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IDAHO PUBLIC UTILITIES COMMISSION

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IN THE MATTER OF THE PETITION OF)
IDAHO POWER COMPANY FOR AN)
ORDER TEMPORARILY SUSPENDING)
IDAHO POWER'S PURPA OBLIGATION TO)
ENTER INTO CONTRACTS TO PURCHASE)
ENERGY GENERATED BY WIND-)
POWERED SMALL POWER PRODUCTION)
FACILITIES.)
_____)

CASE NO. IPC-E-05-22

DIRECT TESTIMONY OF RICK STERLING

IDAHO PUBLIC UTILITIES COMMISSION

JULY 15, 2005

1 Q. Please state your name and business address for
2 the record.

3 A. My name is Rick Sterling. My business address
4 is 472 West Washington Street, Boise, Idaho.

5 Q. By whom are you employed and in what capacity?

6 A. I am employed by the Idaho Public Utilities
7 Commission as a Staff engineer.

8 Q. What is your educational and professional
9 background?

10 A. I received a Bachelor of Science degree in Civil
11 Engineering from the University of Idaho in 1981 and a
12 Master of Science degree in Civil Engineering from the
13 University of Idaho in 1983. I worked for the Idaho
14 Department of Water Resources from 1983 to 1994. In 1988,
15 I became licensed in Idaho as a registered professional
16 Civil Engineer. I began working at the Idaho Public
17 Utilities Commission in 1994. My duties at the Commission
18 include analysis of utility applications and customer
19 petitions.

20 Q. What is the purpose of your testimony in this
21 proceeding?

22 A. The purpose of my testimony is to address Idaho
23 Power Company's request for temporary suspension of its
24 obligation to purchase energy from small wind-powered
25 generation projects. My testimony will provide

1 recommendations regarding the Company's request and
2 describe the relevant factors that I believe the
3 Commission should consider in making its decision.

4 Q. Please summarize your testimony.

5 A. I believe there are currently four critical
6 factors that create sufficient cost uncertainty to justify
7 temporarily limiting Idaho Power's obligation to purchase
8 intermittent wind generation. The four factors are:

9 1) the application of a firm energy price to intermittent
10 wind generation; 2) the large number of wind generation
11 contracts at the published rate that are either signed or
12 in process; 3) a published avoided cost rate for
13 Qualifying Facilities (QFs) that is based upon a high cost
14 resource not in Idaho Power's IRP (Integrated Resource
15 Plan) resource portfolio, and 4) an Idaho Power wind RFP
16 (Request for Proposals) that may have attracted proposals
17 with bid prices influenced by the published QF rates.

18 The purpose of limiting the Company's purchase
19 obligation is to pause long enough to gather information
20 and to assess whether published rates are reasonable under
21 current circumstances and in the best interest of Idaho
22 ratepayers. I suggest that the public interest will be
23 well served if the Company's obligation to purchase
24 intermittent wind generation is temporarily modified. I
25 recommend that the Commission set a project size cap of

1 100 kW for published rate eligibility for intermittent
2 generation. I believe that uncertainty about the
3 reasonableness of the price Idaho Power is obligated to
4 pay to purchase wind generation, combined with the number
5 and size of wind projects seeking contracts, warrants such
6 action until more information can be gathered and studies
7 completed. I recommend that proposed wind projects with
8 contracts already signed or ready to be signed by the
9 developers be exempt from the limitation. I recommend
10 that wind projects offered as firmed be exempt from the
11 proposed restriction. I recommend that the change in
12 published rate eligibility commence immediately, apply to
13 all three electric utilities, and remain in place until
14 more information can be gathered and studies completed
15 that will allow the Commission to determine how to wisely
16 proceed further.

17 Q. What is your recommendation regarding Idaho
18 Power's request for a temporary suspension of its
19 obligation to offer to purchase power from qualifying
20 facilities (QFs) at published avoided cost rates?

21 A. Rather than suspension, I recommend that the
22 eligibility cap for published avoided cost rates for
23 intermittent generation projects without firming be
24 temporarily reduced to 100 kW. FERC's rules implementing
25 PURPA (USC § 292.304(c)(1)) require that states have

1 standard rates available for projects with a design
2 capacity of 100 kW or less. I would require individual
3 negotiation of contract rates for wind projects greater
4 than 100 kW using an IRP-based methodology that is project
5 specific.

