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DONOVAN E. WALKER
Lead Counsel
dwalker@idahopower.com

August 24, 2012

VIA HAND DELIVERY

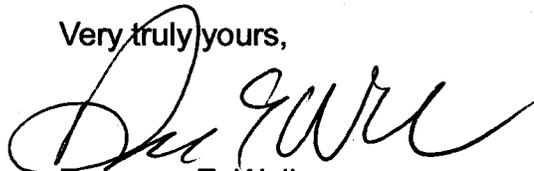
Jean D. Jewell, Secretary
Idaho Public Utilities Commission
472 West Washington Street
P.O. Box 83720
Boise, Idaho 83720-0074

Re: Case Nos. IPC-E-10-56, IPC-E-10-57, and IPC-E-10-58
Firm Energy Sales Agreements of Murphy Flat Mesa, LLC; Murphy Flat Energy, LLC; Murphy Flat Wind, LLC – Idaho Power Company's Limited Answer Regarding Request for Expedited Treatment

Dear Ms. Jewell:

Enclosed for filing in the above matters are an original and seven (7) copies of Idaho Power Company's Limited Answer Regarding Request for Expedited Treatment.

Very truly yours,



Donovan E. Walker

DEW:csb
Enclosures

DONOVAN E. WALKER (ISB No. 5921)
JULIA A. HILTON (ISB No. 7740)
Idaho Power Company
1221 West Idaho Street (83702)
P.O. Box 70
Boise, Idaho 83707
Telephone: (208) 388-5317
Facsimile: (208) 388-6936
dwalker@idahopower.com
jhilton@idahopower.com

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Attorneys for Idaho Power Company

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF IDAHO POWER COMPANY FOR A) CASE NO. IPC-E-10-56
DETERMINATION REGARDING A FIRM)
ENERGY SALES AGREEMENT) IDAHO POWER COMPANY'S
BETWEEN IDAHO POWER AND) LIMITED ANSWER REGARDING
MURPHY FLAT MESA, LLC) REQUEST FOR EXPEDITED
) TREATMENT
)

IN THE MATTER OF THE APPLICATION)
OF IDAHO POWER COMPANY FOR A) CASE NO. IPC-E-10-57
DETERMINATION REGARDING A FIRM)
ENERGY SALES AGREEMENT) IDAHO POWER COMPANY'S
BETWEEN IDAHO POWER AND) LIMITED ANSWER REGARDING
MURPHY FLAT ENERGY, LLC) REQUEST FOR EXPEDITED
) TREATMENT
)

IN THE MATTER OF THE APPLICATION)
OF IDAHO POWER COMPANY FOR A) CASE NO. IPC-E-10-58
DETERMINATION REGARDING A FIRM)
ENERGY SALES AGREEMENT) IDAHO POWER COMPANY'S
BETWEEN IDAHO POWER AND) LIMITED ANSWER REGARDING
MURPHY FLAT WIND, LLC) REQUEST FOR EXPEDITED
) TREATMENT
)

Idaho Power Company ("Idaho Power") hereby submits this Limited Answer
Regarding Request for Expedited Treatment in response to the Petition filed by Murphy

Flat Mesa, LLC; Murphy Flat Energy, LLC; and Murphy Flat Wind, LLC (collectively "Murphy Wind") on August 16, 2012, asking the Idaho Public Utilities Commission ("Commission") to modify Order No. 32255, a final Order of the Commission issued on June 8, 2011, of which Murphy Wind did not seek reconsideration, nor appeal.

Murphy Wind included with its Petition a "request" for expedited treatment asking "that the Commission issue its order on this Petition on an expedited basis but not later than August 31, 2012." Petition, p. 12. Idaho Power objects to Murphy Wind's "request" for expedited treatment and, although Murphy Wind did not properly motion this Commission for consideration of its request, Idaho Power files this limited Answer addressing the request for expedited treatment.

