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JUN 16 2006
IDAHO PUBLIC UTILITIES COMMISSION

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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-06-15**
OF A FIRM ENERGY SALES AGREEMENT)
FOR THE SALE AND PURCHASE OF)
ELECTRIC ENERGY BETWEEN IDAHO) **COMMENTS OF THE**
POWER COMPANY AND CKTV1 ENERGY,) **COMMISSION STAFF**
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. 30054 issued on May 26, 2006, submits the following comments.

BACKGROUND

On April 28, 2006, Idaho Power Company (Idaho Power; 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, L.L.C. (CKTV1) dated April 28, 2006. Under the Agreement, CKTV1 will sell and Idaho Power will purchase electric energy generated by the Treasure Valley 1 anaerobic digester gas-to-energy facility, located near Caldwell, Idaho. The sum of the nameplate ratings of the single or multiple reciprocating engine generation sets shall not exceed 3.2 MW.

The Application states that the CKTV1 Treasure Valley 1 Project will be a qualified small power production facility (QF) under the applicable provisions of the Public Utility Regulatory Policies Act of 1978 (PURPA). CKTV1 has selected November 1, 2006 as the first energy date and March 31, 2007 as the scheduled operation date.

STAFF ANALYSIS

Based on 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*) 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 CKTV1 for purchases of energy will be allowed as prudently incurred expenses for ratemaking purposes. The proposed effective date of the Agreement is April 28, 2006.

STAFF RECOMMENDATION

Staff recommends approval of the Agreement with an effective date of April 28, 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-06-15, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:

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SECRETARY