



RECEIVED

2007 FEB -6 PM 4: 49

IDAHO PUBLIC
UTILITIES COMMISSION

Barton L. Kline
Senior Attorney

February 6, 2007

Jean D. Jewell, Secretary
Idaho Public Utilities Commission
472 West Washington Street
P. O. Box 83720
Boise, Idaho 83720-0074

Re: Case No. IPC-E-07-04
In the Matter of Idaho Power Company's Petition to Revise the
Published Avoided Cost Rates to Include a daily Load Shape; and

To Clarify the Rules governing Entitlement to Published Avoided
Cost Rates

Dear Ms. Jewell:

Please find enclosed for filing an original and seven (7) copies of Idaho Power Company's Petition for the above-referenced matter.

I would appreciate it if you would return a stamped copy of this transmittal letter in the enclosed self-addressed, stamped envelope.

Very truly yours,

Barton L. Kline

BLK:sh
Enclosures

BARTON L. KLINE, ISB # 1526
MONICA B. MOEN, ISB # 5734
Idaho Power Company
1221 West Idaho Street
P. O. Box 70
Boise, Idaho 83707
Telephone: (208) 388-2682
FAX Telephone: (208) 388-6936
bkline@idahopower.com
mmoen@idahopower.com

RECEIVED
2007 FEB -6 PM 4:50
IDAHO PUBLIC
UTILITIES COMMISSION

Attorneys for Idaho Power Company

Express Mail Address

1221 West Idaho Street
Boise, Idaho 83702

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER)
COMPANY'S PETITION TO REVISE THE)
PUBLISHED AVOIDED COST RATES TO) CASE NO. IPC-E-07-04
INCLUDE A DAILY LOAD SHAPE; AND)
) PETITION
TO CLARIFY THE RULES GOVERNING)
ENTITLEMENT TO PUBLISHED AVOIDED)
COST RATES)
_____)

Idaho Power Company ("Idaho Power" or the "Company"), pursuant to RP 053, hereby requests that the Idaho Public Utilities Commission ("Commission") issue its order:

1. Revising the published avoided cost rates for qualifying facilities ("QFs") under Sections 201 and 210 of the Public Utility Regulatory Policies Act of 1978 ("PURPA") to reflect Idaho Power's daily load shape and recognize the difference in value between energy delivered by QFs during heavy load hours and energy delivered

during light load hours. This revision would not change the computation of avoided costs but it could change the total revenues received by QFs depending on when during the day they deliver energy. The Company's proposed published rates reflecting the daily load shape are set out in Attachment 1 enclosed with this Petition; and

2. Clarifying the rules governing the entitlement to published rates to prevent QF projects capable of delivering more than 10 aMW per month from artificially restructuring into smaller projects in order to qualify for the published avoided cost rates. The Company's proposed rule to address this problem is set out in Attachment 2 which is enclosed with this Petition.

This Petition is based on the following:

I. BACKGROUND

In Case no. IPC-E-07-03, filed concurrently with this Petition, Idaho Power has requested that the Commission raise the cap on the entitlement to published rates from its current level of 100 kW to 10,000 average kW/mo (10 average megawatts or 10 aMW). In Case No. IPC-E-07-03 Idaho Power has also asked the Commission to reduce the published avoided cost rates to be paid to intermittent wind powered QF resources to compensate for the additional costs these resources impose on Idaho Power.

The relief the Company is requesting in Case No. IPC-E-07-03 is limited in its application to intermittent wind powered QF resources. However, there are other changes and clarifications that the Company believes need to be made to the current avoided cost rates and rules that would apply to all QFs, both wind powered and otherwise. To avoid any claim by the developer of a non-wind powered QF that issues

affecting its project are being decided in a proceeding primarily aimed at wind powered QFs, Idaho Power has filed this separate Petition to address the issues common to both wind powered QFs and non-wind powered QFs. It is Idaho Power's belief that this separation will ensure that all parties receive adequate notice and due process.

