

MEMORANDUM

Date: February 27, 2015
To: Water Right File 1-10576
From: medl
Re: permit conditions

This permit is for hydropower use developed at a for-profit, run-of-river project constructed within the North Side Canal Company's canal system. The hydropower site is one of several locations which were considered for development under Permit 1-7084.

I was asked to assist with the water right permitting of this project. I requested information from Travis Thompson, who is a legal representative for the developer. He provided copies of the developer's submittals to FERC, FERC's response and the IPUC order approving an energy sales agreement with Idaho Power Company. Please refer to his emails and their attachments.

The developer North Side energy Company, Inc., is registered with ISOS as C96592. Alan Hansten is the current registered agent. He submitted a Self-Certification Notice to FERC on March 18, 2014. FERC has determined that the project meets the criteria for a Qualifying Facility (QF). FERC has identified the project with Docket No. QF14-403-000.

This project is exempt from FERC licensing. It is expected to begin generating power as a qualifying conduit facility in the summer of 2015. The developer expects to sell the power to a utility and has negotiated a 20-year agreement with Idaho Power Company. The IPUC has reviewed the Energy Sales Agreement and approved it. (See IPUC Case No. IPC-E-14-07, Order No. 33102 provided by Mr. Thompson.)

I was able to locate and download a copy of the agreement from the IPUC website. The agreement is for 20 years and was signed by both parties in April 2014. At that time, the scheduled operation date was May 1, 2015. Condition 915 ties the term of a water right to the term of a power agreement and is the best condition for this permit and subsequent water right license.

The first energy date will be the first date that the water will be beneficially used for power generation. The maximum rate in cfs can be determined from turbine commissioning tests or other short-term instantaneous readings. But rate is not the only element of the water right. IDWR also needs data with which to determine an annual volume.

To ensure that IDWR has sufficient data upon which to base a water right license, the permit will also be conditioned to

- 1) require a development period of sufficient length so as to include a typical year of water use.
And
- 2) require data from the development period be submitted with the Proof of Beneficial Use statement.



DONOVAN E. WALKER
Lead Counsel
dwalker@idahopower.com

April 30, 2014

VIA HAND DELIVERY

Jean D. Jewell, Secretary
Idaho Public Utilities Commission
472 West Washington Street
Boise, Idaho 83702

Re: Case No. IPC-E-14-07
Head of U Canal Project – Idaho Power Company's Application Regarding
Energy Sales Agreement

Dear Ms. Jewell:

Enclosed for filing please find an original and seven (7) copies of Idaho Power Company's Application in the above matter.

Very truly yours,



Donovan E. Walker

DEW:csb
Enclosures

DONOVAN E. WALKER (ISB No. 5921)
Idaho Power Company
1221 West Idaho Street (83702)
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Boise, Idaho 83707
Telephone: (208) 388-5317
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dwalker@idahopower.com

Attorney for Idaho Power Company

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION	)	
OF IDAHO POWER COMPANY FOR	)	CASE NO. IPC-E-14-07
APPROVAL OR REJECTION OF AN	)	
ENERGY SALES AGREEMENT WITH	)	APPLICATION
NORTH SIDE ENERGY COMPANY, INC.,	)	
FOR THE SALE AND PURCHASE OF	)	
ELECTRIC ENERGY FROM THE HEAD OF	)	
U CANAL PROJECT.	)	

Idaho Power Company ("Idaho Power" or "Company"), in accordance with RP 52 and the applicable provisions of the Public Utility Regulatory Policies Act of 1978 ("PURPA"), hereby respectfully applies to the Idaho Public Utilities Commission ("Commission") for an order accepting or rejecting the Energy Sales Agreement ("ESA") between Idaho Power and North Side Energy Company, Inc. ("NSEC" or "Seller") under which NSEC would sell and Idaho Power would purchase electric energy generated by the Head of U Canal Project ("Facility") located near Jerome, Idaho.

In support of this Application, Idaho Power represents as follows:

I. INTRODUCTION

1. The ESA submitted herewith is a new contract for a Qualifying Facility ("QF") for a term of 20 years. This ESA complies with the Commission's orders from Case No. GNR-E-11-03, and contains published rates for projects of 10 average megawatts ("aMW") or less.

