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IDAHO PUBLIC
UTILITIES COMMISSION

JASON B. WILLIAMS
Corporate Counsel
jwilliams@idahopower.com

July 7, 2011

VIA HAND DELIVERY

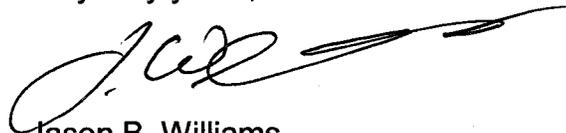
Jean D. Jewell, Secretary
Idaho Public Utilities Commission
472 West Washington Street
P.O. Box 83720
Boise, Idaho 83720-0074

Re: Case No. IPC-E-11-13
*IN THE MATTER OF THE APPLICATION OF IDAHO POWER COMPANY
FOR APPROVAL OF AN AGREEMENT FOR ELECTRIC SERVICE
BETWEEN IDAHO POWER COMPANY AND THE UNITED STATES
DEPARTMENT OF ENERGY*

Dear Ms. Jewell:

Enclosed for filing please find an original and seven (7) copies of Idaho Power Company's Application in the above matter.

Very truly yours,



Jason B. Williams

JBW:csb
Enclosures

JASON B. WILLIAMS
DONOVAN E. WALKER (ISB No. 5921)
Idaho Power Company
1221 West Idaho Street (83702)
P.O. Box 70
Boise, Idaho 83707
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IDAHO PUBLIC
UTILITIES COMMISSION

Attorneys for Idaho Power Company

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF IDAHO POWER COMPANY FOR) CASE NO. IPC-E-11-13
APPROVAL OF AN AGREEMENT FOR)
ELECTRIC SERVICE BETWEEN IDAHO) APPLICATION
POWER COMPANY AND THE UNITED)
STATES DEPARTMENT OF ENERGY.)
_____)

COMES NOW, Idaho Power Company ("Idaho Power" or "Company") and pursuant to Idaho Code §§ 61-501, 502, and 503 and RP 52, hereby respectfully submits this Application to the Idaho Public Utilities Commission ("Commission") for an Order approving a service agreement dated June 30, 2011, for electric service between Idaho Power and the United States Department of Energy ("DOE") acting through its Idaho operations office which is set to become effective on September 15, 2011.

This Application is based upon the following:

I. BACKGROUND

1. The United States Department of Energy, through its Idaho operations office, operates the facilities at the Idaho National Laboratory site located approximately

50 miles west of Idaho Falls, Idaho. The DOE and its predecessors have been customers of Idaho Power for many years. Idaho Power currently supplies electric service to the DOE under a special contract in accordance with the rates and charges set out in Electric Service Rate Schedule 30 ("Schedule 30") and its successor schedules.

2. The current special contract between Idaho Power and the DOE was approved by the Commission on May 8, 2006, by Order No. 30030 issued in Case No. IPC-E-06-12 ("2006 Agreement"). The initial term of the 2006 Agreement ran from May 15, 2006, through May 14, 2007. The 2006 Agreement contained four one-year options, whereby the DOE could extend the terms and conditions of the 2006 Agreement. The DOE exercised all four of those options, each of which was approved by the Commission.¹

3. In April 2010, Idaho Power began researching issues related to negotiating a new agreement with the DOE. In late 2010, the DOE and Idaho Power began having discussions related to a new special services agreement. In February 2011, Idaho Power and the DOE realized they would need additional time to negotiate a new special services agreement prior to the May 14, 2011, expiration date. On February 17, 2011, Idaho Power filed a Petition to Extend the Term of the Special Contract by 120 days. Case No. IPC-E-11-02. The Commission approved the extension by 120 days until September 14, 2011. Order No. 32199.

¹ See Order No. 30314 in Case No. IPC-E-07-11 (extending the term to May 14, 2008); Order No. 30536 in Case No. IPC-E-08-08 (extending the term to May 14, 2009); Order No. 30536 in Case No. IPC-E-09-14 (extending the term to May 14, 2010); and Order No. 31075 in Case No. IPC-E-10-14 (extending the term to May 14, 2011).

II. SPECIAL SERVICES AGREEMENT

4. Idaho Power and the DOE have successfully negotiated the terms and conditions of a new special services agreement (“2011 Agreement”), the primary terms of which are as follows:

(a) Term. The term of the 2011 Agreement commences on September 15, 2011, and concludes on September 14, 2016, subject to Commission acceptance and approval. This is different than the 2006 Agreement which had a one-year term plus four one-year options. Similar to the 2006 Agreement, the DOE has the right to terminate the 2011 Agreement on six months advance prior written notice to Idaho Power, subject to certain termination charges.

(b) Contract Demand. The 2011 Agreement contains the ability for Idaho Power to assess a contract demand charge to the DOE, which, if charged, will be contained in Schedule 30. Idaho Power negotiated a contract demand charge in order to have the possibility for more flexible rate design and for consistency with other large special contract customers. The initial contract demand amount in the 2011 Agreement is 45 megawatts (“MW”), with a maximum contract demand ceiling of 55 MW. The DOE has the ability under the 2011 Agreement to ask for additional demand above the 55 MW ceiling, which may be granted at Idaho Power’s discretion.