II. REVISING THE PUBLISHED RATES TO INCLUDE PAYMENT DIFFERENTIALS FOR ENERGY DELIVERED DURING HEAVY LOAD HOURS AND LIGHT LOAD HOURS

Since the early 1980's, when PURPA was first implemented in Idaho, the Commission has shaped Idaho Power's QF purchase rates to address the difference in energy values between the various seasons of the year. This seasonalization of the avoided cost rates recognizes that energy delivered by QFs has different values based on when it is delivered. For example, energy delivered in the summer season is more valuable because it can be used to meet the Company's summer season peak loads.

Similarly, energy provided by QFs has different values based on how it can help meet the Company's *daily* peaks in load. This difference in value between heavy load hours and light load hours was the basis for the daily shape adjustment that was approved for Avista Corporation in Commission Order No. 30111 issued in Case No. AVU-E-06-4. In that case the Commission approved Avista's request to change its published avoided cost rates to reflect the difference in value between energy delivered by QFs during heavy load hours as compared to light load hours.

In this Petition, Idaho Power is requesting that the Commission also allow Idaho Power to revise its published avoided cost rates to reflect the difference in value between energy delivered during heavy load hours and energy delivered during light load hours. This revision to reflect daily load shape does not change the computation of

avoided costs. It only adjusts the shape of the payments. With the addition of a daily load shape to published rates, a QF delivering energy on a uniform around-the-clock basis would see no change in the total revenue it received each month as a result of the daily shape adjustment. However, with the daily shape adjustment, a QF that delivers a greater percentage of its total energy output during heavy load hours will receive more total revenue each month than a QF that delivers a greater percentage of its total energy output during light load hours. The Company's proposed changes to the published rates to reflect the daily shape adjustment are shown in Attachment 1. Attachment 1 also shows the avoided cost rates proposed for wind powered QFs reflecting the combined effect of the daily load shape adjustment and the reduced avoided costs due to the additional cost of wind integration discussed in the Company's Petition in Case No. IPC-E-07-03.

III. RULES TO PREVENT LARGE QFs FROM RECONFIGURING INTO SMALLER PROJECTS TO QUALIFY FOR THE PUBLISHED RATES

The Commission has previously determined that QF projects that are expected to generate more than 10 aMW each month are not entitled to receive the published rates. Instead, the purchase rates for these larger QF projects are individually negotiated based on avoided costs determined by use of the AURORA system dispatch model. This use of the AURORA model to determine avoided costs for large QFs is commonly referred to as the IRP methodology. Historically, avoided costs determined by use of the more sophisticated IRP methodology have been slightly lower than the published rates.

As the Commission is well aware, a number of large wind and geothermal projects have been identified as possible developments in Idaho. While Idaho Power is

pleased that some of those resources may be available to add to its resource portfolio, there is a legitimate concern if in Case No. IPC-E-07-03 the Commission grants Idaho Power's request to raise the cap for entitlement to the published rates back to 10 aMW per month, larger wind powered QF projects will choose to create multiple legal entities to reconfigure themselves into multiple smaller projects in order to qualify for the historically higher published rates. The same concern exists for QFs using other generation technologies.

This same concern was recently addressed in the PURPA avoided cost rate-setting proceedings before the Public Utility Commission of Oregon. (Docket No. UM-1129). The parties to that proceeding settled this issue by negotiating a stipulation which was approved by the parties and presented to the Oregon Commission for approval. The stipulation was signed by all of the utilities, the Oregon Department of Energy, the Staff of the Oregon Public Utilities Commission, Sherman County and the J.R. Simplot Company. No party to the case opposed the stipulation. In Order No. 06-538 and Order No. 06-586, the Oregon Commission approved the settlement stipulation that defined those small cogeneration facilities or small power production facilities eligible to receive Oregon "standard rates."

Idaho Power has enclosed as Attachment 2 a proposed rule which the Company requests the Commission adopt in this case. Attachment 2 is nearly identical to the stipulated language approved by the Oregon Public Utility Commission to resolve the disaggregation issue in Oregon. The primary difference between Attachment 2 and the Oregon-ordered language is terminology that is unique to Oregon. For example, in Attachment 2 Idaho Power has substituted "published rates" for "standard rates", the

term used in Oregon. In addition, Attachment 2 includes changes to reflect the fact that Idaho uses monthly energy capability (10 aMW) as the cap on entitlement to published rates and measures QF performance on a monthly rather than annual basis.

