(text box: 1)BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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| IN THE MATTER OF A UNIFORM AGREE­MENT FOR THE PURCHASE OF NON-FIRM ENERGY BETWEEN IDAHO POWER COM­PANY AND JERRY AND CHRIS MCMILLAN. | )  )  )  )  )  )  ) | CASE NO. IPC-E-96-1  ORDER NO.  26318 |

On January 5, 1996, Idaho Power Company (Idaho Power; Company; IPCo) filed an Application with the Idaho Public Utilities Commission (Commission) requesting an Order approving a Uniform Agreement (Agreement) for the purchase of non-firm energy dated November 22, 1995, between IPCo and Jerry and Chris McMillan (McMillans).  The McMillans are successors in interest to A.W. Brown Company, Inc., the developer of a 110 kilowatt hydroelectric project, identified as Sunshine No. 2 Hydro Project, located in the Northeast Quarter of Section 2, Township 19 North, Range 21 East, Boise-Meridian, Lemhi County, Idaho.  The project is represented to be a qualified small power production facility under the applicable provisions of the Public Utility Regulatory Policies Act of 1978.

On January 14, 1994, the Commission approved a November 23, 1993, Uniform Agreement for the purchase of non-firm energy between Idaho Power Company and A.W. Brown for the Sunshine No. 2 project.  Reference Case No. IPC-E-93-30, O.N. 25355.  By letter dated December 4, 1995, A.W. Brown notified Idaho Power Company that ownership of the Sunshine No. 2 project had changed and authorized the Company to cancel its November 23, 1993, Uniform Agreement for the purchase of non-firm energy.  Idaho Power requests approval of the cancellation of the Company’s Uniform Agreement with A.W. Brown Company for the Sunshine No. 2 hydro project.

As successors in interest to the Sunshine No. 2 hydro project, the McMillans have agreed to sell Sunshine No. 2 energy to Idaho Power at the non-firm energy rate established in IPCo’s electric tariff Schedule 86.  The Agreement between IPCo and the McMillans is the November 22, 1995 Uniform Agreement for the Purchase of Non-firm Energy from Cogeneration and Small Power Production Projects.  Idaho Power requests approval of the Agreement and Commission acknowledgment that all payments under the Agreement are prudently incurred expenses for ratemaking purposes.

COMMISSION FINDINGS

The Commission has reviewed the filings of record in Case Nos.  IPC-E-96-1 and IPC-E-93-30 regarding the Sunshine No.  2 hydro project.  The Commission finds it reasonable to approve cancellation of the November 23, 1993, Uniform Agreement between Idaho Power and A.W. Brown Company for the Sunshine No. 2 hydro project.  Reference Case No. IPC-E-93-30, Order No. 25355.  The Commission further finds it reasonable to approve the submitted November 22, 1995, Uniform Agreement between Idaho Power and the McMillans for the Sunshine No. 2 hydro project.  The Commission finds that the McMillan Agreement as signed and submitted by the parties contains non-firm energy rates in conformity with Idaho Power’s electric Schedule 86 tariff and we therefore approve them.  We also approve payments made under the McMillan Agreement as prudently incurred expenses for ratemaking purposes.

CONCLUSIONS OF LAW

The Idaho Public Utilities Commission has jurisdiction over Idaho Power Company, an electric utility, pursuant to the authority and power granted it under Title 61 of the Idaho Code.

The Idaho Public Utilities Commission has authority under the Public Utility Regulatory Policies Act of 1978 (PURPA) and implementing regulations of the Federal Energy Regulatory Commission (FERC) to order electric utilities to purchase energy from small power producers and to implement FERC rules.

O R D E R

In consideration of the foregoing and as more particularly described above, IT IS HEREBY ORDERED and the Commission does hereby approve the cancellation of the November 23, 1993, Uniform Agreement between Idaho Power and A.W. Brown Company for the purchase of non-firm energy from the Sunshine No. 2 hydro project.  Reference Case No. IPC-E-93-30, Order No. 25355.

IT IS FURTHER ORDERED that the November 22, 1995, Uniform Agreement between Idaho Power Company and Jerry and Chris McMillan for the purchase of non-firm energy from the Sunshine No. 2 hydro project is hereby approved.

THIS IS A FINAL ORDER.  Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order.  Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration.  See Idaho Code § 61-626.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this                  day of February 1996.

RALPH NELSON, PRESIDENT

MARSHA H. SMITH, COMMISSIONER

DENNIS S. HANSEN, COMMISSIONER

ATTEST:

Myrna J. Walters

Commission Secretary

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**COMMENTS AND ANNOTATIONS**

Text Box 1:

**TEXT BOXES**

Office of the Secretary

Service Date

February 5, 1996