6 Q. What standard do you believe should be applied
7 by the Commission in determining whether a temporary
8 change in published rate eligibility should be granted?

9 A. At this initial stage of the proceeding, I
10 believe the Commission only needs to decide whether to
11 temporarily limit the obligation to purchase the output
12 from intermittent generating resources such as wind.
13 Consequently, I believe that the proper standard is to
14 determine whether there may be a problem developing and
15 whether that problem is serious enough to justify
16 immediately limiting published rate availability. I do
17 not believe that Idaho Power at this stage needs to make a
18 convincing case that a problem has already occurred or
19 that harm has already been done to Idaho Power or its
20 ratepayers. The purpose of restricting published rates is
21 to pause long enough to gather information and to assess
22 whether Idaho is headed in the right direction before
23 proceeding further on the current path. If the Commission
24 agrees, I would not view that as a judgment on the price,
25 the quantity, or the prudence of acquiring wind

1 generation, but instead as a "timeout" while we evaluate
2 our position and determine a future direction that is in
3 the best interests of Idaho's ratepayers.

4 Q. Why do you believe a change in published rate
5 eligibility for intermittent wind generation is warranted
6 at this time?

7 A. There are four primary reasons:

8 1. Wind generation is intermittent, yet the
9 applicable published avoided cost rates reflect firm
10 energy prices.

11 2. The large number of wind generation
12 contracts at the published rates that are either signed or
13 in progress magnify the impact if avoided cost rates are
14 set too high.

15 3. Published QF avoided cost rates are based
16 upon a high cost resource that is not in Idaho Power's IRP
17 resource portfolio.

18 4. Idaho Power's wind RFP may have attracted
19 proposals with prices influenced by the published QF
20 avoided cost rates.

21 I will discuss each of these reasons in more
22 detail later in my testimony.

23 **Intermittency**

24 Q. In Case No. IPC-E-04-8/10, the combined case
25 involving U.S. Geothermal and wind developers Lewandowski

1 and Schroeder which was concluded seven months ago
2 culminating in Order No. 29632, the Commission imposed a
3 90-110% performance band to address firm vs. non-firm
4 resources. Doesn't the performance band adequately
5 address the intermittent nature of wind generation?

6 A. I believe that the decision of the Commission to
7 impose a performance band to address the intermittency of
8 wind resources was a reasonable compromise at the time.
9 However, since that Order was issued, Idaho Power's IRP
10 has been accepted for filing, raising questions over the
11 appropriateness of a high cost SAR resource not included
12 in the IRP being used as a surrogate for calculating the
13 Company's avoided cost. Meanwhile, more PURPA contract
14 capacity has been added in the past eight months than any
15 other time in the history of PURPA in Idaho. I believe
16 that wind integration costs cited by the Company are real,
17 but at this point still very uncertain. The performance
18 band establishing firm monthly generation as opposed to
19 hourly firm generation could result in significant
20 additional costs when applied to a large number of
21 intermittent wind projects. While the performance band
22 partially addresses the intermittency of wind generation,
23 it may not produce fair and accurate rates for wind
24 generation given the integration requirements and
25 operational demands placed on the Company's system by

1 wind.

2 Q. Are there other cost factors unique to
3 intermittent generation that should be considered?

4 A. Yes, there are. Wind integration costs can be
5 an important factor to consider, especially as greater
6 amounts of wind are added to a utility's system.
7 Utilities must provide long and short-term reserve
8 capacity, and maintain ability to provide load following
9 and other ancillary services. Each utility, because of
10 its existing resource mix and load requirements, will have
11 different abilities and costs to accommodate wind on its
12 system. To my knowledge, Idaho Power has not conducted
13 any studies or analysis to determine whether intermittent
14 generation presents additional costs not captured in the
15 simple application of the SAR avoided cost methodology.

16 **Large Number of Contracts**

17 Q. PURPA has been implemented in Idaho for over 25
18 years. Why is potential overpayment for PURPA resources
19 such a critical issue now?