2. The ESA, dated April 23, 2014, was signed by NSEC on April 18, 2014, and was signed by Idaho Power on April 23, 2014. The ESA was executed in compliance with the Commission's orders directing the implementation of PURPA for the state of Idaho, and contains the most recent avoided cost rates pursuant to the Commission's Order No. 32817.

II. BACKGROUND

3. Sections 201 and 210 of PURPA, and pertinent regulations of the Federal Energy Regulatory Commission ("FERC"), require that regulated electric utilities purchase power produced by cogenerators or small power producers that obtain QF status. The rate a QF receives for the sale of its power is generally referred to as the "avoided cost" rate and is to reflect the incremental cost to an electric utility of electric energy or capacity or both, which, but for the purchase from the QF, such utility would generate itself or purchase from another source. The Commission has authority under PURPA Sections 201 and 210 and the implementing regulations of FERC, 18 C.F.R. § 292, to set avoided costs, to order electric utilities to enter into fixed-term obligations for the purchase of energy from QFs, and to implement FERC rules.

4. On December 18, 2012, the Commission issued Order No. 32697, which established parameters for published and negotiated avoided cost rate calculations.

The Commission further established and defined numerous contract terms and conditions for standard power purchase agreements entered into between regulated utilities and QFs. On January 2, 2013, the Commission issued Errata to Order No. 32697, which corrected published avoided cost rates to include energy payments not discounted by transmission and line loss. Then the Commission issued Reconsideration Order Nos. 32737 and 32802 on February 5, 2013, and May 5, 2013, respectively, which further clarified certain terms and conditions of power purchase agreements.

III. THE ENERGY SALES AGREEMENT

5. On April 23, 2014, Idaho Power and NSEC entered into an ESA pursuant to the terms and conditions of the various Commission orders applicable to this PURPA agreement for a Seasonal Hydro project. Order Nos. 32697 and 32737. A copy of the ESA is attached to this Application as Attachment 1. Under the terms of this ESA, NSEC elected to contract with Idaho Power for a 20-year term using the non-levelized other published avoided cost rates as currently established by the Commission in Order No. 32817 for energy deliveries of less than 10 aMW. This ESA was executed by NSEC on April 18, 2014. It was subsequently executed by Idaho Power on April 23, 2014, and now filed for the Commission's review.

6. NSEC proposes to operate and maintain a 1.28 megawatt ("MW") (Maximum Capacity Amount) Seasonal Hydro energy facility to be located near Jerome, Idaho. The Facility will be a QF under the applicable provisions of PURPA.

7. The nameplate rating of this Facility is 1.28 MW. As defined in paragraph 1.20 and paragraph 4.1.4 of the ESA, NSEC will be required to provide data on the

Facility that Idaho Power will use to confirm that under normal and/or average conditions, the Facility will not exceed 10 aMW on a monthly basis. Furthermore, as described in paragraph 7.5 of the ESA, should the Facility exceed 10 aMW on a monthly basis, Idaho Power will accept the energy (Inadvertent Energy) that does not exceed the Maximum Capacity Amount, but will not purchase or pay for this Inadvertent Energy.

8. NSEC has selected May 1, 2015, as the Scheduled Operation Date. Appendix B. Various requirements have been placed upon Seller in order for Idaho Power to accept energy deliveries from this Facility. Idaho Power will continue to monitor compliance with these requirements. In addition, Idaho Power will monitor the ongoing requirements through the full term of this ESA.

9. The ESA, as signed and submitted by the parties thereto, contains non-levelized published avoided cost rates in conformity with applicable Commission orders. All applicable interconnection charges and monthly operation and maintenance charges under Schedule 72 will be assessed to NSEC.

10. The ESA provides that all applicable interconnection charges and monthly operational or maintenance charges under Schedule 72 will be assessed to Seller. A Schedule 72 Generator Interconnection Agreement, or "GIA," between NSEC and Idaho Power was executed on July 29, 2013. PURPA QF generation must be designated as a network resource ("DNR") to serve Idaho Power's retail load on its system. In order for the Facility to maintain its DNR status, there must be a power purchase agreement associated with its transmission service request in order to maintain compliance with

Idaho Power's non-discriminatory administration of its Open Access Transmission Tariff (OATT) and maintain compliance with FERC requirements.

