

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	
OF IDAHO POWER COMPANY FOR A)	CASE NO. IPC-E-13-02
DETERMINATION REGARDING ITS)	
FIRM ENERGY SALES AGREEMENT)	NOTICE OF APPLICATION
WITH J.R. SIMPLOT COMPANY FOR)	
THE SALE AND PURCHASE OF)	NOTICE OF
ELECTRIC ENERGY.)	MODIFIED PROCEDURE
)	
)	ORDER NO. 32754

On February 20, 2013, Idaho Power Company filed an Application with the Commission requesting a determination regarding the Firm Energy Sales Agreement (FESA, Agreement) between Idaho Power and J.R. Simplot. The Application states that Simplot would sell and Idaho Power would purchase electric energy generated by Simplot's Pocatello cogeneration plant (Facility) located near Pocatello, Idaho.

Idaho Power states that this request is for a replacement Agreement applicable to an existing project. The Company is requesting interim approval of its Agreement while the Application is reviewed because the current Agreement expires on March 1, 2013. The Company further requests that the Application be processed by Modified Procedure.

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that the Application states that Simplot has elected to contract with Idaho Power for a two-year term using non-levelized published avoided cost rates as currently established by the Commission for energy deliveries of less than 10 aMW. As a cogeneration plant, the Facility is classified within the "other" category of the published rates.

A. The Agreement

YOU ARE FURTHER NOTIFIED that the present Agreement has been negotiated to replace the existing Agreement which expires on March 1, 2013. The avoided cost rates contained in this Agreement are lower than the avoided cost rates contained in the expiring Agreement. Because the Facility is an existing QF whose previous contract with Idaho Power is expiring, this Agreement contains capacity payments for the entire term of the Agreement.

YOU ARE FURTHER NOTIFIED that the nameplate rating of this Facility is 15.9 MW. Having chosen a published rate contract, Simplot will be required to provide data on the

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Facility that Idaho Power will use to confirm that under normal and/or average conditions, the Facility will not exceed 10 aMW on a monthly basis. Under the terms of the Agreement, Idaho Power will accept the excess energy (Inadvertent Energy), but will not purchase or pay for the Inadvertent Energy.

YOU ARE FURTHER NOTIFIED that, as an existing QF that has been delivering energy to Idaho Power pursuant to an existing agreement, the replacement Agreement specifies that the scheduled operation date for this Facility shall be no later than 120 days after a Commission final non-appealable Order has been issued approving the replacement Agreement.

YOU ARE FURTHER NOTIFIED that various requirements have been placed upon Simplot in order for Idaho Power to accept energy deliveries from this Facility. Idaho Power states that it will continue to monitor compliance with these requirements through the full term of the Agreement. The Company maintains that the Agreement, as signed and submitted, contains non-levelized published avoided cost rates in conformity with applicable Commission Orders. Idaho Power further states that all applicable interconnection charges and monthly operation and maintenance charges under Schedule 72 will be assessed to Simplot.

YOU ARE FURTHER NOTIFIED that the Application states that the Agreement was executed in compliance with Commission Orders directing the implementation of PURPA for the State of Idaho. PURPA QF generation must be designated as a network resource (DNR) to serve Idaho Power's retail load on its system. In order for this Facility to maintain its current DNR status there must be an Agreement associated with its transmission service request (TSR) to maintain compliance with Idaho Power's non-discriminatory administration of its Open Access Transmission Tariff (OATT) and compliance with FERC requirements. A lapse of time between the Facility's expiring agreement and replacement firm energy sales agreement places its status as a DNR and its associated TSR in jeopardy. In order to provide for the continued and uninterrupted operation of the cogeneration Facility and its associated plant (to maintain DNR status), the parties request interim approval of the Agreement while the Commission completes its review.

YOU ARE FURTHER NOTIFIED that, by its own terms, the Agreement will not become finally effective until the Commission has approved all of the Agreement's terms and conditions and declares that all payments made by Idaho Power to Simplot for purchases of

energy will be allowed as prudently incurred expenses for ratemaking purposes. Agreement ¶ 21.

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. The Commission notes that Modified Procedure and written comments have proven to be an effective means for obtaining public input and participation.

YOU ARE FURTHER NOTIFIED that any person desiring to state a position on this Application may file a written comment in support or opposition with the Commission **no later than twenty-one (21) days** from the service date of this Order. 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

Street Address for Express Mail:

472 W. Washington Street
Boise, ID 83702-5918

Donovan E. Walker
Idaho Power Company
1221 West Idaho Street
PO Box 70
Boise, ID 83707-0070
E-Mail: dwalker@idahopower.com

Randy C. Allphin
Energy Contract Administrator
Idaho Power Company
1221 West Idaho Street
PO Box 70
Boise, ID 83707-0070
E-Mail: rallphin@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 Idaho Power and J.R. Simplot may file reply comments (if necessary) **no later than seven (7) days** after the comment deadline.

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.

YOU ARE FURTHER NOTIFIED that the Application and Agreement have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices. The Application and Agreement are also available on the Commission's web site at www.puc.idaho.gov by clicking on "File Room" and then "Electric Cases."

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 the Public Utility Regulatory Policies Act of 1978 (PURPA). The Commission has authority under PURPA and the implementing regulations of the Federal Energy Regulatory Commission (FERC) to set avoided costs, to order electric utilities to enter into fixed-term obligations for the purchase of energy from qualified facilities and to implement FERC rules.

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.*

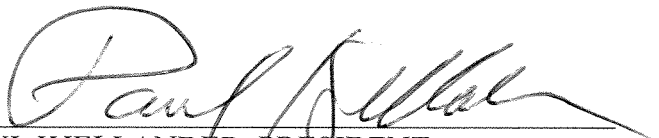
ORDER

IT IS HEREBY ORDERED that this case be processed by Modified Procedure. Interested persons and the parties may file written comments no later than 21 days from the service date of this Order.

IT IS FURTHER ORDERED that Idaho Power and J.R. Simplot may file reply comments (if necessary) no later than seven (7) days after the comment deadline.

IT IS FURTHER ORDERED that the request for interim approval of the Agreement is granted, subject to adjustments, until such time as the Agreement is approved by a final Order of the Commission.

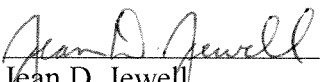
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 28th
day of February 2013.


PAUL KJELLANDER, PRESIDENT


MACK A. REDFORD, COMMISSIONER


MARSHA H. SMITH, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

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