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 CHI-BLACK CANYON, INC. (BLACK CANYON NO. 3 HYDRO PROJECT) | ))))))) | CASE NO. IPC-E-96-12MINUTE ENTRY |

On June 20, 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, the Big Wood Canal Company, for the Black Canyon No. 3 hydroelectric facility.  The underlying Agreement, dated March 2, 1984, was approved by the Commission in Order Nos. 15746 and 18190.  The Agreement is for a 35-year contract term.  In an initial change of ownership, Big Wood Canal Company transferred ownership to Bonneville Pacific Corporation.  The new owner of the facility is CHI-Black Canyon, Inc., a subsidiary of Consolidated Hydro, Inc. (CHI). CHI is the owner and operator throughout the United States of over 65 hydro power facilities.

Black Canyon No. 3 is a 112 kw hydroelectric facility located in the Southeast Quarter of the Northwest Quarter of Section 31, Township 4 South, Range 15 East, Boise Meridian, Gooding 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 to 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 name and address for notices.

The Company requests that the Amendment be approved and that all costs relating 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-96-12 and has reviewed its prior approval of the Black Canyon No. 3 hydroelectric project.  The Commission has reviewed the June 13, 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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