(c) Schedule 30. For now, the rates Idaho Power charges the DOE pursuant to Schedule 30 will not change. The parties anticipate new rates will be determined as a result of Idaho Power’s current pending general rate case with the Commission. Case No. IPC-E-11-08. Modifications to rates will be made in Schedule 30 upon issuance of a final order in the aforementioned docket.

5. The remainder of the terms and conditions are, in general, similar to the existing terms and conditions of the 2006 Agreement with some modifications.

6. Enclosed with this Application as Attachment No. 1 is a copy of the 2011 Agreement.

III. RECOMMENDED PROCEDURE

7. Idaho Power asserts that a technical hearing is not necessary to consider the issues presented herein and respectfully requests that this Application be processed under Modified Procedure; i.e., by written submissions rather than by hearing. RP 201 *et seq.* If, however, the Commission determines that a technical hearing is required, the Company stands ready to prepare and present its testimony in such a hearing.

IV. COMMUNICATIONS AND SERVICE OF PLEADINGS

8. Communications and service of pleadings, exhibits, orders, and other documents relating to this proceeding should be served on the following:

Jason B. Williams
Donovan E. Walker
Legal Department
Idaho Power Company
P.O. Box 70
Boise, Idaho 83707
jwilliams@idahopower.com
dwalker@idahopower.com

Michael J. Youngblood
Manager – Rate Design
Regulatory Affairs Department
Idaho Power Company
P.O. Box 70
Boise, Idaho 83707
myoungblood@idahopower.com

V. REQUEST FOR RELIEF

NOW, THEREFORE, based on the foregoing, Idaho Power hereby requests that the Commission issue an order approving the 2011 Agreement for electric service between Idaho Power and the United States Department of Energy prior to September 14, 2011, the date upon which the 2006 Agreement expires.

Respectfully submitted this 7th day of July 2011.



JASON B. WILLIAMS
Attorney for Idaho Power Company

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 7th day of July 2011 I served a true and correct copy of the within and foregoing APPLICATION upon the following named parties by the method indicated below, and addressed to the following:

United States Department of Energy
T. Wayne Hillebrant, Contracting Officer
Contract Management Division
U.S. Department of Energy
Idaho Operations Office
1955 Fremont Avenue
Idaho Falls, Idaho 83415

Hand Delivered
 U.S. Mail
 Overnight Mail
 FAX
 Email hillebtw@id.doe.gov



Jason B. Williams

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION**

CASE NO. IPC-E-11-13

IDAHO POWER COMPANY

ATTACHMENT NO. 1

Contractor's ID No. _____ (Optional)
Ordering Agency's ID: DE-DT0002569

Idaho Power Company
AUTHORIZATION FOR ELECTRIC SERVICE, CHANGE IN ELECTRIC SERVICE,
OR DISCONNECTION OF ELECTRIC SERVICE UNDER
CONTRACT NO. GS-00P-09-BSD-0651

Ordering Agency: U.S. DEPARTMENT OF ENERGY (DOE), IDAHO OPERATIONS OFFICE (ID)

Address: 1955 FREMONT AVENUE, IDAHO FALLS, IDAHO 83415

Pursuant to Contract No. GS-00P-09-BSD-0651 between the Contractor and the United States Government and subject to all the provisions thereof, service to the United States Government under such contract shall be rendered or modified as hereinafter stated. Contract Article 2 and 4 shall be followed for the initiation of service under this contract.

PREMISES TO BE SERVED: DOE-ID IDAHO NATIONAL LABORATORY (INL) SITE FACILITIES

SERVICE ADDRESS: SCOVILLE, IDAHO

NATURE OF SERVICE: Continue Electric Service

OTHER TERMS AND CONDITIONS: REFER ATTACHED TERMS ANDS CONDITIONS ("T's & C's")

Attach any other relevant terms and conditions under which service will be provided.

POINT OF DELIVERY: REFER ATTACHED T's & C's DEFINING POINT OF DELIVERY

TERM OF SERVICE: From SEPTEMBER 15, 2011 through SEPTEMBER 14, 2016

SERVICE HEREUNDER SHALL BE UNDER RATE SCHEDULE NO. ELECTRIC SERVICE RATE SCHEDULE 30 *

(Hereinafter amended or modified by the regulatory body having jurisdiction. See article 5 of this contract.)

**ESTIMATED ANNUAL ENERGY USAGE: 2011: 209,722 2016: 273,883 MWh **ESTIMATED DEMAND: 2011: 41.6, 2016: 51.1 MW

ESTIMATED ANNUAL SERVICE COST: \$ 6,400,000

ESTIMATED CONNECTION/SPECIAL FACILITIES CHARGE: \$ N/A

ACCOUNTING AND APPROPRIATION DATA FOR SERVICE: N/A

FOR CONNECTION/SPECIAL FACILITIES CHARGE: N/A

CLAUSES INCORPORATED BY REFERENCE (Check applicable clauses):

- (1) 52.211-10 *Commencement, Prosecution and Completion of Work (APR 1984)*
- (2) 52.236-5 *Material and Workmanship (APR 1984)*
- (3) XX 52.241-4 *Change in Class of Service (FEB 1995) – LISTED IN GSA AREA WIDE CONTRACT*
- (4) XX 52.241-3 *Scope and Duration of Contract (FEB 1995) – LISTED IN GSA AREA WIDE CONTRACT*
- (5) XX 52.241-5 *Contractor's Facilities (FEB 1995) – LISTED IN GAS AREA WIDE CONTRACT*
- (6) XX 52.241-7 *Change in Rates or Terms and Conditions of Service for Regulated Services (FEB 1995) (Use Full Text of Clause)*
- (7) 52.241-11 *Multiple Service Locations (FEB 1995)*
- (8) 52.243-1 *Changes-Fixed Price (AUG 1987)*
- (9) 52.249- *Default () (Specify appropriate Clause)*

