

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF IDAHO POWER COMPANY TO AMEND) CASE NO. IPC-E-08-05
SCHEDULE 72 – INTERCONNECTIONS TO)
NON-UTILITY GENERATION) ORDER NO. 30574
)

On March 18, 2008, Idaho Power Company (Idaho Power; Company) filed an Application with the Idaho Public Utilities Commission (Commission) proposing additional language for inclusion in its Schedule 72 – Interconnections to Non-Utility Generation tariff. The Company’s filing is in response to the Commission’s directive in Order No. 30493 issued on January 31, 2008 in Case No. IPC-E-07-13 (Exergy v. Idaho Power) wherein the Commission stated:

The additional language [to the Company’s Schedule 72 tariff] should describe in general the three-step study process that the Company follows including (1) opportunities to pay for additional required studies on incremental amounts, (2) opportunities to exit the interconnection process, and (3) opportunities to qualify for and provide alternative financial guarantees in lieu of full prepayment of the initial cost estimate.

Order No. 30493 pp. 6-7. The subject matter of Exergy’s complaint in Case No. IPC-E-07-13 was Idaho Power’s requirements for generation interconnection for qualifying facilities (QFs) under the Public Utility Regulatory Policies Act of 1978 (PURPA).

As defined by the Company, the non-utility “generator interconnection process” is the Company’s generation facility interconnection application, engineering review and construction process. The intent of the generator interconnection process is to ensure a safe and reliable generation interconnection and compliance with all applicable regulatory requirements, good utility practices, and national safety standards. The language submitted by the Company includes further description of the generator interconnection process including the application stage and the three-step study process (i.e., the feasibility study; the system impact study and the facility study). The Company’s tariff proposal also sets forth the payment and security requirements for the costs of interconnection.

Commission Notices of Application and Modified Procedure in Case No. IPC-E-08-05 were issued by the Commission on April 2, 2008. The deadline for filing written comments

was April 25, 2008. The Commission Staff was the only party to file comments. Staff recommends approval of the Schedule 72 amendments with the following clarifications and modifications regarding interconnect procedures and cost responsibility jointly agreed to by Staff and Idaho Power:

Generator Interconnection Process

- (a) Seller shall pay the actual costs of all required interconnection studies. Any difference between the deposit (if required) and the actual cost of the study shall be paid by or refunded to Seller, as appropriate. If, during the course of preparing a study, the Company incurs costs in excess of the deposit amount, the Company may require that the deposit amount be replenished in an amount equal to the estimated costs for completion of the study. If a deposit amount sufficient to pay for completion of the study is not maintained, the Company may suspend work on the study.

- (b) Unless modified by the provisions of this schedule, the FERC-approved Large Generator Interconnection Procedures and Small Generator Interconnection Procedures posted on the Company's website will apply to the Generator Interconnection Process.

- (c) The deposit amounts for Generation Facilities up to 30 MW are specified in this schedule. Deposit amounts for Generation Facilities larger than 30 MW are covered by the FERC-approved Large Generator Interconnection Procedures posted on the Company's website.

Staff believes that the revised Schedule 72 tariff pages developed jointly by Idaho Power and Staff, combined with the unrevised tariff pages included in the Company's initial Application, comport with the Commission's directives in Order No. 30493.

Commission Findings

The Commission has reviewed and considered the filings of record in Case No. IPC-E-08-05 including the Company's Application and proposed Schedule 72 changes, Commission Staff's comments and recommendations, and the Company and Staff agreed-to Schedule 72 revisions. We have also reviewed our prior Order No. 30493 in Case No. IPC-E-07-13 (Exergy v. Idaho Power) wherein we directed the Company to amend its Schedule 72 tariff.

Based on our review of the record, the Commission continues to find it reasonable to process this case pursuant to Modified Procedure, i.e., by written submission rather than by hearing. IDAPA 31.01.01.204.

We find that the proposed Schedule 72 amended language, the Company's original proposal and the Staff/Company agreed-to changes and additions, provide the transparency in Company interconnect policy that we sought and found necessary in Order No. 30493, Case No. IPC-E-07-13. We find the proposed Schedule 72 changes to constitute what is essentially a compliance filing. We find it reasonable to approve the proposed amendments to Schedule 72 and to direct the Company to file an amended tariff incorporating the changes that we approve.

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, the Public Utility Regulatory Policies Act of 1978 (PURPA), and the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

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 (QFs) and to implement FERC rules.

ORDER

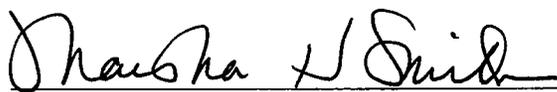
In consideration of the foregoing and as more particularly described and qualified above, IT IS HEREBY ORDERED and the Commission hereby approves the proposed amendments to the Company's tariff Schedule 72, changes that we find provide greater transparency in the Company's interconnection process. The Company is further ordered and directed to file an amended Schedule 72 tariff incorporating the changes that we approve.

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 11th
day of June 2008.



MACK A. REDFORD, PRESIDENT

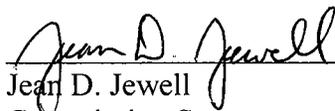


MARSHA H. SMITH, COMMISSIONER



JIM D. KEMPTON, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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