

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

<b>IN THE MATTER OF THE APPLICATION</b>	)	<b>CASE NO. IPC-E-09-25</b>
<b>OF IDAHO POWER COMPANY FOR</b>	)	
<b>APPROVAL OF A FIRM ENERGY SALES</b>	)	<b>NOTICE OF FILING</b>
<b>AGREEMENT FOR THE SALE AND</b>	)	
<b>PURCHASE OF ELECTRIC ENERGY</b>	)	<b>NOTICE OF</b>
<b>BETWEEN IDAHO POWER COMPANY</b>	)	<b>MODIFIED PROCEDURE</b>
<b>AND IDAHO WINDS LLC.</b>	)	
	)	<b>ORDER NO. 32103</b>

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On September 10, 2009, Idaho Power filed an Application with the Commission requesting approval of a 20-year Firm Energy Sales Agreement between Idaho Power and Idaho Winds LLC dated September 1, 2009. The Application was processed by Modified Procedure. After reviewing and considering the Application and comments filed by Staff and other interested parties in the case, the Commission found it reasonable to accept termination of the Alkali Wind Project contract and approve the September 1, 2009, Firm Energy Sales Agreement between Idaho Power and Idaho Wind LLC for the Sawtooth Wind Project. Order No. 30964.

**NOTICE OF FILING**

YOU ARE HEREBY NOTIFIED that on October 5, 2010, Idaho Power filed a Motion with the Commission for approval of a Generator Interconnection Agreement (Agreement) between Idaho Winds LLC and Idaho Power regarding the Sawtooth Wind Project (Project). The Company's Motion states that interconnection of the Project is provided at 138 kV at an estimated cost to the Project of approximately \$844,000. The addition of the Project to Idaho Power's system requires substantial network transmission system upgrades at an estimated cost of approximately \$2,176,000. The estimated milestone date for construction completion is July 22, 2011.

YOU ARE FURTHER NOTIFIED that this Agreement is the second outside of the Twin Falls queue involving PURPA generating facilities subject to Idaho Power's Schedule 72 which require substantial upgrades to Idaho Power's transmission system. The Commission first authorized a sharing formula for transmission upgrade costs outside of the Twin Falls queue in Case Nos. IPC-E-06-34 and IPC-E-06-35 – Hot Springs Windfarm and Bennett Creek

Windfarm, respectively.<sup>1</sup> Idaho Power asserts that the Sawtooth Wind Project will be interconnected to the same transmission line as the Hot Springs and Bennett Creek projects and the network transmission upgrades required to interconnect will have a similar impact. Therefore, as a similarly situated project, Idaho Power and Idaho Winds LLC believe it is appropriate for this Agreement to include the cost sharing allocation developed and accepted in the Cassia case<sup>2</sup> and approved by the Commission in the Hot Springs and Bennett Creek interconnection agreements.

YOU ARE FURTHER NOTIFIED that the Company requests that its Motion be processed by Modified Procedure.

#### NOTICE OF MODIFIED PROCEDURE

YOU ARE FURTHER NOTIFIED that the Commission has determined that the public interest may not require a formal hearing in this matter and will proceed under Modified Procedure pursuant to Rules 201 through 204 of the Idaho Public Utilities Commission's Rules of Procedure, IDAPA 31.01.01.201 through .204. The Commission notes that Modified Procedure and written comments have proven to be an effective means for obtaining public input and participation.

YOU ARE FURTHER NOTIFIED that any person desiring to state a position on this Application may file a written comment in support or opposition with the Commission **no later than twenty-one (21) days** from the service date of this Order. The comment must contain a statement of reasons supporting the comment. Persons desiring a hearing must specifically request a hearing in their written comments. Written comments concerning this Application shall be mailed to the Commission and the Applicant at the addresses reflected below:

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<sup>1</sup> These windfarm projects shared the same developer, interconnection, and generator interconnection agreement.

<sup>2</sup> Twenty-five percent of the costs of transmission upgrade will be provided by the project as a non-refundable contribution in aid of construction (CIAC); 25% of the costs will be funded by Idaho Power and included in Idaho Power's rate base; 50% of the costs will be funded by the project as an advance in aid of construction (AIAC), subject to refund. These costs will be rate based using standard regulatory accounting principles. Order No. 30414.

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

Street Address for Express Mail:

472 W. Washington Street  
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These 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 and supporting workpapers, testimonies and exhibits have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices. The Application and testimonies are also available on the Commission's web site at [www.puc.idaho.gov](http://www.puc.idaho.gov) by clicking on "File Room" and then "Electric Cases."

YOU ARE FURTHER NOTIFIED that all proceedings in this case will be held pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code and the Public Utility

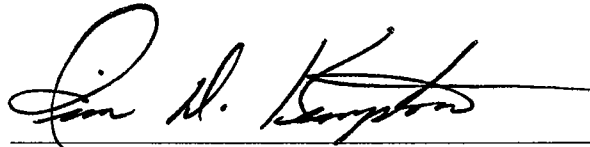
Regulatory Policies Act of 1978 (PURPA). The Commission has authority under PURPA and the implementing regulations of the Federal Energy Regulatory Commission (FERC) to set avoided costs, to order electric utilities to enter into fixed-term obligations for the purchase of energy from qualified facilities and to implement FERC rules.

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000, *et seq.*

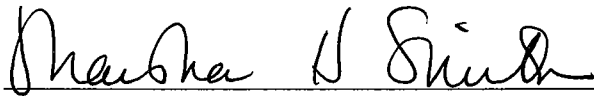
**ORDER**

IT IS HEREBY ORDERED that this case be processed under Modified Procedure. Interested persons and parties may file written comments no later than twenty-one (21) days from the service date of this Order.

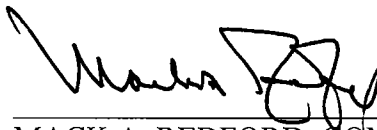
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 29<sup>th</sup> day of October 2010.



JIM D. KEMPTON, PRESIDENT

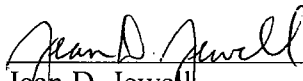


MARSHA H. SMITH, COMMISSIONER



MACK A. REDFORD, COMMISSIONER

ATTEST:

  
Jean D. Jewell  
Commission Secretary

O:IPC-E-09-25\_ks

NOTICE OF FILING  
NOTICE OF MODIFIED PROCEDURE  
ORDER NO. 32103