11. Article 21 of the ESA provides that the ESA will not become effective until the Commission has approved all of the ESA's terms and conditions and declared that all payments Idaho Power makes to NSEC for purchases of energy will be allowed as prudently incurred expenses for ratemaking purposes.

IV. MODIFIED PROCEDURE

12. Idaho Power believes that a hearing is not necessary to consider the issues presented herein and respectfully requests that this Application be processed under Modified Procedure; i.e., by written submissions rather than by hearing. RP 201 *et seq.* If, however, the Commission determines that a technical hearing is required, the Company stands ready to prepare and present its testimony in such hearing.

V. COMMUNICATIONS AND SERVICE OF PLEADINGS

13. Communications and service of pleadings, exhibits, orders, and other documents relating to this proceeding should be sent to the following:

Donovan E. Walker
Lead Counsel
Idaho Power Company
1221 West Idaho Street
P.O. Box 70
Boise, Idaho 83707
dwalker@idahopower.com

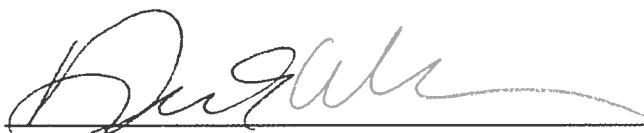
Randy C. Allphin
Energy Contract Administrator
Idaho Power Company
1221 West Idaho Street
P.O. Box 70
Boise, Idaho 83707
rallphin@idahopower.com

VI. REQUEST FOR RELIEF

14. Idaho Power respectfully requests that the Commission issue an order: (1) authorizing that this matter may be processed by Modified Procedure; (2) accepting or rejecting the Energy Sales Agreement between Idaho Power and NSEC, without

change or condition; and, if accepted, (3) declaring that all payments for purchases of energy under the Energy Sales Agreement between Idaho Power and NSEC be allowed as prudently incurred expenses for ratemaking purposes.

Respectfully submitted this 30th day of April 2014.

A handwritten signature in dark ink, appearing to read "Don Walker", is written over a horizontal line.

DONOVAN E. WALKER
Attorney for Idaho Power Company

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 30th day of April 2014 I served a true and correct copy of the within and foregoing APPLICATION upon the following named parties by the method indicated below, and addressed to the following:

Head of U Canal Project

Alan W. Hansten, Manager
North Side Canal Company
921 North Lincoln
Jerome, Idaho 83338

☐ Hand Delivered
☒ U.S. Mail
☐ Overnight Mail
☐ FAX
☒ Email ahansten@cableone.net



Christa Bearry, Legal Assistant

**BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION
CASE NO. IPC-E-14-07**

IDAHO POWER COMPANY

ATTACHMENT 1

ENERGY SALES AGREEMENT
BETWEEN
IDAHO POWER COMPANY
AND
NORTH SIDE ENERGY COMPANY
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ENERGY SALES AGREEMENT
(Seasonal Hydro Facility 10 average Monthly MW or Less)

Project Name: Head of U Canal Project

Project Number: 20140328

THIS ENERGY SALES AGREEMENT ("AGREEMENT"), entered into on this 23rd day of April 2014 between NORTH SIDE ENERGY COMPANY, an Idaho corporation (Seller), and IDAHO POWER COMPANY, an Idaho corporation (Idaho Power), hereinafter sometimes referred to collectively as "Parties" or individually as "Party."

WITNESSETH:

WHEREAS, Seller will design, construct, own, maintain and operate an electric generation facility; and

WHEREAS, Seller wishes to sell, and Idaho Power is required to purchase, electric energy produced by a PURPA Qualifying Facility.

THEREFORE, In consideration of the mutual covenants and agreements hereinafter set forth, the Parties agree as follows:

ARTICLE I: DEFINITIONS

As used in this Agreement and the appendices attached hereto, the following terms shall have the following meanings:

- 1.1 "Authorized Agent" – a person or persons specified within paragraph 25.2 of this Agreement as being authorized and empowered, for and on behalf of the Seller, to execute instruments, agreements, certificates, and other documents (collectively "Documents") and to take actions on behalf of the Seller, and that Idaho Power Company and its directors, officers, employees, and agents are entitled to consider and deal with such persons as agents of the Seller for all purposes, until such time as an authorized officer of the Seller shall have delivered to Idaho Power

Company a notice in writing stating that such person is and shall no longer be an agent on behalf of the Seller. Any Documents executed by such persons shall be deemed duly authorized by the Seller for all purposes.

