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

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| IN THE MATTER OF THE TARIFF ADVICE FILING OF IDAHO POWER COMPANY FOR APPROVAL OF REVISED TARIFFS PERTAINING TO THE COMPANY’S SCHEDULE 86 — “COGENERATION AND SMALL POWER PRODUCTION NON-FIRM ENERGY.” | )  )  )  )  )  )  )  ) | CASE NO. IPC-E-99-1  NOTICE OF APPLICATION  NOTICE OF MODIFIED PROCEDURE  ORDER NO. 27964 |

YOU ARE HEREBY NOTIFIED that on February 19, 1999, the Commission received a Tariff Advice filing (No. 99-02) from Idaho Power Company (Idaho Power; Company) in which Idaho Power proposes to amend its existing Schedule 86 which contains the rates and conditions for the purchase of non-firm energy by Idaho Power from cogeneration and small power producers.  The Company’s filing was in response to Order No. 27885 issued by this Commission on January 22, 1999 in Case No. IPC-E-98-15; a case involving the approval of a purchase and sales agreement for surplus energy between Idaho Power and the Amalgamated Sugar Company, LLC (TASCO).  In Order No. 27885, the Commission approved Idaho Power’s proposed special contract with TASCO (formerly a Schedule 86 customer) but conditioned its approval on the understanding that the Company would file an application for approval to revise its Schedule 86 so that all parties supplying firm energy under that schedule are treated in a manner similar to that provided by the TASCO agreement, which is based on market prices.

Essentially, Idaho Power proposes to change the manner in which Schedule 86 rates are determined.  Under the current method, the rate paid to Schedule 86 suppliers is equal to the average per kWh cost of energy used to serve the Company’s marginal 200 MW of firm load in each month.  Under the proposed method, the purchase price for energy would be set on a per kWh basis and would be equal to the daily on peak and off peak Dow Jones Mid-Columbia index prices less four mills.

YOU ARE FURTHER NOTIFIED that the Commission considers this matter of sufficient importance that it desires to assign to it a formal case number and solicit public comment.

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 SECRETARYMAGGIE BRILZ

IDAHO PUBLIC UTILITIES COMMISSIONBART KLINE

PO BOX 83720IDAHO POWER COMPANY

BOISE, IDAHO  83720-0074PO BOX 70

BOISE, 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.

O R D E R

In its Tariff Advice, Idaho Power has selected an effective date for its proposed revisions to Schedule 86 of March 19, 1999.  Because of our decision to initiate this proceeding and solicit input from the public, it is necessary to suspend that proposed effective date for a period of thirty (30) days plus five (5) months or until this Commission issues a final Order resolving this matter, whichever comes first.

IT IS HEREBY ORDERED that Case No. IPC-E-99-1 is initiated for the purpose of resolving Idaho Power Company’s Tariff Advice filing No. 99-02.

IT IS FURTHER ORDERED that the proposed effective date of March 19, 1999, Idaho Power Company’s Tariff Advice No. 99-02 is hereby suspended for a period of thirty (30) days plus five (5) months or until such time as this Commission issues a final Order in this matter, whichever comes first.

THIS IS AN INTERLOCUTORY ORDER.  Any person interested in this Order may file a petition for review within twenty-one (21) days of the service date of this Order with regard to any matter decided in this Order.  A petition to review may request that the Commission: (1) rescind, clarify, alter, amend; (2) stay; or (3) finalize this Interlocutory Order. After any person has petitioned for review, any other person may file a cross-petition within seven (7) days.  See  Rules 321, 322, 323.03, 324, 325 (IDAPA 31.01.01.321 -325.)

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this                  day of March 1999.

                                                                                                                                      DENNIS S. HANSEN, PRESIDENT

                                                                                           MARSHA H. SMITH, COMMISSIONER

PAUL KJELLANDER, COMMISSIONER

ATTEST:

Myrna J. Walters

Commission Secretary

O:ipce991.bp

**COMMENTS AND ANNOTATIONS**

Text Box 1:

**TEXT BOXES**

Office of the Secretary

Service Date

March 11, 1999