

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER)	
COMPANY'S APPLICATION FOR)	CASE NO. IPC-E-08-17
APPROVAL OF A SCHEDULE 86 NON-)	
FIRM ENERGY PURCHASE AGREEMENT)	
BETWEEN IDAHO POWER AND CARGILL)	ORDER NO. 30631
ENVIRONMENTAL FINANCE)	
)	

On August 8, 2008, Idaho Power Company (Idaho Power; Company) submitted for approval a Uniform Agreement under Schedule 86 between Idaho Power and Cargill Environmental Finance (Cargill) for the purchase of non-firm energy (Agreement). Application, Attachment A. Cargill is developing a 2.25 MW anaerobic digester near Hansen, Idaho (Project). The Project will be a qualifying small power production facility under the applicable provisions of the Public Utility Regulatory Policies Act of 1978 (PURPA).

Idaho Power and Cargill have entered into the July 28, 2008 Agreement pursuant to Idaho Power's Schedule 86, Cogeneration and Small Power Production-Non-Firm Energy tariff. In accordance with Schedule 86, the purchase price will be equal to 85 percent of the weighted average of the daily on-peak and off-peak Dow Jones Mid-Columbia Electricity Price Index for non-firm energy.

The Project is already operational. After the Project has operated under the Agreement for a reasonable period of time, Idaho Power expects that Cargill and Idaho Power will enter into a long-term firm energy sales agreement for the Project.

The Company requests that all of the terms and conditions of the Agreement be approved without change or condition and that all payments to be made under the Agreement be allowed as prudently incurred expenses for ratemaking purposes.

Commission Findings

The Commission has reviewed the July 28, 2008 Idaho Power/Cargill Schedule 86 Non-Firm Energy Purchase Agreement. We find that the Agreement, as signed and submitted by the parties, contains non-firm energy rates in conformity with posted tariffs and applicable Commission Orders. We find it reasonable to allow payments made under the Agreement as

prudently incurred expenses for ratemaking purposes. We also find that it is appropriate to approve the Agreement without further notice.

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 and the Public Utility Regulatory Policies Act of 1978 (PURPA).

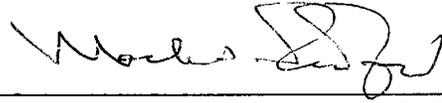
The Commission has the authority under PURPA and the implementing regulations of the Federal Energy Regulatory Commission (FERC) to set avoided costs, to order electric utilities to enter into fixed-term obligations for the purchase of energy from qualified facilities and to implement FERC rules.

ORDER

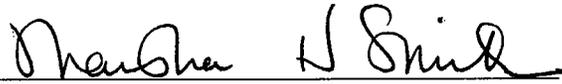
In consideration of the foregoing and as more particularly described above, IT IS HEREBY ORDERED and the Commission does hereby approve the July 28, 2008 Idaho Power/Cargill Environmental Finance Schedule 86 Non-Firm Energy Purchase Agreement.

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 27th
day of August 2008.



MACK A. REDFORD, PRESIDENT

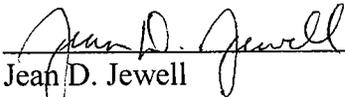


MARSHA H. SMITH, COMMISSIONER



JIM D. KEMPTON, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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