BILLS WILL BE RENDERED TO THE ORDERING AGENCY FOR PAYMENT AT THE FOLLOWING ADDRESS:

REFER T's & C's REGARDING PAYMENT in 1 (ONE) copy. The foregoing shall be effective upon the return of the fully executed original Authorization by the Contractor to the ordering Agency.

ACCEPTED:

Idaho Power Company
(Contractor)

U.S. DEPARTMENT OF ENERGY

(Ordering Agency)

By: [Signature]
Authorized Signature

By: [Signature]
Authorized Signature

Title: CONTRACTING OFFICER

Date: 30 Jun 2011

Title: VP - REGULATORY AFFAIRS

Date: 7/1/11

* Include a reference to the applicable rate schedule, and attach a copy of such schedule.

** Estimated levels subject to the T's & C's.

NOTE:

A fully executed copy of this Authorization shall be transmitted by the ordering Agency to the Center for Energy Management (PLA), General Services Administration, Washington, DC 20407.

**AUTHORIZATION UNDER GSA AREAWIDE CONTRACT NO. GS-OOP-09-BSD-0651
FOR ELECTRIC SERVICE**

No. DE-DT0002569

between

IDAHO POWER COMPANY

and

UNITED STATES DEPARTMENT OF ENERGY

IDAHO OPERATIONS OFFICE

This AUTHORIZATION UNDER GSA AREAWIDE CONTRACT NO. GS-00P-09-BSD-0651 FOR ELECTRIC SERVICE (“Authorization”), effective on September 15, 2011 (“Effective Date”), is executed by the UNITED STATES DEPARTMENT OF ENERGY (“GOVERNMENT” OR “DOE”), acting by and through its Idaho Operations Office, and IDAHO POWER COMPANY (“COMPANY” or “CONTRACTOR”), a corporation with its principal office in Boise, Idaho. This Authorization replaces Authorization No. DE-AD07-06ID14683 as per the term requirements of Section 1 below. As a supplement to the GSA Areawide, the parties agree to the following terms and conditions:

SECTION 1 – TERM OF AUTHORIZATION

1.1 This Authorization shall become effective on September 15, 2011, subject to the approval of the Commission and shall continue in effect until September 14, 2016.

SECTION 2 – DEFINITIONS

As used herein:

2.1 “Authorization” shall mean this Authorization for Electric Service under the GSA Areawide.

2.2 “Antelope Substation” shall mean that certain electrical substation owned and operated by PacifiCorp in which certain DOE-owned equipment is located and which is necessary for the Company to provide services to the INL Site.

2.3 “Billing Demand” shall mean the average kilowatts supplied to the INL Site during the consecutive minute period of maximum use as identified in Schedule 30 during the Billing Period, adjusted for Power Factor, as measured by the Company’s metering equipment.

2.4 “Billing Period” shall mean the interval between meter-readings and shall be approximately 30 days. However, electric service covering 27-36 days inclusive will be considered a normal billing period.

2.5 "Commission" shall mean the Idaho Public Utilities Commission or its successor agency.

2.6 "Company" and/or "Contractor" shall mean the Idaho Power Company, an Idaho corporation with its principal offices in Boise, Idaho.

2.7 "Contract Demand" shall mean the kilowatts the Company has agreed to make available to INL as described in Section 6.

2.8 "Contracting Officer" shall mean a person with the authority to act on behalf of the Government to enter into, administer, and/or terminate contracts and make related determinations and findings. The term includes certain authorized representatives of the Contracting Officer acting within the limits of their authority as delegated by the Contracting Officer.

2.9 "DOE" and/or the "Government" shall mean the United States Department of Energy.

2.10 "GSA Areawide" shall mean the Areawide Public Utility Contract for Electric and Energy Management Services Contract No. GS-00P-09-BSD-0651 between the United States of America and Idaho Power Company for the franchised service areas of Southern Idaho and Eastern Oregon executed on October 13, 2009.

2.11 "Head of Agency" shall mean the Secretary, Deputy Secretary or Under Secretary of the Department of Energy.

2.12 "INL" or "INL Site" shall mean the Idaho National Laboratory site located approximately fifty (50) miles west of Idaho Falls, Idaho.

2.13 "Point of Delivery" shall mean a change in ownership of electrical facilities between DOE and Company where power and energy are delivered by Company for the purposes of providing electrical service for the operations of DOE's facilities at INL.

2.14 "Point of Interconnection" shall mean the point of change of ownership of transmission or substation facilities.

2.15 "Power Factor" shall mean the percentage obtained by dividing the maximum demand recorded in kilowatts by the corresponding kilovolt-ampere demand established by INL, as determined by the Company's metering equipment.

