



IDAHO POWER COMPANY  
P.O. BOX 70  
BOISE, IDAHO 83707

**BARTON L. KLINE**  
Senior Attorney

December 9, 2005

Jean D. Jewell, Secretary  
Idaho Public Utilities Commission  
472 West Washington Street  
P. O. Box 83720  
Boise, Idaho 83720-0074

RECEIVED  
DEC 9 2005  
IDAHO PUBLIC  
UTILITIES COMMISSION

Re: Case No. IPC-E-05-37  
Application For Approval of A Contract  
To Supply Standby Electric Service To  
The Amalgamated Sugar Company, LLC

Dear Ms. Jewell:

Please find enclosed for filing an original and seven (7) copies of Idaho Power Company's Application for approval of a contract to supply standby electric service to The Amalgamated Sugar Company, LLC.

I would appreciate it if you would return a stamped copy of this transmittal letter in the enclosed self-addressed, stamped envelope.

Very truly yours,

Barton L. Kline

BLK:jb  
Enclosures

RECEIVED  
FILED  
2005 DEC -9 PM 2:01  
IDAHO PUBLIC  
UTILITIES COMMISSION

BARTON L. KLINE, ISB # 1526  
MONICA B. MOEN, ISB # 5734  
Idaho Power Company  
1221 West Idaho Street  
P. O. Box 70  
Boise, Idaho 83707  
Telephone: (208) 388-2682  
FAX Telephone: (208) 388-6936

Attorney for Idaho Power Company

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF )  
IDAHO POWER COMPANY FOR APPROVAL )  
OF A CONTRACT TO SUPPLY STANDBY )  
ELECTRIC SERVICE TO THE )  
AMALGAMATED SUGAR COMPANY, LLC )  
\_\_\_\_\_ )

CASE NO. IPC-E-05-37

APPLICATION

COMES NOW Idaho Power Company, and hereby requests that the Commission issue its Order approving the Agreement For Supply of Standby Service between Idaho Power Company ("Idaho Power" or the "Company") and The Amalgamated Sugar Company ("TASCO") dated December 7, 2005, under which Idaho Power will supply standby service to TASCO ("the Standby Agreement"). The Standby Agreement is attached hereto as Attachment 1. This Application is based on the following:

I.

Idaho Power provides electric service to TASCO's refined sugar production facilities at Nampa, Paul, and Twin Falls, Idaho under Idaho Power's Schedule 19 and to TASCO's refined sugar production facility at Nyssa, Oregon, under

Idaho Power's Oregon Schedule 19. TASCOW owns and operates electric generation facilities at these refined sugar production facilities and utilizes electricity generated from those facilities to supply a portion of its electric loads. Idaho Power's service under Schedule 19 supplements the energy obtained from TASCOW's on-site generation.

TASCOW currently purchases standby service from Idaho Power under an Agreement For Supply of Standby Service between Idaho Power and TASCOW ("the 1998 Standby Agreement") dated April 6, 1998 to backup TASCOW's on-site generation. The Standby Agreement will replace the 1998 Standby Agreement.

## II.

Idaho Power and TASCOW executed a Letter Agreement dated September 27, 2004 through which the parties agreed to minor language changes to the 1998 Standby Agreement to reflect changes to Schedule 19 approved by the Commission in Order No. 29505 (Case No. IPC-E-03-13). For the convenience of the Commission's review, a copy of the Letter Agreement and a copy of the 1998 Standby Agreement are included as Attachments 2 and 3.

## III.

Changes in TASCOW's operation of the Nyssa, Oregon facility have reduced the amount of supplemental energy required by TASCOW from Idaho Power to operate the production facility. According to the service eligibility provisions of Schedule 19, TASCOW's Nyssa facility will no longer be eligible for service under Schedule 19 beginning in January 2006. The terms of the 1998 Standby Agreement, as modified by the Letter Agreement, specify that the 1998 Standby Agreement shall be canceled upon

the transfer of service for any of the four (4) TASC0 facilities from Schedule 19 to any other Idaho Power Company general service schedule or special contract.

IV.

TASC0 has requested that Idaho Power continue to provide standby service for the Nampa, Paul, and Twin Falls, Idaho refined sugar production facilities; TASC0 has requested that standby service no longer be provided to the Nyssa, Oregon facility.

V.

