

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF THE APPLICATION)
OF IDAHO POWER COMPANY FOR) CASE NO. IPC-E-06-11
APPROVAL OF A FIRM ENERGY SALES)
AGREEMENT FOR THE SALE AND)
PURCHASE OF ELECTRIC ENERGY) ORDER NO. 30087
BETWEEN IDAHO POWER COMPANY)
AND CASSIA GULCH WIND PARK, LLC)**

On April 20, 2006, Idaho Power Company (“Idaho Power” or “Company”) filed an Application with the Idaho Public Utilities Commission (“Commission”) requesting approval of a Firm Energy Sales Agreement (the “Agreement”) between Idaho Power and Cassia Gulch Wind Park, LLC (“Cassia Gulch”) dated April 7, 2006. Cassia Gulch proposes to design, construct, install, own, operate and maintain an 18.9 MW wind generating facility. Under the Agreement, Cassia Gulch would sell and Idaho Power would purchase electric energy generated by Cassia Gulch’s wind turbines located near Hagerman, Idaho. Under normal and/or average conditions, the project will not exceed 10 aMW on a monthly basis.

As represented, the Cassia Gulch facility 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. Cassia Gulch has selected December 31, 2006 as the scheduled operation date for this facility. Section 24 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 Cassia Gulch for purchases of energy will be allowed as prudently incurred expenses for ratemaking purposes.

On June 2, 2006, the Commission issued Notices of Application and Modified Procedure in this matter. *See* Order No. 30061. The deadline for filing written comments was June 16, 2006. The only comments received were filed by Commission Staff.

STAFF COMMENTS

Staff reviewed the Agreement and believes that it comports with the rates, terms and conditions of Commission Order No. 29632 (*U.S. Geothermal, et al. v. Idaho Power*) and avoided cost Order No. 29646. Staff recommended that the Agreement be approved.

COMMISSION FINDINGS

The Commission has reviewed the filings of record in Case No. IPC-E-06-11, including the underlying Agreement and filed comments. Idaho Power has presented a Firm Energy Sales Agreement with Cassia Gulch for Commission consideration and approval. The Agreement is for an 18.9 MW wind generating facility located near Hagerman, Idaho. As represented and pursuant to contract, under normal and/or average conditions the project will not exceed 10 aMW on a monthly basis. We thus find that the project is qualified to receive the published avoided cost rates approved by the Commission.

The Commission finds that the Agreement submitted in this case contains acceptable contract provisions and includes the non-levelized published rates approved by the Commission in Order No. 29646. We find it reasonable that the submitted Agreement be approved without further notice or procedure. IDAPA 31.01.01.204. We further find it reasonable to allow payments made under the Agreement as prudently incurred expenses for ratemaking purposes.

CONCLUSIONS OF LAW

The Idaho Public Utilities Commission has jurisdiction over Idaho Power Company, an electric utility, pursuant to the authority and power granted it under Title 61 of the Idaho Code and the Public Utility Regulatory Policies Act of 1978 (PURPA). The Commission has authority under PURPA and the implementing regulations of the Federal Energy Regulatory Commission (FERC) to set avoided costs, to order electric utilities to enter into fixed term obligations for the purchase of energy from qualified facilities and to implement FERC rules.

ORDER

IT IS HEREBY ORDERED that the Commission approves the April 7, 2006 Firm Energy Sales Agreement between Idaho Power Company and Cassia Gulch Wind Park, LLC.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. *See Idaho Code* § 61-626.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 30th
day of June 2006.



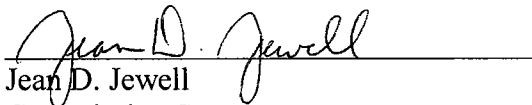
PAUL KJELLANDER, PRESIDENT



MARSHA H. SMITH, COMMISSIONER


DENNIS S. HANSEN, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

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