20 A. PURPA has a long history in Idaho and many
21 contracts have been signed between regulated utilities and
22 small power producers. However, until the past year,
23 almost no contracts had been executed for intermittent
24 generation such as wind. Previously, the few intermittent
25 generation projects sold power under non-firm tariffs

1 rather than long-term contracts. Since the U.S.
2 Geothermal case was concluded seven months ago, eight out
3 of the nine contracts that have been signed by Idaho Power
4 and approved by the Commission have been with wind
5 generation projects. Furthermore, all but one of the
6 contracts signed during this short period have been for
7 the maximum 10 aMW size. In addition, three geothermal
8 contracts (two have yet to be sent to the Commission for
9 approval), and one 2.5 MW hydro contract (now pending
10 before the Commission) have also been signed.

11 Collectively, the generation added in the past year alone
12 represents about a 50 percent increase in Idaho Power's
13 PURPA generating capacity since PURPA's implementation in
14 Idaho 25 years ago. This pace of development, in terms of
15 number of contracts and especially in terms of size, far
16 exceeds that during any time in the history of PURPA in
17 Idaho. As a result, the consequences of maintaining
18 potentially inaccurate, obligatory rates for PURPA
19 projects are greater than ever before.

20 **SAR Methodology**

21 Q. Is it still reasonable to continue to use a gas-
22 fired CCCT as the surrogate resource for establishing a
23 price for intermittent resources like wind?

24 A. While the SAR method that has been used in Idaho
25 for many years is a relatively simple and straightforward

1 method for establishing avoided cost rates, it has become
2 a somewhat poor match for the types of generation projects
3 seeking power sales contracts in recent years. The SAR
4 method is based on the premise that the SAR represents a
5 reasonable proxy for the type of resource a utility would
6 build if it were to construct a plant to supply its needs.
7 In the early years of PURPA implementation in Idaho, a
8 coal plant was used as the surrogate avoided resource. In
9 more recent years, a gas-fired combined cycle plant (CCCT)
10 has been used as the surrogate. Both surrogates have been
11 considered base load plants. PURPA resources, on the
12 other hand, especially the predominance of wind projects
13 experienced in the past year, are radically different than
14 the CCCT surrogate. Using a highly dispatchable base load
15 plant as the basis for establishing rates for an
16 intermittent wind generator is awkward at best. Because
17 wind generation has such unique characteristics, perhaps a
18 different method for establishing avoided cost rates for
19 wind would be warranted. At this point in time, published
20 rates reflect the costs of a CCCT at very high gas prices.
21 Utilities may be able to acquire comparable or superior
22 energy products at lower costs. Ironically, Idaho Power
23 has for the first time included wind as a key element of
24 its preferred resource portfolio, yet we are continuing to
25 use a gas-fired CCCT – a resource no longer part of the

1 Company's IRP resource portfolio – as the basis for
2 establishing avoided cost rates for new QF resources that
3 are primarily wind.

4 **RFP Results & Prices**

5 Q. Why is there any relationship between wind
6 generation acquired by Idaho Power as PURPA QFs and wind
7 the Company is seeking to acquire through an RFP?

8 A. Wind projects are unique because they consist of
9 multiple individual wind turbines, each usually with a
10 capacity of about 1.5 MW, spread over many acres. Because
11 wind is such a dispersed resource, it is possible to
12 configure clusters of wind generators such that they meet
13 both the FERC eligibility requirements of a qualifying
14 facility and the Commission published rate eligibility
15 requirements of an under 10 aMW project. Large projects
16 utilizing most other types of generation resources are not
17 able to be configured into 10 aMW blocks to qualify for
18 the published avoided cost rates, nor does the
19 concentrated nature of other resource lend the projects to
20 being spread over a wide geographic area. As a result,
21 unlike most other types of generation, many wind projects
22 can be configured such that they are eligible to
23 participate in two different utility acquisition
24 mechanisms regardless of original project size. Because
25 each mechanism employs completely different pricing

1 methods, whichever pricing mechanism produces the lowest
2 rates is likely to be rendered ineffective. To the extent
3 a developer can configure a project to receive the
4 published rates, it is unlikely the developer would submit
5 a lower priced proposal under a wind RFP.

6 Q. Are you familiar with the RFPs which Idaho Power
7 has outstanding?

8 A. Yes, I am. Idaho Power issued an RFP for 200 MW
9 of wind generation on January 13, 2005. Bids were
10 submitted on March 10, 2005. The Company anticipated
11 acquiring energy from approximately 200 MW of nameplate
12 generation by the end of 2007, and 100 MW were to be
13 available no later than year-end 2006. It is my
14 understanding that the Company is still in the process of
15 evaluating the bids.

