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 LITTLE WOOD RIVER IRRIGATION DIS­TRICT AND THE LITTLE WOOD RIVER CANAL COMPANY (LITTLE WOOD RIVER RESERVOIR HYDRO PROJECT). | ))))))))) | CASE NO. IPC-E-96-15MINUTE ENTRY |

On July 26, 1996, Idaho Power Company (Idaho Power; Company) filed an Application with the Idaho Public Utilities Commission (Commission) requesting approval of a July 25, 1996, First Amendment (attached) to a Firm Energy Sales Agreement (Agreement) between Idaho Power and Little Wood River Irrigation District and Little Wood River Canal Company (Seller).  Bonneville PacifiCorp was the original signatory to the Agreement who assigned it to Little Wood Hydroelectric, Ltd., a Utah limited partnership, who then subsequently assigned the same to Little Wood River Canal Company and Little Wood River Irrigation District.  The underlying Agreement dated August 17, 1984, was approved by Commission Order No. 19068.  The Agreement is for a 35-year contract term.  The project shall continue to be known as the Little Wood River Reservoir Hydro Project.

The Little Wood River Reservoir Hydro Project is a 3,000 kW facility located in the Northwest Quarter of Section 13, Township 1 North, Range 20 East, Boise Meridian, Blaine County, Idaho.  The annual net energy production is 8,360,000 kWh.

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 (reference Agreement ¶ 14.2.2) the amendment, to provide security for the levelized rate payment obligation, incorporates various security provisions of Commission Order Nos.  21690 and 21800 of the -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’s Certifications (new).

∙The adjustable portion of the purchase price is amended per Commission Order No. 25880.  Reference Agreement ¶ 7.1.2—Adjustable Payment.

∙By amendment, a routine change in the Notices article is also 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.

The Commission has reviewed the filings of record in Case No. IPC-E-96-15 and has reviewed its prior approval of the Little Wood River Reservoir Hydro Project.  The Commission has reviewed the terms of the submitted First Amendment and finds the amended terms to be reasonable and acceptable.  The Commission finds payments made under the Agreement (as amended) to be prudently incurred expenses for ratemaking purposes.

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

                                                                                                                                       RALPH NELSON, PRESIDENT

                                                                                            MARSHA H. SMITH, COMMISSIONER

DENNIS S. HANSEN, COMMISSIONER

ATTEST:

Myrna J. Walters

Commission Secretary

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