2.16 "Prudent Utility Practices" shall mean any of the practices, methods, and acts engaged in or approved by a significant portion of the electrical utility industry, or any practices, methods, and acts which, in the exercise of reasonable judgment in light of the facts known at the time, could have been expected to accomplish the desired result at the lowest reasonable cost consistent with reliability, safety, and expedition, and the requirements of governmental agencies having jurisdiction. Prudent Utility Practices are not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be a range of possible practices, methods or acts.

2.17 "Rule J" shall mean the tariff rule or its successor rules on file with the Commission that address continuity, curtailment and interruption of electric service to customers.

2.18 "Schedule 30" shall mean the tariff schedule of rate components, rates and charges or its successor schedules on file with the Commission that contain the rates Idaho Power shall charge DOE pursuant to this Authorization.

2.19 "System" or "Facilities" shall mean the generation and transmission facilities which are owned or controlled by either party, or which either party may use under lease, easement, permit or license.

SECTION 3 – TERMINATION

3.1 During the term of this Authorization, DOE shall have the right to terminate this Authorization in whole or in part for convenience of the Government at any time by the delivery to Company of six (6) months advance written notice of the effective date of termination. In the event of such termination for convenience, DOE shall not be liable for any charges other than those charges which have accrued, in accordance with the terms and provisions hereof prior to the effective date of termination and a termination charge in accordance with this paragraph and the provisions of paragraph 3.2 below. The right of DOE to terminate for convenience under this paragraph shall be in addition to, and not in substitution for, any other rights which DOE may have under this Authorization, the GSA Areawide and/or at law. No termination charges shall be required in the event of termination of this Authorization for convenience of the Government, if DOE continues to receive electric service from Company under either the terms of a subsequent GSA Areawide or a published rate schedule. In the event DOE provides advance written notice of twelve (12) months or more, the provisions of Paragraph 3.2.2 shall not apply. No termination charges will be required in the event that the Commission fails to approve this Authorization.

3.2 Termination for Convenience Charges shall be determined as follows:

3.2.1 DOE shall pay to Company the amount of Three Thousand, Three Hundred Dollars (\$3,300.00) per day for each day that the notice is less than twelve (12) months.

3.2.2 In the event of termination for convenience of the Government, DOE shall reimburse the Company for any investment made by the Company pursuant to Section 5.2 for facilities necessary for service to INL. The termination charges for facilities shall be defined as the net book value (original cost less depreciation) plus the costs associated with the removal of such facilities less credit, if any, for subsequent Company use of those facilities.

3.2.3 In the event of termination for convenience of the Government, DOE shall reimburse the Company for any costs incurred by the Company pursuant to Section 6.7.

3.3 Payment of termination charges is subject to Paragraph 7.4 of this Authorization and shall be made by DOE within thirty (30) days of the effective date of termination of this Authorization for convenience of the Government. There shall be deducted from such termination

charge: 1) any valid claims hereunder which DOE may have against Company, and 2) any credits due under the terms of this Authorization and not otherwise recovered by or credited to DOE. Acceptance of said termination charge by Company shall constitute complete satisfaction and final settlement of any and all claims of Company resulting from such termination, except for payment for any charges for service hereunder then due or to become due; provided, however, the payment of said termination charge shall not serve as complete satisfaction and final settlement for any other claims, damages, or demands, in any form whatsoever, Company may have against DOE pursuant to this Authorization, the GSA Areawide, and applicable law.

3.4 In the event that Company fails to materially fulfill its obligations under this Authorization during its term and fails to cure within a reasonable time any such defect and performance, after failure to cure by Company and upon receipt of a written notice from DOE specifying such defect, DOE may terminate this Authorization for default of Company. Termination for default shall be accomplished by delivering to Company a written notice to this effect; provided, however, that if after notice of termination for default has been given, it is determined for some reason that Company was not in material default or that Company's defective performance is due to causes beyond its reasonable control and without sole negligence of the Company or that the default was excusable under the provisions of this Section, the Authorization may be reinstated by written notice, and the rights and obligations of the parties hereto shall be governed accordingly. Notwithstanding Rule J of the Tariff, causes to be considered beyond the reasonable control of the Company include, but are not restricted to, acts of God or the public enemy, earthquakes, acts of the Government, acts of another contractor in the performance of its contract with the Government, fire, floods, epidemics, quarantine restrictions, strikes, and freight embargoes.

3.5 Not in limitation of any other right or remedy available to the Company under this Authorization, the GSA Areawide or at law, in the event that DOE terminates this Authorization for the material default of Company pursuant to this Authorization, DOE shall not be liable for the payment of any charge on account of such termination. Nothing in this Section shall limit any other rights which DOE may have as a result of Company's material default.

SECTION 4 – SERVICES TO BE PROVIDED BY COMPANY

4.1 In accordance with Prudent Utility Practices and the provisions of this Authorization, Company shall furnish to DOE its requirements for all electric power and energy which DOE may request in accordance with the terms of this Authorization as well as facilities maintenance for those Government-owned facilities identified in Section 5. Company agrees to provide DOE with up to 55,000 kilowatts monthly for the operation of the facilities at the INL Site. DOE may request additional power requirements in excess of 55,000 kilowatts per month for the INL Site under this Authorization. Such request must be in writing and no less than twelve (12) months in advance of the first day of the month DOE desires the additional power requirements be made available; provided, however, that Company shall have sole discretion to grant or deny any requests by DOE for additional power requirements in excess of 55,000 kilowatts per month. Such notification shall be in writing and occur within sixty (60) days of receipt of DOE's written request for additional capacity or as otherwise agreed to by the parties. In the event Company grants such request for additional power under this Authorization, the parties agree to engage in good faith negotiations to determine the rates, conditions and charges for such additional power requirements.

