

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF IDAHO POWER COMPANY FOR) **CASE NO. IPC-E-05-24**
APPROVAL OF A FIRM ENERGY SALES)
AGREEMENT FOR THE SALE AND) **NOTICE OF APPLICATION**
PURCHASE OF ELECTRIC ENERGY)
BETWEEN IDAHO POWER COMPANY) **NOTICE OF MODIFIED**
AND ARROW ROCK WIND, INC.) **PROCEDURE**
)
) **NOTICE OF**
) **COMMENT/PROTEST**
) **DEADLINE**

YOU ARE HEREBY NOTIFIED that on July 28, 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 Arrow Rock Wind, Inc. (Arrow Rock) dated July 28, 2005. Under the Agreement, Arrow Rock will sell and Idaho Power will purchase electric energy generated by the Arrow Rock Wind Generating Project, located near Billings, Montana, in an area more particularly described as located approximately 100 miles northwest of Billings, Montana in Wheatland County on the west side of Highway 191 in the NW 1/4 of Section 36, Township 10 N, Range 15 E. The nameplate rating of the wind facility is 19.5 MW. Under normal and/or average conditions, the project will not exceed 10 aMW on a monthly basis.

As represented, Arrow Rock will be a qualified small power production facility (QF) under the applicable provisions of the Public Utility Regulatory Policies Act of 1978 (PURPA). Idaho Power contends that the Agreement 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 Agreement is for a 20-year term and contains the published non-levelized avoided cost rates set forth in Order No. 29646. Arrow Rock has selected December 1, 2005 as the scheduled Operation Date for this facility.

Arrow Rock has made arrangements with NorthWestern Energy to deliver the net energy from its Montana facility to the Idaho Power electrical system. The transmission arrangement with NorthWestern Energy means that the Company will receive firm energy from

the facility rather than the intermittent energy generally associated with a wind-generating project. Energy deliveries from the Arrow Rock project are for nine months out of the year and exclude deliveries during the spring months of March, April and May when the value of energy on the Company's system is the lowest.

Idaho Power acknowledges the Company's Petition in Case No. IPC-E-05-22 and represents that Arrow Rock was in the final stages of negotiations with Idaho Power immediately prior to the Petition filing and that prior to that date Arrow Rock had submitted an executed Agreement to the Company. It is Idaho Power's contention that Arrow Rock is appropriate for exempting from the temporary suspension requested by the Company in Case No. IPC-E-05-22.

Section 22 of the Agreement provides that the Agreement will not become effective until the Commission has approved all the Agreement's terms and conditions and declared that all payments that Idaho Power makes to Arrow Rock for purchases of energy will be allowed as prudently incurred expenses for ratemaking purposes.

YOU ARE FURTHER NOTIFIED that the Commission has reviewed the filings of record in Case No. IPC-E-05-24. The Commission has preliminarily found that the public interest in this matter may not require a hearing to consider the issues presented and that issues raised by the Company's filing may be processed under **Modified Procedure**, i.e., by written submission rather than by hearing. Reference Commission's Rules of Procedure, IDAPA 31.01.01.201-204.

YOU ARE FURTHER NOTIFIED that the **deadline for filing written comments or protests** with respect to Idaho Power's Application and the use of Modified Procedure in Case No. IPC-E-05-24 is **Friday, September 9, 2005**.

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the deadline, the Commission may consider the matter on its merits and may enter its Order without a formal hearing. If comments or protests are filed within the deadline, the Commission will consider them and in its discretion may set the matter for hearing or may decide the matter and issue its Order based on the written positions before it. Reference IDAPA 31.01.01.204.

YOU ARE FURTHER NOTIFIED that written comments concerning Case No. IPC-E-05-24 should be mailed to the Commission and the Company 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

Monica B. Moen, Attorney II
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Street Address for Express Mail:

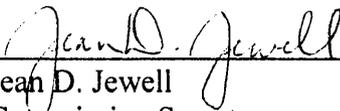
1221 W. Idaho Street
Boise, ID 83702

All 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 Idaho Power 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 in Case No. IPC-E-05-24 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.

DATED at Boise, Idaho this 19th day of August 2005.



Jean D. Jewell
Commission Secretary

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