BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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| IN THE MATTER OF THE APPLICATION OF IDAHO POWER COMPANY FOR APPROVAL OF CONTRACT TO SUPPLY STANDBY SERVICE TO AMALGAMATED SUGAR COMPANY. | )  )  )  )  )  )  ) | CASE NO. IPC-E-98-7  NOTICE OF APPLICATION  NOTICE OF MODIFIED PROCEDURE |

YOU ARE HEREBY NOTIFIED that on May 1, 1998 Idaho Power Company (Idaho Power; Company) filed an Application for an Order approving (1) the agreement for supply of standby service between Idaho Power and the Amalgamated Sugar Company (TASCO) under which Idaho Power will supply standby electric service to TASCO (the standby agreement) and (2) Rate Schedule 31 which is intended to operate in conjunction with the standby agreement.

Idaho Power states that it provides electric service to TASCO’s refined sugar production facilities at Nampa, Paul and Twin Falls, Idaho under Idaho Power’s Schedule 19 and to TASCO’s refined sugar production facility at Nyssa, Oregon under Idaho Power’s Oregon Schedule 19.  TASCO owns and operates electric generation facilities at several of its refined sugar production facilities and utilizes electricity generated by those facilities to provide a portion of its electric loads.  Idaho Power’s service under Schedule 19 supplements the energy obtained from TASCO’s on-site generation.  TASCO currently purchases standby service from Idaho Power under Schedule 45 to back-up TASCO’s on-site generation at the Paul, Idaho facility.  TASCO has requested that Idaho Power provide standby service for all four TASCO refined sugar production facilities.

Idaho Power contends that, because TASCO owns and operates a relatively large amount of self-generation, it is a unique customer of the Company.  TASCO’s overall loads are growing and the standby agreement, Idaho Power asserts, will provide TASCO with a cost-effective way to optimize the use of its self-generation.

Moreover, the Company argues that TASCO is unique in that it only needs standby service during the fall and winter months when it is involved in its annual “campaign.”  During the spring and summer months, the 4,000 kW of standby generation will be available to serve other loads.

The Company concludes that existing Rate Schedule 45 is adequate to provide standby service for a single location.  That Schedule does not have the flexibility, however, to provide comprehensive service to a single customer with a multiple on-site generation characteristic as presented by TASCO.  Because of this unique situation, Idaho Power reasons, a special standby contract is appropriate.

Under the requirements of the proposed standby agreement, TASCO will pay all costs of supplying, installing, operating and maintaining certain transmission, substation and distribution facilities to allow Idaho Power to supply the standby service to the TASCO facilities.  TASCO will purchase on a take or pay basis standby contract demand and will pay standby facilities contract demand charges.  Even if TASCO does not utilize the standby demand, revenues will accrue to Idaho Power.  All energy taken with the standby demand will be priced at Schedule 19 energy charge rates.

YOU ARE FURTHER NOTIFIED that the Application together with supporting workpapers, testimonies and exhibits, have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices.

YOU ARE FURTHER NOTIFIED that all proceedings in this case will be held pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code and that the Commission may enter any final Order consistent with its authority under Title 61.

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000 et seq.

YOU ARE FURTHER NOTIFIED that the Commission has determined that the public interest may not require a formal hearing in this matter and will proceed under Modified Procedure pursuant to Rules 201 through 204 of the Idaho Public Utilities Commission's Rules of Procedure, IDAPA 31.01.01.201 through -.204.

YOU ARE FURTHER NOTIFIED that any person desiring to state a position on this Application may file a written comment in support or opposition with the Commission within twenty-one (21) days from the date of this Notice.  The comment must contain a statement of reasons supporting the comment.  Persons desiring a hearing must specifically request a hearing in their written comments.  Written comments concerning this application shall be mailed to the Commission and the Applicant at the addresses reflected below:

COMMISSION SECRETARYBarton L.  Kline

IDAHO PUBLIC UTILITIES COMMISSIONJohn R.  Gale

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These comments should contain the case caption and case number shown on the first page of this document.

YOU ARE FURTHER NOTIFIED that if no written comments are received within the time limit set, the Commission will consider this matter on its merits and enter its Order without a formal hearing.  If written comments are received within the time limit set, the Commission will consider them and, in its discretion, may set the same for formal hearing.

DATED at Boise, Idaho this                  day of June 1998.

Myrna J. Walters

Commission Secretary

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