In the event Company does not grant such request for additional power requirements or Company and DOE are unable to mutually agree upon rates, terms, conditions or charges for such additional power requirements, then either party may make a filing at the Commission requesting that the additional power requirements be supplied pursuant to new rates, terms and conditions.

4.2 DOE, upon execution of this Authorization and on each May 1 thereafter, will provide Company with DOE's forecast of demand and energy expected to be actually supplied and delivered by Company for each month during the next 16 months together with a forecast of the annual firm power load requirements (demand and energy) expected to be supplied by Company for a forecasted ten (10) year period. Parties agree that such forecasts will reflect the most recent information available at the time of preparation and may be subject to revision. Consistent with Prudent Utility Practice, DOE will provide Company in advance with information as to conditions affecting DOE's load requirements necessary for Company in load dispatching and in planning of power system operation including the probable times of substantial load changes, upward or downward. In addition, DOE shall provide Company with prompt notice of any abnormal system operating conditions as well as all known or anticipated increases or decreases in DOE's power requirements other than normal load growth.

4.3 Point of Delivery. Electric power and energy shall be delivered by Company to DOE at the Point of Interconnection with DOE's slack spans located at DOE's Scoville substation or at a location mutually agreed by the parties.

4.4 Possession of Power. Company shall be deemed to be in control and possession of power deliverable hereunder until Company has delivered to DOE at the Point of Delivery after which DOE shall be deemed to be in control and possession thereof.

4.5 Description of Electric Service. Company shall supply three-phase, 60 Hz alternating current at normal 138,000 volts, with a maximum steady state variation of plus or minus five percent (5%) under normal system conditions. Company will make efforts consistent with Prudent Utility Practices and within the capability of its existing system to minimize voltage level fluctuations, the normal frequency variation to be within plus or minus 0.05 Hz on a 60 Hz base.

4.6 Metering. All service furnished by Company shall be measured at 138,000 volts and shall be measured by suitable metering equipment of standard manufacture to be furnished, installed, maintained, calibrated and read by Company. In the event it is determined that an error exists in the metering or billing thereof, and such error is due to a cause, the date of which can be reliably established, DOE shall receive a refund or credit in the amount of any overcharge or shall pay Company the amount of any undercharge resulting thereby computed back to but not beyond such established date. In the event of an error in metering and where the erroneous metering date commenced cannot be reliably established, the following shall govern:

4.6.1 In the event that a meter is found to be registering more than two percent (2%) fast, Company shall refund or credit to DOE the amount of any overcharge resulting therefrom based on corrected meter readings for either the period that the meter was known to be in error, if discernible, or for a period of six (6) months, whichever is shorter.

4.6.2 In the event that a meter is found to be registering more than two percent (2%) slow, DOE shall pay Company the amount of undercharge resulting therefrom based on corrected meter readings for either the period the meter was known to be in error, if discernible, or for the preceding six (6) months, whichever is shorter.

4.6.3 In the event that any meter is found to be non-registering, Company may bill DOE, and DOE shall pay, for the estimated power consumed for either the period since the date the meter was last known to be registering or for the preceding three (3) months, whichever is shorter. Such estimate of power consumed shall be mutually agreed upon and shall be based upon such factors as DOE's prior or subsequent consumption which was correctly metered, and the general characteristics of DOE's operations.

4.6.4 Company, so far as consistent with Prudent Utility Practices, shall read all meters at periodic intervals of approximately thirty (30) days.

4.6.5 Company, at its expense, shall test its metering installations associated with this Authorization, as necessary. At the written request of the Contracting Officer, Company shall make additional tests of any or all such meters in the presence of DOE representatives. DOE shall pay to Company the costs associated with such meter tests requested by DOE if the percentage of error revealed by such tests is not found to be more than two percent (2%) slow or fast.

4.6.6 Consistent with Prudent Utility Practices, DOE may install, with prior review and approval of Company, check or submetering equipment, coordinating such metering installations with Company.

4.7 The parties agree that daily operating procedures, including scheduling and dispatching, shall be as mutually agreed by the parties and set forth in a Memorandum of Understanding or as otherwise agreed to by the parties.

SECTION 5 – FACILITIES FOR DELIVERY TO INL

5.1 Company shall provide the facilities required, at its own expense, except as provided in Sections 5.2, 5.3 and 6.8, for the delivery of power and the associated energy to the INL Point of Delivery. This provision of facilities shall be in accordance with the rules, regulations and orders of the applicable regulatory body.

5.2 In the event that Company is required to install, improve, modify, expand, replace or relocate facilities required for service to the INL, and the costs for such dedicated facilities would be chargeable to DOE directly, Company shall provide a notice of such facilities requirements to DOE. This notice will include engineering and service details of the requirements, estimates of costs and payment alternatives available to DOE. This notice shall be provided prior to starting the required facilities change. Any such changes shall require specific agreement of both parties as to the facilities and payment alternatives prior to the commencement of such changes.

