

CECELIA A. GASSNER  
DEPUTY ATTORNEY GENERAL  
IDAHO PUBLIC UTILITIES COMMISSION  
PO BOX 83720  
BOISE, IDAHO 83720-0074  
(208) 334-0314  
BAR NO. 6977

RECEIVED  
JUN 16 2006 10:22  
IDAHO PUBLIC UTILITIES COMMISSION

Street Address for Express Mail:  
472 W. WASHINGTON  
BOISE, IDAHO 83702-5983

Attorney for the Commission Staff

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF THE APPLICATION OF )  
IDAHO POWER COMPANY FOR APPROVAL ) CASE NO. IPC-E-06-11  
OF A FIRM ENERGY SALES AGREEMENT )  
FOR THE SALE AND PURCHASE OF )  
ELECTRIC ENERGY BETWEEN IDAHO ) COMMENTS OF THE  
POWER COMPANY AND CASSIA GULCH ) COMMISSION STAFF  
WIND PARK, L.L.C. )  
\_\_\_\_\_ )**

The Staff of the Idaho Public Utilities Commission, by and through its Attorney of record, Cecelia A. Gassner, Deputy Attorney General, in response to the Notice of Application and Notice of Modified Procedure in Order No. 30061 issued on June 2, 2006, submits the following comments.

**BACKGROUND**

On October 27, 2005, Cassia Gulch Wind Park, L.L.C. (Cassia Gulch) filed a petition with the Idaho Public Utilities Commission (Commission) requesting an order determining that Cassia Gulch was exempt from the published rate eligibility cap established in Order No. 29839. On January 17, 2006, the Commission, in Order No. 29954, determined that Cassia Gulch was entitled to receive exemption from the published rate eligibility cap established in Order No. 29839, provided that Cassia Gulch was able to secure contractual financing and turbine

commitment from John Deere Credit within a specified time period. In a Minute Entry dated February 8, 2006, the Commission acknowledged satisfaction of the conditions precedent set forth in Order No. 29954 and recognized that Cassia Gulch was exempt from the published rate eligibility cap established in Order No. 29839.

On April 20, 2006, Idaho Power Company (Idaho Power; Company) filed an Application with the Commission requesting approval of a 20-year Firm Energy Sales Agreement (Agreement) between Idaho Power and Cassia Gulch dated April 7, 2006. Under the Agreement, Cassia Gulch will sell and Idaho Power will purchase electric energy generated by Cassia's wind generating facility, located near Hagerman, Idaho in an area known as Bell Rapids. The nameplate rating of the wind facility is 18.9 MW. Under normal and/or average conditions, the project will not exceed 10 aMW on a monthly basis.

#### **STAFF ANALYSIS**

As represented, the Cassia Gulch Project will be a qualified small power production facility (QF) under the applicable provisions of the Public Utility Regulatory Policies Act of 1978 (PURPA). Cassia has selected August 31, 2006 as the first energy date and December 31, 2006 as the scheduled operation date for this facility.

Based on its review, Staff believes that the Agreement between Cassia Gulch and Idaho Power 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.

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. The proposed effective date of the Agreement is April 7, 2006.

**STAFF RECOMMENDATION**

Staff recommends approval of the Agreement with an effective date of April 7, 2006.

Respectfully submitted this 16<sup>th</sup> day of June 2006.



---

Cecelia A. Gassner  
Deputy Attorney General

Technical Staff: Rick Sterling

i:umisc:comments/ipce06.11cgrps

## CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 16<sup>TH</sup> DAY OF JUNE 2006, SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN CASE NO. IPC-E-06-11, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:

MONICA MOEN  
BARTON L KLINE  
IDAHO POWER COMPANY  
PO BOX 70  
BOISE ID 83707-0070

RANDY ALLPHIN  
CONTRACT ADMINISTRATOR  
IDAHO POWER COMPANY  
PO BOX 70  
BOISE ID 83707-0070

JOHN DEER WIND ENERGY  
C/O JOHN DEER CREDIT  
ATTN: ASSNT CHIEF COUNSEL  
6400 NW 86<sup>TH</sup> ST  
JOHNSTON IA 50131

  
\_\_\_\_\_  
SECRETARY

CERTIFICATE OF SERVICE