

DECISION MEMORANDUM

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

FROM: DON HOWELL

DATE: MAY 1, 2006

SUBJECT: SPECIAL CONTRACT FOR ELECTRIC SERVICE BETWEEN IDAHO
POWER COMPANY AND THE U.S. DEPARTMENT OF ENERGY
(DOE), CASE NO. IPC-E-06-12

On April 25, 2006, Idaho Power filed an Application requesting that the Commission approve a new contract between Idaho Power and the U.S. Department of Energy (DOE) for service at the Idaho National Laboratory (INL). Because the existing contract expires on May 15, 2006, Idaho Power requests that the Commission approve the extension of the existing contract until such time as the Commission can approve the new contract. Idaho Power also requests that the Commission expedite its review of the new contract.

THE PROPOSED CONTRACT

The proposed special contract between Idaho Power and DOE (“the 2006 Agreement”) is identical to the existing contract with one change. The change is that the new 2006 Agreement “gives DOE the option to request up to four one-year extensions” of the special contract. Application at 2. The proposed 2006 Agreement provides that Idaho Power will provide electric service under rate Schedule 30. The rates and charges for providing service under Schedule 30 are subject to change in any appropriate ratemaking proceeding. *Id.* If approved, the 2006 Agreement would remain in effect for one-year subject to the new renewal provision. Contract termination requires written notice and provides for the assessment of convenience charges if notice of termination is less than 12 months in advance. *Id.*

MODIFIED PROCEDURE

Because the existing Agreement expires on May 15, 2006, Idaho Power requests that the Commission extend the term of the existing contract until such time as it may review and approve the 2006 Agreement. In addition, Idaho Power requests that the Commission expedite its review of the proposed 2006 Agreement. The Commission Staff concurs in these two requests. The Company requests that this Application be processed by Modified Procedure and the Commission set a 10-day comment period. Given the minor modification contained in the new Agreement, Staff does not object to the 10-day comment period.

COMMISSION DECISION

Does the Commission wish to approve the continuation of the existing special contract between Idaho Power and DOE until the new Agreement is reviewed and approved?

Does the Commission wish to process this Application via Modified Procedure? If so, does the Commission wish to establish a 10-day comment period?

Anything else?



Don Howell

bls/M:IPC-E-06-12_dh