

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	
OF IDAHO POWER COMPANY FOR AN)	CASE NO. IPC-E-93-01
ORDER APPROVING AN AMENDMENT TO)	
A POWER SALES AGREEMENT WITH)	MINUTE ORDER
CLIFTON E. JENSEN)	

On November 1, 2012, Idaho Power Company submitted a copy of a letter it sent to Birch Creek Trout Hydro, a PURPA qualifying facility (QF), regarding a deviation from the expressed terms of the parties' power purchase agreement (PPA or Agreement) dated July 1, 1983. The PPA between Clifton E. Jensen (for Birch Creek) and Idaho Power requires Birch Creek Hydro to continually carry Value Loss of Income (VLI) insurance in amounts equal to the accumulated capacity overpayments. In PPAs containing levelized rates, such as the Birch Creek Agreement, overpayment occurs during the first part of the PPA term because the levelized rate paid for power purchases exceeds the estimated value of the power. In later years of the PPA, the reverse occurs. VLI insurance is intended to provide security to Idaho Power's customers in the event the QF permanently or partially curtails its output prior to the end of the Agreement.

In lieu of providing VLI insurance, Birch Creek recently requested that Idaho Power consider accepting a Certificate of Deposit (CD) as security. In a letter dated October 25, 2012, Idaho Power determined that the CD is acceptable security in lieu of the VLI insurance.

In a decision memorandum dated November 6, 2012, Commission Staff reviewed the parties' request to substitute the CD for VLI insurance. Staff determined that the CD provides an acceptable source of liquid security comparable to the security that would otherwise be provided by VLI insurance. Memo at 2. Consequently, Staff recommended approval of the request to substitute the CD in lieu of the VLI insurance.

At our decision meeting on November 19, 2012, the Commission reviewed this matter and found it was reasonable to accept the CD in lieu of the VLI insurance as overpayment security in the PPA between Idaho Power and Birch Creek Trout Hydro.

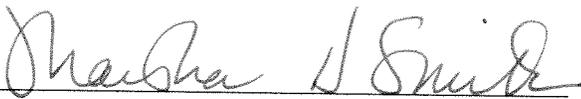
DATED at Boise, Idaho this 27th day of November 2012.



PAUL KJELLANDER, PRESIDENT

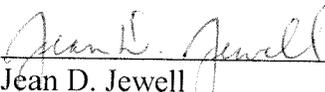


MACK A. REDFORD, COMMISSIONER



MARSHA H. SMITH, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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