DECISION MEMORANDUM

TO:COMMISSIONER HANSEN

COMMISSIONER NELSON

COMMISSIONER SMITH

MYRNA WALTERS

TONYA CLARK

DON HOWELL

STEPHANIE MILLER

DAVID SCHUNKE

RICK STERLING

DAVID SCOTT

WORKING FILE

FROM:SCOTT WOODBURY

DATE:SEPTEMBER 15, 1997

RE:CASE NOS. WWP-E-97-8

                     UPL-E-97-4

REDUCING CONTRACT TERM FOR QFs LESS THAN ONE MEGAWATT TO FIVE YEARS

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 QFs smaller than 1 megawatt to five (5) years.  In its Order 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.

Washington Water Power Company and PacifiCorp dba Utah Power & Light Company have made individual filings requesting a similar reduction in contract term for small QFs to avoid the disparate treatment and competitive disadvantage that would result if the companies were required to continue offering 20 year contracts to small QFs.  Staff recommends that both cases 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.

COMMISSION DECISION:

Does the Commission agree that the issues presented in Case Nos. WWP-E-97-8 and UPL-E-97-4 are appropriate for processing under Modified Procedure?

Scott D. Woodbury

bls/M-wwpe978.sw