DECISION MEMORANDUM

TO:COMMISSIONER HANSEN

COMMISSIONER SMITH

COMMISSIONER KJELLANDER

MYRNA WALTERS

TONYA CLARK

BILL EASTLAKE

DON HOWELL

STEPHANIE MILLER

RICK STERLING

DAVID SCOTT

WORKING FILE

FROM:BRAD PURDY

DATE:FEBRUARY 26, 1999

RE:CASE NO. IPC-E-99-1

APPLICATION OF IDAHO POWER FOR APPROVAL OF REVISIONS TO SCHEDULE 86 (NON-FIRM ENERGY PURCHASE RATES FOR CSPP)

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 (TASCO).  In that Order, the Commission approved Idaho Power’s proposed special contract with TASCO (formerly a Schedule 86 customer) but conditioned its approval on the understanding that Idaho Power would file an application for approval to revise the Company’s Schedule 86 so that all parties supplying non-firm energy under that schedule are treated in a manner similar to that provided by the TASCO agreement, which is based on market prices.

Although Idaho Power filed this as a Tariff Advice, the Commission Staff believes that it was the Commission’s desire to solicit input from the other Schedule 86 customers, as well from any other interested person, regarding the utilization of market prices to establish prices for non-firm energy purchases by Idaho Power.  Consequently, Staff recommends that the Commission issue an Order/Notice of Application/Notice of Modified Procedure initiating a formal case and soliciting input from interested parties.

Commission Decision

Does the Commission wish to issue the Notice/Order proposed by Staff?

Brad Purdy

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