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Chas. F. McDevitt
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September 13, 2006

Via Hand Delivery

Jean Jewell, Secretary
Idaho Public Utilities Commission
472 W. Washington St.
Boise, Idaho 83720

IPC-E-06-21

RECEIVED
2006 SEP 13 PM 2:52
IDAHO PUBLIC
UTILITIES COMMISSION

Re: Cassia Gulch Wind Park LLC and Cassia Wind Farm LLC v. Idaho Power Co.

Dear Ms. Jewell:

Enclosed for filing in the above matter please find the original and seven (7) copies of a Complaint, Memorandum in Support of Complaint, and the Affidavit of Jared Grover regarding the above referenced matter.

An additional copy of the documents and this letter is included for return to me with your file stamp thereon.

Very Truly Yours,

McDevitt & Miller LLP



Dean J. Miller

DJM/hh
Attach.

RECEIVED

2006 SEP 13 PM 2: 53

IDAHO PUBLIC UTILITIES COMMISSION

Dean J. Miller ISB #1968
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*Attorneys Cassia Wind Gulch Park LLC and
Cassia Wind LLC*

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

CASSIA GULCH WIND PARK LLC AND
CASSIA WIND FARM LLC

Complainants
v.

IDAHO POWER COMPANY

Respondent

Case No. *IPC-E-06-21*

COMPLAINT

COMES NOW Cassia Gulch Wind Park LLC and Cassia Wind Farm LLC, and for their
Complaint against Idaho Power Company (“Idaho Power”) complains and alleges as follows:

The Parties

I.

Cassia Gulch Wind Park LLC and Cassia Wind Farm LLC are special purpose entities under common ownership and are authorized to do business in the State of Idaho. They are collectively referred to herein as “Cassia” or the “Projects.” Each of the Projects are Qualifying Facilities (“QFs”) within the meaning of the Public Utility Policy Regulatory Act (“PURPA”). The Projects also constitute “small power production” facilities under PURPA, and will generate renewable power from wind. Each of the Projects have signed Firm Energy Sales Agreements

with Idaho Power, which agreements have been approved by the Commission. *See* Case No. IPC-E-06-10, Order No. 30086; Case No. IPC-E-06-11, Order No. 30086. The Projects will sell their entire output to Idaho Power.

II.

Idaho Power is an electric utility within the meaning of the Idaho Public Utility Law, authorized to do business in the State of Idaho and is subject to the jurisdiction of the Idaho Public Utilities Commission (the “Commission”).

Jurisdiction

III.

As more fully set forth below, this Complaint involves a dispute concerning the terms and conditions of interconnection by Qualifying Facilities to the Idaho Power high-voltage transmission system. While the Federal Energy Regulatory Commission (“FERC”) has jurisdiction with respect to interconnection for non-QF generators, state commissions, including the Idaho Commission, have jurisdiction with respect to interconnection terms for Qualifying Facilities when the facilities sell their entire output to the regulated utility. *See, e.g.*, FERC Docket No. RM02-12-000, Order No. 2006, *Standardization of Small Generator Interconnection Agreements and Procedures*, May 12, 2005, para. 517 (“States continue to exercise authority over QF interconnections when the owner of the QF sells the output of the QF only to the interconnected utility or to on-site customers”).

Background

IV.

As part of its integrated backbone electric transmission system, Idaho Power owns and operates a 138 kV transmission system in the Twin Falls, Idaho, area. Idaho Power has received

requests for the integration of up to 200 MW of new generation to be connected to the 138 kV system.¹ Under normal operating conditions (“N-0”) the existing Idaho Power transmission has capacity sufficient to absorb the potential new generation in the Twin Falls area. It, however, is common utility practice to model or evaluate the operation of a backbone transmission assuming that one line of the system is out of service (“N-1 contingency”). Idaho Power believes that under N-1 contingency conditions the addition of 200 MW of generation at the Twin Falls 138 kV system could create thermal overloads within its integrated system. To prevent the possible occurrence of thermal overloads under N-1 contingency conditions Idaho Power proposes to construct a series of transmission system upgrades in four phases.² The estimated total cost of the transmission system upgrades is approximately sixty million dollars (\$60 million).

With the exception of a relatively small portion of these system upgrade costs to be born by Idaho Power, Idaho Power claims and asserts that the \$60 million cost of its transmission system upgrades should be borne, in the first instance, by the Qualifying Facilities proposing to connect to the Idaho Power transmission system. This is in addition to the several million dollars in interconnection costs normally borne by a QF to interconnect a new wind farm to a 138 kV utility system, such as the radial connection line and step-up transformer equipment.

¹ Whether the full 200 MW of possible new generation will actually be constructed is unknown.

