

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION) CASE NO. IPC-E-15-02
OF IDAHO POWER COMPANY FOR)
APPROVAL OR REJECTION OF AN) NOTICE OF APPLICATION
ENERGY SALES AGREEMENT WITH J.R.)
SIMPLOT COMPANY FOR THE SALE) NOTICE OF
AND PURCHASE OF ELECTRIC ENERGY) MODIFIED PROCEDURE
)
) ORDER NO. 33223

On January 30, 2015, Idaho Power Company filed an Application requesting that the Commission accept or reject an Energy Sales Agreement between Idaho Power and J.R. Simplot Company for the sale and purchase of electric energy generated by the Simplot-Pocatello cogeneration Project located near Pocatello, Idaho.

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that on January 30, 2015, Idaho Power and Simplot entered into an Agreement pursuant to the terms and conditions of various Commission Orders applicable to this PURPA agreement for “other” projects. Under the terms of the Agreement, Simplot elected to contract with Idaho Power for a one-year term using the non-levelized other published avoided cost rates as currently established by Commission Orders for energy deliveries of less than 10 average megawatts (aMW).

YOU ARE FURTHER NOTIFIED that, prior to the negotiation of this Agreement, this project has been delivering energy to Idaho Power in accordance with an agreement dated February 13, 2013, that expires on March 1, 2015. Simplot proposes to continue to operate and maintain its 15.9 MW energy facility. The facility is a QF under the applicable provisions of PURPA. The nameplate rating of the project is 15.9 MW. Simplot will be required to provide data on the 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. Furthermore, should the facility exceed 10 aMW, Idaho Power will accept the energy (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, as the facility is already interconnected and selling energy to Idaho Power, the Agreement specifies a Scheduled First Energy Date and

Schedule Operation Date of March 1, 2015, but shall be no later than 120 days after the Commission issues a final, non-appealable Order approving the Agreement. The parties recognize that information provided under the previous agreement may still be applicable to this replacement Agreement. As specified in the Agreement, Idaho Power shall review the previously provided information and will accept the information as previously submitted, request updates to that information, and/or require new information to satisfy compliance with the various requirements for Simplot to be granted a First Energy Date and Operation Date for this replacement Agreement. In addition, Idaho Power will monitor the ongoing requirements through the full term of this Agreement.

YOU ARE FURTHER NOTIFIED that the Agreement, as signed and submitted by the parties, contains non-levelized published avoided cost rates in conformity with applicable Commission Orders. All applicable interconnection charges and monthly operation and maintenance charges under Schedule 72 will be assessed to Simplot.

YOU ARE FURTHER NOTIFIED that Idaho Power explains that the Agreement contains several terms and conditions that vary from previously approved agreements in order to comply with the Commission's recent Orders. The changes include: reference to the Intercontinental Exchange (ICE) index and formula; modified provisions regarding delay liquidated damages and delay security; reference to Simplot ownership of environmental attributes; provisions providing for revision of initial year monthly net energy amounts on a monthly rather than quarterly basis; provisions allowing Simplot the option to claim maintenance will be scheduled at the same time each year with one notification; and several other minor provisions.

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. 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, by its own terms, the Agreement will not become 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.

YOU ARE FURTHER NOTIFIED that Idaho Power requests 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 Friday, February 20, 2015**. 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

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

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 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, 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. 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.

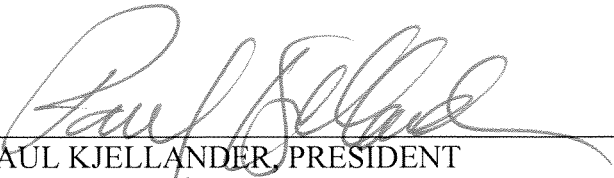
YOU ARE FURTHER NOTIFIED that all proceedings in this case will be held pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code and that the Commission may enter any final order consistent with its authority under Title 61.

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 February 20, 2015.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 10th
day of February 2015.



PAUL KJELLANDER, PRESIDENT




MACK A. REDFORD, COMMISSIONER



MARSHA H. SMITH, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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