The Standby Agreement filed herewith contains the same service provisions and requirements as the 1998 Standby Agreement with the exception that the total amount of standby generation available to TASC0 during the fall and winter months has been reduced from 4,000 kW to 3,000 kW to accommodate TASC0's current standby service requirements. In addition, minor language revisions have been made to remove references to TASC0's Nyssa facility. TASC0 will continue to pay the standby charges specified on Tariff Schedule 31 as approved by the Commission. In addition, TASC0 will continue to pay all costs of supplying, installing, operating and maintaining standby facilities to allow Idaho Power to supply standby service to the TASC0 Facilities.

VI.

It is requested that copies of all pleadings regarding this Application be mailed to TASC0 and Idaho Power at the following addresses:

Barton L. Kline, Senior Attorney  
Idaho Power Company  
P. O. Box 70  
Boise, Idaho 83707

Maggie Brilz, Pricing Director  
Idaho Power Company  
P. O. Box 70  
Boise, Idaho 83707

K. Pete Chertudi  
Sr. Vice President and  
Chief Operating Officer  
The Amalgamated Sugar Company  
3184 Elder Street  
Boise, Idaho 83705

Ray Arp  
Corporate Electrical Engineer  
The Amalgamated Sugar Company  
3184 Elder Street  
Boise, Idaho 83705

VII.

Idaho Power believes that the Standby Agreement continues to take into account the unique operating characteristics of TASCOS's refined sugar production facilities, to be beneficial to Idaho Power's other existing customers, and to be in the public interest. Idaho Power therefore requests that the Commission issue its order approving the Standby Agreement.

DATED at Boise, Idaho, this 9th day of December, 2005.



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BARTON L. KLINE  
Attorney for Idaho Power Company

# **ATTACHMENT 1**

**AGREEMENT FOR SUPPLY OF STANDBY ELECTRIC SERVICE**

**BETWEEN**

**IDAHO POWER COMPANY**

**AND**

**THE AMALGAMATED SUGAR COMPANY, LLC**

THIS AGREEMENT is entered into on this 7<sup>th</sup> day of DECEMBER, 2005, by The Amalgamated Sugar Company, LLC, a Delaware Limited Liability Company authorized to do business in the State of Idaho ("TASCO"), and Idaho Power Company, an Idaho corporation ("Idaho Power" or "Company"). TASCO and Idaho Power are hereinafter sometimes referred to collectively as "Parties" or individually as "Party."

**RECITALS**

1. Idaho Power provides electric service to TASCO's refined sugar production facilities at Nampa, Paul, and Twin Falls, Idaho, under Idaho Power's Schedule 19. Idaho Power's service under Schedule 19 supplements TASCO's own electric generation.
2. TASCO owns and operates electric generation facilities at its refined sugar production facilities and carries a portion of its electric loads with its own generation.
3. TASCO currently purchases standby service from Idaho Power under an Agreement for Supply of Standby Electric Service Between Idaho Power Company and The Amalgamated Sugar Company, LLC dated April 6, 1998.

4. TASCOCO desires to obtain standby service on a uniform basis for all three (3) TASCOCO Facilities.

5. Idaho Power is willing to provide standby service at all three (3) TASCOCO Facilities in accordance with the provisions of this Agreement and Schedule 31.

In consideration of the mutual covenants hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

### **SECTION 1 -- PRIOR AGREEMENT**

1.1 This Agreement replaces the Agreement for Supply of Standby Electric Service Between the Parties dated April 6, 1998 as amended by the Letter Agreement between the Parties dated September 27, 2004.

### **SECTION 2 -- DEFINITIONS**

When used in this Agreement, the Capitalized Terms shall have the following meanings:

2.1 "Commission" means the Idaho Public Utilities Commission or its respective successor agency.

2.2 "Excess Demand" means the average kW supplied during the 15-consecutive-minute period of maximum use each day, adjusted for power factor, which exceeds the Total Contract Demand or the Standby Contract Demand.

2.3 "Nampa Facility" means TASCOCO's refined sugar production facilities located at Nampa, Idaho.

2.4 "Paul Facility" means TASCOCO's refined sugar production facilities located at Paul, Idaho.

2.5 "Prudent Electrical Practices" means those practices, methods and equipment that are commonly and ordinarily used in electrical engineering and utility operation to operate electrical equipment and deliver electric power and energy with safety, dependability, efficiency and economy.

