BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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| IN THE MATTER OF THE APPLICATION OF IDAHO POWER COMPANY FOR AN ORDER APPROVING A FIRST AMENDMENT TO A FIRM ENERGY SALES AGREEMENT WITH CONSOLIDATED HYDRO MOUNTAIN STATES, INC.  (LOWLINE II HYDRO PROJECT). | )  )  )  )  )  )  )  ) | CASE NO. IPC-E-96-8  MINUTE ENTRY |

On May 8, 1996, Idaho Power Company (Idaho Power; Company) filed an Application with the Idaho Public Utilities Commission (Commission) requesting approval of an amendment (attached) to a Firm Energy Sales Agreement (Agreement) between Idaho Power and the original owners, Bonneville Pacific Corporation, for the Lowline II Hydroelectric facility.  The underlying Agreement dated September 12, 1986, was approved by the Commission in Order No. 20823 on November 14, 1986.  The Agreement is for a 35-year contract term.  The new owner of the facility is Consolidated Hydro Mountain States, Inc., a subsidiary of Consolidated Hydro, Inc.  (CHI).  CHI is the owner and operator throughout the United States of over 65 hydro power facilities.

Lowline II is a 2.79 megawatt hydroelectric facility located in the Southwest Quarter of Section 8, Township 11 South, Range 18 East, Boise-Meridian, Twin Falls County, Idaho.

The proposed amendment incorporates several changes that have occurred since the Agreement was first signed:

∙As a substitute for the Agreement requirement of valued loss of income insurance, the amendment to provide security for the levelized rate payment obligation incorporates various of the security provisions of Commission Order Nos. 21690 and 21800.  The scope of coverages and deductibles vary from the requirements of Commission Order No. 25240, Case No. IPC-E-93-22.  The Company states that the various deductible amounts reflected in the amendment are higher than usual and conform to the existing corporate excess liability policy which CHI has covering itself and all of its subsidiaries.  The Company is satisfied as to CHI’s financial strength and position in the private hydro industry.

∙The adjustable portion of the purchase price is amended per Commission Order No. 25880.

∙The amendment also includes a number of minor miscellaneous changes including a change of names and addresses for Notices.

The Company requests that the amendment be approved and that all costs related thereto be allowed to Idaho Power as prudently incurred expenses for ratemaking purposes.

The Commission has reviewed the filings of record in Case No. IPC-E-96-8 and has reviewed its prior approval of the Lowline II Hydroelectric Project.  The Commission has reviewed the submitted May 3, 1996, First Amendment and finds the amended terms to be reasonable and acceptable.  The Commission also finds payments made under the Agreement (as amended) to be prudently incurred expenses for ratemaking purposes.

DATED at Boise, Idaho this                  day of June 1996.

                                                                                                                                      RALPH NELSON, PRESIDENT

                                                                                           MARSHA H. SMITH, COMMISSIONER

DENNIS S. HANSEN, COMMISSIONER

ATTEST:

Myrna J. Walters

Commission Secretary

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