Idaho Power requests that the Commission approve the rule proposed in Attachment 2 to define QFs entitlement to the published rates.

IV. RECOMMENDED PROCEDURE FOR PROCESSING THIS PETITION

Idaho Power has posted this pleading and the two Attachments on its website. It has sent e-mails to all of the intervenors in Case No. IPC-E-05-22, the entities that participated in the workshops that followed the issuance of Order No. 29839 and to other interested parties advising them of this filing and providing a link to the website. If the Commission concurs, Idaho Power proposes to expeditiously schedule and conduct at least one workshop to discuss this Petition. It seems logical that this Petition be discussed in conjunction with the workshops the Company has proposed to conduct in Case No. IPC-E-07-03 because it would affect wind QF resources. As the Company noted in its Petition in Case No. IPC-E-07-03, the Company believes that a Commission-sanctioned workshop or process could facilitate settlement discussions at an early stage of both cases.

At any time, parties could request a pre-hearing conference or otherwise request that the Commission make a determination as to how to proceed with this case either by submitting written comments or by the conducting of a technical hearing with pre-filed testimony and discovery.

Based on all of the foregoing, Idaho Power respectfully requests that the Commission issue its order.

1. Revising the published avoided cost rates for qualifying facilities under Sections 201 and 210 of the Public Utility Regulatory Policies Act of 1978 to include a daily shape adjustment as proposed by the Company in Attachment 1; and

2. Establishing rules to prevent QF projects capable of delivering more than 10 aMW per month from artificially restructuring into smaller projects in order to qualify for the published avoided cost rates available to QF projects capable of delivering 10 aMW or less per month. The Company's proposed rule language to address this issue is set out in Attachment 2 which is enclosed with this Petition; and

3. Such other relief as the Commission may deem appropriate.

Respectfully submitted this 6th day of February 2007.



BARTON L. KLINE
Attorney for Idaho Power Company

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

CASE NO. IPC-E-07-04

IDAHO POWER COMPANY

ATTACHMENT 1

RECEIVED
2007 FEB -6 PM 4:50
IDAHO PUBLIC
UTILITIES COMMISSION

IDAHO POWER COMPANY
Heavy Load and Light Load price calculation

To calculate this value, Idaho Power accumulated historical daily volumes and prices for all Mid Columbia Firm Heavy Load Hour (HLH) and Light Load Hour (LLH) transactions for January 1, 2003 through January 20, 2007 provided by Dow Jones.

The weighted average of both HLH and LLH was calculated as:

Summation of all days Daily Volume multiplied by Daily Price divided by the sum of all Daily Volumes for the same days.

This calculation resulted in:

HLH Weighted average:	\$50.23
LLH Weighted average:	<u>\$38.60</u>
Difference of:	\$11.63

Light Load Hours (LLH) being defined as:

Monday through Saturday Hour ending 2300 through 0600 (Pacific Prevailing Time (PPT))

All Sunday Hours (PPT)

All NERC Holidays (PPT)

NERC Holidays being:

New Years Day
Memorial Day
Independence Day
Labor Day
Thanksgiving Day
Christmas Day

Heavy Load Hours (HLH) being defined as:

Monday through Saturday Hour ending 0700 through 2200 (PST)