- 1.2 “Base Energy” – Monthly Net Energy less any Surplus Energy as calculated in paragraph 1.41.
- 1.3 “Commission” – The Idaho Public Utilities Commission.
- 1.4 “Contract Year” – The period commencing each calendar year on the same calendar date as the Operation Date and ending 364 days thereafter.
- 1.5 “Delay Cure Period” – 120 days immediately following the Scheduled Operation Date.
- 1.6 “Delay Damages” – ((Current month’s Initial Year Monthly Net Energy Amount as specified in paragraph 6.2.1 divided by the number of days in the current month) multiplied by the number of days in the Delay Period in the current month) multiplied by the current month’s Delay Price.
- 1.7 “Delay Period” – All days past the Scheduled Operation Date until the Seller’s Facility achieves the Operation Date or the Agreement is terminated by Idaho Power.
- 1.8 “Delay Price” – The current month’s Mid-Columbia Market Energy Cost minus the current month’s All Hours Energy Price as specified in the applicable Appendix E or Appendix F of this Agreement. If this calculation results in a value less than 0, the result of this calculation will be 0.
- 1.9 “Designated Dispatch Facility” – Idaho Power’s Systems Operations Group, or any subsequent group designated by Idaho Power.
- 1.10 “Effective Date” – The date stated in the opening paragraph of this Energy Sales Agreement representing the date upon which this Energy Sales Agreement was fully executed by both Parties.
- 1.11 “Environmental Attributes” – means any and all credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, attributable to the generation from the Facility, and its avoided emission of pollutants. Environmental Attributes include but are not limited to: (1) any avoided emission of pollutants to the air, soil or water such as sulfur oxides (SOx), nitrogen oxides (NOx), carbon monoxide (CO) and other pollutants; (2) any avoided emissions of carbon dioxide (CO₂), methane (CH₄), nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur

hexafluoride and other greenhouse gases (GHGs) that have been determined by the United Nations Intergovernmental Panel on Climate Change, or otherwise by law, to contribute to the actual or potential threat of altering the Earth's climate by trapping heat in the atmosphere;¹ (3) the reporting rights to these avoided emissions, such as REC Reporting Rights. REC Reporting Rights are the right of a REC purchaser to report the ownership of accumulated RECs in compliance with federal or state law, if applicable, and to a federal or state agency or any other party at the REC purchaser's discretion, and include without limitation those REC Reporting Rights accruing under Section 1605(b) of The Energy Policy Act of 1992 and any present or future federal, state, or local law, regulation or bill, and international or foreign emissions trading program. RECs are accumulated on a MWh basis and one REC represents the Environmental Attributes associated with one (1) MWh of energy. Environmental Attributes do not include (i) any energy, capacity, reliability or other power attributes from the Facility, (ii) production tax credits associated with the construction or operation of the Facility and other financial incentives in the form of credits, reductions, or allowances associated with the Facility that are applicable to a state or federal income taxation obligation, (iii) the cash grant in lieu of the investment tax credit pursuant to Section 1603 of the American Recovery and Reinvestment Act of 2009, or (iv) emission reduction credits encumbered or used by the Facility for compliance with local, state, or federal operating and/or air quality permits.

- 1.12 "Facility" – That electric generation facility described in Appendix B of this Agreement.
- 1.13 "First Energy Date" – The day commencing at 00:01 hours, Mountain Time, following the day that Seller has satisfied the requirements of Article IV and the Seller is capable of beginning delivery of energy to Idaho Power's system at the Point of Delivery.
- 1.14 "Forced Outage" – a partial or total reduction of a) the Facility's capacity to produce and/or deliver Net Energy to the Point of Delivery, or b) Idaho Power's ability to accept Net Energy at

¹ Avoided emissions may or may not have any value for GHG compliance purposes. Although avoided emissions are included in the list of Environmental Attributes, this inclusion does not create any right to use those avoided emissions to comply with any GHG regulatory program.

the Point of Delivery for non-economic reasons, as a result of Idaho Power or Facility: 1) equipment failure which was not the result of negligence or lack of preventative maintenance, or 2) responding to a transmission provider curtailment order, or 3) unplanned preventative maintenance to repair equipment that left unrepaired, would result in failure of equipment prior to the planned maintenance period, or 4) planned maintenance or construction of the Facility or electrical lines required to serve this Facility, or 5) icing events within the immediate water source used as the Facility's primary motive force that causes the Facility to reduce energy production.

