

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

<b>IN THE MATTER OF THE APPLICATION</b>	)	
<b>OF PACIFICORP DBA ROCKY MOUNTAIN</b>	)	<b>CASE NO. PAC-E-09-09</b>
<b>POWER FOR APPROVAL OF A POWER</b>	)	
<b>PURCHASE AGREEMENT BETWEEN</b>	)	<b>NOTICE OF APPLICATION</b>
<b>ROCKY MOUNTAIN POWER AND BELL</b>	)	
<b>MOUNTAIN HYDRO LLC</b>	)	<b>NOTICE OF</b>
	)	<b>MODIFIED PROCEDURE</b>
	)	
	)	<b>NOTICE OF</b>
	)	<b>COMMENT/PROTEST DEADLINE</b>

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YOU ARE HEREBY NOTIFIED that on December 4, 2009, PacifiCorp dba Rocky Mountain Power (PacifiCorp; Company) filed an Application with the Idaho Public Utilities Commission (Commission) requesting approval of a 20-year Power Purchase Agreement between PacifiCorp and Bell Mountain Hydro, LLC (Bell Mountain) dated November 17, 2009 (Agreement).

Bell Mountain intends to construct, own, operate and maintain a Pelton-wheel hydroelectric generating facility (Facility) for the generation of electric power located approximately 40 miles north of Howe, Idaho, in Butte and Lemhi Counties at a location more particularly described as: SW 1/4 of the SW 1/4, Section 7, Township 10N, Range 27E, Boise Meridian. Bell Mountain warrants that the Facility will be a qualified small power production facility (QF) under the applicable provisions of the Public Utility Regulatory Policies Act of 1978 (PURPA). Agreement ¶ 3.2.6.

The facility is described as the following:

Two creeks, Bell Mountain Creek and Mahogany Creek, feed into a two-mile canal, which Seller has recently lined, and 16,000 feet of new steel pipe. Seller has also installed a new Pelton-wheel and a new 290 kW generator. The water is used both for irrigation and power production. Water flow is year-round and irrigation season is from April to October. Seller has a non-consumptive water right to generate power. Seller has the ability to store approximately 10 acre-feet of water in the canal (the "Pond"), which is equivalent to about seven hours of generation at the Facility Capacity Rating.

Seller has no right to directly or indirectly regulate the flow of water to the Facility except the cycling, or storing, of approximately 10 acre-feet of water in the canal immediately upstream of the Facility's generating structure.

Agreement, Exh. A.

The submitted Agreement, as reflected in the Application, is the result of negotiation and compromise. PacifiCorp will pay Bell Mountain non-levelized conforming energy or non-conforming energy purchase prices for net output adjusted for the month and on-peak/off-peak hours in accordance with Commission Order Nos. 30423 (monthly and daily price multipliers), 30480 (SAR methodology – fuel cost component), and 30744 (Conforming Energy Annual Rates). The parties recognizing the intermittent nature of the resource have also agreed to include a mechanical availability guarantee (MAG) and as a surrogate adopt the Company's current \$5.10/MWh wind integration cost adjustment. Agreement ¶ 5.1. In addition, the Agreement contains provisions for delay liquidated damages (¶ 2.3) to secure the established scheduled commercial operation date of December 15, 2009.

The nameplate rating of the Facility is 290 kW. Agreement, Exh. A. The estimated annual net generation is 1,102,530 kWh. Agreement, Exh. D. Under normal and/or average conditions, the Facility will not exceed 10 aMW in any calendar month. Should the Facility exceed 10 aMW on a monthly basis, PacifiCorp may accept inadvertent energy at its sole discretion, but will not purchase or pay for inadvertent energy. Agreement ¶ 5.3.

The Scheduled Commercial Operation Date of the Facility is December 15, 2009. Agreement ¶ 2.2.4. Agreement ¶ 2.1 provides that the Agreement will not become effective until the Commission has approved all of the Agreement's terms and conditions and declares that all payments PacifiCorp makes to Bell Mountain are just and reasonable and legitimate expenses, all of which the Commission will allow PacifiCorp to recover in rates in Idaho in the event other jurisdictions deny recovery of their proportionate share of said expenses.

YOU ARE FURTHER NOTIFIED that the Commission has reviewed the filings of record in Case No. PAC-E-09-09. The Commission has preliminarily found that the public interest in this matter may not require a hearing to consider the issues presented and that 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.

NOTICE OF APPLICATION

NOTICE OF MODIFIED PROCEDURE

NOTICE OF COMMENT/PROTEST DEADLINE      2

YOU ARE FURTHER NOTIFIED that the **deadline for filing written comments or protests** with respect to PacifiCorp's Application and the use of Modified Procedure in Case No. PAC-E-09-09 is **Friday, January 8, 2010**.

YOU ARE FURTHER NOTIFIED that if no written comments or protests 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 based on the written positions before it. Reference IDAPA 31.01.01.204.

YOU ARE FURTHER NOTIFIED that written comments concerning Case No. PAC-E-09-09 should be mailed to the Commission and the Company at the addresses reflected below.

Commission Secretary  
Idaho Public Utilities Commission  
PO Box 83720  
Boise, ID 83720-0074

Street Address for Express Mail:

472 W. Washington Street  
Boise, ID 83702-5918

Bruce Griswold, Director  
Short-Term Origination  
PacifiCorp  
825 NE Multnomah, Suite 1800  
Portland, OR 97232

E-mail: [bruce.griswold@pacificorp.com](mailto:bruce.griswold@pacificorp.com)

Ted Weston  
Idaho Regulatory Affairs Manager  
Daniel E. Solander, Senior Counsel  
Rocky Mountain Power  
201 S. Main Street, Suite 2300  
Salt Lake City, UT 84111  
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[ted.weston@pacificorp.com](mailto:ted.weston@pacificorp.com)

All comments should contain the case caption and case number shown on the first page of this document. Persons desiring to submit comments via e-mail may do so by accessing the Commission's home page located at [www.puc.idaho.gov](http://www.puc.idaho.gov). Click the "Comments and Questions" icon and complete the comment form using the case number as it appears on the front of this document. These comments must also be sent to PacifiCorp at the e-mail addresses listed above.

YOU ARE FURTHER NOTIFIED that the Application in Case No. PAC-E-09-09 may be viewed at [www.puc.idaho.gov](http://www.puc.idaho.gov) by clicking on "File Room" and "Electric Cases," or can be viewed during regular business hours at the Idaho Public Utilities Commission, 472 W.

Washington Street, Boise, Idaho and at the Idaho offices of PacifiCorp dba Rocky Mountain Power.

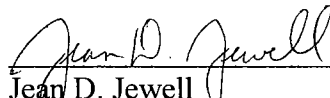
DATED at Boise, Idaho this 17<sup>th</sup> day of December 2009.

  
JIM D. KEMPTON, PRESIDENT

  
MARSHA H. SMITH, COMMISSIONER

  
MACK A. REDFORD, COMMISSIONER

ATTEST:

  
Jean D. Jewell  
Commission Secretary

bls/O:PAC-E-09-09\_sw