

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)	NOTICE OF APPLICATION
POWER COMPANY AND THE UNITED)	
STATES DEPARTMENT OF ENERGY)	NOTICE OF
)	MODIFIED PROCEDURE
)	
)	ORDER NO. 32315

On July 7, 2011, Idaho Power Company applied to the Commission for an Order approving a new special services agreement (the "2011 Agreement") between Idaho Power and the U.S. Department of Energy (DOE) for electric service at the Idaho National Engineering Laboratory. If approved, the 2011 Agreement will take effect on September 15, 2011. The Commission hereby notifies interested parties about the Application and 2011 Agreement and establishes the procedures by which this matter will be considered.

NOTICE OF APPLICATION

A. Background – The 2006 Agreement

YOU ARE HEREBY NOTIFIED that the Commission approved Idaho Power's current special services agreement with the DOE in 2006. The 2006 Agreement stated that Idaho Power will provide electric service under Schedule 30. The rates and charges for providing service under Schedule 30 were subject to change in an appropriate ratemaking proceeding. *See* Application at 2.

YOU ARE FURTHER NOTIFIED that the 2006 Agreement had a one-year term, subject to four, one-year renewal options. Each option was exercised with the Commission's approval. This extended the 2006 Agreement's term through May 2011. As that date approached, however, the parties asked the Commission to further extend the 2006 Agreement's term to allow the parties more time to negotiate a new special services agreement. The Commission approved the parties' request and extended the term until September 14, 2011. *See* Application at 2.

B. The 2011 Agreement

YOU ARE FURTHER NOTIFIED that Idaho Power states that the 2011 Agreement (the subject of the current Application) is generally similar to the 2006 Agreement. There appears to be additional definition and clarifying language, with the primary substantive changes being:

- Term: The 2011 Agreement changes the term from a one-year term with four one-year options, to a single five-year term that (if approved) will begin on September 15, 2011, and expire on September 14, 2016. *See* 2011 Agreement, § 1.1 (Term of Authorization);
- Contract Demand: The 2011 Agreement increases the contract demand ceiling. Idaho Power notes that the initial contract demand amount is 45 MW, with a maximum contract demand ceiling of 55 MW. The DOE may ask Idaho Power for additional demand above 55 MW, which may be granted at Idaho Power's discretion. The 2011 Agreement enables the Company to assess a contract demand charge to the DOE in an effort to allow "for more flexible rate design and for consistency with other large special contract customers." If assessed, the contract demand charge will be contained in Schedule 30. *See* 2011 Agreement §§ 4 and 6; Application at 3; and
- Schedule 30: The parties anticipate that Idaho Power's pending general rate case (IPC-E-11-08) will result in new rates. Accordingly, while the 2011 Agreement will not immediately change Idaho Power's Schedule 30 rates, the parties expect the Schedule 30 rates will be modified after the Commission issues its final Order in the rate case. *See* Application at 3; 2011 Agreement, § 6.1

YOU ARE FURTHER NOTIFIED that Idaho Power has filed its Application and a copy of the 2011 Agreement with the Commission. These documents are available for public inspection during regular business hours at the Commission offices. The documents are also available on the Commission's web site at www.puc.idaho.gov by clicking on "File Room" and then "Electric Cases" by case number.

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 that the Commission may enter any final Order consistent with its authority under Title 61.

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.*

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.

YOU ARE FURTHER NOTIFIED that any person desiring to state a position on Idaho Power's Application and the 2011 Agreement **may file a written comment in support or opposition with the Commission within twenty-one (21) days from the date of this Notice.** 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

Jason B. Williams
Donovan E. Walker
Idaho Power Company
PO Box 70
Boise, ID 83707-0070
E-Mail: jwilliams@idahopower.com
dwalker@idahopower.com

Street Address for Express Mail:

472 W. Washington Street
Boise, ID 83702-5918

Michael J. Youngblood
Manager – Rate Design
Regulatory Affairs Department
Idaho Power Company
PO Box 70
Boise, ID 83707-0070
E-mail: myoungblood@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.

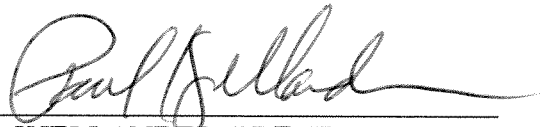
YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the time limit set, the Commission will consider this matter on its merits and

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.

ORDER

IT IS HEREBY ORDERED that this case be processed under Modified Procedure. Interested persons wishing to file comments must do so no later than twenty-one (21) days from the date of this Order.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 4th day of August 2011.



PAUL KJELLANDER, PRESIDENT

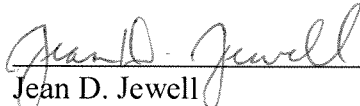


MACK A. REDFORD, COMMISSIONER



MARSHA H. SMITH, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

O:IPC-E-11-13_kk