

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

<b>IN THE MATTER OF THE APPLICATION</b>	)	
<b>OF IDAHO POWER COMPANY FOR</b>	)	<b>CASE NO. IPC-E-09-20</b>
<b>APPROVAL OF A FIRM ENERGY SALES</b>	)	
<b>AGREEMENT FOR THE SALE AND</b>	)	<b>NOTICE OF APPLICATION</b>
<b>PURCHASE OF ELECTRIC ENERGY</b>	)	
<b>BETWEEN IDAHO POWER COMPANY</b>	)	<b>NOTICE OF</b>
<b>AND PAYNE'S FERRY WIND PARK LLC</b>	)	<b>MODIFIED PROCEDURE</b>
	)	
	)	<b>NOTICE OF</b>
	)	<b>COMMENT/PROTEST DEADLINE</b>

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YOU ARE HEREBY NOTIFIED that on July 17, 2009, Idaho Power Company (Idaho Power; Company) filed an Application with the Idaho Public Utilities Commission (Commission) requesting approval of a 20-year Firm Energy Sales Agreement between Idaho Power and Payne's Ferry Wind Park LLC (Payne's Ferry) dated July 9, 2009 (Agreement).

**AGREEMENT**

Payne's Ferry proposes to design, construct, install, own, operate and maintain a 22.5 megawatts (MW) wind generating facility. The Payne's Ferry facility will be located near Hagerman, Idaho, in an area more particularly described as the W 1/2 of the SW 1/4 of Section 1, the SE 1/4 of the NE 1/4 and the E 1/2 of the SE 1/4 of Section 11, the W 1/2 of the NW 1/4 and the SW 1/4 of Section 12, the W 1/2 of the NW 1/4 and the E 1/2 of the NW 1/4 and the SW 1/4 of Section 13, the N 1/2 of the NE 1/4 and the SE 1/4 of the NE 1/4 of Section 14, and the E 1/2 of the NW 1/4 of Section 24, Township 7 S, Range 12 E, Boise Meridian, Twin Falls County, Idaho. Payne's Ferry warrants the facility will be a qualified small power production facility (QF) under the applicable provisions of the Public Utility Regulatory Policies Act of 1978 (PURPA). Agreement ¶ 3.2.

The Application states that the Agreement comports with the terms and conditions of the various Commission Orders applicable to PURPA agreements for wind resources. Order Nos. 30415 (daily load shape adjustment), 30488 (wind integration adjustment; Mechanical Available Guarantee), 30738 (SAR non-fuel cost variables), and 30744 (published avoided cost rates). The Agreement contains levelized published avoided cost rates as currently established by the Commission for energy deliveries of less than 10 aMW. Agreement Article VII. The

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Agreement includes the various security requirements required by the Commission for leveled agreements (i.e., debt service reserve account (§ 19.3.2), maintenance reserve account (§ 4.19), second lien requirements (§ 4.1.10), and an expanded list of required insurances (§ 13.2)).

The nameplate rating of the facility is 22.5 MW. Under normal and/or average conditions, the facility will not exceed 10 aMW on a monthly basis. Should the facility exceed 10 aMW on a monthly basis, Idaho Power will accept the energy (Inadvertent Energy) that does not exceed the maximum capacity amount; however, the Company will not purchase or pay for this Inadvertent Energy. § 7.5. Payne's Ferry has selected September 30, 2010, as both the scheduled First Energy Date and the Scheduled Operation Date. Appendix B-3.

As reflected in the Application, this is one of the first PURPA wind agreements executed since the issuance of Commission Order No. 30488, which requires the inclusion of the Mechanical Availability Guarantee (MAG) (§ 6.4), wind integration cost reduction (§ 7.1), and wind forecasting cost sharing (Appendix E). In addition, the Agreement contains provisions for delay liquidated damages (§ 5.3) and associated delay security (§ 5.7) to secure the established scheduled operation date of September 30, 2010.

Agreement § 21 provides that the Agreement will not become effective until the Commission has approved all of the Agreement's terms and conditions and declares that all payments Idaho Power makes to Payne's Ferry for purchases of energy will be allowed as prudently incurred expenses for ratemaking purposes.

YOU ARE FURTHER NOTIFIED that the Commission has reviewed the filings of record in Case No. IPC-E-09-20. 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 Application and the use of Modified Procedure in Case No. IPC-E-09-20 is **Tuesday, September 22, 2009**.

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 enter its Order without a formal hearing. If comments or protests are filed within the deadline,

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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-09-20 should be mailed to the Commission and the Company at the addresses reflected below.

Commission Secretary  
Idaho Public Utilities Commission  
PO Box 83720  
Boise, ID 83720-0074

Street Address for Express Mail:

472 W. Washington Street  
Boise, ID 83702-5918

Donovan E. Walker

Barton L. Kline

Idaho Power Company

PO Box 70

Boise, ID 83707-0070

E-mail: [dwalker@idahopower.com](mailto:dwalker@idahopower.com)

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Randy C. Allphin

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PO Box 70

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Street Address for Express Mail:

1221 W. Idaho Street

Boise, ID 83702

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 if no written comments or protests are received within the time limit set, the Commission will consider this matter on its merits and enter its Order without a formal hearing. If written comments are received within the time limit set, the Commission will consider them and, in its discretion, may set the same for formal hearing.

YOU ARE FURTHER NOTIFIED that the Application in Case No. IPC-E-09-20 may be viewed at [www.puc.idaho.gov](http://www.puc.idaho.gov) by clicking on "File Room" and "Electric Cases," or can

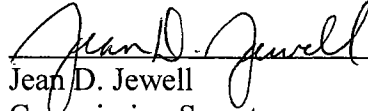
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be viewed during regular business hours at the Idaho Public Utilities Commission, 472 West Washington Street, Boise, Idaho and at the general business office of Idaho Power Company, 1221 West Idaho Street, Boise, Idaho.

DATED at Boise, Idaho this 4<sup>th</sup> day of August 2009.

  
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Jean D. Jewell  
Commission Secretary

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