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December 19, 2005

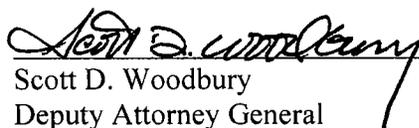
Jean D. Jewell
Commission Secretary
Idaho Public Utilities Commission
PO Box 83720
Boise, ID 83720-0074

Parties of Record
Case No. IPC-E-05-22

**Re: Notice of Staff's Intent to Engage in Settlement Discussions
IDAPA 31.01.01.272**

On August 4, 2005, the Commission issued interlocutory Order No. 29839 in Case No. IPC-E-05-22 reducing the eligibility cap for published avoided cost rates for PURPA QF wind projects from 10 aMW to 100 kW. Exempt from the Commission's Order were those wind projects offered on a firm-up basis. Also exempt were those wind projects qualifying for contracts as of July 1, 2005, later extended to August 4, 2005. Based on the record established in the case the Commission found reason to believe that wind generation presented operational integration costs to a utility different from other PURPA qualified resources. The procedure to determine the appropriate amount of adjustment and the identification of what studies, if any, needed to be performed to provide such a number, the Commission determined, was a matter appropriate for further workshops and proceedings. Idaho Power in conjunction with Avista and PacifiCorp and in consultation with other parties to the case were directed to file a proposed schedule for an initial workshop to identify issues and required studies. Pursuant to Commission direction an initial report was filed with the Commission together with subsequent status reports.

Commission Staff has participated in workshop discussions and apprises the Commission of Staff's intent to participate in negotiation and settlement discussions in Case No. IPC-E-05-22 regarding proposed settlement offers and a utility proposal to establish an interim integration cost calculation for adjustment to the published avoided cost rates pending completion of related integration cost studies. Therefore in accordance with Rule 272 of the Commission's Rules of Procedure, the Commission Staff hereby notifies the Commission and all parties to Case No. IPC-E-05-22 of Staff's intent to enter into settlement negotiations in Case No. IPC-E-05-22 with Idaho Power, PacifiCorp, Avista and other parties of record.


Scott D. Woodbury
Deputy Attorney General
for Commission Staff

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