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

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| IN THE MATTER OF THE PETITION OF THE WASHINGTON WATER POWER COMPANY FOR APPROVAL OF A FIRM POWER PUR­CHASE AGREEMENT WITH EARTH POWER RESOURCES, INC. FOR THE ALLEN SPRINGS PROJECT. | )  )  )  )  )  )  ) | CASE NO. WWP-E-98-2  ORDER NO. 27418 |

On February 20, 1998, The Washington Water Power Company (Water Power; WWP; Company) filed an Application with the Idaho Public Utilities Commission (Commission) requesting approval of a Firm Power Purchase Agreement (Agreement) between Water Power and Earth Power Resources, Inc. (Earth Power).

Earth Power, a Nevada corporation, is the developer of the Allen Springs project, a proposed 999 kW stand-alone project located within the boundaries of Section 28, Township 16 North, Range 29 East, MDM, Churchill County, Nevada.  The project site is held under a sublease of geothermal lease N-54514 issued by the Department of Interior, Bureau of Land Management.  As represented, the project is and will continue to be a qualifying facility (QF) as defined in PURPA and related federal statutes (18 C.F.R. Part 292).  Reference QF No. 96-15-000.  Under the terms of the Agreement, Earth Power will arrange for transmission (wheeling) of its power to Water Power at Idaho Power Company’s Lolo-Oxbow line, where the facilities of WWP and Idaho Power are connected.  The estimated annual energy production is 8,750,000 kWh.  The scheduled operation date is to occur no later than January 1, 1999.

The Agreement dated December 30, 1997, provides for a 20-year contract term and in compliance with Commission Order No. 27231, Case No. WWP-E-96-6, contains the levelized non-fueled avoided cost rates approved by the Commission in Order No. 26135, Case No. WWP-E-95-3.  The security requirements contained in the Agreement conform, as represented, to the requirements of Commission Order No. 21690, dated January 11, 1988.

Commission Findings

The Commission finds that the Agreement signed and submitted by the parties contains avoided cost rates in conformity with applicable Commission Orders.  The terms of the contract are reasonable and we approve them.  We also approve payments made under this Agreement as prudently incurred expenses for ratemaking purposes.

CONCLUSIONS OF LAW

The Idaho Public Utilities Commission has jurisdiction over The Washington Water Power Company, an electric utility, pursuant to the authority and power granted the Commission under Title 61 of the Idaho Code.

The Idaho Public Utilities Commission has authority under the Public Utility Regulatory Policies Act of 1978 (PURPA) and implementing regulations of the Federal Energy Regulatory Commission (FERC) to order electric utilities to purchase energy from small power producers and to implement FERC rules.

O R D E R

In consideration of the foregoing, IT IS HEREBY ORDERED that the Firm Power Purchase Agreement between The Washington Water Power Company and Earth Power Resources, Inc. submitted in this proceeding be and the same is hereby approved.

THIS IS A FINAL ORDER.  Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order.  Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration.  See Idaho Code § 61-626.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this                  day of March 1998.

                                                                                                                                      DENNIS S. HANSEN, PRESIDENT

                                                                                           RALPH NELSON, COMMISSIONER

MARSHA H. SMITH, COMMISSIONER

ATTEST:

Myrna J. Walters

Commission Secretary

vld/O:WWP-E-98-2:sw

**COMMENTS AND ANNOTATIONS**

Text Box 1:

**TEXT BOXES**

Office of the Secretary

Service Date

March 16, 1998