I. INTRODUCTION

The Commission issued Final Order No. 32255 for Murphy Wind's three proposed Wind projects on June 8, 2011. Murphy Wind did not petition for reconsideration of Order No. 32255, nor has it sought any other type of legal, federal, or judicial review of that Order. Murphy Wind has stated no valid basis upon which this Commission should grant expedited treatment or consideration of its Petition. Idaho Power is entitled to adequate time in which to fully respond to and Answer Murphy Wind's requests. Murphy Wind's request for expedited treatment of its Petition should be denied.

II. DISCUSSION

A. Murphy Wind Has Not Stated a Valid Basis for Expedited Treatment.

Murphy Wind states as its basis for seeking expedited review that it must have its projects on line by the end of 2013 in order to obtain federal financial incentives for its

project. Petition, p. 12. Murphy Wind further states, "To meet that deadline, the Projects must be able to accept back-feed power by mid-Fall 2013 at the latest." *Id.* There are several problems with this stated basis: (1) federal financial incentives have not been extended by Congress, and whether or not they will is at best speculative; (2) regardless of Murphy Wind's PURPA QF power sales contract status, Murphy Wind has been advised that the required environmental, cultural, and other possible studies and surveys that will be necessary in the Bureau of Land Management ("BLM") permitting application process for the interconnection of its proposed projects will alone take longer than its stated 2013 on-line date; and (3) even ignoring the previous two significant problems, Murphy Wind's statement that a 2013 operation date now necessitates expedited Commission action, when Murphy Wind has failed to take any action with regard to Order No. 32255 for over one year/more than 14 months, is disingenuous, as the "delay" up to this point in time is attributable to Murphy Wind's own actions or lack thereof.

Federal financial incentives have not been extended by Congress, and whether or not they will is at best speculative. This is at least tacitly acknowledged by Murphy Wind itself in its Petition. "Assuming as we must that Congress will extend the federal financial incentives another year, Murphy Flat must have the Projects on line by December 31, 2013." Petition, p. 12. This is not a valid reason for the Commission to grant expedited treatment of Murphy Wind's request.

Murphy Wind states that it must be on line by "mid-Fall 2013" and that it "has been informed by Idaho Power that for this to occur, Idaho Power must begin almost immediately to order various critical path equipment and materials required for the

Projects' interconnection." Petition, p. 12. This misstates what Murphy Wind has been advised of by Idaho Power. As recently as last week, on August 16, 2012, Murphy Wind was advised during the scoping meeting for one of its new interconnection requests (Murphy Wind recently withdrew its previous interconnection requests for these projects and has subsequently applied for new generator interconnection with new queue numbers) associated with these projects that the required environmental, cultural, and other possible studies and surveys that will be necessary in the BLM permitting application process for the interconnection of its proposed projects will alone take longer than its stated 2013 on-line date. Murphy Wind's proposed projects reside on an island (or peninsula) of private property surrounded by BLM land. This BLM land happens to not only be the Birds of Prey National Conservation Area but also is a non-disturbance area within the Birds of Prey area. The area also falls under the Owyhee Canyonlands management plan. The area is also an area that will need to be surveyed for slick spot pepper grass. Additionally, the national historic Oregon Trail runs through the area affected by the interconnection, and there are at least a couple of other visual and cultural resource area constraints to contend with. Murphy Wind has been advised that because of this, that it is extremely remote that any new right-of-way will be obtained for the interconnection of its project. Murphy Wind has also been advised that Idaho Power's existing facilities will require upgrades to accommodate Murphy Wind's requested interconnection, and that those upgrades and construction activities must be permitted with the BLM. As part of the application process, the BLM will require environmental, and could require cultural and visual impact, studies and surveys to be conducted. Some of these surveys/studies are seasonal and cannot be conducted until

next spring and/or summer. Murphy Wind has been advised that even ignoring the physical construction of facilities, the BLM permitting process itself is likely to exceed a 2013 on-line date, with no guarantee that a permit will be granted. Murphy Wind's stated basis that it requires expedited treatment from the Commission to meet a 2013 on-line date is not valid.

