

## **DECISION MEMORANDUM**

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

**FROM:       CECELIA A. GASSNER**

**DATE:       MAY 25, 2006**

**SUBJECT:    IN THE MATTER OF THE APPLICATION OF IDAHO POWER  
              COMPANY FOR APPROVAL OF A FIRM ENERGY SALES  
              AGREEMENT WITH CASSIA GULCH WIND PARK, LLC, CASE NO.  
              IPC-E-06-11**

On April 20, 2006, Idaho Power Company ("Idaho Power" or "Company") filed an Application requesting approval of a Firm Energy Sales Agreement dated April 7, 2006 with Cassia Gulch Wind Park, LLC ("Cassia Gulch"). Under the Agreement, Cassia Gulch would sell and Idaho Power would purchase electric energy generated by Cassia Gulch's wind generating facility near Hagerman, Idaho. The Company asks the Commission approve the Agreement and declare that all payments for purchases of energy under the Agreement be allowed as prudently incurred expenses for ratemaking purposes.

### **THE AGREEMENT**

According to the Application, Cassia Gulch proposes to design, construct, install, own operate and maintain an 18.9 MW wind generating facility near Hagerman, Idaho (the "Facility"). The Facility will be a qualified small power production facility under the applicable provisions of the Public Utility Regulatory Policies Act of 1978 ("PURPA").

Under the terms of the Agreement, Cassia Gulch has elected to enter into the Agreement with Idaho Power for a 20-year term. Cassia Gulch further elected to contract with the Company using the non-levelized published avoided cost rates as currently established by the Commission for energy deliveries of less than 10 aMW. All applicable interconnection charges and monthly operation and maintenance charges under Schedule 72 will be assessed Cassia Gulch.

Cassia Gulch has elected August 31, 2006 as the scheduled first energy date and December 31, 2006 as the scheduled operation date for the Facility. Certain requirements have been placed on Cassia Gulch for Idaho Power to accept energy deliveries from the Facility. Idaho Power will monitor compliance with these initial requirements, as well as ongoing requirements throughout the term of the Agreement.


#### **STAFF RECOMMENDATION**

Staff recommends the Company's Application be processed by Modified Procedure with a 14-day comment period. This should allow sufficient time for interested parties to review the Company's Application and file their comments with the Commission. Reference Commission Rules of Procedure, IDAPA 31.01.01.201-.204.

#### **COMMISSION DECISION**

Does the Commission preliminarily find that the public interest may not require a hearing to consider the issues presented in this case, and that this case is appropriate for Modified Procedure pursuant to Commission Rules of Procedure 201 through 204?

Does the Commission approve of a comment period of 14 days?

  
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Cecelia A. Gassner

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