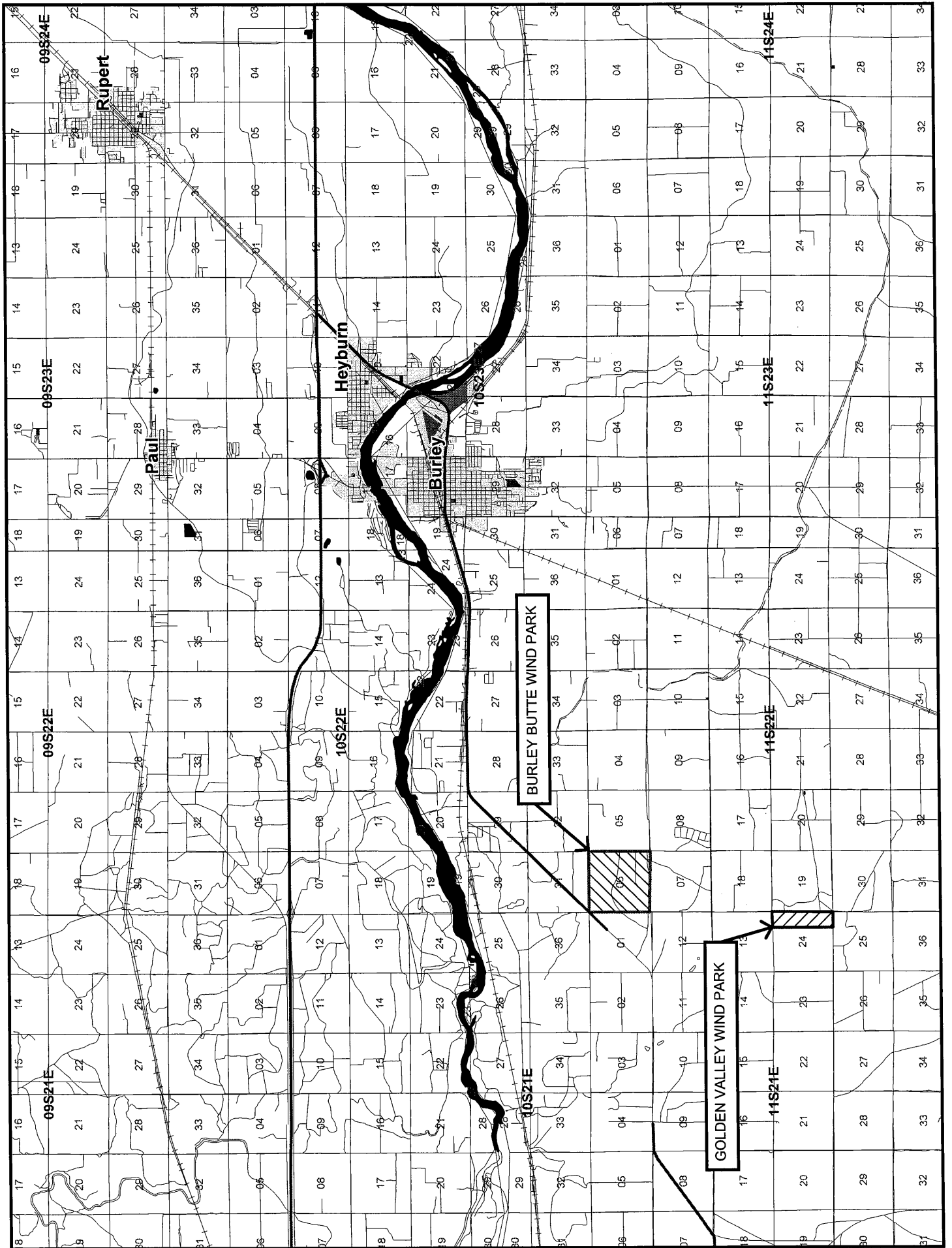
Staff recommends approval of the Agreement with an effective date of May 5, 2005.

RESPECTFULLY submitted this th 24 day of June 2005.



Scott D. Woodbury
Deputy Attorney General

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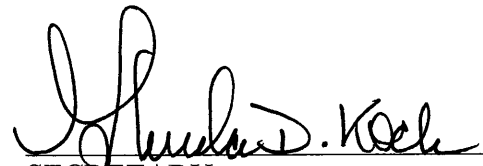
CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 24TH DAY OF JUNE 2005, SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN CASE NO. IPC-E-05-18, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:

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