Murphy Wind's statement that a 2013 operation date now necessitates expedited Commission action, when Murphy Wind has failed to take any action with regard to Order No. 32255 for over one year/more than 14 months, is disingenuous, as the "delay" up to this point in time is attributable to Murphy Wind's own actions or lack thereof. Murphy Wind asks the Commission to modify its June 8, 2011, final order based upon a claim that a subsequent declaratory order from the Federal Energy Regulatory Commission ("FERC") issued on other matters constitutes "new facts or information justifying modification" of the Commission's Order. Petition, p. 2. Not only did Murphy Wind, of its own volition, not petition the Commission for reconsideration of Order No. 32255, but it also did not seek any other type of judicial or FERC review for over one year. The FERC declaratory order in Cedar Creek Wind, LLC, cited by Murphy Wind as its "new facts or information" for modification was issued on October 4, 2011, more than 10 months prior to Murphy Wind's Petition in this matter. Additionally, this Commission's Order with regard Cedar Creek Wind, LLC, was issued June 8, 2011, the same day that this Commission's Order No. 32255 regarding Murphy Wind was issued over 14 months ago. It is disingenuous, at best, for Murphy Wind to fail to take any action of its own with regard to its own order from this Commission for over 14 months, to additionally fail to take any action based upon FERC's Cedar Creek

declaratory order issued over 10 months ago, and to then file a Petition with this Commission requesting expedited treatment and a summary order in a mere 15 days. Murphy Wind's request for expedited treatment should be denied.

B. Idaho Power is Entitled to Adequate Time With Which to Respond to or Answer Murphy Wind's Requests.

Idaho Power is entitled to at least 21 days with which to Answer a Complaint or Petition filed with the Commission, unless the Commission orders otherwise. RP 57.02. Additionally, Idaho Power is entitled to fourteen days with which to answer a Motion. RP 57.03. Murphy Wind, while "requesting" expedited relief within 15 days of filing its Petition, failed to make a proper Motion requesting such expedited relief. The Commission has a specific procedure for requesting expeditious relief from the Commission on fewer than 14 days notice, and Murphy Wind did not avail itself of this procedure either. As addressed above, Murphy Wind's claim that expeditious relief is warranted is without merit and should be denied. Idaho Power, as a party to Murphy Wind's cases, and a counterparty to each contract, should be given adequate opportunity to fully Answer and respond to Murphy Wind's requests.

III. CONCLUSION AND REQUESTED RELIEF

Murphy Wind has failed to state a valid basis upon which this Commission should grant expedited treatment or consideration of its Petition. Idaho Power is entitled to adequate time in which to fully respond to and Answer Murphy Wind's requests. Murphy Wind's request for expedited treatment of its Petition should be denied.

WHEREFORE, Idaho Power asks that the Commission: (1) deny Murphy Wind's request for expedited treatment (by August 31, 2012) of its requested relief; (2) grant Idaho Power adequate time with which to Answer Murphy Wind's Petition, at least 21

days from the date of the Commission's order regarding these issues; and (3) alternatively, deny Murphy Wind's Petition to modify the Commission's June 8, 2011, Order No. 32255, which Murphy Wind failed to seek reconsideration of, or take any action with regard thereto for over 14 months, in its entirety.

DATED at Boise, Idaho, this 24th day of August 2012.

A handwritten signature in black ink, appearing to read "Don E. Walker", written over a horizontal line.

DONOVAN E. WALKER
Attorney for Idaho Power Company

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 24th day of August 2012 I served a true and correct copy of IDAHO POWER COMPANY'S LIMITED ANSWER REGARDING REQUEST FOR EXPEDITED TREATMENT upon the following named parties by the method indicated below, and addressed to the following:

Commission Staff

Kristine Sasser
Deputy Attorney General
Idaho Public Utilities Commission
472 West Washington (83702)
P.O. Box 83720
Boise, Idaho 83720-0074

Hand Delivered
 U.S. Mail
 Overnight Mail
 FAX
 Email Kris.Sasser@puc.idaho.gov

Murphy Flat Mesa, LLC; Murphy Flat Energy, LLC; and Murphy Flat Wind, LLC
Ronald L. Williams
WILLIAMS BRADBURY, PC
1015 West Hays Street
Boise, Idaho 83702

Hand Delivered
 U.S. Mail
 Overnight Mail
 FAX
 Email ron@williamsbradbury.net


Christa Beary, Legal Assistant