



RECEIVED

2013 MAY -8 PM 5:00

IDAHO PUBLIC UTILITIES COMMISSION

JULIA A. HILTON
Corporate Counsel
jhilton@idahopower.com

May 8, 2013

VIA HAND DELIVERY

Jean D. Jewell, Secretary
Idaho Public Utilities Commission
472 West Washington Street
Boise, Idaho 83702

Re: Case No. IPC-E-09-24
Cassia Gulch Wind Park, LLC/Tuana Springs Energy, LLC, Firm Energy
Sales Agreement – 20-Year Pricing Schedule Update

Dear Ms. Jewell:

On August 11, 2009, in Case No. IPC-E-09-24, Idaho Power Company ("Idaho Power") filed an Application with the Idaho Public Utilities Commission ("Commission") for approval of the Firm Energy Sales Agreement ("Agreement") between Idaho Power and Cassia Gulch Wind Park, LLC, and Tuana Springs Energy, LLC ("Project") under which Idaho Power will purchase electric energy generated by the wind Project. The Commission approved the Agreement on October 5, 2009, in Order No. 30917.

Idaho Power was notified by the Project that the 20-year pricing schedule contained within the Agreement did not extend through the full term of the Agreement (2030). The pricing schedule contained in the Agreement is a blend between the original Cassia Gulch Wind Park, LLC, prices and negotiated prices for the expansion of the project. The pricing schedule for Cassia Gulch Wind Park, LLC, did not extend through the term of the contract due to a 12-month delay in the scheduled Operations Date. Idaho Power has sent the enclosed letter to the Project for its records.

To ensure this is properly documented and to prevent any potential confusion, Idaho Power seeks to include this letter and its letter containing pricing schedule updates for the Project with the original Agreement. Therefore, enclosed for filing are an original and seven (7) copies of the aforementioned letters.

Please contact me if you have any comments, questions, or concerns.

Sincerely,

Julia A. Hilton

JAH:csb
Enclosures
cc: Richard Free (w/encl.)

1221 W. Idaho St. (83702)
P.O. Box 70
Boise, ID 83707



May 3, 2013

Cassia Gulch Wind Park, LLC and Tuana Springs Energy, LLC
c/o Exelon Wind, LLC
Attn: Richard Free, Director, Utility and Regulatory Process Support
4601 Westown Parkway, Suite 300
West Des Moines, IA 50266

Sent Via: Email (Richard.Free@exeloncorp.com), Certified Mail

Subject: Tuana Springs Expansion - Project Number – 31315150

Dear Richard,

Recently you contacted Idaho Power regarding your discovery that the pricing schedules contained in Article VII of the Firm Energy Sales Agreement (Agreement) between Cassia Gulch Wind Park, LLC-Tuana Springs Energy, LLC and Idaho Power Company dated August 5, 2009 did not extend through the full 20 year term of the Agreement.

As you are aware, this project was an expansion of the existing Cassia Gulch Wind Park and the energy prices contained within this new Agreement for the larger, expanded project was a blending of the published avoided cost energy prices contained within the original Cassia Gulch Wind Park Agreement and the negotiated avoided cost prices that were applicable at the time of the expansion of this project. The original Cassia Gulch Wind Park Pricing schedule contained avoided cost values directly from IPUC order 29646, and the pricing schedule associated with the expansion was a negotiated pricing schedule applicable to projects over the published rate eligibility cap. The IPUC approved this new Agreement and the new pricing schedule in IPUC order 30917 on October 5, 2009.

The Agreement does contain a 20 year pricing schedule through the calendar year of 2028. However due to the actual Operation Date being May 14, 2010, the full 20 year term of the Agreement will extend to May, 2030, which unfortunately is beyond the pricing schedule contained within the approved Agreement.

In order to extend the pricing schedule to include prices for the years 2029 and 2030 we have reviewed the Agreement and various information used in the negotiations of the Agreement. A key component of the price negotiations for the new Agreement was to maintain the energy values within the original Cassia Gulch Wind Park Agreement and to add the negotiated value of the expansion, as this new larger project now exceeded the 10 average MW eligibility cap. Thus, a blending of these two energy values was used. In reviewing the original pricing within the Cassia Gulch Wind Park Agreement that was in accordance with IPUC Order 29646, we have calculated the annual energy price escalation within that pricing schedule to be approximately 2.3 % per year. As the negotiated energy values of

the expansion took into account Idaho Power energy needs and forecasted energy prices, there is no consistent escalation pattern within that serious of values. Thus, we have applied a 2.3% escalation to the 2028 energy prices within the approved pricing schedule and calculated the 2029 and 2030 energy prices for this Agreement to be the following:

Article VII: PURCHASE PRICE AND METHOD OF PAYMENT

7.1 Heavy Load Purchase Price:

	Season 1 - (73.50 %)	Season 2 - (120.00 %)	Season 3 - (100.00 %)
<u>Year</u>	<u>Mills/kWh</u>	<u>Mills/kWh</u>	<u>Mills/kWh</u>
2029	78.49	128.14	106.79
2030	80.30	131.10	109.25

7.2 Light Load Purchase Price:

	Season 1 - (73.50 %)	Season 2 - (120.00 %)	Season 3 - (100.00 %)
<u>Year</u>	<u>Mills/kWh</u>	<u>Mills/kWh</u>	<u>Mills/kWh</u>
2029	73.01	119.21	99.34
2030	74.70	121.96	101.63

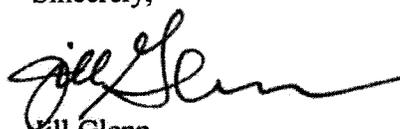
7.3 All Hours Energy Price:

	Season 1 - (73.50 %)	Season 2 - (120.00 %)	Season 3 - (100.00 %)
<u>Year</u>	<u>Mills/kWh</u>	<u>Mills/kWh</u>	<u>Mills/kWh</u>
2029	76.05	124.17	103.47
2030	77.81	127.03	105.86

Idaho Power will file this information with the IPUC and ask that it be included with the original agreement. However, if the IPUC determines that additional information or specific IPUC approval of this information is required such prices shall not be effective until such Commission approval is obtained.

If you have any questions please do not hesitate to contact me.

Sincerely,



Jill Glenn
 Energy Contract Coordinator, Sr.
 Idaho Power Company|Power Supply
 208-388-2265
Jglenn@idahopower.com

cc: Donovan Walker (IPC)
 Randy Allphin (IPC)