

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF IDAHO POWER COMPANY FOR) **CASE NO. IPC-E-06-3**
APPROVAL OF A FIRM ENERGY SALES)
AGREEMENT FOR THE SALE AND) **NOTICE OF APPLICATION**
PURCHASE OF ELECTRIC ENERGY)
BETWEEN IDAHO POWER COMPANY) **NOTICE OF**
AND J. R. SIMPLOT COMPANY) **MODIFIED PROCEDURE**
)
) **NOTICE OF**
) **COMMENT/PROTEST**
) **DEADLINE**

YOU ARE HEREBY NOTIFIED that on February 10, 2006, Idaho Power Company (Idaho Power; Company) filed an Application with the Idaho Public Utilities Commission (Commission) requesting approval of a Firm Energy Sales Agreement between Idaho Power and J.R. Simplot Company (Simplot) dated February 8, 2006 (Agreement).

Simplot currently owns, operates and maintains an 18.75 MW cogeneration facility (Project) at its industrial site near Pocatello, Idaho. The facility is located in the South 1/2 of Section 7, Township 6 South, Range 34 East, Boise Meridian, Power County, Idaho. The Project is a qualified cogeneration facility under the applicable provisions of the Public Utility Regulatory Policies Act of 1978 (PURPA). As reflected in the Company's Application, the Simplot Project is currently interconnected to Idaho Power and is selling energy to Idaho Power as a qualifying facility (QF) in accordance with a Firm Energy Sales Agreement dated June 18, 2004 and an approved effective date of March 1, 2004. Reference Case No. IPC-E-04-16, Order No. 29577.

The existing Firm Energy Sales Agreement is a one-year agreement which permits automatic renewals of one year on March 1 of each year. The Agreement also specifies that, with appropriate notice, either party may terminate the Agreement effective March 1. Simplot has timely requested to terminate the existing Firm Energy Sales Agreement for this Project and enter into a new Firm Energy Sales Agreement for its Pocatello facility. Idaho Power contends that the terms of the new Agreement conform to the terms and conditions of Commission Order

No. 29632 (*U.S. Geothermal et al. v. Idaho Power*) and Commission avoided cost Order No. 29646 (Case No. IPC-E-04-25) for energy deliveries of less than 10 aMW.

Under the terms of the submitted Agreement, Simplot has elected to contract with Idaho Power for a seven-year term. The Agreement contains non-levelized published avoided cost rates established by the Commission in Order No. 29646 (December 1, 2004) for energy deliveries less than 10 aMW for a contract year beginning February 8, 2006.

As reflected in Agreement ¶ 1.13 and specified in Item B-3 of the Agreement Appendix B, the maximum capacity of the cogeneration facility is 12 MW. As defined in Agreement ¶ 1.9 and as described further in ¶ 4.1.3, Simplot will be required to provide data on the facility that Idaho Power will use to determine whether, under normal and/or average conditions, the facility will not exceed 10 aMW on a monthly basis. Idaho Power has reviewed the historical generation data for the Simplot facility. As reflected in Agreement ¶ 7.3, should the Simplot facility exceed 10 aMW on a monthly basis, Idaho Power will accept any energy (Inadvertent Energy) that does not exceed the maximum capacity amounts; however, Idaho Power will not purchase or pay for this Inadvertent Energy.

Agreement ¶ 25 provides that the Agreement will not become effective until the Commission has approved without change all the Agreement terms and conditions and declared that all payments to Simplot that Idaho Power makes 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-06-3. 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-06-3 is **Friday, March 24, 2006**.

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-06-3 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
Barton L. Kline, Senior Attorney
Idaho Power Company
PO Box 70
Boise, ID 83707-0070

E-mail: mmoen@idahopower.com
bkline@idahopower.com

Randy C. Allphin, Contract Administrator
Idaho Power Company
PO Box 70
Boise, ID 83707-0070
E-mail: rallphin@idahopower.com

Street Address for Express Mail:

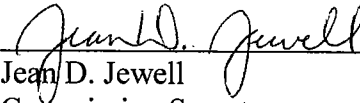
1221 W. Idaho Street
Boise, ID 83702

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-06-3 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 3rd day of March 2006.



Jean D. Jewell
Commission Secretary

bls/N:IPC-E-06-03_sw