Less all NERC Holidays

IDAHO POWER COMPANY
AVOIDED COST RATES FOR NON-FUELED PROJECTS
SMALLER THAN TEN MEGAWATTS

December 1, 2004

Mills/Kwh

IPUC Order NO. 29646

Contract Length (Years)	Levelized						Non-Levelized	
	ON-LINE YEAR						Contract Year	Non-Levelized Rates
	2004	2005	2006	2007	2008	2009		
1	49.21	50.34	51.50	52.69	53.90	55.14	2004	49.21
2	49.75	50.90	52.07	53.27	54.50	55.75	2005	50.34
3	50.29	51.45	52.64	53.85	55.09	56.36	2006	51.50
4	50.82	52.00	53.19	54.42	55.67	56.96	2007	52.69
5	51.35	52.53	53.74	54.98	56.25	57.54	2008	53.90
6	51.87	53.06	54.29	55.54	56.82	58.13	2009	55.14
7	52.38	53.59	54.82	56.09	57.38	58.70	2010	56.41
8	52.88	54.10	55.35	56.63	57.93	59.27	2011	57.71
9	53.38	54.61	55.87	57.16	58.47	59.82	2012	59.04
10	53.87	55.11	56.38	57.68	59.01	60.37	2013	60.40
11	54.35	55.60	56.88	58.19	59.53	60.91	2014	61.80
12	54.82	56.08	57.38	58.70	60.05	61.44	2015	63.22
13	55.28	56.56	57.86	59.19	60.56	61.96	2016	64.68
14	55.74	57.02	58.34	59.68	61.06	62.46	2017	66.17
15	56.18	57.48	58.80	60.16	61.55	62.96	2018	67.70
16	56.62	57.93	59.26	60.63	62.02	63.45	2019	69.26
17	57.05	58.36	59.71	61.08	62.49	63.93	2020	70.85
18	57.47	58.79	60.15	61.53	62.95	64.40	2021	72.49
19	57.88	59.21	60.57	61.97	63.40	64.86	2022	74.16
20	58.27	59.62	60.99	62.40	63.84	65.31	2023	75.87
							2024	77.62
							2025	79.41
							2026	81.25
							2027	83.12
							2028	85.04
							2029	87.00

Wind Integration Cost Adjustment: 10.72 Mills/Kwh

Heavy Load and Light Load hour price differential: 11.63 Mills/Kwh

IDAHO POWER COMPANY
AVOIDED COST RATES FOR NON-FUELED PROJECTS
TEN AVERAGE MEGAWATTS OR SMALLER

Seasonal Factors

Season 1 73.50% (Applied to March, April and May)
 Season 2 120.00% (Applied to July, August, November and December)
 Season 3 100.00% (Applied to June, September, October, January and February)

Non-Levelized Rate Structure

Year	Non Levelized Price			Season 1 pricing (73.50%)			Season 2 pricing (120.00%)			Season 3 pricing (100.00%)					
	Flat Price	Heavy Load Hour Price	Light Load Hour Price	Flat Price	Heavy Load Hour Price	Light Load Hour Price	Flat Price	Heavy Load Hour Price	Light Load Hour Price	Flat Price	Heavy Load Hour Price	Light Load Hour Price			
													Less Wind Integration Cost Adjustment of:	Less Wind Integration Cost Adjustment of:	Less Wind Integration Cost Adjustment of:
2007	52.69	57.86	46.23	38.72	28.00	33.98	42.53	31.81	33.98	10.72	23.26	33.98	41.97	57.86	46.23
2008	53.90	59.07	47.44	39.62	28.90	34.87	43.42	32.70	34.87	10.72	24.15	34.87	43.18	59.07	47.44
2009	55.14	60.31	48.68	40.53	29.81	35.78	44.33	33.61	35.78	10.72	25.06	35.78	44.42	60.31	48.68
2010	56.41	61.58	49.95	41.46	30.74	36.72	45.26	34.54	36.72	10.72	26.00	36.72	45.69	61.58	49.95
2011	57.71	62.88	51.25	42.42	31.70	37.67	46.22	35.50	37.67	10.72	26.95	37.67	46.99	62.88	51.25
2012	59.04	64.21	52.58	43.40	32.68	38.65	47.20	36.48	38.65	10.72	27.93	38.65	48.32	64.21	52.58
2013	60.40	65.57	53.94	44.40	33.68	39.65	48.20	37.48	39.65	10.72	28.93	39.65	49.68	65.57	53.94
2014	61.80	66.97	55.34	45.42	34.70	40.67	49.22	38.50	40.67	10.72	29.95	40.67	51.08	66.97	55.34
2015	63.22	68.39	56.76	46.47	35.75	41.72	50.27	39.55	41.72	10.72	31.00	41.72	52.50	68.39	56.76
2016	64.68	69.85	58.22	47.54	36.82	42.79	51.34	40.62	42.79	10.72	32.07	42.79	53.96	69.85	58.22
2017	66.17	71.34	59.71	48.63	37.91	43.89	52.43	41.71	43.89	10.72	33.17	43.89	55.45	71.34	59.71
2018	67.70	72.87	61.24	49.76	39.04	45.01	53.56	42.84	45.01	10.72	34.29	45.01	56.98	72.87	61.24
2019	69.26	74.43	62.80	50.90	40.18	46.16	54.70	43.98	46.16	10.72	35.44	46.16	58.54	74.43	62.80
2020	70.85	76.02	64.39	52.08	41.36	47.33	55.88	45.16	47.33	10.72	36.61	47.33	60.13	76.02	64.39
2021	72.49	77.66	66.03	53.28	42.56	48.53	57.08	46.36	48.53	10.72	37.81	48.53	61.77	77.66	66.03
2022	74.16	79.33	67.70	54.51	43.79	49.76	58.31	47.59	49.76	10.72	39.04	49.76	63.44	79.33	67.70
2023	75.87	81.04	69.41	55.77	45.05	51.02	59.57	48.85	51.02	10.72	40.30	51.02	65.15	81.04	69.41
2024	77.62	82.79	71.16	57.05	46.33	52.30	60.85	50.13	52.30	10.72	41.58	52.30	66.94	82.79	71.16
2025	79.41	84.58	72.95	58.37	47.65	53.62	62.17	51.45	53.62	10.72	42.90	53.62	68.81	84.58	72.95
2026	81.25	86.42	74.79	59.72	49.00	54.97	63.52	52.80	54.97	10.72	44.25	54.97	70.72	86.42	74.79
2027	83.12	88.29	76.66	61.09	50.37	56.35	64.89	54.17	56.35	10.72	45.63	56.35	72.68	88.29	76.66
2028	85.04	90.21	78.58	62.50	51.78	57.76	66.30	55.58	57.76	10.72	47.04	57.76	74.68	90.21	78.58
2029	87.00	92.17	80.54	63.95	53.23	59.20	67.75	57.03	59.20	10.72	48.48	59.20	76.72	92.17	80.54