² The engineering and planning assumptions underlying Idaho Power’s claim that system upgrades are necessary are not an issue in this case, which is intended to resolve only the threshold question of whether the cost of transmission upgrades should be assigned to Qualifying Facilities. Cassia, however, does not concede that Idaho Power’s engineering and planning assumptions are correct. For example, the thermal overload claimed by Idaho Power occurs at the rated load of the integrated system. Cassia is informed that this is a very conservative planning assumption and that a more common industry practice is to determine overload at an elevated level of between 110% and 115% of rated load. Under that assumption there would be no thermal overload in an N-1 contingency case and none of the proposed improvement would be necessary. This is one of the reasons Cassia suggests that the cost of upgrades be borne by Idaho Power and thus subject to prudence review in a general rate proceeding. *See* Memorandum in Support of Complaint, pg. 13.

As established by the Affidavit of Jared Grover, filed herewith and incorporated herein by reference, the magnitude of these additional transmission system upgrade costs is such that, if assigned to Cassia, the economic viability of the Projects would be seriously compromised, if not destroyed all together. This not only would adversely affect Cassia, it would also adversely affect the utility ratepayers and citizens of the State of Idaho, because the environmental and price-stabilizing benefits of renewable resources like wind are wasted unless they are exploited.

Claim for Relief

V.

Cassia requests that the Commission declare and determine that, as a matter of law and policy, the cost responsibility for Idaho Power's system upgrades to meet N-1 contingency planning conditions should not be assigned to Qualifying Facilities connecting to the system, but rather, should be rolled into Idaho Power's plant-in-service rate base and recovered from rates and charges for Idaho Power's service of native load and other transmission customers. The law and policy supporting such a determination is more fully set forth in the Memorandum in Support of Complaint filed herewith and incorporated herein by reference.

Request for Expedited Consideration

VII.

Cassia believes that an evidentiary hearing is not required to consider the question presented and that the Commission may resolve the issue based on written briefs. As established by the Affidavit of Jared Grover, filed herewith, time is of the essence for the Projects in obtaining a determination of the question. Cassia respectfully requests that the Commission establish a procedural schedule that will permit an expedited resolution of the question. More specifically, Cassia recommends that Idaho Power be required to file a responsive pleading,

including a complete statement of its argument and legal authorities, within thirty (30) days of the filing of this Complaint and that Cassia be required to file a reply brief or memorandum within fourteen (14) days after the filing of the Idaho Power pleadings. This is generally consistent with the usual time frames for a response and a reply, with an extra week provided to Idaho Power, so that no further briefing is required other than that which is comprised of the memorandum in support of this Complaint, the Idaho Power response, and the Cassia reply. Thereafter, the matter should be set for oral argument, after which the matter would be fully submitted to the Commission for decision. The Commission should specify that any service dates are "in-hand" dates, with service to be accomplished by personal delivery or electronic mail. To that end, Cassia is serving Idaho Power with this Complaint and the supporting memorandum and affidavit by delivery the same day as the date of this filing with the Commission.

Notices

VIII.

All pleadings, papers, orders and notices herein should be served upon:

Dean J. Miller *ISB #1968*
McDEVITT & MILLER LLP
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P.O. Box 2564-83701
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and

Ronald K. Arrington
Associate Chief Counsel
John Deere Credit
6400 NW 86th Street
Johnston, Iowa 50131
ArringtonRonaldK@JohnDeere.com

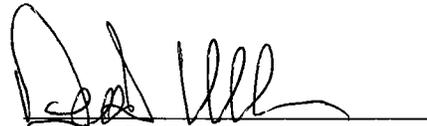
WHEREFORE, Cassia respectfully requests of the Commission:

1. That the Commission establish an expedited procedural schedule such as that set forth above for prompt resolution of the issue presented by this Complaint;
2. That, thereafter, the Commission declare and determine that the cost of Idaho Power's 138 kV transmission system upgrades to meet N-1 contingency planning conditions should not be allocated to Qualifying Facilities connecting to the system; and
3. That the Commission grant all other relief to which Cassia may be entitled.

DATED this 13 day of September, 2006.

Respectfully submitted,

MCDEVITT & MILLER LLP



Dean J. Miller
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Phone: (208) 343-7500
Fax: (208) 336-6912

*Counsel for
Cassia Wind Gulch Park LLC
and Cassia Wind LLC*

CERTIFICATE OF SERVICE

I hereby certify that on the ____ day of September, 2006, I caused to be served, via the method(s) indicated below, true and correct copies of the foregoing document, upon:

Jean Jewell, Secretary	Hand Delivered	<input checked="" type="checkbox"/>
Idaho Public Utilities Commission	U.S. Mail	<input type="checkbox"/>
472 West Washington Street	Fax	<input type="checkbox"/>
P.O. Box 83720	Fed. Express	<input type="checkbox"/>
Boise, ID 83720-0074	Email	<input type="checkbox"/>
<u>jjewell@puc.state.id.us</u>		

Barton L. Kline	Hand Delivered	<input type="checkbox"/>
Idaho Power Company	U.S. Mail	<input checked="" type="checkbox"/>
1221 West Idaho Street	Fax	<input type="checkbox"/>
P.O. Box 70	Fed. Express	<input type="checkbox"/>
Boise, ID 83707	Email	<input checked="" type="checkbox"/>
<u>BKline@idahopower.com</u>		

By: Heather Houle, Legal Asst.