5.3 DOE agrees to assign all rights associated with maintaining the below listed equipment located in the Antelope Substation to Company for its use in meeting the requirements of this Authorization. Title shall remain in the Government.

5.3.1 Oil Circuit Breaker B103, Govt. Prop. No. 85420

Westinghouse Type BM-4B, De-Ion Grid Oil Circuit Breaker.
Acquired 1957, Moved from TRA 1981.
Serial No. 1-71-578-B
Rated Voltage 138 kV
Rated Amps 1200 A
Impulse kV 650 kV
Interrupting MVA 3500 MVA
810 gallons of oil per tank
Weight 39,500 lbs.

5.3.2 Oil Circuit Breaker B164, Bus Tie Breaker

Westinghouse Type 169GM31.5, Acquired 1982.
Serial No. 1-38Y5468
Rated Voltage 169 kV
Rated Amps 2000 A
Impulse kV 750 kV
Short Circuit Amps 31,500 A
1315 gallons of oil per tank
Weight 54,000 lbs.

5.3.3 Circuit Switcher 165A, Govt. Prop. No. 83712

S&C Circuit Switcher/Mark V, Acquired 1982.
Catalog No. 157320-T
Serial No. 81-31857
kV Nominal 161 kV
Maximum Design Voltage 169 kV
BIL 750 kV
Amps, Continuous 1200 A
Amps, RMS Asym Momentary 61,000 A
Amps, RMS Symmetrical Fault, Closing, 30 duty cycle 30,000 A
S&C Operator, Type CS-1A
Operator Voltage 125 V DC
Catalog No. 38846R3-BHPW
Serial No. 181400

5.3.4 Circuit Switcher 162A, Acquired 1982.

S&C Circuit Switcher/Mark V
Serial No. 81-31735
Same information as item 3 above
S&C Operator Type CS-1A

Serial No. 81-31735

- 5.3.5 Transformer, Govt. Prop. No. 5-220, Acquired 1957.
161 kV/138 kV
Feeds #1 Antelope-Scoville Tie Line
Westinghouse
137,600 lbs.
Serial No. 6534543
55 MVA, OA
73-1/3 MVA, FOA, with fans on both sets of fins (3 fans are already on 1 set of fins)
91-2/3 MVA, FOA, with 3rd stage cooling (addition of 2 oil pumps, one pump is already installed).
Y-Y auto transformer with delta tertiary
Includes no-load tap changer, 5 steps, for voltages from 169050 volts to 152950 volts. Tap lever is locked on step 3.
% Z – 1.5% at 55 MVA. 161 kV/138 kV
- 5.3.6 Transformer, Govt. Prop. No. 5-587, Acquired 1982.
161 kV/138 kV
Fees #2 Antelope-Scoville Tie Line
General Electric
Serial No. M101875
167,000 lbs.
55 MVA, OA
73.3 MVA, FA
91.6 MVA, FOA, 55EC, has 1 set of fins with oil pump and 3 fans and oil.
102.7 MVA, FOA, 65EC, expansion tank on top, Y-Y auto transformer with delta tertiary. Includes no-load tap changers, 5 steps for voltages from 169050 volts to 152950 volts. Tap lever is locked on step 3.
% Z volts – 1.47 at 55 MVA, 161 kV/138 kV

5.4 The parties agree that Company will maintain the facilities set forth above in paragraphs 5.3.1 through 5.3.6 for the purpose of providing service to INL. The parties also agree that the actual costs incurred by the Company to maintain the facilities set forth above including repair, removal, replacement or relocation of those facilities shall be billed directly to DOE within ninety (90) days of work completion. As set forth in the Memorandum of Understanding described in Section 4.7 above or as otherwise agreed to by the parties, the Company shall notify DOE of the necessary work scope and schedule prior to beginning work.

5.5 DOE acknowledges that the equipment described in Section 5.3 above is located in the Antelope Substation which is owned and operated by PacifiCorp. The Company's access to the Antelope Substation for scheduled, unscheduled and emergency maintenance of this equipment is dependent upon PacifiCorp's allowance of Company personnel into the Antelope Substation. In

addition, DOE acknowledges that PacifiCorp, as the owner and operator of the Antelope Substation, has operational control of equipment located in the Antelope Substation. The Company has no operational control over any of the DOE equipment described in Section 5.3, and shall not be liable to DOE for any damage to such equipment, or injury to person or property that may result from DOE's or PacifiCorp's failure to properly operate such equipment in accordance with Prudent Utility Practice.

SECTION 6 – CONTRACT CHARGES TO BE PAID TO COMPANY

6.1 Schedule 30 as filed by Company with the Commission, shall contain the rate components and rates the Company shall charge DOE for services provided pursuant to the terms of this Authorization. The parties understand and agree that Schedule 30 shall remain under the continuing jurisdiction of the Commission and subject to revision as set forth in Section 12.

6.2 Schedule 30 is for the firm retail service of electric power and energy to DOE at the INL Site.

6.3 Reserved.

6.4 Adjustments to Billing Demand for Power Factor shall be determined in accordance with the conditions set forth in Schedule 30, or if not set forth therein, shall be determined as follows: when the Power Factor is less than 95 percent during the 15-consecutive-minute period of maximum use during the Billing Period, Company may adjust that maximum measured demand to determine Billing Demand by multiplying the maximum measured demand by 95 percent and dividing by the Power Factor.