- 1.15 "Generation Interconnection Agreement (GIA)" – The interconnection agreement that specifies terms, conditions and requirements of interconnecting to the Idaho Power electrical system, which will include but not be limited to all requirements as specified by Schedule 72.
- 1.16 "Generation Unit" – a complete hydro electrical generation system within the Facility that is able to generate and deliver energy to the Point of Delivery independent of other Generation Units within the same Facility.
- 1.17 "Heavy Load Hours" – The daily hours beginning at 7:00 am, ending at 11:00 pm Mountain Time, (16 hours) excluding all hours on all Sundays, New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas.
- 1.18 "Inadvertent Energy" – Electric energy Seller does not intend to generate. Inadvertent energy is more particularly described in paragraph 7.5 of this Agreement.
- 1.19 "Interconnection Facilities" – All equipment specified in the GIA.
- 1.20 "Initial Capacity Determination" – The process by which Idaho Power confirms that under normal or average design conditions the Facility will generate at no more than 10 average megawatts (MW) per month and is therefore eligible to be paid the published rates in accordance with Commission Order No. 32817.
- 1.21 "Light Load Hours" – The daily hours beginning at 11:00 pm, ending at 7:00 am Mountain Time (8 hours), plus all other hours on all Sundays, New Years Day, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas.

- 1.22 “Losses” – The loss of electrical energy expressed in kilowatt hours (kWh) occurring as a result of the transformation and transmission of energy between the point where the Facility’s energy is metered and the point the Facility’s energy is delivered to the Idaho Power electrical system. The loss calculation formula will be as specified in Appendix B of this Agreement.
- 1.23 “Market Energy Reference Price” – Eighty-five percent (85%) of the Mid-Columbia Market Energy Cost.
- 1.24 “Material Breach” – A Default (paragraph 19.2.1) subject to paragraph 19.2.2.
- 1.25 “Maximum Capacity Amount” – The maximum capacity (MW) of the Facility will be as specified in Appendix B of this Agreement.
- 1.26 “Mid- Columbia Market Energy Cost” – 82.4% of the monthly arithmetic average of the Intercontinental Exchange (“ICE”) daily firm Mid-C Peak Avg and Mid-C Off-Peak Avg reported prices. The actual calculation being:

$$\text{Mid-Columbia Market Energy Cost} = .824 * (((\text{ICE Mid-C Peak Avg} * \text{Heavy Load Hours for each day of the month}) + (\text{ICE Mid-C Off-Peak Avg} * \text{Light Load Hours for each day of the month})) / \text{total hours in the month})$$

If the ICE Mid-Columbia Index reporting is discontinued by the reporting agency, both Parties will mutually agree upon a replacement index, which is similar to the ICE Mid-Columbia Index. The selected replacement index will be consistent with other similar agreements and a commonly used index by the electrical industry.

- 1.27 “Nameplate Capacity” – The full-load electrical quantities assigned by the designer to a generator and its prime mover or other piece of electrical equipment, such as transformers and circuit breakers, under standardized conditions, expressed in amperes, kilovolt-amperes, kilowatts, volts or other appropriate units. Usually indicated on a nameplate attached to the individual machine or device.
- 1.28 “Net Energy” – All of the electric energy produced by the Facility, less Station Use and Losses, expressed in kilowatt hours (kWh) delivered by the Facility to Idaho Power at the Point of Delivery. Subject to the terms of this Agreement, Seller commits to deliver all Net Energy to

Idaho Power at the Point of Delivery for the full term of the Agreement. Net Energy does not include Inadvertent Energy.

