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

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| IN THE MATTER OF THE APPLICATION OF THE WASHINGTON WATER POWER COM­PANY FOR AN ORDER LIMITING THE LENGTH OF CONTRACTS WITH QUALI­FYING FACILITIES SMALLER THAN 1 MW TO FIVE YEARS. | )  )  )  )  )  )  )  )  ) | CASE NO. WWP-E-97-8  NOTICE OF APPLICATION  NOTICE OF MODIFIED PROCEDURE  NOTICE OF COMMENT/ PROTEST DEADLINE |

On August 28, 1997, the Commission issued Order No. 27111 in Idaho Power Case No. IPC-E-97-9 reducing the standard maximum contract length that Idaho Power is required to offer in power purchase contracts with PURPA qualifying facilities (QFs) smaller than 1 megawatt to five (5) years.  In so doing, the Commission extended the five year limitation on QF contract length existing for large QFs to small QFs.  Reference Order No. 26576, Case No. IPC-E-95-9.  As expressed by the Commission in its Order limiting the standard contract length for large QFs:

Significant changes have swept through the electric industry since we last examined the issue of contract length.  The FERC has mandated open access to the transmission system, thermal technologies have improved, gas prices are low, there is a considerable surplus of energy available in this region resulting in very low spot market prices for electricity and, finally, even the continued existence of PURPA is being called into question.  We find that as the industry as a whole continues to transform to a more free market model, we cannot justify obligating utilities to 20-year contracts for PURPA power.  As the utilities in this case note, such an obligation does not reflect the manner in which they are currently acquiring power to meet new load; through short-term (five years or less) purchases.  Consequently, it would be nothing more than an artificial shelter to the QF industry to provide those projects with contract terms not otherwise available in the free market.  We can find no justification for insisting that Idaho’s investor-owned utilities and their ratepayers assume such an obligation simply to foster one particular segment of an increasingly competitive industry.  We find, therefore, that Idaho’s investor-owned utilities shall not be required to offer contracts to QFs in excess of five years until further action is taken by this Commission.  This ruling, however, does not prevent utilities from offering for approval QF contracts with terms that exceed five years should the utilities believe that such contracts are in the best interests of their ratepayers.

Order No. 26576, pp. 6, 7.

In its Order regarding small QFs the Commission stated:

We find the logic supporting the contract length limitation for large QFs to be equally compelling when applied to smaller QF projects and find no reason in this regard to accord small QFs preferential treatment.  Reference Order No. 26576, Case No. IPC-E-95-9.  In this period of change within the electric industry, utilities are acquiring power to meet new load through short term (5 years or less) purchases.  To provide small QFs with more favorable contract lengths than otherwise available in the marketplace, we find, is not in the public interest and cannot be justified.

Order No. 27111, p. 4

YOU ARE HEREBY NOTIFIED that on September 5, 1997, The Washington Water Power Company (Water Power; Company) filed an Amended Application with the Idaho Public Utilities Commission (Commission) in Case No. WWP-E-97-8 requesting an Order limiting the length of all PURPA contracts between Water Power and qualifying cogeneration and small power production facilities (QFs) smaller than 1 MW (small QFs) to five years or less.  The Company’s amended filing in effect replaces its prior August 18, 1997 filing in Case No. WWP-E-97-8, which was not noticed pursuant to informal request of the Company.

Water Power in its amended filing requests a similar reduction in contract term for small QFs as permitted to Idaho Power Company to avoid the disparate treatment and competitive disadvantage that would result if Water Power were required to continue offering 20 year contracts to small QFs.  Reference Order No. 27111, Case No. IPC-E-97-9.

YOU ARE FURTHER NOTIFIED that the Commission has reviewed the filings of record in Case No. WWP-E-97-8.  The Commission has preliminarily determined that the public interest 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 Commission will not hold a hearing in this proceeding unless it receives written protests or comments opposing the use of Modified Procedure  and stating why Modified Procedure should not be used.  Reference IDAPA 31.01.01.203.

YOU ARE FURTHER NOTIFIED that the deadline for filing written comments or protests with respect to the Application and the use of Modified Procedure in Case No. WWP-E-97-8 is Wednesday, October 15, 1997.  Persons desiring a hearing must specifically request a hearing in their written protests or comments.

YOU ARE FURTHER NOTIFIED that if no protests or comments are received within the deadline, the Commission may consider the matter and enter its Order without a hearing.  If comments or protests are filed within the deadline, the Commission will consider them and 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 this Application must be mailed to the Idaho Public Utilities Commission and Water Power at the following addresses:

COMMISSION SECRETARYR. BLAIR STRONG

IDAHO PUBLIC UTILITIES COMMISSIONROBERT E.  NEATE

PO BOX 83720Attorneys for THE WASHINGTON

BOISE, IDAHO  83720-0074WATER POWER COMPANY

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472 W WASHINGTON ST

BOISE, IDAHO  83702-5983

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

YOU ARE FURTHER NOTIFIED that the Amended Application in Case No. WWP-E-97-8 can be viewed at the of the Commission’s office and at the Idaho offices of The Washington Water Power Company during regular business hours..

DATED at Boise, Idaho this day of September 1997.

Myrna J. Walters

Commission Secretary

vld/N:WWP-E-97-8.sw

**COMMENTS AND ANNOTATIONS**

Text Box 1:

**TEXT BOXES**

Office of the Secretary

Service Date

September 23, 1997