

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	
OF IDAHO POWER COMPANY FOR)	CASE NO. IPC-E-10-45
APPROVAL OF A FIRM ENERGY SALES)	
AGREEMENT WITH SE HAZELTON A,)	NOTICE OF APPLICATION
L.P. FOR THE SALE AND PURCHASE OF)	
ELECTRIC ENERGY.)	NOTICE OF
)	MODIFIED PROCEDURE
)	
)	ORDER NO. 32157

On December 10, 2010, Idaho Power Company filed an Application with the Commission requesting approval of a 15-year Firm Energy Sales Agreement (Agreement) between Idaho Power and SE Hazelton A, L.P. (Hazelton) dated December 8, 2010. The Application states that Hazelton would sell and Idaho Power would purchase electric energy generated by the Hazelton A Hydroelectric Project (Facility) located near Jerome, Idaho. Idaho Power requests that its Application be processed by Modified Procedure.

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that the Application states that Hazelton has, in compliance with an *existing* agreement approved by the Commission in February 1989 (Order No. 22326), designed, constructed, installed, owns, operates and maintains an 8.1 MW hydroelectric generating facility.¹ The present Agreement has been negotiated to replace the existing agreement which expires on December 31, 2010. Idaho Power warrants that the Agreement comports with the terms and conditions of the various Commission Orders applicable to PURPA agreements (Order Nos. 30415 and 31025).

A. The Agreement

YOU ARE FURTHER NOTIFIED that the Agreement contains the current non-levelized published avoided cost rates established by the Commission in Order No. 31025 for energy deliveries of less than 10 average megawatts ("aMW"). The nameplate rating of the Facility is 8.1 MW. Hazelton has elected January 1, 2011, as its First Energy Date and Scheduled Operation Date.

¹ Hazelton is an irrigation canal hydroelectric facility that generates power only during the irrigation season.

YOU ARE FURTHER NOTIFIED that, since this Facility is already interconnected and operating under its existing agreement, the processing to attain the First Energy and Scheduled Operation Date under this Agreement will include review and either acceptance or updating of previously provided documentation as well as any new requirements as specified by this Agreement. Application at 4. The Application states that, should the Commission approve the Agreement, Idaho Power intends the effective date of the Agreement to be January 1, 2011.

YOU ARE FURTHER NOTIFIED that Idaho Power maintains that the Facility is in compliance with the Company's current Tariff Schedule 72 and interconnection and transmission processes. Even though the Facility will continue to utilize its existing interconnection and transmission facilities and capacity, Idaho Power will require completion of a Generator Interconnection Agreement (GIA) and Transmission Service Requests (TSR) in order to bring the Facility up-to-date with Idaho Power's current tariffs and processes. Hazelton and Idaho Power have agreed to liquidated damages and security provisions of \$45 per kW of nameplate capacity. Agreement, ¶¶ 5.3.2, 5.8.1.

YOU ARE FURTHER NOTIFIED that, by its own terms, the Agreement will not become effective until the Commission has approved all of the Agreement's terms and conditions and declares that all payments made by Idaho Power to Hazelton for purchases of energy will be allowed as prudently incurred expenses for ratemaking purposes. Agreement ¶ 21.1.

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 Idaho Power 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
Lisa D. Nordstrom
Idaho Power Company
1221 West Idaho Street
PO Box 70
Boise, ID 83707-0070
E-Mail: dwalker@idahopower.com
lnordstrom@idahopower.com

Randy C. Allphin
Energy Contract Administrator
Idaho Power Company
1221 West Idaho Street
PO Box 70
Boise, ID 83707-0070
E-Mail: rallphin@idahopower.com

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. 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 Agreement have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices. The Application and Agreement are also available on the Commission's web site at 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.

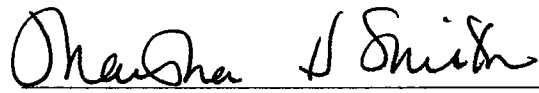
YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000, *et seq.*

ORDER

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

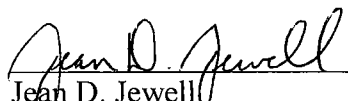
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 10th day of January 2011.


JIM D. KEMPTON, PRESIDENT


MARSHA H. SMITH, COMMISSIONER


MACK A. REDFORD, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

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