- 1.29 “Non-seasonal Hydro Facility” – in accordance with Commission Order 32802, a hydro generating Facility that does not qualify as a Seasonal Hydro Facility as defined in paragraph 1.38 of this Agreement.
- 1.30 “Operation Date” – The day commencing at 00:01 hours, Mountain Time, following the day that all requirements of paragraph 5.2 have been completed.
- 1.31 “Point of Delivery” – The location specified in the GIA and referenced in Appendix B, where Idaho Power’s and the Seller’s electrical facilities are interconnected and the energy from this Facility is delivered to the Idaho Power electrical system.
- 1.32 “Prudent Electrical Practices” – Those practices, methods and equipment that are commonly and ordinarily used in electrical engineering and operations to operate electric equipment lawfully, safely, dependably, efficiently and economically.
- 1.33 “Renewable Energy Certificate” or “REC” means a certificate, credit, allowance, green tag, or other transferable indicia, howsoever entitled, indicating generation of renewable energy by the Facility, and includes all Environmental Attributes arising as a result of the generation of electricity associated with the REC. One REC represents the Environmental Attributes associated with the generation of one thousand (1,000) kWh of Net Energy.
- 1.34 “Scheduled Operation Date” – The date specified in Appendix B when Seller anticipates achieving the Operation Date. It is expected that the Scheduled Operation Date provided by the Seller shall be a reasonable estimate of the date that the Seller anticipates that the Seller’s Facility shall achieve the Operation Date.
- 1.35 “Schedule 72” – Idaho Power’s Tariff No 101, Schedule 72 or its successor schedules as approved by the Commission.
- 1.36 “Security Deposit” - \$45 per kW Nameplate Capacity of the entire Facility.
- 1.37 “Season” – The three periods identified in paragraph 6.2.1 of this Agreement.

- 1.38 “Seasonal Hydro Facility” – in accordance with Commission Order 32802, a hydro electric generating Facility that delivers to Idaho Power total Net Energy of at least 55% of its calendar year annual Net Energy during the months June, July and August.
- 1.39 “Seasonal Hydro Facility Eligibility Test Periods” – Beginning with the first full calendar year after the Operation Date, each five (5) calendar year consecutive period. If the term of this Agreement results in the last period not having a full five (5) calendar years, then the last period will be equal to the time from the end of the last full five (5) calendar year consecutive period and the expiration date of this Agreement.
- 1.40 “Station Use” – Electric energy that is used to operate equipment that is auxiliary or otherwise related to the production of electricity by the Facility.
- 1.41 “Surplus Energy” – Is (1) Net Energy produced by the Seller’s Facility and delivered to the Idaho Power electrical system during the month which exceeds 110% of the monthly Net Energy Amount for the corresponding month specified in paragraph 6.2, or (2) if the Net Energy produced by the Seller’s Facility and delivered to the Idaho Power electrical system during the month is less than 90% of the monthly Net Energy Amount for the corresponding month specified in paragraph 6.2, then all Net Energy delivered by the Facility to the Idaho Power electrical system for that given month, or (3) all Net Energy produced by the Seller’s Facility and delivered by the Facility to the Idaho Power electrical system prior to the Operation Date.
- 1.42 “Termination Damages” – Financial damages the non defaulting party has incurred as a result of termination of this Agreement.

ARTICLE II: NO RELIANCE ON IDAHO POWER

- 2.1 Seller Independent Investigation - Seller warrants and represents to Idaho Power that in entering into this Agreement and the undertaking by Seller of the obligations set forth herein, Seller has investigated and determined that it is capable of performing hereunder and has not relied upon the advice, experience or expertise of Idaho Power in connection with the transactions contemplated by this Agreement.

- 2.2 Seller Independent Experts - All professionals or experts including, but not limited to, engineers, attorneys or accountants, that Seller may have consulted or relied on in undertaking the transactions contemplated by this Agreement have been solely those of Seller.

ARTICLE III: WARRANTIES

- 3.1 No Warranty by Idaho Power - Any review, acceptance or failure to review Seller's design, specifications, equipment or facilities shall not be an endorsement or a confirmation by Idaho Power and Idaho Power makes no warranties, expressed or implied, regarding any aspect of Seller's design, specifications, equipment or facilities, including, but not limited to, safety, durability, reliability, strength, capacity, adequacy or economic feasibility.
- 3.2 Qualifying Facility Status - Seller warrants that the Facility is a "Qualifying Facility," as that term is used and defined in 18 CFR 292.201 et seq. After initial qualification, Seller will take such steps as may be required to maintain the Facility's Qualifying Facility status during the term of this Agreement and Seller's failure to maintain Qualifying Facility status will be a Material Breach of this Agreement. Idaho Power reserves the right to review the Facility's Qualifying Facility status and associated support and compliance documents at anytime during the term of this Agreement.
- 3.3 FERC License / Exemption / Determination - Seller warrants that Seller possesses a valid license, exemption from licensing, or a determination of a qualifying conduit hydropower facility (pursuant to section 30 of the Federal Power Act) from the Federal Energy Regulatory Commission ("FERC") for the Facility. Seller recognizes that Seller's possession and retention of a valid FERC license, exemption, or a determination of a qualifying conduit hydropower facility is a material part of the consideration for Idaho Power's execution of this Agreement. If applicable, Seller will take such steps as may be required to maintain a valid FERC license, exemption, or a determination of a qualifying conduit hydropower facility for the Facility during the term of this Agreement, and Seller's failure to maintain a valid FERC license or exemption will be a material breach of this Agreement.