16 In addition, on March 30, 2005 Idaho Power
17 issued an RFP for 80-200 MW of peaking resources to be
18 online in April 2007. The peaking resources bid in this
19 RFP are most likely gas-fired simple cycle combustion
20 turbines. Bids were received by Idaho Power on June 2,
21 2005. Bids are currently being evaluated and Idaho Power
22 has stated that it expects to make a selection in the fall
23 of 2005.

24 Q. Idaho Power indicated that its own IRP calls for
25 the addition to its portfolio of 350 MW of wind

1 generation. What plans have Avista and PacifiCorp
2 indicated for acquiring wind generation?

3 A. PacifiCorp's 2003 IRP called for the acquisition
4 of 1400 MW of renewable resources (presumably mostly wind)
5 through 2013. Its 2004 IRP maintains the same target.
6 PacifiCorp issued an RFP in February 2004 to attempt to
7 acquire up to 1100 MW of this total. To date, the Company
8 has announced only one contract under the RFP for 64.5 MW
9 from a proposed wind project in eastern Idaho. Over 6000
10 MW of offers were received, of which the Company initially
11 believed up to 1400 MW could be cost-effective.

12 Avista is in the final stages of completing its
13 2005 IRP. The IRP is expected to be submitted in
14 September 2005. The preferred portfolio selected in the
15 plan includes approximately 650 MW of wind generation
16 capacity to be added through 2026.

17 Q. Have you reviewed the bids Idaho Power received
18 in response to its wind RFP?

19 A. No, I have not reviewed the bids. The bids are
20 confidential and Idaho Power has not yet made a formal
21 filing with the Commission. However, Staff has met with
22 the Company and reviewed a summary of the bids. Based on
23 the information presented in Idaho Power's petition, the
24 bids received, on average, propose purchase rates of
25 approximately 55 mills/kWh (\$55 per MWh). If

1 interconnection, transmission and wheeling costs are
2 added, the bid prices are substantially higher.

3 Q. How do the bids Idaho Power received in its RFP
4 compare to the cost of wind assumed in its 2004 IRP?

5 A. The average \$55 per MWh cost of the bids
6 received in the RFP is considerably higher than the \$43
7 per MWh levelized cost that Idaho Power assumed for wind
8 in its 2004 IRP. Even the lowest bids were substantially
9 higher than the \$43 per MWh price for wind assumed by
10 Idaho Power in its 2004 IRP.

11 Q. What cost for new wind resources do PacifiCorp
12 and Avista assume in their IRPs? What is the Northwest
13 Power and Conservation Council's assumption?

14 A. PacifiCorp's 2005 IRP assumes a levelized cost
15 of \$42-44 per MWh (2005 dollars, including integration but
16 not transmission). Avista's Draft 2005 IRP assumes a
17 levelized cost of \$56-71 per MWh (2005 dollars, including
18 transmission and integration). The Northwest Power and
19 Conservation Council in its recently released Fifth Power
20 Plan assumes a levelized cost for new wind generation of
21 \$33-43 per MWh (2000 dollars, includes some transmission).
22 All estimates depend on location. Without a more detailed
23 analysis, however, it is very difficult to compare these
24 costs directly. In order to have an "apples to apples"
25 comparison, the assumptions used to develop the costs must

1 be consistent. For example, interconnection, transmission
2 and integration costs must be consistently applied, and
3 economic assumptions about such things as inflation rates,
4 discount rates, and whether costs are presented in real or
5 nominal terms must be carefully considered. More time and
6 analysis would be needed in order to make a fair
7 comparison between the assumed wind costs of various
8 utilities.

9 Q. Why are the cost assumptions for wind in
10 utilities' IRPs relevant? Aren't the prices bid in RFPs a
11 better indication of the actual cost of new wind
12 generation?

13 A. Prices bid in RFPs should be a better indication
14 of the actual cost of new wind generation because
15 presumably, the bids are competitive. However, the amount
16 of new wind generation that a utility plans to acquire is
17 dependent on the cost assumptions used in the development
18 of the IRP. For example, if Idaho Power had assumed that
19 the cost of new wind generation would be \$60 per MWh
20 instead of \$43 per MWh, it may not have concluded that it
21 should include 350 MW in its future resource portfolio.
22 Most likely, the preferred resource portfolio would have
23 included less wind generation.

