

## DECISION MEMORANDUM

**TO: COMMISSIONER KJELLANDER  
COMMISSIONER SMITH  
COMMISSIONER HANSEN  
COMMISSION SECRETARY  
COMMISSION STAFF  
LEGAL**

**FROM: CECELIA A. GASSNER**

**DATE: OCTOBER 25, 2005**

**SUBJECT: IDAHO POWER COMPANY'S APPLICATION FOR APPROVAL OF A  
FIRM ENERGY SALES AGREEMENT, CASE NO. IPC-E-05-29**

On October 19, 2005, Idaho Power Company (Idaho Power) filed its Application for approval of a 20-year Firm Energy Sales Agreement (Agreement) for the sale and purchase of electric energy with G2 Energy Hidden Hollow, LLC, a Georgia limited liability company (G2). Under the Agreement, G2 will sell and Idaho Power will purchase electric energy generated by the Hidden Hollow Landfill Gas Project located at Ada County's Hidden Hollow Landfill near Boise (the Project). The nameplate rating of the Project is 3.2 MW.

The Project will be a qualified small power production facility (QF) under the applicable provisions of the Public Utilities Regulatory Policy Act of 1978 (PURPA). G2 has selected March 1, 2006 as the scheduled operation date for the Project.

As represented by Idaho Power, the Agreement with G2 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. G2 has elected to receive the non-levelized published avoided cost rates set forth in Order No. 29646, as set forth in further detail in Section VI of the Agreement.

According to the Application, Idaho Power and G2 entered into the Agreement on or about October 11, 2005 pursuant to the rates, terms and conditions specified in Commission Order Nos. 29632 and 29646. Section 24 of the Agreement provides that "the Agreement shall not become effective until the Commission approves all terms and provisions thereof without change or condition and declares that all payments to be made hereunder shall be allowed as

prudently incurred expenses for ratemaking purposes.” The proposed effective date is October 11, 2005.

**STAFF RECOMMENDATION**

Staff recommends that the Company’s Application be processed pursuant to Modified Procedure, i.e., by written submission rather than by hearing. Reference Commission Rules of Procedure, IDAPA 31.01.01.201-204.

**COMMISSION DECISION**

Does the Commission agree with Staff’s recommendation to process this case via Modified Procedure?

  
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Cecelia A. Gassner

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