2.6 "Schedule 31" means the TASC0 standby service tariff schedule of rates and charges or its successor schedule(s).

2.7 "Standby Billing Demand" means the total average kW supplied to a TASC0 Facility during the 15-consecutive-minute period of maximum use during the billing period, adjusted for power factor, less the Supplementary Billing Demand, but not less than zero nor more than the Standby Contract Demand. Standby Billing Demand will not be included in the calculation of Basic Load Capacity for Schedule 19 billing purposes.

2.8 "Standby Contract Demand" means the kilowatts (kW) of Standby Demand specified in Paragraph 4.1 that Idaho Power agrees to make available to the TASC0 Facilities.

2.9 "Standby Demand" means the firm electric power and energy supplied by Idaho Power to back up TASC0's own on-site generation when that generation is curtailed for any reason.

2.10 "Standby Facilities" means the substation and primary distribution facilities plus all other facilities which are reasonably required by Prudent Electrical Practices and the National Electric Safety Code to allow Idaho Power to provide standby service to TASC0's Facilities.

2.11 "Standby Facilities Contract Demand" means the kW of demand specified in Paragraph 4.2 that Idaho Power agrees to make available in its substation and primary distribution facilities to deliver Standby Demand.

2.12 "Summer Months" means the calendar months of April through August.

2.13 "Supplementary Billing Demand" means the individual amounts of firm power supplied by Idaho Power on a continuous basis to each of the three TASC0 Facilities to supplement TASC0's own generation. Supplementary Billing Demand for each TASC0 Facility is equal to the total average kW supplied during the 15-consecutive-minute period of maximum use during the billing period, adjusted for power factor, but not less than the minimum Billing Demand under the provisions of Schedule 19 nor greater than the Supplementary Contract Demand for each TASC0 Facility. Supplementary Billing Demand is billed monthly under the Demand Charge provisions of Schedule 19.

2.14 "Supplementary Contract Demand" means the individual amounts of firm power TASC0 has contracted to purchase under the Uniform Service Agreement for each of the three TASC0 Facilities to supplement TASC0's own generation.

2.15 "TASC0 Facilities" means the Nampa Facility, Twin Falls Facility, and Paul Facility collectively.

2.16 "Total Contract Demand" means the sum of the Supplementary Contract Demand and the Standby Contract Demand for each of the TASC0 Facilities.

2.17 "Total Energy Requirement" means the total energy supplied to a TASC0 Facility by Idaho Power for both supplementary and standby purposes. The Total

Energy Requirement is billed monthly under the energy charge provisions of Schedule 19.

2.18 "Twin Falls Facility" means TASC0's refined sugar production facilities located at Twin Falls, Idaho.

2.19 "Winter Months" means the calendar months of September through March.

### **SECTION 3 -- TERM AND TERMINATION**

3.1 Initiation of Services. The scheduled initial date of standby service under this Agreement is January 1, 2006.

3.2 Term of Agreement. The term of this Agreement shall be for one (1) year from and after January 1, 2006 and will automatically renew and extend each year thereafter unless written notice of termination is given by either Party to the other not less than twelve (12) months prior to the desired termination date. Unless otherwise agreed by the Parties, this Agreement and Schedule 31 will automatically be canceled upon the transfer of service, voluntarily or otherwise, for any of the three (3) TASC0 Facilities from Schedule 19 to any other Idaho Power Company general service schedule or special contract.

### **SECTION 4 -- SUPPLY OF DEMAND AND ENERGY**

4.1 Standby Supply Obligation. Idaho Power will make available and TASC0 will purchase 3,000 kW of Standby Contract Demand during the winter months. Idaho Power will not make available and TASC0 will not purchase Standby Contract Demand during the summer months. Standby Contract Demand will be purchased on a "take or pay" basis. TASC0 will be permitted to utilize Standby Demand and energy at any

single TASC0 Facility or any combination of the TASC0 Facilities so long as the total Standby Demand consumed at any time does not exceed 3,000 kW.

4.2 Standby Facilities Contract Demand. Idaho Power will make available and TASC0 will purchase Standby Facilities Contract Demand at each of the TASC0 Facilities in the amounts specified below. Standby Facilities Contract Demand will be purchased on a "take or pay" basis. Standby Facilities Contract Demand will be billed each month.

