

DECISION MEMORANDUM

TO: COMMISSIONER KEMPTON
COMMISSIONER SMITH
COMMISSIONER REDFORD
COMMISSION SECRETARY
LEGAL
WORKING FILE

FROM: TJ GOLO

DATE: MARCH 1, 2011

RE: IDAHO POWER'S PETITION TO EXTEND ITS ELECTRIC SERVICE
CONTRACT WITH THE IDAHO NATIONAL LABORATORY, CASE
NO. IPC-E-11-02

On February 17, 2011, Idaho Power Company filed a Petition for an Order approving a 120-day extension to the special contract for electric service between Idaho Power and the U.S. Department of Energy (DOE) at the Idaho National Laboratory site. The current special contract expires on May 14, 2011.

BACKGROUND

The current special contract between Idaho Power and DOE was approved by the Commission in May 2006 in Order No. 30030. The 2006 contract grants DOE the option of requesting up to four, one-year extensions. The 2006 contract has previously been extended four times (in 2007, 2008, 2009, and 2010) in Order Nos. 30314, 30536, 30816, and 31075, respectively. There are no remaining options to extend the term of the 2006 contract, which is set to expire on May 14, 2011.

Idaho Power and DOE have worked toward negotiating a new special contract to replace the 2006 contract but have so far failed to reach full agreement. Idaho Power is requesting an additional 120 days past the May 14, 2011 expiration to finalize negotiations and execute a new agreement. Idaho Power requests that the Commission process this Application prior to the expiration of the 2006 contract on May 14, 2011, and approve the 120-day contract term extension of the 2006 contract as modified by the 2010 extension without further public comment. If this proceeding should run past the expiration of the current term, the Company

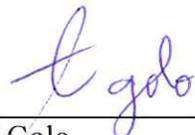
requests that the Commission approve an extension of the 2006 contract until this Application is ruled upon by the Commission. Should the Commission grant an extension of time, Idaho Power will make a compliance filing with the Commission to include an executed contract amendment formally extending the term of the 2006 contract.

STAFF RECOMMENDATION

Staff has reviewed the Application. Under this extension (“the 120-day Extension”), electric service to INL will continue to be provided under the special contract and Schedule 30 rates. Schedule 30 rate and charges will continue to be subject to change in Commission ratemaking proceedings during the extension. Given the lack of any substantive change or any existing contractual problem, the Staff concurs with the Company’s request that the 120-day Extension to the 2006 contract as modified by the 2010 extension be approved without notice or public comment.

COMMISSION DECISION

Does the Commission find it reasonable to approve the proposed 120-day Extension (until September 3, 2011) to the special contract between Idaho Power and DOE without further public notice or comment?



TJ Golo