IDAHO POWER COMPANY

AVOIDED COST RATES FOR NON-FUELED PROJECTS
TEN AVERAGE MEGAWATTS OR SMALLER

Seasonal Factors

Season 1	73.50% (Applied to March, April and May)
Season 2	120.00% (Applied to July, August, November and December)
Season 3	100.00% (Applied to June, September, October, January and February)

Levelized Rate Structure
Project On line in 2007

Year	Levelized Price		Season 1 pricing (73.50%)				Season 2 pricing (120.00 %)				Season 3 pricing (100.00 %)				
	Flat Price (PUC 29646)	Heavy Load Hour Price	Light Load Hour Price	Flat Price	Heavy Load Hour Price	Light Load Hour Price	Flat Price	Heavy Load Hour Price	Light Load Hour Price	Flat Price	Heavy Load Hour Price	Light Load Hour Price	Flat Price	Heavy Load Hour Price	Light Load Hour Price
1	52.69	57.86	46.23	38.72	28.00	42.53	31.81	33.98	63.22	52.50	69.43	58.71	55.48	10.72	44.76
2	53.27	58.44	46.81	39.15	28.43	42.95	32.23	34.41	63.92	53.20	70.13	59.41	56.17	45.45	45.45
3	53.85	59.02	47.39	39.58	28.86	43.38	32.66	34.83	64.62	53.90	70.82	60.10	56.87	46.15	46.15
4	54.42	59.59	47.96	40.00	29.28	43.80	33.08	35.25	65.30	54.58	71.51	60.79	57.55	46.83	46.83
5	54.98	60.15	48.52	40.41	29.69	44.21	33.49	35.66	66.04	55.26	72.18	61.46	58.23	47.51	47.51
6	55.54	60.71	49.08	40.82	30.10	44.62	33.90	36.07	66.78	55.92	72.85	62.13	58.89	48.17	48.17
7	56.09	61.26	49.63	41.22	30.50	45.02	34.30	36.47	67.50	56.58	73.51	62.79	59.55	48.83	48.83
8	56.63	61.80	50.17	41.62	30.90	45.42	34.70	36.87	68.22	57.23	74.15	63.43	60.20	49.48	49.48
9	57.16	62.33	50.70	42.01	31.29	45.81	35.09	37.26	68.95	57.87	74.79	64.07	60.84	50.12	50.12
10	57.68	62.85	51.22	42.39	31.67	46.19	35.47	37.65	69.68	58.50	75.42	64.70	61.46	50.74	50.74
11	58.19	63.36	51.73	42.77	32.05	46.57	35.85	38.02	70.44	59.11	76.04	65.32	62.08	51.36	51.36
12	58.70	63.87	52.24	43.14	32.42	46.94	36.22	38.40	71.18	59.72	76.64	65.92	62.69	51.97	51.97
13	59.19	64.36	52.73	43.51	32.79	47.31	36.59	38.76	71.93	60.31	77.24	66.52	63.28	52.56	52.56
14	59.68	64.85	53.22	43.87	33.15	47.67	36.95	39.12	72.68	60.90	77.82	67.10	63.87	53.15	53.15
15	60.16	65.33	53.70	44.22	33.50	48.02	37.30	39.47	73.43	61.47	78.39	67.67	64.44	53.72	53.72
16	60.63	65.80	54.17	44.56	33.84	48.36	37.64	39.81	74.18	62.03	78.96	68.24	65.00	54.28	54.28
17	61.08	66.25	54.62	44.90	34.18	48.70	37.98	40.15	74.93	62.58	79.50	68.78	65.55	54.83	54.83
18	61.53	66.70	55.07	45.23	34.51	49.03	38.31	40.48	75.68	63.12	80.04	69.32	66.09	55.37	55.37
19	61.97	67.14	55.51	45.55	34.83	49.35	38.63	40.80	76.43	63.64	80.57	69.85	66.61	55.89	55.89