Nampa Facility	3,000 kW
Paul Facility	3,000 kW
Twin Falls Facility	1,000 kW

4.3 Limitation on Use of Supplementary Service. Except for those periods of time when Idaho Power is unable to deliver energy to a TASC0 Facility, Standby service under this Agreement will be the sole source of demand and energy to supply those TASC0 Facility loads that are ordinarily served by TASC0's generation. TASC0 will not utilize Supplementary demand or energy to supply loads at the TASC0 Facilities that would otherwise be supplied by TASC0's generation or Standby service under this Agreement.

4.4 The availability of power in excess of the Total Contract Demand is not guaranteed, and if TASC0's load exceeds the kW amounts specified below, Idaho Power may curtail service to that Facility.

Nampa Facility	10,500 kW
Paul Facility	13,000 kW
Twin Falls Facility	7,500 kW

Idaho Power reserves the right to install, at any time, at TASC0's expense, any device necessary to protect Idaho Power's system from damage which may be caused by actual loads at any of the TASC0 Facilities exceeding the Total Contract Demand for that Facility.

## **SECTION 5 -- CHARGES TO BE PAID BY TASC0 TO IDAHO POWER**

5.1 Rates and Charges. The rates and charges for electrical power, energy and other services provided by Idaho Power to the TASC0 Facilities will be identified by component in Schedule 31. The total amount to be paid monthly by TASC0 to Idaho Power for Standby Demand and energy made available or supplied to the TASC0 Facilities will be the sum of components identified in Schedule 31.

5.2 Monthly Billing. Billing for service under this Agreement will be on a calendar month basis.

## **SECTION 6 -- COMMISSION JURISDICTION**

Except as otherwise specifically modified by this Agreement, the provisions contained in the Company's Schedule 19, and any revisions to those schedules and/or any successor schedules are to be considered as part of this Agreement.

## **SECTION 7 -- STANDBY FACILITY OPERATIONS**

7.1 TASC0 will pay all costs of supplying, installing, operating and maintaining Standby Facilities to allow Idaho Power to supply standby service to the TASC0 Facilities. The costs of such Standby Facilities will be included in the Distribution Facilities Investment Report currently provided to TASC0 under the provisions of Schedule 19.

## SECTION 8 -- MISCELLANEOUS PROVISIONS

8.1 Indemnification. TASC0 agrees to hold harmless and indemnify Idaho Power, its officers, agents, and employees, against all loss, damage, expense and liability to third persons or injury to or death of person or injury to property proximately caused by TASC0's construction, operation or maintenance of, or by failure of, any of TASC0's generating facilities or interconnection facilities owned by TASC0.

8.2 Regulatory Requirements. This Agreement and the rates, terms and conditions of service set forth in Schedule 31 or incorporated herein, and the respective rights and obligations of the Parties hereunder, will be subject to valid laws and to the regulatory authority and orders, rules and regulations of the Commission and such other administrative bodies having jurisdiction.

8.3 Commission Jurisdiction. Nothing herein will be construed as limiting the Commission from changing any rates, charges, classification or service, or any rules, regulation or conditions relating to service under Schedule 31 or this Agreement, or construed as affecting the right of Idaho Power or TASC0 to unilaterally make application to the Commission for any such change.

8.4 Attorney's Fees. In any action at law or equity commenced under this Agreement and upon which judgment is rendered, the prevailing party, as part of such judgment, will be entitled to recover all costs, including reasonable attorney's fees, incurred on account of such action.

IDAHO POWER COMPANY

By 

WARREN KLINE

Vice President, Customer Service and Regional Operations

THE AMALGAMATED SUGAR COMPANY, LLC

By 

K. Pete Chertudi

Sr. Vice President and Chief Operating Officer

# **ATTACHMENT 2**



An IDACORP Company

IDAHO POWER COMPANY  
P.O. BOX 70  
BOISE, IDAHO 83707

JOHN R. GALE  
Vice President  
Regulatory Affairs

(208) 388-2887  
FAX (208) 388-6449  
E-MAIL [rgale@idahopower.com](mailto:rgale@idahopower.com)

September 27, 2004

Mr. Edward G. Bulgin, P. E.  
Corporate Chief Engineer  
Director of Environmental Affairs  
The Amalgamated Sugar Company, LLC  
P. O. Box 8787  
Nampa, Idaho 83653

RE: Standby Electric Service Agreement between  
Idaho Power and TASC0, LLC

Dear Mr. Bulgin:

The Agreement for Supply of Standby Electric Service between Idaho Power Company and The Amalgamated Sugar Company, LLC dated April 6, 1998 ("the Agreement") provides up to four megawatts of standby service on a uniform basis to your Nampa, Twin Falls, and Paul facilities in Idaho and your Nyssa facility in Oregon.

