(text box: 1)BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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| IN THE MATTER OF THE APPLICATION OF IDAHO POWER COMPANY FOR APPROVAL OF THE THIRD AMENDMENT TO FIRM ENERGY SALES AGREEMENT FOR THE MAGIC RESERVOIR HYDROELECTRIC GENERATING PROJECT. | )  )  )  )  )  )  ) | CASE NO. IPC-E-98-14  NOTICE OF APPLICATION  NOTICE OF MODIFIED           PROCEDURE  NOTICE OF COMMENT/ PROTEST DEADLINE |

YOU ARE HEREBY NOTIFIED that on November 6, 1998, Idaho Power Company (Idaho Power; Company) filed an Application with the Idaho Public Utilities Commission (Commis­sion) in Case No. IPC-E-98-14 requesting approval of a proposed Third Amendment to a July 10, 1987, Firm Energy Sales Agreement between Idaho Power and Magic Reservoir Hydroelectric, Inc. (MRHI; successor in interest to Cook Electric, Inc.) for the Magic Reservoir Hydroelectric Generating Project.

Pursuant to the Public Utility Regulatory Policies Act of 1978 (PURPA) Idaho Power is required to purchase energy from qualifying small power production facilities (QFs). The Magic Reservoir project is a QF.  In Order No. 21690 in Case No. U-1006-292, the Commission established security provisions for overpayment liability in levelized QF contracts.  The Commission’s Order required QFs to establish maintenance reserve and low water reserve escrow accounts in an Idaho financial institution.

Since the Commission initially established the requirement for escrow accounts, Idaho Power reports that one by one the local banks have opted to exit the business of providing the required account services.  For the past several years, Idaho Power states that the only bank willing to provide this escrow service has been Wells Fargo Bank.  Idaho Power has now been advised by several QF developers that Wells Fargo also desires to cease providing this service.

In response to a notice from Wells Fargo, MRHI contacted Idaho Power and proposed a simplified alternative escrow account arrangement that it represents is acceptable to First Security Bank.  The procedure described in the Third Amendment would allow funds from the maintenance reserve account and low water reserve account to be mingled in a single account with separate accounting for each of the two reserved amounts.  Permitted withdrawals from the single account requires two signatures, either by the two Idaho Power signatories or by one Idaho Power signatory and one Magic Reservoir Hydroelectric, Inc. signatory.  Idaho Power states that such an arrangement allows it to effectively monitor and control disbursements from the account.

YOU ARE FURTHER NOTIFIED that the Commission has reviewed the filings of record in Case No. IPC-E-98-14 and has preliminarily found that the public interest in this matter may not require a hearing to consider the issues presented and that the issues raised by the Company’s filing may be processed under Modified Procedure, i.e., by written submission rather than by hearing.  Reference Commission Rules of Procedure, IDAPA 31.01.01.201-204.

YOU ARE FURTHER NOTIFIED that the deadline for filing written comments or protests with respect to Idaho Power’s Application and the use of Modified Procedure in Case No. IPC-E-98-14 is Wednesday, December 9, 1998.

YOU ARE FURTHER NOTIFIED that if no written protests or comments are received within the deadline, the Commission may consider the matter on its merits and may enter its Order without a formal hearing.  If comments or protests are filed within the deadline, the Commission will consider them and in its discretion may set the matter for hearing or may decide the matter and issue its Order on the basis of the written positions before it.  Reference IDAPA 31.01.01.204.

YOU ARE FURTHER NOTIFIED that written comments concerning Case No. IPC-E-98-14 should be mailed to the Commission and the Company at the addresses reflected below:

COMMISSION SECRETARYBARTON L. KLINE

IDAHO PUBLIC UTILITIES COMMISSIONIDAHO POWER COMPANY

PO BOX 837201221 W IDAHO STREET

BOISE, IDAHO  83720-0074PO BOX 70

BOISE, IDAHO 83707

Street Address for Express Mail:

Attorney for Idaho Power Company

472 W WASHINGTON ST

BOISE, IDAHO  83702-5983JOHN R. GALE, GENERAL MANAGER

PRICING & REGULATORY SERVICES

IDAHO POWER COMPANY

1221 W IDAHO STREET

PO BOX 70

BOISE, IDAHO 83707

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

YOU ARE FURTHER NOTIFIED that the Company’s Application in Case No. IPC-E-98-14 may be viewed during regular business hours at the offices of the Idaho Public Utilities Commission, 472 West Washington Street, Boise, Idaho and at the general business office of Idaho Power Company, 1221 West Idaho Street, Boise, Idaho.

DATED at Boise, Idaho this                  day of November 1998.

                                                                                                                                      DENNIS S. HANSEN, PRESIDENT

                                                                                           RALPH NELSON, COMMISSIONER

MARSHA H. SMITH, COMMISSIONER

ATTEST:

Myrna J. Walters

Commission Secretary

vld/N:IPC-E-98-14.sw

**COMMENTS AND ANNOTATIONS**

Text Box 1:

**TEXT BOXES**

Office of the Secretary

Service Date

November 18, 1998