DECISION MEMORANDUM

TO:COMMISSIONER NELSON

COMMISSIONER SMITH

COMMISSIONER HANSEN

MYRNA WALTERS

TONYA CLARK

DON HOWELL

STEPHANIE MILLER

DAVE SCHUNKE

RICK STERLING

GARY RICHARDSON

WORKING FILE

FROM:SCOTT WOODBURY

DATE:JULY 10, 1996

RE:CASE NO.  IPC-E-96-13

BRIGGS CREEK HYDRO PROJECT

FIRM ENERGY SALES AGREEMENT—FIRST AMENDMENT

On July 1, 1996, Idaho Power Company (Idaho Power; Company) filed an Application with the Idaho Public Utilities Commission (Commission) for approval of a June 25, 1996, First Amendment (attached) to a Firm Energy Sales Agreement (Agreement) with Richard H.  Kaster regarding the Briggs Creek Hydro Project.  The underlying Agreement dated June 21, 1984, was approved on July 13, 1984 by Commission Order No. 18996 in Idaho Power Case No. U-1006-236.

The Briggs Creek Hydro Project is a 650 kilowatt facility located in the Northeast Quarter of Section 4, Township 9 South, Range 14 East, Boise-Meridian, Twin Falls County, Idaho.  The estimated annual generation is 5,256,000 kilowatt hours.

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 in the Commission’s generic -292 security case and the insurance require­ments of Order No. 25240.  Reference Agreement Article I: Definitions ¶¶ 1.19 and 1.20 (new); Article XIV: Indemnification and Insurance; Article XXVIII: Additional Terms and Conditions; Article XXX: Security (new); and Appendix E—Engineer Certifications (new).

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

∙A routine change in the Notices article is reflected.  Reference Agreement Article XXVII: Notices.

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

Staff has reviewed the Company’s Application; advises the Commission that the proposed changes are of a type that have been previously approved for other QF projects; and recommends that the proposed First Amendment changes in Case No. IPC-E-96-13 be approved.

Commission Decision

Should the Company’s Application and First Amendment in Case No. IPC-E-96-13 be approved?  If yes, a proposed Minute Entry approving the Amendment is attached for your consideration.  If no, what is the Commission’s preference?

Scott Woodbury

vld/M:IPC-E-96-13.sw