

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

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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-06-13
OF A FIRM ENERGY SALES AGREEMENT)	
FOR THE SALE AND PURCHASE OF)	
ELECTRIC ENERGY BETWEEN IDAHO)	COMMENTS OF THE
POWER COMPANY AND RIVERSIDE HYDRO)	COMMISSION STAFF
I, 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. 30053 issued on May 26, 2006, submits the following comments.

BACKGROUND

On April 27, 2006, Idaho Power Company (Idaho Power; Company) filed an Application with the Idaho Public Utilities Commission (Commission) requesting approval of a 20-year Firm Energy Sales Agreement (Agreement) between Idaho Power and Riverside Hydro I, L.L.C. (Riverside) dated April 13, 2006. Under the Agreement, Riverside Hydro I will sell and Idaho Power will purchase electric energy generated by the Mora Drop small hydroelectric facility, located near Kuna, Idaho. The nameplate rating of the hydro facility is 1.9 MW. Under normal and/or average conditions, the project will not exceed 10 aMW on a monthly basis.

STAFF ANALYSIS

As represented, the Riverside Hydro I Project will be a qualified small power production facility (QF) under the applicable provisions of the Public Utility Regulatory Policies Act of 1978 (PURPA). Riverside has selected May 15, 2006 as the first energy date and July 1, 2006 as the scheduled operation date for this facility.

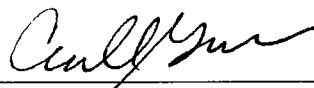
Based on its review, Staff believes that the Agreement between Riverside Hydro I and Idaho Power comports with the terms and conditions of Commission Order No. 29632 (*U.S. Geothermal et al v. Idaho Power*) and avoided cost Order No. 29646. The Agreement is for a 20-year term and contains the published 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 Riverside for purchases of energy will be allowed as prudently incurred expenses for ratemaking purposes. The proposed effective date of the Agreement is April 13, 2006.

STAFF RECOMMENDATION

Staff recommends approval of the Agreement with an effective date of April 13, 2006.

Respectfully submitted this 16th day of June 2006.



Cecelia A. Gassner
Deputy Attorney General

Technical Staff: Rick Sterling

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 16TH DAY OF JUNE 2006,
SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN
CASE NO. IPC-E-06-13, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO
THE FOLLOWING:

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

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

RIVERSIDE HYDRO I LLC
PO BOX 720
PARMA ID 83660



SECRETARY