24 Q. Have you reviewed the bids PacifiCorp received
25 in response to its recent wind RFP?

1 A. No, I have not. As with nearly all utility
2 RFPs, bids are kept confidential. Furthermore, PacifiCorp
3 is still in negotiations to acquire the remaining portions
4 of the 1100 MW it had hoped to acquire through the RFP.
5 Disclosure of the bid prices or of the price already
6 agreed to for the 64.5 MW it has committed to in Idaho
7 would jeopardize its ongoing negotiations with other
8 bidders.

9 Q. Do you believe that the prices Idaho Power
10 received in response to its RFP are reflective of a fair
11 price for wind generation in Idaho?

12 A. Until more information can be gathered
13 concerning the results of RFPs in other parts of the
14 region, it is difficult to say. It is difficult to
15 determine whether the bid prices may have been influenced
16 by the published PURPA avoided cost rate being viewed as a
17 default rate for unsuccessful bidders. I believe further
18 investigation is warranted.

19 Q. If the prices bid in Idaho Power's RFP are
20 indeed reflective of today's going rate for new wind
21 generation, do you believe that indicates that the
22 published PURPA rates are a fair price for wind
23 generation?

24 A. Not necessarily. Whenever there are two
25 different resource acquisition mechanisms for the same or

1 similar types of resources as there are now, project
2 developers will naturally participate in the mechanism
3 they believe will produce the highest price. In the
4 current situation with Idaho Power, there is little
5 incentive for the developer of a wind project to bid a
6 price in the RFP that is any less than the price he could
7 otherwise be guaranteed as a PURPA QF as long as the
8 project can be disaggregated into separate 10 aMW pieces,
9 each meeting the requirements of a QF. In fact, losing
10 bidders in the RFP, if they meet the requirements of a QF,
11 would be paid a higher rate than the "winning" bidder in
12 the RFP if the bid is less than the published rate. This
13 creates a perverse incentive that on its face could create
14 an absurd outcome. Only bidders in the RFP who could not
15 disaggregate their projects into 10 aMW pieces seemed to
16 have incentive to bid below published avoided cost rates.

17 In my opinion, the fact that the bids received
18 in response to the RFP are close to the published avoided
19 cost rates or substantially higher indicates either of two
20 things: a) that bidders did view the published rates as a
21 default price and had little incentive to bid less, or b)
22 that the bids were truly honest bids that reflect the
23 current higher cost of wind generation. To the extent
24 that utilities are acquiring wind generation through RFPs,
25 it is important that utilities and the Commission have

1 confidence in the true cost of wind generation.

2 Q. What factors might currently be causing the cost
3 of wind generation to be higher than utilities have
4 previously assumed in their IRPs?

5 A. One factor that could be causing higher prices
6 is higher costs for wind generation equipment. Equipment
7 costs have reportedly increased due to increases in steel
8 prices. Demand for equipment is also currently high due
9 to the recent extension of federal production tax credits,
10 while availability of equipment is limited due to
11 manufacturers' inability to rapidly ramp up production in
12 response to increased demand.

13 Q. What evidence is there that large blocks of wind
14 can be acquired at prices significantly below the
15 published rates?

16 A. Given the short time frame for this case so far,
17 I have not had time to investigate the prices that have
18 been paid by other utilities in the region to acquire wind
19 under RFPs. In its Petition, Idaho Power cites the recent
20 commitment by NorthWestern Energy to acquire 135-150 MW
21 from the Judith Gap project in Montana at a cost of \$31.71
22 per MWh. I am uncertain, however, as to what things are
23 included in this price. I am aware that several other
24 regional utilities have either recently made commitments
25 for new projects or have conducted RFPs. As I mentioned

1 earlier, PacifiCorp is still in the process of trying to
2 acquire approximately 1100 MW of wind through its RFP, and
3 had already acquired prior to the RFP 41 MW from the
4 Wyoming Wind project and 41 MW from the Eurus Combine
5 Hills project. Puget Sound Energy recently committed to
6 acquire 150 MW from the Hopkins Ridge Project and 230 MW
7 from the Wild Horse Project. Portland General Electric
8 recently announced plans to acquire 75 MW from the
9 Klondike II expansion project. BPA is planning to acquire
10 generation from five new wind projects. Finally, Sierra
11 Pacific received bids three weeks ago for up to 200 MW
12 through a renewables RFP.