6.5 Contract Demand. Under the terms of this Authorization, DOE may request a level of Contract Demand in even increments or decrements of 500 kilowatts up to a maximum of 55,000 kilowatts pursuant to the limitations described herein. The initial level of Contract Demand requested by DOE and to be supplied by the Company under the terms of this Authorization is 45,000 kilowatts. The rates the Company shall charge DOE for Contract Demand, if any, shall be set forth in Schedule 30.

6.6 Changes to Contract Demand. DOE has the option to increase or decrease its Contract Demand level as follows:

6.6.1 Increases to Contract Demand. DOE will notify Company in writing of its desire to increase its Contract Demand at least twelve (12) months in advance of the first day of the month it desires the additional capacity to be made available. The new Contract Demand amount shall be in effect for a minimum of six (6) months. DOE shall not be allowed to increase its total Contract Demand by more than 10,000 kilowatts in any twelve (12) month period, without the prior written approval of the Company.

6.6.2 Decreases to Contract Demand. DOE will notify Company in writing that it desires to decrease its Contract Demand at least twelve (12) months in advance of the first day of the month in which it desires its decreased Contract Demand to be effective. The new

Contract Demand amount shall be in effect for a minimum of six (6) months. DOE shall not be allowed to decrease its total Contract Demand by more than 10,000 kilowatts in any twelve (12) month period, without the prior written approval of the Company.

6.7 Charges. DOE hereby agrees to pay the Company the various rate component monthly charges as shown in Schedule 30.

6.8 If during the term of this Authorization, with the prior written approval of DOE, Company incurs any costs associated with the use of facilities owned by PacifiCorp or its successor, solely to provide service to DOE, DOE hereby agrees to pay all such costs in the same amount, form and manner as those costs are incurred by Company. The parties agree that these costs shall not be added to DOE's rate for electric service but will be shown as a separate charge in Company's invoices to DOE as described in Section 7 below. Failure by DOE to pay such costs shall be grounds for termination of this Agreement by Company pursuant to this Authorization, the GSA Areawide and applicable law.

SECTION 7 – PAYMENT OF BILLS/SETTLEMENTS

7.1 DOE shall pay Company for all services provided under this Authorization. Invoices for payment for electric services shall be prepared and submitted monthly as specified. All invoices or bills shall contain such data as may be required by DOE to substantiate the billing, including statements of the meter readings at the beginning and end of the billing period, meter constants, consumption during the billing period, and such other available pertinent data as may be requested by DOE.

7.2 Payments hereunder shall not be made in advance of services rendered. All bills or accounts owed by DOE to Company hereunder shall be due and payable at Company's general office in Boise, Idaho, within thirty (30) days following receipt of a bill. All billings submitted under the terms of this Authorization shall be submitted to:

Battelle Energy Alliance, LLC
Attn: Accounts Payable
P.O. Box 1625
Idaho Falls, ID 83415

7.3 DOE shall have the right, at all reasonable times, to review and audit the books, records and documents of Company directly pertaining to the billings and power flow data relating to service under this Authorization.

7.4 Nothing herein contained shall be construed as binding DOE to expend in any one fiscal year, any sum in excess of the appropriation made by Congress for that fiscal year in furtherance of the subject matter of this Authorization or to involve DOE in any contract or other obligation for the further expenditure of money in excess of such appropriation.

SECTION 8 – CONTRACTING OFFICER’S REPRESENTATIVE

8.1 The DOE Contracting Officer (“CO”) may designate a representative to act as Contracting Officer’s Representative (“COR”) under this Authorization. Such representative, if appointed, will be specifically designated in a letter from the CO to Company. The COR will represent the CO in the technical aspects of the work including establishment of operating procedures, auditing of Company’s billing under the Authorization and related matters. The COR is not authorized to change any of the terms and conditions of the Authorization. Such changes, if any, shall be made only by the appropriate Contracting Officer (i.e., DOE for the Authorization, and the General Services Administration for the GSA Areawide).

SECTION 9 – ON-SITE GENERATION

9.1 DOE, in the future, may increase its on-site generation resource capabilities. Such generating capabilities will not be increased without at least twelve (12) months notice to Company or decreased without at least six (6) months notice to the Company. All such increases in generation capabilities and related electric power service shall be coordinated with Company to avoid any interference with either the Company’s or INL’s electric system.

SECTION 10 – ACCESS TO PREMISES

10.1 Company shall have access to the INL site premises at all reasonable times with proper notice to DOE during the term of this Authorization and at its termination for the purposes of reading meters, making installations, repairs and removal of Company owned or Company-maintained equipment and for other proper purposes hereunder; provided, however, that proper military or other Governmental authority may limit or restrict such right of access in any manner considered by such authority to be necessary or advisable. In having such access, Company shall abide by such health, safety, security, and other regulations of DOE as may be applicable.

SECTION 11 – MAINTENANCE

11.1 DOE agrees to maintain in good repair all Government-owned INL facilities, except those assigned to the Company in Section 5.3 above, as required to ensure adequate delivery of service to INL.

11.2 Company agrees to maintain its electric facilities and system in accordance with Prudent Utility Practices, including those facilities assigned to the Company by the Government in Section 5.3 above.

