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IDAHO PUBLIC
UTILITIES COMMISSION

JASON B. WILLIAMS
Corporate Counsel
jwilliams@idahopower.com

February 23, 2012

VIA HAND DELIVERY

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

Re: Case No. IPC-E-11-10
*IN THE MATTER OF THE APPLICATION OF IDAHO POWER
COMPANY FOR A DETERMINATION REGARDING THE FIRM ENERGY
SALES AGREEMENT WITH INTERCONNECT SOLAR DEVELOPMENT,
LLC FOR THE SALE AND PURCHASE OF ELECTRIC ENERGY*

Case No. IPC-E-12-10
*INTERCONNECT SOLAR DEVELOPMENT, LLC V. IDAHO POWER
COMPANY*

Dear Ms. Jewell:

Please be advised that Idaho Power Company ("Idaho Power") has terminated the Firm Energy Sales Agreement ("FESA") with Interconnect Solar Development, LLC ("Interconnect Solar") that was approved by the Idaho Public Utilities Commission ("Commission") in Final Order No. 32384.

Enclosed please find the December 16, 2011, Notice of Material Breach of Firm Energy Sales Agreement sent by Idaho Power to Interconnect Solar. This Notice advised Interconnect Solar that it was in material breach of the FESA for failure to post the required delay security deposit. The Notice further advised that Idaho Power would terminate the FESA if Interconnect Solar failed to cure this material breach as expeditiously as possible, as is required by the Firm Energy Sales Agreement.

Also enclosed please find the February 9, 2012, Termination Notice from Idaho Power to Interconnect Solar advising that Idaho Power would terminate the FESA if Interconnect Solar failed to cure the material breach of the FESA and post the required delay security deposit by February 17, 2012, at 5:00 p.m.

Jean D. Jewell
February 23, 2012
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Interconnect Solar failed to post the required delay security deposit by the February 17 deadline and, thus, failed to cure the material breach of the FESA. Accordingly, the FESA between Idaho Power and Interconnect Solar is now terminated.

This letter and its attachments are being sent to the Commission for inclusion as part of the Commission's file and record, evidencing the Notice of Material Breach and Termination of this Commission-approved Firm Energy Sales Agreement.

Sincerely,



Jason B. Williams

JBW:csb
Enclosures

cc: Kristine A. Sasser (w/encls.)
Randy Lobb (w/encls.)
Rick Sterling (w/encls.)
Ronald L. Williams (w/encls.)
Randy Hemmer (w/encls.)
Bill Piske (w/encls.)

December 16, 2011

Randy C. Allphin
Senior Energy Contracts Coordinator

Interconnect Solar Development LLC
3777 Twilight Drive
Boise, ID 83703

Original: Certified U.S. Mail

E-mail Copy:	Bill Piske	billpiske@cableone.net
	Randy Hemmer	randyhemmer@gmail.com
	Ron Williams	ron@williamsbradbury.com

RE: Interconnect Solar Development LLC
Project Name: Murphy Flats Solar Power Project
Project Number – 12616650
Notice of Material Breach of the Firm Energy Sales Agreement - Delay Security Deposit

Idaho Power and Interconnect Solar Development LLC are parties to the Firm Energy Sales Agreement (“FESA”) between Interconnect Solar Development LLC and Idaho Power Company dated October 4th, 2011 (“Agreement”) which was approved by the Idaho Public Utilities Commission (“Commission”) on October 20, 2011, by Commission Order 32384.

Paragraph 5.8 of this Agreement states:

“Within thirty (30) days of the date of a final non-appealable Commission Order as specified in Article XXI approving this Agreement, the Seller shall post liquid security (“Delay Security”) in a form as described in Appendix D equal to or exceeding the amount calculated in paragraph 5.8.1. Failure to post this Delay Security in the time specified above will be a Material Breach of this Agreement and Idaho Power may terminate this Agreement.”

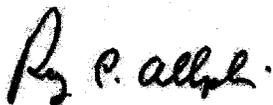
Idaho Power calculates the amount of this required Delay Security as specified in paragraph 5.8.1 to be; \$45 times the Maximum Capacity of 20,000 kW equals \$900,000.

Commission Order 32384 approving this Agreement was dated October 20, 2011, the final non appealable order date being November 10, 2011 (21 day reconsideration period past the date the Commission Order was issued) and 30 days past that date (due date for posting of Delay Security) calculates to be December 10, 2011. As December 10, 2011 was a Saturday, Idaho Power considers the due date to post the Delay Security to be Monday December 12, 2011.

As of the date of this letter, December 16, 2011, Interconnect Solar Development LLC has failed to post the Delay Security as required by this Agreement. Consequently, please be advised that Idaho Power is providing this written Notice to Interconnect Solar Development LLC, that it is now in Material Breach of the FESA. Pursuant to Paragraph 19.2.2 of the FESA, Interconnect Solar Development LLC must cure this Material Breach "as expeditiously as possible following occurrence of the breach." Idaho Power will terminate this FESA if this Material Breach is not cured as expeditiously as possible.

Please contact me with any questions you may have.

Sincerely,



Randy C Allphin
Idaho Power Company

Cc: Donovan Walker (IPCo)

Bill Piske
1303 E. Carter
Boise, ID 83706

February 9, 2012

Randy C. Allphin
Senior Energy Contracts Coordinator

Interconnect Solar Development LLC
3777 Twilight Drive
Boise, ID 83703

Original: Certified U.S. Mail

E-mail Copy: Bill Piske billpiske@cableone.net
 Randy Hemmer randyhemmer@gmail.com
 Ron Williams ron@williamsbradbury.com

RE: Interconnect Solar Development LLC
Project Name: Murphy Flats Solar Power Project
Project Number – 12616650

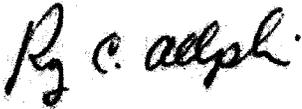
My records indicate that the project was provided a revised Facility Study on January 4th, 2012. The project has identified this revised Facility Study in various meetings and correspondence as a key element the project required in order to cure the current Material Breach of the Firm Energy Sales Agreement (“FESA”).

Mr. Williams’ letter dated December 21, 2011 states that the project will require two to four weeks after presentation of the revised Facility Study to cure this Material Breach.

Notification of the Material Breach was issued on December 16, 2011. It has now been over five weeks since the project received the revised Facility Study, and eight weeks since notification of the Material Breach.

Please provide Idaho Power acceptable security as required in the FESA to cure this Material Breach no later than close of business, Friday February 17th, 2012, 5:00 p.m. Mountain Standard Time to avoid termination of this FESA. If the required security is not so posted by the deadline mentioned above, the FESA will be terminated as of that date and time.

Sincerely,



Randy C Allphin
Idaho Power Company

Cc: Donovan Walker (IPCo)

Bill Piske
1303 E. Carter
Boise, ID 83706