20	62.40	67.57	55.94	45.86	35.14	49.66	38.94	41.11	77.18	64.16	81.08	70.36	67.13	56.41	56.41

IDAHO POWER COMPANY
AVOIDED COST RATES FOR NON-FUELED PROJECTS
TEN AVERAGE MEGAWATTS OR SMALLER

Seasonal Factors

Season 1	73.50% (Applied to March, April and May)
Season 2	120.00% (Applied to July, August, November and December)
Season 3	100.00% (Applied to June, September, October, January and February)

Levelized Rate Structure
Project On line in 2008

Year	Levelized Price		Season 1 pricing (73.50%)				Season 2 pricing (120.00%)				Season 3 pricing (100.00%)			
	Flat Price (IPUC 29646)	Heavy and Light Load hour differential	Flat Price	Heavy Load Hour Price	Light Load Hour Price	Flat Price	Heavy Load Hour Price	Light Load Hour Price	Flat Price	Heavy Load Hour Price	Light Load Hour Price	Flat Price	Heavy Load Hour Price	Light Load Hour Price
1	53.90		59.62	28.90	34.87	34.87	34.87	34.87	64.68	53.96	60.16	56.93	46.21	47.44
2	54.50	\$11.63	40.06	29.34	35.31	35.31	35.31	35.31	65.40	54.68	60.88	57.65	46.93	48.04
3	55.09		40.49	29.77	35.74	35.74	35.74	35.74	66.11	55.39	61.59	58.36	47.64	48.63
4	55.67	\$5.17 (\$6.46)	40.92	30.20	36.17	36.17	36.17	36.17	66.81	56.09	62.29	59.05	48.33	49.21
5	56.25		41.34	30.62	36.60	36.60	36.60	36.60	67.50	56.78	62.98	59.75	49.03	49.79
6	56.82		41.76	31.04	37.01	37.01	37.01	37.01	68.18	57.46	63.66	60.43	49.71	50.36
7	57.38		42.17	31.45	37.43	37.43	37.43	37.43	68.85	58.13	64.34	61.10	50.38	50.92
8	57.93		42.58	31.86	37.83	37.83	37.83	37.83	69.52	58.80	65.00	61.76	51.04	51.47
9	58.47		42.98	32.26	38.23	38.23	38.23	38.23	70.17	59.45	65.65	62.41	51.69	52.01
10	59.01		43.37	32.65	38.62	38.62	38.62	38.62	70.81	60.09	66.29	63.06	52.34	52.55
11	59.53		43.76	33.04	39.01	39.01	39.01	39.01	71.44	60.72	66.93	63.68	52.96	53.07
12	60.05		44.14	33.42	39.39	39.39	39.39	39.39	72.06	61.34	67.55	64.31	53.59	53.59
13	60.56		44.51	33.79	39.76	39.76	39.76	39.76	72.67	61.95	68.15	64.92	54.20	54.10
14	61.06		44.88	34.16	40.13	40.13	40.13	40.13	73.27	62.55	68.75	65.52	54.80	54.60
15	61.55		45.24	34.52	40.49	40.49	40.49	40.49	73.85	63.13	69.34	66.11	55.39	55.09
16	62.02		45.59	34.87	40.84	40.84	40.84	40.84	74.43	63.71	69.91	66.67	55.95	55.56
17	62.49		45.93	35.21	41.18	41.18	41.18	41.18	74.99	64.27	70.47	67.24	56.52	56.03
18	62.95		46.27	35.55	41.52	41.52	41.52	41.52	75.54	64.82	71.02	67.79	57.07	56.49
19	63.40		46.60	35.88	41.85	41.85	41.85	41.85	76.08	65.36	71.56	68.33	57.61	56.94
20	63.84		46.92	36.20	42.17	42.17	42.17	42.17	76.60	65.88	72.09	68.86	58.14	57.38