- 3.4 Seasonal Hydro Facility Qualifications - Seller warrants that the Facility is a Seasonal Hydro Facility as that term is defined in paragraph 1.38 of this Agreement. After initial qualification, Seller will take such steps as may be required to maintain the Seasonal Hydro Facility status during the full term of this Agreement. Seller's failure to achieve Seasonal Hydro Facility status for at least three (3) calendar years during any Seasonal Hydro Facility Eligibility Test Period will result in this Facility being reclassified as a Non-seasonal Hydro Facility for the remaining Term of this Agreement. Idaho Power reserves the right to review the Seasonal Hydro Facility status of this Facility and associated support and compliance documents at anytime during the term of this Agreement.

ARTICLE IV: CONDITIONS TO ACCEPTANCE OF ENERGY

- 4.1 Prior to the First Energy Date and as a condition of Idaho Power's acceptance of deliveries of energy from the Seller under this Agreement, Seller shall:
- 4.1.1 Submit proof to Idaho Power that all licenses, permits, determinations and approvals necessary for Seller's operations have been obtained from applicable federal, state or local authorities, including, but not limited to, evidence of compliance with Subpart B. 18 CFR 292.201 et seq. as a certified Qualifying Facility and evidence of compliance with the eligibility to be classified as a Seasonal Hydro Facility as defined in paragraph 1.38 of this Agreement.
- 4.1.2 Opinion of Counsel - Submit to Idaho Power an Opinion Letter signed by an attorney admitted to practice and in good standing in the State of Idaho providing an opinion that Seller's licenses, permits, determinations and approvals as set forth in paragraph 4.1.1 above are legally and validly issued, are held in the name of the Seller and, based on a reasonable independent review, counsel is of the opinion that Seller is in substantial compliance with said permits as of the date of the Opinion Letter. The Opinion Letter will be in a form acceptable to Idaho Power and will acknowledge that the attorney rendering the opinion understands that Idaho Power is relying on said opinion. Idaho

Power's acceptance of the form will not be unreasonably withheld. The Opinion Letter will be governed by and shall be interpreted in accordance with the legal opinion accord of the American Bar Association Section of Business Law (1991).

4.1.3 Commission Approval - Confirm with Idaho Power that Commission approval of this Agreement in a form acceptable to Idaho Power has been received.

4.1.4 Initial Capacity Determination - Submit to Idaho Power such data as Idaho Power may reasonably require to perform the Initial Capacity Determination. Such data will include but not be limited to, Nameplate Capacity, equipment specifications, prime mover data, resource characteristics, normal and/or average operating design conditions and Station Use data. Upon receipt of this information, Idaho Power will review the provided data and if necessary, request additional data to complete the Initial Capacity Determination within a reasonable time.

4.1.4.1 If the Maximum Capacity specified in Appendix B of this Agreement and the cumulative manufacturer's Nameplate Capacity rating of the individual Generation Units at this Facility does not exceed 10 MW, the Seller shall submit detailed, manufacturer, verifiable data of the Nameplate Capacity ratings of the actual individual Generation Units to be installed at this Facility. Upon verification by Idaho Power that the data provided establishes the combined Nameplate Capacity rating of the Generation Units to be installed at this Facility does not exceed 10 MW, it will be deemed that the Seller has satisfied the Initial Capacity Determination for this Facility.

4.1.4.2 If the Maximum Capacity or the cumulative manufacture's Nameplate Capacity Rating of the individual Generation Units at this Facility exceeds 10 MW, Idaho Power will review all data submitted by Seller to determine if it is a reasonable estimate that the Facility will not exceed 10 average monthly MW in any month.

