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UTILITIES COMMISSION

BARTON L. KLINE  
Lead Counsel

June 17, 2009

**VIA HAND DELIVERY**

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-09-17  
*IN THE MATTER OF THE APPLICATION OF IDAHO POWER COMPANY  
FOR A TEMPORARY AMENDMENT TO THE ENERGY SALES  
AGREEMENT WITH MICRON TECHNOLOGY, INC.*

Dear Ms. Jewell:

Enclosed please find for filing an original and seven (7) copies of Idaho Power Company's Application in the above matter.

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

Very truly yours,

Barton L. Kline

BLK:csb  
Enclosures

BARTON L. KLINE (ISB No. 1526)  
LISA D. NORDSTROM (ISB No. 5733)  
Idaho Power Company  
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Boise, Idaho 83707  
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UTILITIES COMMISSION

Attorneys for Idaho Power Company

Street Address for Express Mail:  
1221 West Idaho Street  
Boise, Idaho 83702

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION )  
OF IDAHO POWER COMPANY FOR A ) CASE NO. IPC-E-09-17  
TEMPORARY AMENDMENT TO THE )  
ENERGY SALES AGREEMENT WITH ) APPLICATION  
MICRON TECHNOLOGY, INC. )  
\_\_\_\_\_ )

Idaho Power Company ("Idaho Power" or "the Company"), in accordance with Idaho Code § 61-524 and RP 52, hereby respectfully makes application to the Idaho Public Utilities Commission ("IPUC" or "the Commission") for an Order approving an extension of: (1) the temporary amendment to the Electric Service Agreement ("ESA") between Micron Technology, Inc. ("Micron") and Idaho Power and (2) updated Schedule 26A, which contains the temporary rates and charges for service to Micron. The Application is based on the following:

## I. BACKGROUND

1. Idaho Power and Micron are signatories to a Commission-approved ESA dated September 1, 1995, under which Micron purchases electric energy and demand from Idaho Power for its Boise facility. Because Micron's demand exceeds 25,000 kW, the ESA is a special contract under the Company's rate Schedule 19.

2. Micron is in the process of restructuring its operations at its Boise facility. The ESA contains a monthly Contract Demand Charge, which may reduce Micron's flexibility in managing its electric consumption during the restructuring period.

3. On January 26, 2009, in Order No. 30721, the Commission approved a letter agreement between Idaho Power and Micron under which Micron's monthly Contract Demand Charge was set at \$0.00 per kW of Contract Demand rather than the prior rate of \$1.83 per kW of scheduled Contract Demand. The monthly Billing Demand Charge and the monthly Energy Charge were increased so that Idaho Power could obtain the same revenue from Micron as it would have received with the monthly Contract Demand Charge.

4. Micron has requested that the January 9, 2009, letter agreement be extended until December 31, 2009. The parties have also agreed that the Contract Demand component will be reduced from 85,000 kW to 75,000 kW for purposes of administering the Daily Excess Demand charge. The parties have also noted the need to change the Daily Excess Demand Charge in Schedule 26A. The Daily Excess Demand Charge should have been adjusted when Schedule 26A was revised on February 1, 2009, consistent with Order No. 30722. The revised Schedule 26A in

"clean" and "legislative" format are enclosed as Attachments 2 and 3. No other changes are requested.

5. Idaho Power has agreed to the changes proposed by Micron. A letter agreement dated June 3, 2009, reflecting these changes is enclosed as Attachment No. 1.

## II. COMMUNICATIONS AND SERVICE OF PLEADINGS

6. Communication and service of pleadings with reference to this Application should be sent to the following:

Barton L. Kline  
Lisa D. Nordstrom  
Idaho Power Company  
P.O. Box 70  
Boise, Idaho 83707  
[bkline@idahopower.com](mailto:bkline@idahopower.com)  
[lnordstrom@idahopower.com](mailto:lnordstrom@idahopower.com)

John R. Gale  
Vice President, Regulatory Affairs  
Idaho Power Company  
P.O. Box 70  
Boise, Idaho 83707  
[rgale@idahopower.com](mailto:rgale@idahopower.com)

Rick Malmgren  
Micron Technology, Inc.  
8000 Federal Way  
P.O. Box 6  
Boise, Idaho 83707-0006  
[remalmgren@micron.com](mailto:remalmgren@micron.com)

## III. REQUEST FOR RELIEF

7. Idaho Power respectfully requests that the Commission issue its Order approving Attachment No. 1, the June 3, 2009, letter agreement to extend the temporary amendment to Micron's ESA until December 31, 2009, including the reduction in Micron's Contract Demand to 75,000 kW and Attachment No. 2, the revised Schedule 26A, both of which will be in effect during the term of the June 3, 2009, letter agreement.