IDAHO POWER COMPANY

AVOIDED COST RATES FOR NON-FUELED PROJECTS
TEN AVERAGE MEGAWATTS OR SMALLER

Seasonal Factors

Season 1	73.50%	(Applied to March, April and May)
Season 2	120.00%	(Applied to July, August, November and December)
Season 3	100.00%	(Applied to June, September, October, January and February)

Levelized Rate Structure
Project On line in 2009

Year	Levelized Price		Season 1 pricing (73.50%)				Season 2 pricing (120.00%)				Season 3 pricing (100.00%)			
	Flat Price (IPUC 29646)	Heavy and Light Load hour differential	Flat Price	Heavy Load Hour Price	Light Load Hour Price	Flat Price	Heavy Load Hour Price	Light Load Hour Price	Flat Price	Heavy Load Hour Price	Light Load Hour Price	Flat Price	Heavy Load Hour Price	Light Load Hour Price
1	55.14	\$11.63	40.53	29.81	44.33	33.61	35.78	25.06	66.17	55.45	72.37	61.65	58.42	47.70
2	55.75		40.98	30.26	44.78	34.06	36.23	25.51	66.90	56.18	73.11	62.39	59.15	48.43
3	56.36		41.42	30.70	45.22	34.50	36.68	25.96	67.63	56.91	73.83	63.11	59.88	49.16
4	56.96		41.86	31.14	45.66	34.94	37.12	26.40	68.35	57.63	74.55	63.83	60.60	49.88
5	57.54		42.30	31.58	46.10	35.38	37.54	26.82	69.05	58.33	75.26	64.54	61.30	50.58
6	58.13		42.72	32.00	46.52	35.80	37.98	27.26	69.75	59.03	75.96	65.24	62.00	51.28
7	58.70		43.14	32.42	46.94	36.22	38.40	27.68	70.44	59.72	76.64	65.92	62.69	51.97
8	59.27		43.56	32.84	47.36	36.64	38.82	28.10	71.12	60.40	77.32	66.60	63.37	52.65
9	59.82		43.97	33.25	47.77	37.05	39.22	28.50	71.79	61.07	77.99	67.27	64.03	53.31
10	60.37		44.37	33.65	48.17	37.45	39.62	28.90	72.44	61.72	78.65	67.93	64.69	53.97
11	60.91		44.77	34.05	48.57	37.85	40.02	29.30	73.09	62.37	79.29	68.57	65.34	54.62
12	61.44		45.16	34.44	48.96	38.24	40.41	29.69	73.72	63.00	79.93	69.21	65.98	55.26
13	61.96		45.54	34.82	49.34	38.62	40.79	30.07	74.35	63.63	80.55	69.83	66.60	55.88
14	62.46		45.91	35.19	49.71	38.99	41.16	30.44	74.96	64.24	81.16	70.44	67.20	56.48
15	62.96		46.28	35.56	50.08	39.36	41.53	30.81	75.56	64.84	81.76	71.04	67.80	57.08
16	63.45		46.64	35.92	50.44	39.72	41.89	31.17	76.14	65.42	82.35	71.63	68.39	57.67
17	63.93		46.99	36.27	50.79	40.07	42.24	31.52	76.72	66.00	82.92	72.20	68.96	58.24
18	64.40		47.34	36.62	51.14	40.42	42.59	31.87	77.28	66.56	83.49	72.77	69.53	58.81
19	64.86		47.67	36.95	51.47	40.75	42.92	32.20	77.83	67.11	84.04	73.32	70.08	59.36
20	65.31		48.00	37.28	51.80	41.08	43.25	32.53	78.37	67.65	84.57	73.85	70.62	59.90

