

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF IDAHO POWER COMPANY FOR) **CASE NO. IPC-E-06-15**
APPROVAL OF A FIRM ENERGY SALES)
AGREEMENT FOR THE SALE AND)
PURCHASE OF ELECTRIC ENERGY) **ORDER NO. 30089**
BETWEEN IDAHO POWER COMPANY)
AND CKTV1 ENERGY, LLC)

On April 28, 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 (Agreement) between Idaho Power and CKTV1 Energy, LLC (“CKTV1”) dated April 28, 2006. According to the Application, CKTV1 proposed to design, construct, install, own, operate and maintain an anaerobic digester gas-to-energy generating facility to be located near Caldwell, Idaho (the “Facility”). Under the Agreement, CKTV1 would sell and Idaho Power would purchase electric energy generated by CKTV1’s Treasure Valley 1 Facility. The sum of the nameplate ratings of the single or multiple reciprocating engine generation sets shall not exceed 3.2 MW.

On May 26, 2006, the Commission issued a Notice of Application and Modified Procedure requesting any comments to the matter. See Order No. 30054. In addition to comments filed by Staff, the Commission received four comments from members of the general public.

As represented, the 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. CKTV1 has selected March 31, 2007 as the scheduled operation date for the Facility.

COMMENTS

Based upon its review, Staff believes that the Agreement between CKTV1 and Idaho Power comports with the terms and conditions of Commission Order No. 29632 (*U.S.*

Geothermal, et al. v. Idaho Power). 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 CKTV1 for purchases of energy will be allowed as prudently incurred expenses for ratemaking purposes. Staff recommended approval of the Agreement.

All of the comments received from the general public voiced support of the Application and using the biomass waste to generate electrical power. Commenters supported the project as a way to lessen our dependence on fossil fuels, and suggested that recycling biomass waste may lead to less air pollution.

COMMISSION FINDINGS

The Commission has reviewed the filings of record in Case No. IPC-E-06-15, including the underlying Agreement and filed comments. Idaho Power has presented a Firm Energy Sales Agreement with CKTV1 for Commission consideration and approval. The Agreement is for an anaerobic digester gas-to-energy generating facility to be located near Caldwell, 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

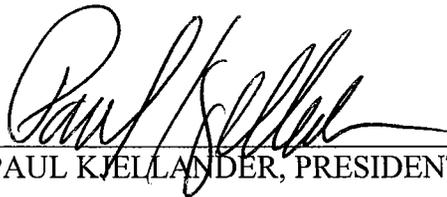
The Idaho Public Utilities Commission has jurisdiction over Idaho Power Company, an electric utility, pursuant to the authority and power granted it under Title 61 of the Idaho Code and the Public Utility Regulatory Policies Act of 1978 (PURPA). The Commission has authority under PURPA and the implementing 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

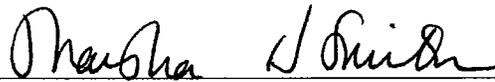
IT IS HEREBY ORDERED that the Commission approves the April 28, 2006 Firm Energy Sales Agreement between Idaho Power Company and CKTV1 Energy, LLC.

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.*

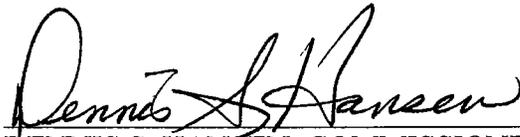
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 30th day of June 2006.



PAUL KJELLANDER, PRESIDENT



MARSHA H. SMITH, COMMISSIONER



DENNIS S. HANSEN, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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