DATED at Boise, Idaho, this 17<sup>th</sup> of June 2009.

A handwritten signature in black ink, appearing to read 'B. Kline', written over a horizontal line.

**BARTON L. KLINE**  
Attorney for Idaho Power Company

**BEFORE THE  
IDAHO PUBLIC UTILITIES COMMISSION  
CASE NO. IPC-E-09-17**

**IDAHO POWER COMPANY**

**LETTER AGREEMENT  
ATTACHMENT NO. 1**

**JOHN R. GALE**  
Vice President  
Regulatory Affairs

June 3, 2009

Dale Eldridge  
Director of Facilities  
Micron Technology, Inc.  
8000 Federal Way  
P.O. Box 6  
Boise, Idaho 83707-0006

Re: Extension of Agreement to Temporarily Suspend the Application of the Contract Demand Charge under the September 1, 1995, Electric Service Agreement between Micron Technology, Inc., and Idaho Power Company

Dear Mr. Eldridge:

Representatives of our two companies have been discussing Micron Technology, Inc.'s ("Micron's") request to extend a temporary suspension of the Contract Demand Charge under the above-referenced Electric Service Agreement ("ESA"). Micron is in the process of restructuring its operations at its Boise facility and an extension of the currently approved temporary suspension would provide Micron with needed flexibility to undertake its restructuring. Idaho Power is willing to accommodate Micron's request in a manner that is revenue neutral for Idaho Power.

Based on these understandings, Idaho Power and Micron have reached the following agreements:

1. The term of this temporary suspension agreement will run from July 1, 2009, through December 31, 2009.
2. The revised charges that will implement this agreement are set out in the currently approved Schedule 26A, which is attached as Exhibit No. 1. These charges are summarized as follows:
  - a. Monthly Contract Demand Charge of \$0.00 per kW of Contract Demand which is set at 75,000 kW.
  - b. Monthly Billing Demand Charge of \$8.65 per kW of Billing Demand.
  - c. Daily Excess Demand Charge of \$0.240 per kW of demand that exceeds the Contract Demand of 75,000 kW.
  - d. Base Monthly Energy Charge of \$.017619 per kWh.

3. During the six-month term of this agreement, any base rate changes authorized by the Commission will be recovered from Micron by uniformly adjusting the Billing Demand Charge and the Energy Charge in Schedule 26A unless the Commission specifically orders a different rate design.
4. Charges set out in Schedule 55 (Power Cost Adjustment), Schedule 91 (Energy Efficiency Rider), and Schedule 95 (Adjustment for Municipal Franchise Fees) will not be changed by this agreement and will continue to apply in accordance with applicable Commission Orders.
5. Prior to the end of the term of this agreement, Micron and Idaho Power intend to amend the ESA to reflect Micron's new operating characteristics. This new ESA will include a Contract Demand Charge reflective of Micron's new capacity requirements.
6. Unless specifically modified by this agreement, all other terms and conditions of the ESA remain in effect, including the application of the Daily Excess Demand Charge for demand in excess of 75,000 kW.
7. This agreement is subject to the review and approval of the Commission. Idaho Power will file this agreement with the Commission.

If you concur that the foregoing accurately sets forth the agreement of the parties, please indicate your concurrence by signing all three copies of this letter and returning two fully executed copies to me. Idaho Power will file the original with the Commission.

Cordially,

  
John R. Gale

JRG:csb

REVIEWED AND ACCEPTED BY:

MICRON TECHNOLOGY, INC.

BY:

  
TITLE: Director of Facilities

DATE: 6/9/09

**EXHIBIT NO. 1**

SCHEDULE 26A  
IDAHO POWER COMPANY  
ELECTRIC SERVICE RATE  
FOR  
MICRON TECHNOLOGY, INC.  
BOISE, IDAHO

SPECIAL CONTRACT DATED SEPTEMBER 1, 1995

MONTHLY CHARGE

The Monthly Charge is the sum of the following charges, and may also include charges as set forth in Schedule 55 (Power Cost Adjustment), Schedule 91 (Energy Efficiency Rider), and Schedule 95 (Adjustment for Municipal Franchise Fees).

