

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

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

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YOU ARE HEREBY NOTIFIED that on February 6, 2007, Idaho Power Company (Idaho Power; Company) filed a Petition with the Idaho Public Utilities Commission (Commission) requesting authority to revise its published avoided cost rates for qualifying facilities (QFs) under Sections 201 and 210 of the Public Utility Regulatory Policies 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. As reflected in the Company's Petition, this revision would not change the computation of avoided cost but it could change the total revenues received by QFs depending on when during the day they deliver energy.

The Company in its Petition also seeks to clarify 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.

**Daily Load Shape Adjustment**

Idaho Power reports that since the early 1980s, when PURPA was first implemented in Idaho, the Commission shaped Idaho Power's QF purchase rates to address the difference in energy values between the various seasons of the year. The seasonalization of the avoided cost rates recognizes that energy delivered by QFs has different values based on when it is delivered.

Similar to seasonalization, Idaho Power contends that 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, the Company states, 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-06-04. The Company's proposed changes to the published rates to reflect the daily shape adjustment are reflected in Attachment 1 to its Petition.

### **Disaggregation of Large QFs Into Smaller Projects**

Addressing its concern that QF projects capable of generating more than 10 aMW per month will choose to create multiple legal entities to reconfigure themselves into multiple smaller projects in order to qualify for the historically higher published rates, Idaho Power proposes to clarify its rules for published rate eligibility to preclude disaggregation.

Idaho Power states that the disaggregation issue was recently addressed in the PURPA avoided cost rate proceedings before the Public Utility Commission of Oregon (Docket No. UM-1129). The parties to that proceeding, the Company states, settled the disaggregation issue by negotiating a stipulation which was approved by the parties and presented to the Oregon PUC for approval. The stipulation was signed by all of the utilities, the Oregon Department of Energy, the Staff of the Oregon Public Utility Commission, Sherman County and the J.R. Simplot Company. No party to that case, the Company states, opposed the stipulation. In Order No. 06-538 and Order No. 06-586, the Oregon PUC approved the settlement stipulation that defined those small cogeneration facilities or small power production facilities eligible to receive Oregon "standard rates." Idaho Power submits a proposed rule set forth in Petition Attachment 2 proposing language similar to that approved in Oregon.

YOU ARE FURTHER NOTIFIED that the Commission has reviewed the filings of record in Case No. IPC-E-07-04. The Commission has preliminarily found that the public interest in this matter may not require a hearing to consider the issues presented and that issues raised by the Company's filing may be processed under **Modified Procedure**, i.e., by written submission rather than by hearing. Reference Commission Rules of Procedure, IDAPA 31.01.01.201-204.

YOU ARE FURTHER NOTIFIED that the **deadline for filing written comments or protests** with respect to Idaho Power's Petition and the use of Modified Procedure in Case No. IPC-E-07-04 is **Friday, March 23, 2007**. Persons desiring a hearing must specifically request a hearing in their written protests or comments.

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the deadline, the Commission may consider the matter on its merits and may

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enter its Order without a formal hearing. If comments or protests are filed within the deadline, the Commission will consider them and in its discretion may set the matter for hearing or may decide the matter and issue its Order based on the written positions before it. Reference IDAPA 31.01.01.204.

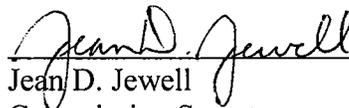
YOU ARE FURTHER NOTIFIED that written comments concerning Case No. IPC-E-07-04 should be mailed to the Commission and the Company at the addresses reflected below.

Commission Secretary	Monica Moen, Attorney II
Idaho Public Utilities Commission	Barton L. Kline, Senior Attorney
PO Box 83720	Idaho Power Company
Boise, ID 83720-0074	1221 W. Idaho Street (83702)
	PO Box 70
Street Address for Express Mail:	Boise, ID 83707-0070
	E-mail: <a href="mailto:mmoen@idahopower.com">mmoen@idahopower.com</a>
472 W. Washington Street	<a href="mailto:bkline@idahopower.com">bkline@idahopower.com</a>
Boise, ID 83702-5983	

All comments should contain the case caption and case number shown on the first page of this document. Persons desiring to submit comments via e-mail may do so by accessing the Commission's home page located at [www.puc.idaho.gov](http://www.puc.idaho.gov). Click the "Comments and Questions" icon, and complete the comment form, using the case number as it appears on the front of this document. These comments must also be sent to Idaho Power at the e-mail addresses listed above.

YOU ARE FURTHER NOTIFIED that the Petition in Case No. IPC-E-07-04 may be viewed at [www.puc.idaho.gov](http://www.puc.idaho.gov) by clicking on "File Room" and "Electric Cases," or can be viewed during regular business hours at the Idaho Public Utilities Commission, 472 W. Washington Street, Boise, Idaho and at the general business office of Idaho Power Company, 1221 West Idaho Street, Boise, Idaho.

DATED at Boise, Idaho this 16<sup>th</sup> day of February 2007.

  
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Jean D. Jewell  
Commission Secretary

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