

## BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

<b>IN THE MATTER OF THE APPLICATION</b>	)	
<b>OF IDAHO POWER COMPANY FOR</b>	)	<b>CASE NO. IPC-E-14-39</b>
<b>APPROVAL OR REJECTION OF AN</b>	)	
<b>ENERGY SALES AGREEMENT WITH</b>	)	<b>NOTICE OF APPLICATION</b>
<b>BLIND CANYON AQUARANCH, INC. FOR</b>	)	
<b>THE SALE AND PURCHASE OF</b>	)	<b>NOTICE OF</b>
<b>ELECTRIC ENERGY.</b>	)	<b>MODIFIED PROCEDURE</b>
	)	
	)	<b>ORDER NO. 33186</b>

---

On November 13, 2014, Idaho Power Company filed an Application with the Commission for approval or rejection of an Energy Sales Agreement with Blind Canyon Aquaranch, Inc. for the sale and purchase of electric energy from the Blind Canyon Hydro Project.

### NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that Idaho Power requests that the Commission accept or reject the Energy Sales Agreement between Idaho Power and Blind Canyon Aquaranch, Inc. (Blind Canyon), under which Blind Canyon would sell and Idaho Power would purchase electric energy generated by the project's 1.625 megawatt (MW) non-seasonal hydro facility located near Wendell, Idaho. The Agreement between the parties was executed on October 31, 2014. The Agreement is for a term of 20 years.

YOU ARE FURTHER NOTIFIED that Blind Canyon is currently selling energy to Idaho Power under a 20-year PURPA agreement that was executed in 1994 and approved by the Commission in January 1995. Order No. 25852. Blind Canyon has requested a new 20-year agreement as a PURPA qualifying facility for a non-seasonal hydro project smaller than 10 average megawatts (aMW). The Agreement between Idaho Power and Blind Canyon includes full capacity payments pursuant to Commission Order No. 32697 as a replacement contract.

YOU ARE FURTHER NOTIFIED that the nameplate rating of this facility is 1.625 MW. Blind Canyon will be required to provide data 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. Should the facility exceed 10 aMW on a monthly basis, Idaho Power will accept the inadvertent

energy that does not exceed the maximum capacity amount, but will not purchase or pay for the inadvertent energy.

YOU ARE FURTHER NOTIFIED that Blind Canyon has selected December 15, 2014, as its Scheduled First Energy Date and Scheduled Operation Date in order to maintain uninterrupted operation after the expiration of its existing agreement. All applicable interconnection charges and monthly operation and maintenance charges under Schedule 72 will be assessed to Blind Canyon.

YOU ARE FURTHER NOTIFIED that the new Agreement contains revised terms and conditions pursuant to the Commission's final Orders in Case No. GNR-E-11-03. These revised conditions are the same or similar to those recently approved by the Commission in Case Nos. IPC-E-14-06, IPC-E-14-07 and IPC-E-14-12. The changes include: reference to the ICE index and formula; modified provisions regarding delay liquidated damages and delay security; ownership of environmental attributes; provisions providing for revision of initial year monthly net energy amounts on a monthly rather than quarterly basis; and several other minor changes consistent with Commission Orders.

YOU ARE FURTHER NOTIFIED that, as with all PURPA QF generation, the project must be designated as a network resource (DNR) to serve Idaho Power's retail load on its system. Consequently, the Agreement contains provisions requiring completion of a Generator Interconnection Agreement (GIA), compliance with GIA requirements, and designation as an Idaho Power network resource as conditions of Idaho Power accepting delivery of energy and paying for the same under the Agreement. In order for the project to maintain its DNR status, there must be a power purchase agreement associated with its transmission service request that maintains compliance with Idaho Power's non-discriminatory administration of its Open Access Transmission Tariff (OATT) and maintains compliance with FERC requirements.

YOU ARE FURTHER NOTIFIED that Article 21 of the Agreement provides that the Agreement will not become effective until the Commission has approved all of the Agreement's terms and conditions and declared that all payments Idaho Power makes to Blind Canyon for purchases of energy will be allowed as prudently incurred expenses for ratemaking purposes.

YOU ARE FURTHER NOTIFIED that Idaho Power requested that its Application be processed by Modified Procedure.

## 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 31.01.01.201-204. 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 in opposition with the Commission **no later than Tuesday, December 9, 2014**. 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 may 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

Donovan E. Walker  
Lead Counsel  
Idaho Power Company  
PO Box 70  
Boise, ID 83707-0070  
E-mail: [dwalker@idahopower.com](mailto:dwalker@idahopower.com)

Street Address for Express Mail:  
472 W. Washington Street  
Boise, ID 83702-5918

Randy C. Allphin  
Energy Contract Administrator  
Idaho Power Company  
PO Box 70  
Boise, ID 83707-0070  
E-mail: [rallphin@idahopower.com](mailto: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](http://www.puc.idaho.gov). Click the "Case Comment or Question Form" under the "Consumers" tab, 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 deadline, the Commission may consider the matter on its merits and may enter its Order without a formal hearing. If comments or protests are filed within the deadline,

NOTICE OF APPLICATION  
NOTICE OF MODIFIED PROCEDURE  
ORDER NO. 33186

the Commission will consider them and in its discretion may set the matter for hearing or may decide the matter and issue its Order based on the written positions before it. IDAPA 31.01.01.204.

YOU ARE FURTHER NOTIFIED that the Application and supporting workpapers have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices. The Application is also available on the Commission's web site at [www.puc.idaho.gov](http://www.puc.idaho.gov). Click on the "File Room" tab at the top of the page, scroll down to "Open Electric Cases," and then click on the case number as shown on the front of this document.

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.*

### **ORDER**

IT IS HEREBY ORDERED that this case be processed under Modified Procedure. Interested persons and the parties may file written comments no later than December 9, 2014.


DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 26<sup>th</sup>  
day of November 2014.

  
\_\_\_\_\_  
PAUL KJELLANDER, PRESIDENT

  
\_\_\_\_\_  
MACK A. REDFORD, COMMISSIONER

  
\_\_\_\_\_  
MARSHA H. SMITH, COMMISSIONER

ATTEST:

  
\_\_\_\_\_  
Jean D. Jewell  
Commission Secretary

O:IPC-E-14-39\_ks