As a result of Order No. 29505 issued by the Idaho Public Utilities Commission ("the Commission") in Case No. IPC-E-03-13, which approved changes in terminology for Idaho Power Company's Schedule 19, Large Power Service, it is necessary to amend the Agreement to conform to the revised terminology. In addition, it is my understanding that you desire 13,000 kilowatts of Total Contract Demand at the Paul facility rather than the 10,000 kilowatts currently specified in the Agreement.

Accordingly, the Agreement is to be amended as follows:

1. Paragraph 2.8 will be amended to read "*Supplementary Billing Demand*" in lieu of "*Supplemental Billing Demand*".
2. The language in Paragraph 2.15 will be deleted and the following substituted in its place:  
"*Supplementary Contract Demand*" means the individual amounts of firm power TASC0 has contracted to purchase under the Uniform Service Agreement for the Nampa, Twin Falls, and Paul Facilities and the Uniform Large Power Service Agreement for the Nyssa Facility."

3. The existing Paragraph 3.2 will be deleted and the following substituted in its place:

*"The term of this Agreement shall be for one (1) year from and after September 1, 1998 and will automatically renew and extend each year thereafter unless written notice of termination is given by either Party to the other not less than twelve (12) months prior to the desired termination date. Unless otherwise agreed by the Parties, this Agreement and Schedule 31 will automatically be canceled upon the transfer of service for any of the four (4) TASCO Facilities from Schedule 19 to any other Idaho Power Company general service schedule or special contract."*

4. Paragraph 4.4 will be amended to read:

*"Paul Facility 13,000 kW"*  
in lieu of  
*"Paul Facility 10,000 kW"*

If the foregoing accurately portrays the agreement of our two companies, please execute all three copies of this Letter Agreement in the space provided below and return two copies to me. Upon receipt of the executed letter, Idaho Power will file this agreement with the Commission, requesting the Commission's approval.

Cordially,



John R. Gale

JRG:ma

The Above Letter Agreement  
Read, Understood, and Agreed to:

Nov 2, 2004

By: Edward H. Bulger

Its: Corporate Chief Engineer  
Director of Environmental Affairs

# **ATTACHMENT 3**

**AGREEMENT FOR SUPPLY OF STANDBY ELECTRIC SERVICE**

**BETWEEN**

**IDAHO POWER COMPANY**

**AND**

**THE AMALGAMATED SUGAR COMPANY, LLC**

THIS AGREEMENT is entered into on this 6 day of April, 1998, by The Amalgamated Sugar Company, LLC, a Delaware Limited Liability Company authorized to do business in the State of Idaho ("TASCO"), and Idaho Power Company, an Idaho corporation ("Idaho Power" or "Company"). TASCO and Idaho Power are hereinafter sometimes referred to collectively as "Parties" or individually as "Party."

**RECITALS**

1. Idaho Power provides electric service to TASCO's refined sugar production facilities at Nampa, Paul, and Twin Falls, Idaho, under Idaho Power's Idaho Schedule 19, and to TASCO's refined sugar production facility at Nyssa, Oregon under Idaho Power's Oregon Schedule 19. Idaho Power's service under Schedule 19 supplements TASCO's own electric generation.

2. TASCO owns and operates electric generation facilities at its refined sugar production facilities and carries a portion of its electric loads with its own generation.

3. TASCO currently purchases standby service from Idaho Power under Idaho Schedule 45 to back up TASCO's generating facilities at the Paul Facility.

4. TASCO desires to obtain standby service on a uniform basis for all four (4) TASCO Facilities.

5. Idaho Power is willing to provide standby service at all four (4) TASCO Facilities in accordance with the provisions of this Agreement and Schedule 31.