13 **Additional Recommendations**

14 Q. If the Commission agrees to grant a change in
15 published rate eligibility, do you believe that the change
16 should apply only to wind generation projects?

17 A. I believe that the change should apply to all
18 intermittent generation, whatever the technology employed.
19 For the most part, however, this would impact wind
20 generation projects to the extent firming is not provided.
21 I propose that the modified rules not apply to
22 intermittent generation projects that provided firming.

23 Q. Do you recommend that the change commence
24 immediately?

25 A. Yes, I do. However, there are approximately a

1 dozen wind projects that have been pursuing contracts with
2 Idaho Power. If the Commission agrees to a change in
3 eligibility, it must also determine a fair disposition of
4 these projects.

5 Q. What do you believe is a fair disposition of
6 these projects?

7 A. I believe that a fair disposition would be to
8 exempt all of those projects that have signed contracts
9 prior to Idaho Power's initial filing in this case.
10 Whether Idaho Power already had signed the contracts by
11 that time, or whether it has still yet to sign the
12 agreements, I believe is immaterial as long as the
13 contracts in each instance are materially the same as wind
14 contracts that the Commission has recently been approving.
15 Any projects for which the developer and Idaho Power can
16 agree had completed final negotiations and for which
17 contract signature was imminent should also be exempt from
18 any change in published rate eligibility. Projects that
19 have only entered into preliminary discussion or had not
20 reached agreement by the time of Idaho Power's initial
21 filing should be subject to the proposed change in
22 eligibility.

23 Q. Should the Staff recommend that the change apply
24 only to Idaho Power or should it apply to Avista and
25 PacifiCorp as well?

1 A. I recommend that the change apply to all three
2 utilities. While Idaho Power appears to have the most
3 interest from developers, the other two utilities may have
4 some as well. Furthermore, if published rate eligibility
5 rules were modified only for Idaho Power, developers could
6 shift to either of the other two utilities seeking higher
7 priced contracts.

8 Q. How long do you believe that the eligibility
9 change should remain in place?

10 A. I believe that the change should remain in place
11 for whatever length of time is necessary in order to
12 gather information on reasonable wind costs, conduct wind
13 integration studies to determine both the amounts and cost
14 to integrate wind into each utility's system, and to
15 develop, if the Commission ultimately believes it is
16 necessary, alternative pricing mechanisms for wind
17 generation. Idaho Power witness Gale states in testimony
18 that the Company believes 6-9 months would be needed in
19 order to conduct the necessary activities and analysis. I
20 agree that this approximate time frame seems reasonable,
21 but I also agree that consideration of ending or extending
22 a suspension could be made earlier if studies could be
23 completed sooner.

24 Q. What harm would be done if the Commission does
25 not agree to Idaho Power's request for a suspension or

1 other changes recommended by Staff?

2 A. If the Commission does not agree to impose a
3 suspension or other changes recommended by Staff, Idaho
4 Power would continue its ongoing obligation to offer to
5 purchase a substantial quantity of intermittent wind
6 generation at the published avoided cost rates. While the
7 amount of wind generation currently seeking a power sales
8 agreement may not be problematic by itself, paying a rate
9 that is higher than the rates being paid in other areas of
10 the region for such a substantial amount of wind greatly
11 magnifies the effect on Idaho Power and its ratepayers.
12 Idaho Power passes all of its PURPA contract costs at 100
13 percent through its annual PCA. The effects of overpriced
14 contracts are thus fully borne by ratepayers. Staff
15 believes that it must be an advocate for ratepayers and
16 seek to insure that the prices utilities are obligated to
17 pay for purchase from QFs are fair and reasonable.

18 Q. Does this conclude your direct testimony in this
19 proceeding?

20 A. Yes, it does.

21
22
23
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25

CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 15TH DAY OF JULY 2005, SERVED THE FOREGOING **DIRECT TESTIMONY OF RICK STERLING**, IN CASE NO. IPC-E-05-22, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:

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