Monthly Contract Demand Charge

\$0.00 per kW of Scheduled Contract Demand

Scheduled Monthly Contract Demand

The Scheduled Monthly Contract Demand is 0 - 140,000 kW as per the contract with one year written notification.

Monthly Billing Demand Charge

\$8.65 per kW of Billing Demand but not less than Scheduled Minimum Monthly Billing Demand.

Minimum Monthly Billing Demand

The Minimum Monthly Billing Demand will be 25,000 kilowatts.

Daily Excess Demand Charge

\$0.240 per each kW over the Contract Demand.

The Daily Excess Demand Charge is applicable beginning January 1997 or once the Contract Demand reaches 100,000 kW, which ever comes first.

Monthly Energy Charge

1.7619¢ per kWh

Monthly O & M Charges

Zero percent of total cost of Substation Facilities.

**BEFORE THE**  
**IDAHO PUBLIC UTILITIES COMMISSION**  
**CASE NO. IPC-E-09-17**

**IDAHO POWER COMPANY**

**ATTACHMENT NO. 2**

SCHEDULE 26A  
IDAHO POWER COMPANY  
ELECTRIC SERVICE RATE  
FOR  
MICRON TECHNOLOGY, INC.  
BOISE, IDAHO

SPECIAL CONTRACT DATED SEPTEMBER 1, 1995

MONTHLY CHARGE

The Monthly Charge is the sum of the following charges, and may also include charges as set forth in Schedule 55 (Power Cost Adjustment), Schedule 91 (Energy Efficiency Rider), and Schedule 95 (Adjustment for Municipal Franchise Fees).

Monthly Contract Demand Charge

\$0.00 per kW of Scheduled Contract Demand

Scheduled Monthly Contract Demand

The Scheduled Monthly Contract Demand is 0 - 140,000 kW as per the contract with one year written notification.

Monthly Billing Demand Charge

\$8.65 per kW of Billing Demand but not less than Scheduled Minimum Monthly Billing Demand.

Minimum Monthly Billing Demand

The Minimum Monthly Billing Demand will be 25,000 kilowatts.

Daily Excess Demand Charge

\$0.240 per each kW over the Contract Demand.

The Daily Excess Demand Charge is applicable beginning January 1997 or once the Contract Demand reaches 100,000 kW, which ever comes first.

Monthly Energy Charge

1.7619¢ per kWh

Monthly O & M Charges

Zero percent of total cost of Substation Facilities.

**BEFORE THE  
IDAHO PUBLIC UTILITIES COMMISSION  
CASE NO. IPC-E-09-17**

**IDAHO POWER COMPANY**

**ATTACHMENT NO. 3**

SCHEDULE 26A  
IDAHO POWER COMPANY  
ELECTRIC SERVICE RATE  
FOR  
MICRON TECHNOLOGY, INC.  
BOISE, IDAHO

SPECIAL CONTRACT DATED SEPTEMBER 1, 1995

MONTHLY CHARGE

The Monthly Charge is the sum of the following charges, and may also include charges as set forth in Schedule 55 (Power Cost Adjustment), Schedule 91 (Energy Efficiency Rider), and Schedule 95 (Adjustment for Municipal Franchise Fees).

Monthly Contract Demand Charge

\$0.00 per kW of Scheduled Contract Demand

Scheduled Monthly Contract Demand

The Scheduled Monthly Contract Demand is 0 - 140,000 kW as per the contract with one year written notification.

Monthly Billing Demand Charge

\$8.65 per kW of Billing Demand but not less than Scheduled Minimum Monthly Billing Demand.

Minimum Monthly Billing Demand

The Minimum Monthly Billing Demand will be 25,000 kilowatts.

Daily Excess Demand Charge

\$0.~~240~~226 per each kW over the Contract Demand.

The Daily Excess Demand Charge is applicable beginning January 1997 or once the Contract Demand reaches 100,000 kW, which ever comes first.

Monthly Energy Charge

1.7619¢ per kWh

Monthly O & M Charges

Zero percent of total cost of Substation Facilities.