In consideration of the mutual covenants hereinafter set forth and other good and valuable consideration, and the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

### **SECTION 1 -- PRIOR AGREEMENT**

1.1 This Agreement replaces the Uniform Standby Service Agreement under Idaho Power's Schedule 45 for TASCO's Paul Facility.

### **SECTION 2 -- DEFINITIONS**

When used in this Agreement, the Capitalized Terms shall have the following meanings:

2.1 "Commission" means the Idaho Public Utilities Commission or the Oregon Public Utility Commission or their respective successor agencies.

2.2 "Excess Demand" means the average kW supplied during the 15-consecutive-minute period of maximum use each day, adjusted for power factor, which exceeds the Total Contract Demand or the Standby Contract Demand.

2.3 "Nampa Facility" means TASCO's refined sugar production facilities located at Nampa, Idaho.

2.4 "Nyssa Facility" means TASCO's refined sugar production facilities located at Nyssa, Oregon.

2.5 "Paul Facility" means TASCO's refined sugar production facilities located at Paul, Idaho.

2.6 "Prudent Electrical Practices" means those practices, methods and equipment that are commonly and ordinarily used in electrical engineering and utility operation to operate electrical equipment and deliver electric power and energy with safety, dependability, efficiency and economy.

2.7 "Schedule 31" means the TASCO standby service tariff schedule of rates and charges or its successor schedule(s).

2.8 "Standby Billing Demand" means the total average kW supplied to a TASCO Facility during the 15-consecutive-minute period of maximum use during the billing period, adjusted for power factor, less the Supplemental Billing Demand, but not less than zero nor more than the Standby Contract Demand. Standby Billing Demand will not be included in the calculation of Basic Load Capacity for Schedule 19 billing purposes.

2.9 "Standby Contract Demand" means the kilowatts (kW) of Standby Demand specified in Paragraph 4.1 that Idaho Power agrees to make available to the TASCO Facilities.

2.10 "Standby Demand" means the firm electric power and energy supplied by Idaho Power to back up TASCO's own on-site generation when that generation is curtailed for any reason.

2.11 "Standby Facilities" shall mean the substation and primary distribution facilities plus all other facilities which are reasonably required by Prudent Electrical Practices and the National Electric Safety Code to allow Idaho Power to provide standby service to TASCO's Facilities.

2.12 "Standby Facilities Contract Demand" means the kW of demand specified in Paragraph 4.2 that Idaho Power agrees to make available in its substation and primary distribution facilities to deliver Standby Demand.

2.13 "Summer Months" means the calendar months of April through August.

2.14 "Supplementary Billing Demand" means the individual amounts of firm power supplied by Idaho Power on a continuous basis to each of the four TASC0 Facilities to supplement TASC0's own generation. Supplementary Billing Demand for each TASC0 Facility is equal to the total average kW supplied during the 15-consecutive-minute period of maximum use during the billing period, adjusted for power factor, but not less than the minimum Billing Demand under the provisions of Schedule 19 nor greater than the Supplementary Contract Demand for each TASC0 Facility. Supplementary Billing Demand is billed monthly under the Demand Charge provisions of Schedule 19.

2.15 "Supplementary Contract Demand" means the individual amounts of firm power TASC0 has contracted to purchase under each of the Schedule 19 Uniform Large Power Service Agreements for each of the four TASC0 Facilities to supplement TASC0's own generation.

2.16 "TASC0 Facilities" means the Nampa Facility, Twin Falls Facility, Paul Facility, and Nyssa Facility collectively.

2.17 "Total Contract Demand" means the sum of the Supplementary Contract Demand and the Standby Contract Demand for each of the TASC0 Facilities.

2.18 "Total Energy Requirement" means the total energy supplied to a TASC0 Facility by Idaho Power for both supplementary and standby purposes. The Total

Energy Requirement is billed monthly under the energy charge provisions of Schedule 19.

2.19 "Twin Falls Facility" means TASC0's refined sugar production facilities located at Twin Falls, Idaho.

2.20 "Winter Months" means the calendar months of September through March.

### **SECTION 3 -- TERM AND TERMINATION**

3.1 Initiation of Services. The scheduled initial date of standby service under this Agreement is September, 1998. The Company's ability to provide standby service is subject to its ability to retain the required labor, materials, equipment and satisfactory rights-of-way and to comply with governmental regulations.