SECTION 12 – JURISDICTION OF REGULATORY AUTHORITIES

12.1 This Authorization and the rates, terms and provisions herein set forth, and the respective rights and obligations of the parties hereunder, shall be subject to the regulatory authority and to valid laws, orders, rules and regulations of, and authorizations or approvals by regulatory bodies having jurisdiction over the provisions of this Authorization and as specifically set forth in the GSA Areawide. Company or DOE shall each have the right hereafter, from time to time, to

unilaterally make the appropriate filing with the appropriate regulatory body, which would either increase or decrease the rates and/or charges and change the term and conditions applicable to said Authorization. Either party shall have the right to oppose or contest any such increase, decrease, change or amendment as filed.

SECTION 13 – UNCONTROLLABLE FORCES

13.1 Except for DOE's obligation to pay the charges described herein, neither party hereto shall be considered in default in the performance of its obligations hereunder to the extent that the performance of any such obligation is prevented or delayed by any cause, existing or future, which is beyond the reasonable control of such party.

SECTION 14 – LIMITATION OF LIABILITY

14.1 Company will perform its services under this Authorization as an independent contractor in accordance with its own methods, the GSA Areawide, Contractor's tariffs, this Authorization, and applicable laws and regulations. Except for actual damages occasioned solely by the negligence of the Company, Company's liability to DOE for any loss or damage arising out of or in connection with Company's performance of this Authorization including any consequential damages including, but not limited to, loss of use or profit shall be determined by application of the GSA Areawide, the Contractor's tariffs, this Authorization, and applicable laws and regulations.

14.2 Any payment for damages caused by Company are limited to actual damages caused by the sole negligence of the Company and does not include damages by causes beyond the reasonable control of the Company as described in Paragraph 3.4 above, nor does it include consequential or indirect damages.

SECTION 15 – ASSIGNMENT

15.1 This Authorization shall not be assigned by either party without the prior written approval of the other.

15.2 DOE shall assign administration of this Authorization to its prime operating contractor, currently Battelle Energy Alliance. DOE shall notify Company of changes in this administration assignment.

SECTION 16 – AMENDMENTS

16.1 This Authorization may be amended at any time upon mutual agreement of the parties.

SECTION 17 – NOTICES

17.1 All written notices to be given to Company under this Authorization shall be directed to:

Vice President – Regulatory Affairs
Idaho Power Company
P. O. Box 70
Boise, Idaho 83707

All written notices to be given to DOE under this Authorization shall be directed to:

Contracting Officer
United States Department of Energy
Idaho Operations Office
1955 Fremont Ave. MS 1221
Idaho Falls, Idaho 83415

Any notice, demand or request provided for in this Authorization or given in connection with this Authorization to either party shall be deemed properly given or made if delivered in person or sent certified mail, return receipt requested, to the officer and address designated above. Either party may amend the officer and address to which subsequent notices are to be delivered by providing notice in the manner described in this Section.

17.2 If during the term of this Authorization, the Company applies to any such regulatory body for a change in rates or terms and conditions of services or in the type of services to be performed under this Authorization, it shall take steps to see that the Government-GSA and DOE, Idaho Operations Office, receives at least the same notice of such application as is received by all other customers affected by such application. A copy of such rate filing shall be mailed by the Company to DOE at the address shown above in 17.1, concurrently with the filing of the change in rates, terms or conditions or type of service with the regulatory body.

Idaho Power Company

Fourth Revised Sheet No. 30-1
Cancels

I.P.U.C. No. 29, Tariff No. 101

Third Revised Sheet No. 30-1

IDAHO PUBLIC UTILITIES COMMISSION

Approved

May 26, 2011

Effective

June 1, 2011

Per O.N. 32248

Jean D. Jewell Secretary

SCHEDULE 30
IDAHO POWER COMPANY
ELECTRIC SERVICE RATE
FOR
UNITED STATES DEPARTMENT OF ENERGY
IDAHO OPERATIONS OFFICE

SPECIAL CONTRACT DATED MAY 16, 2006
CONTRACT NO. GS-OOP-99-BSD-0124

AVAILABILITY

This schedule is available for firm retail service of electric power and energy delivered for the operations of the Department of Energy's facilities located at the Idaho National Engineering Laboratory site, as provided in the Contract for Electric Service between the parties.

MONTHLY CHARGE

The Monthly Charge is the sum of the following charges, and may also include charges as set forth in Schedule 55 (Power Cost Adjustment), Schedule 91 (Energy Efficiency Rider), and Schedule 95 (Adjustment for Municipal Franchise Fees).

- | | | |
|----|--|---------|
| 1. | <u>Demand Charge</u> , per kW of
Billing Demand | \$7.55 |
| 2. | <u>Energy Charge</u> , per kWh | 1.9787¢ |

SPECIAL CONDITIONS

1. Billing Demand. The Billing Demand shall be the average kW supplied during the 30-minute period of maximum use during the month.

2. Power Factor Adjustment. When the Power Factor is less than 95 percent during the 30-minute period of maximum load for the month, Company may adjust the measured Demand to determine the Billing Demand by multiplying the measured kW of Demand by 0.95 and dividing by the actual Power Factor.

IDAHO
Issued per Order No. 32248
Effective - June 1, 2011

Issued by IDAHO POWER COMPANY
Gregory W. Said, Vice President, Regulatory Affairs
1221 West Idaho Street, Boise, Idaho