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

CASE NO. IPC-E-07-04

IDAHO POWER COMPANY

ATTACHMENT 2

ATTACHMENT 2

Definition of a Small Cogeneration Facility or Small Power Production Facility Eligible to Receive Published Rates:

A Qualifying Facility (either a small power production facility or a cogeneration facility) ("QF") will be eligible to receive the published rates if the expected (under normal and/or average operating conditions) monthly energy generation of the QF, together with any other electric generating facility using the same motive force, owned or controlled by the same person(s) or affiliated person(s), and located at the same site, does not exceed 10 aMW measured on a monthly basis.

Definition of a Person(s) or Affiliated Person(s):

As used above, the term "same person(s)" or "affiliated person(s)" means a natural person or persons or any legal entity or entities sharing common ownership management or acting jointly or in concert with or exercising influence over the policies or actions of another person or entity. However, two facilities will not be held to be owned or controlled by the same person(s) or affiliated person(s) solely because they are developed by a single entity. Furthermore, two facilities will not be held to be owned or controlled by the same person(s) or affiliated person(s) if such common person or persons is a "passive investor" whose ownership interest in the QF is primarily related to utilizing production tax credits, green tag values and MARCS depreciation as the primary ownership benefit.

Definition of Same Site:

For purposes of the foregoing, generating facilities are considered to be located at the same site as the QF for which qualification for the published rates is sought if they are located within a five-mile radius of any generating facilities or equipment providing fuel or motive force associated with the QF for which qualification for the published rates is sought.

Shared Interconnection and Infrastructure:

QFs otherwise meeting the above-described separate ownership test and thereby qualified for entitlement to the published rates will not be disqualified by utilizing an interconnection or other infrastructure not providing motive force or fuel that is shared with other QFs qualifying for the published rates so long as the use of the shared interconnection complies with the interconnecting utility's safety and reliability standards, interconnection contract requirements and Prudent Electrical Practices as that term is defined in the interconnecting utility's approved QF contracts.

Dispute Resolution:

Upon request, the QF will provide the purchasing utility with documentation verifying the ownership, management and financial structure of the QF in reasonably sufficient detail to allow the utility to make an initial determination of whether or not the QF meets the above-described criteria for entitlement to the published rates. Any dispute concerning a QFs entitlement to the published rates shall be presented to the Commission for resolution.

Standard Contract Provision:

To insure continued compliance with the requirements stated above, all QF contracts utilizing the published rates shall contain a representation in substantially the following form: "Seller will not make any changes in its ownership, control or management during the term of this Agreement that would cause it to not be in compliance with the *Definition of a Small Cogeneration Facility or Small Power Production Facility Eligible to Receive the Published Rates* approved by the Commission at the time this Agreement is executed. Seller will provide, upon request by Purchasing Utility not more frequently than every 36 months, such documentation and information as may be reasonably required to establish Seller's continued compliance with such Definition. Purchasing Utility agrees to take reasonable steps to maintain the confidentiality of any portion of the above-described documentation and information that the Seller identifies as confidential except Purchasing Utility will provide all such confidential information to the Idaho Public Utility Commission upon the Commission's request."