3.2 Term of Agreement. The term of this Agreement shall be for one (1) year from and after September 1, 1998 and will automatically renew and extend each year thereafter unless written notice of termination is given by either Party to the other not less than twelve (12) months prior to the desired termination date. Unless otherwise agreed by the Parties, this Agreement and Schedule 31 will automatically be canceled upon termination of the Schedule 19 Uniform Large Power Service Agreement for any of the four (4) TASC0 Facilities.

### **SECTION 4 -- SUPPLY OF DEMAND AND ENERGY**

4.1 Standby Supply Obligation. Idaho Power will make available and TASC0 will purchase 4,000 kW of Standby Contract Demand during the winter months. Idaho Power will not make available and TASC0 will not purchase Standby Contract Demand during the summer months. Standby Contract Demand will be purchased on a "take or

pay” basis. TASC0 will be permitted to utilize Standby Demand and energy at any single TASC0 Facility or any combination of the TASC0 Facilities so long as the total Standby Demand consumed at any time does not exceed 4,000 kW.

4.2 Standby Facilities Contract Demand. Idaho Power will make available and TASC0 will purchase Standby Facilities Contract Demand at each of the TASC0 Facilities in the amounts specified below. Standby Facilities Contract Demand will be purchased on a “take or pay” basis. Standby Facilities Contract Demand will be billed each month.

Nampa Facility	3,000 kW
Paul Facility	3,000 kW
Nyssa Facility	4,000 kW
Twin Falls Facility	1,000 kW

4.3 Limitation on Use of Supplemental Service. Except for those periods of time when Idaho Power is unable to deliver energy to a TASC0 Facility, Standby service under this Agreement will be the sole source of demand and energy to supply those TASC0 Facility loads that are ordinarily served by TASC0's generation. TASC0 will not utilize Supplementary demand or energy to supply loads at the TASC0 Facilities that would otherwise be supplied by TASC0's generation or Standby service under this Agreement.

4.4 The availability of power in excess of the Total Contract Demand is not guaranteed, and if TASC0's load exceeds the kW amounts specified below, Idaho Power may curtail service to that Facility.

Nampa Facility	10,500 kW
Paul Facility	10,000 kW
Nyssa Facility	8,200 kW
Twin Falls Facility	7,500 kW

Idaho Power reserves the right to install, at any time, at TASC0's expense, any device necessary to protect Idaho Power's system from damage which may be caused by actual loads at any of the TASC0 Facilities exceeding the Total Contract Demand for that Facility.

#### **SECTION 5 -- CHARGES TO BE PAID BY TASC0 TO IDAHO POWER**

5.1 Rates and Charges. The rates and charges for electrical power, energy and other services provided by Idaho Power to the TASC0 Facilities will be identified by component in Schedule 31. The total amount to be paid monthly by TASC0 to Idaho Power for Standby Demand and energy made available or supplied to the TASC0 Facilities will be the sum of components identified in Schedule 31.

5.2 Monthly Billing. Billing for service under this Agreement will be on a calendar month basis.

#### **SECTION 6 -- COMMISSION JURISDICTION**

Except as otherwise specifically modified by this Agreement, the provisions contained in the Company's Idaho and Oregon Schedules 19, and any revisions to those schedules and/or any successor schedules are to be considered as part of this Agreement.

## SECTION 7 -- STANDBY FACILITY OPERATIONS

7.1 TASC0 will pay all costs of supplying, installing, operating and maintaining Standby Facilities to allow Idaho Power to supply standby service to the TASC0 Facilities. The costs of such Standby Facilities are attached as Exhibit A.

## SECTION 8 -- MISCELLANEOUS PROVISIONS

8.1 Indemnification. TASC0 agrees to hold harmless and indemnify Idaho Power, its officers, agents, and employees, against all loss, damage, expense and liability to third persons or injury to or death of person or injury to property proximately caused by TASC0's construction, operation or maintenance of, or by failure of, any of TASC0's generating facilities or interconnection facilities owned by TASC0.

8.2 Regulatory Requirements. This Agreement and the rates, terms and conditions of service set forth in Schedule 31 or incorporated herein, and the respective rights and obligations of the Parties hereunder, will be subject to valid laws and to the regulatory authority and orders, rules and regulations of the Commission and such other administrative bodies having jurisdiction.

