

## **DECISION MEMORANDUM**

**TO:           COMMISSIONER KJELLANDER  
COMMISSIONER REDFORD  
COMMISSIONER SMITH  
COMMISSION SECRETARY  
COMMISSION STAFF  
LEGAL**

**FROM:       WELDON STUTZMAN  
DEPUTY ATTORNEY GENERAL**

**DATE:       AUGUST 17, 2012**

**SUBJECT:   IDAHO POWER COMPANY’S APPLICATION FOR AN ACCOUNTING  
ORDER FOR PURPA DELAY DAMAGES, CASE NO. IPC-E-12-21**

On July 27, 2012, Idaho Power Company filed an Application requesting an accounting order to address damages it receives as a result of firm energy sales agreements with small power producers. As required by the Public Utility Regulatory Policies Act of 1978 (PURPA) Idaho Power enters into energy sales agreements with qualifying facilities (QFs), which agreements include Idaho Power’s right to recover damages if a QF fails to perform its contractual obligations. The Company’s Application recognizes that its recovery of these damages may occur infrequently, but when it does, the Company requests authority to provide 100% of the recovered funds to customers through the PCA mechanism.

The Company’s Application states that it currently is seeking to collect \$200,000 from Yellowstone Power, Inc. as settlement of its failure to produce energy. See Case No. IPC-E-10-22. Similarly, in Case No. IPC-E-10-44, Idaho Power is proposing to collect damages from Hidden Hollow Energy 2, LLC. The Application states that with the resolution of these cases by the Commission, “the Company is compelled to seek authorization regarding the process and accounting to flow the potential collection of these damages back to Idaho Power’s customers.” Application, p. 2.

The Company requests that its Application for an accounting order be processed by Modified Procedure. Staff recommends that the Commission issue a Notice of Application and Notice of Modified Procedure to process the Company’s Application.

**COMMISSION DECISION**

Should the Commission issue a Notice of Application and Notice of Modified Procedure to process Idaho Power Company's Application for an accounting order?

A handwritten signature in black ink, appearing to read 'W B Stutzman', written over a horizontal line.

Weldon B. Stutzman  
Deputy Attorney General

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