(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 AN AGREEMENT FOR SALE AND PUR­CHASE OF SURPLUS ENERGY BETWEEN IDAHO POWER COMPANY AND THE AMALGAMATED SUGAR COMPANY, LLC. | ))))))) | CASE NO. IPC-E-98-15NOTICE OF APPLICATION NOTICE OF MODIFIED PROCEDURE  |

On November 12, 1998, the Idaho Power Company (Idaho Power; Company) filed an Application for an Order approving an agreement between the Company and the Amalgamated Sugar Company (TASCO) under which Idaho Power would operate in parallel with TASCO and purchase surplus electric energy generated by TASCO at its sugar production facility in Nampa, Idaho.

TASCO currently owns and operates electric generating facilities at its Nampa facility.  TASCO provides a portion of its electric loads at the Nampa plant with its own on-site generation.  Idaho Power provides electric service to TASCO’s Nampa plant under the Company’s Schedule 19 to supplement the energy TASCO generates with its own facilities.

On October 31, 1998, Idaho Power and TASCO entered into an agreement for the sale and purchase of surplus energy under which Idaho Power will purchase surplus electric energy from TASCO at market-based prices.  A copy of the proposed agreement is attached to the Application as Exhibit 1.  The initial term of the agreement is five years with automatic renewals thereafter.

The electric energy proposed to be sold by TASCO to Idaho Power under the agreement is non-firm and will only be available when TASCO does not consume all of its own generation.  The purchase price for the energy provided by TASCO under the agreement will be set on a per kilowatt hour basis and will be equal to the daily on-peak and off-peak Dow Jones mid Columbia index price less four mills per kilowatt hour.  That price will remain in effect until revised by mutual agreement of the parties.

Under the agreement, TASCO has reimbursed Idaho Power for the actual cost of disconnection and interconnection facilities required to allow parallel operation between TASCO and Idaho Power.  In addition, TASCO will pay Idaho Power a monthly charge to compensate the Company for the cost of operating and maintaining the Idaho Power-owned interconnection facilities.

The agreement provides that it shall not become effective until the Commission has approved it and declared that all payments Idaho Power makes for purchases of energy from TASCO under the agreement will be allowed as prudently incurred expenses for ratemaking purposes.  The Company states that TASCO has entered its busy fall season and to accommodate TASCO’s needs, Idaho Power has allowed TASCO to commence parallel operation.  During the fall season, it is possible that TASCO may desire to sell some limited amounts of energy to Idaho Power under the agreement.  As a result, Idaho Power requests that the Commission take all reasonable steps to expedite its review of this surplus energy agreement including the processing of the Application under Modified Procedure.

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 COMMISSIONIDAHO POWER COMPANY

PO BOX 83720PO BOX 70

BOISE, IDAHO  83720-0074BOISE, IDAHO 83707

Street Address for Express Mail:

472 W WASHINGTON ST

BOISE, IDAHO  83702-5983

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 December 1998.

Myrna J. Walters

Commission Secretary

bp/N:IPC-E-98-15

**COMMENTS AND ANNOTATIONS**

Text Box 1:

**TEXT BOXES**

Office of the Secretary

Service Date

December 10, 1998