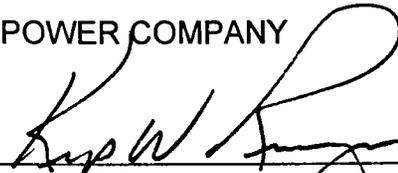
8.3 Commission Jurisdiction. Nothing herein will be construed as limiting the Commission from changing any rates, charges, classification or service, or any rules, regulation or conditions relating to service under Schedule 31 or this Agreement, or construed as affecting the right of Idaho Power or TASC0 to unilaterally make application to the Commission for any such change.

8.4 Attorney's Fees. In any action at law or equity commenced under this Agreement and upon which judgment is rendered, the prevailing party, as part of such

judgment, will be entitled to recover all costs, including reasonable attorney's fees,  
incurred on account of such action.

IDAHO POWER COMPANY

By

  
KIP W. RUNYAN  
Vice President - Delivery

THE AMALGAMATED SUGAR COMPANY, LLC

By

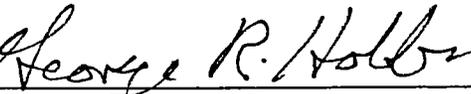
  
GEORGE HOBBS  
Vice President - Engineering

EXHIBIT "A"

ITEMIZATION OF COST ESTIMATES FOR STANDBY SERVICE UPGRADES:

	Facilities Charge Investment	Up Front Charges			
<u>NAMPA:</u>					
3 MW STAND BY Upgrade. Change out URD conductor 750 Alum to 750 Copper. ....	\$11,314				
Non-salvable cost of existing facilities removed		\$ 6,746			
Engineering Fees (30 hours @ \$36.00).....		\$ 1,080			
 <u>Facilities Charges increase = \$370.00</u> ( $\$11,314.47 \times .017 = \$192.35/\text{month approx.}$ ) Shift Amalgamated to Nampa 018 Feeder & install 2 Capacitor Banks (before meter) and					
Change out Insulators .....		\$16,836			
Change out Getaway conductor at Substation. ....		<u>\$42,000</u>			
Nampa Stand By Subtotal		\$66,662			
 <u>NYSSA</u>					
3 MW STAND BY Upgrade and reroute primary service and install 4 bay switch. TASC0 will provide and install 4" rigid conduit as specified by Idaho Power Company. ....	\$24,142				
<u>Facilities Charges increase = \$410.41</u> ( $\$24,142 \times .017 = \$410.41/\text{month approx.}$ )					
 <u>TWIN FALLS</u>					
1 MW STAND BY - Radial Feed Upgrade approximately 3,327' of 00 ARP primary conductor .....	\$72,719				
Unusual conditions Rock holes (subject to refund)		\$ 8,517			
Engineering Fees (40 hours @ \$36.00).....		<u>\$ 1,440</u>			
Twin Falls Standby Subtotal		\$82,676			
 <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: left;"><b>Standby Total</b></td> <td style="text-align: right;"><b>\$35,456</b></td> <td style="text-align: right;"><b>\$149,338</b></td> </tr> </table>			<b>Standby Total</b>	<b>\$35,456</b>	<b>\$149,338</b>
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DRAFT

IDAHO POWER COMPANY  
AGREEMENT FOR SUPPLY OF STANDBY ELECTRIC SERVICE  
SCHEDULE 31  
FOR  
THE AMALGAMATED SUGAR COMPANY

CONTRACT DATED \_\_\_\_\_

MONTHLY CHARGES

Standby Contract Demand Charge  
\$0.21 per kW of Standby Contract Demand

Standby Facilities Contract Demand Charge  
Per kW of Standby Facilities Contract Demand:

Nyssa Facility:	\$1.06
Paul Facility:	\$0.88
Nampa Facility:	\$0.85
Twin Falls Facility:	\$0.50

Standby Billing Demand Charge  
\$1.99 per kW of Standby Billing Demand

Excess Demand Charge  
\$0.50 per day for each kW taken in excess of the Total Contract Demand during the months of September through March

\$0.75 per day for each kW taken in excess of the Total Contract Demand during the months of April through August

\$5.00 per kW for the highest Excess Demand recorded during the Billing Period. (This charge will not be prorated.)

Energy Charge  
Energy taken with Standby Demand will be priced at the applicable Schedule 19 Energy Charge