4.1.5 Nameplate Capacity - Submit to Idaho Power manufacturer's and engineering documentation that establishes the Nameplate Capacity of each individual Generation

Unit that is included within this entire Facility and also the total of these components to determine the Facility Nameplate Capacity rating. Upon receipt of this data, Idaho Power shall review the provided data and determine if the Nameplate Capacity specified is reasonable based upon the manufacturer's specified generation ratings for the specific Generation Units.

4.1.6 Completion certificate - Submit a certificate executed by an authorized agent of the Seller attesting that all mechanical and electrical equipment of each Generation Unit of the Facility has been completed to enable the Generation Unit to beginning testing and delivery of Test Energy in a safe manner.

4.1.7 Insurance - Submit written proof to Idaho Power of all insurance required in Article XIII.

4.1.8 Interconnection – Provide written confirmation from Idaho Power's business unit that administers the GIA that Seller has satisfied all interconnection and testing requirements that will enable the Facility to be safely connected to the Idaho Power electrical system.

4.1.9 Network Resource Designation – Confirm that the Seller's Facility has been designated as an Idaho Power network resource capable of delivering energy up to the amount of the Maximum Capacity at the Point of Delivery.

4.1.9.1 As specified in Appendix B item 8 of this Agreement, the Seller's Facility must have achieved the status of being an Idaho Power Designated Network Resource (DNR) prior to Idaho Power accepting any energy from this Facility. Appendix B item 8 provides information on the initial application process required to enable Idaho Power to determine if network transmission capacity is available for this Facility's Maximum Output and/or if Idaho Power transmission network upgrades will be required. The results of this study process and any associated costs will be included in the GIA for this Facility.

4.1.9.2 Only after the Facility has completed all requirements of the GIA that enable the Facility to come online can Idaho Power begin the final process of designating this resource as an Idaho Power Network Resource. The final process must be

initiated at a minimum 30 days prior to the First Energy Date. Therefore, Idaho Power will begin this process 30 days prior to the Scheduled First Energy Date specified in Appendix B of this Agreement and only after Idaho Power has received confirmation that the GIA requirements have been completed. If the Seller estimates that the actual First Energy is expected to be different than the Scheduled First Energy Date specified in Appendix B of this Agreement, the Seller must notify Idaho Power of this revised date no later than 30 days prior to Scheduled First Energy Date. Under no circumstances will the project be able to deliver any energy to Idaho Power until such time as Idaho Power has designated this project as an Idaho Power Network Resource.

- 4.1.10 Written Acceptance – Request and obtain written confirmation from Idaho Power that all conditions to acceptance of energy have been fulfilled. Such written confirmation shall be provided within a commercially reasonable time following the Seller's request and will not be unreasonably withheld by Idaho Power.

ARTICLE V: TERM AND OPERATION DATE

- 5.1 Term - Subject to the provisions of paragraph 5.2 below, this Agreement shall become effective on the date first written and shall continue in full force and effect for a period of twenty (20) Contract Years from the Operation Date.
- 5.2 Operation Date - The Operation Date may occur only after the Facility has achieved all of the following:
- a) Achieved the First Energy Date at this Facility.
 - b) Seller has demonstrated to Idaho Power's satisfaction that all mechanical and electrical testing has been completed satisfactorily and the Facility is able to provide energy in a consistent, reliable and safe manner.
 - c) Engineer's Certifications - Submit an executed Engineer's Certification of Design & Construction Adequacy and an Engineer's Certification of Operations and

Maintenance (O&M) Policy as described in Commission Order No. 21690. These certificates will be in the form specified in Appendix C but may be modified to the extent necessary to recognize the different engineering disciplines providing the certificates.

- d) Seller has requested an Operation Date from Idaho Power in a written format.
- e) Seller has received written confirmation from Idaho Power of the Operation Date.

This confirmation will not be unreasonably withheld by Idaho Power.

- 5.3 Operation Date Delay - Seller shall cause the Facility to achieve the Operation Date on or before the Scheduled Operation Date. Delays in the interconnection and transmission network upgrade study, design and construction process (This includes any delay in making the required deposit payments set forth in the Facility's GIA) that **are not** caused by Idaho Power or Force Majeure events accepted by both Parties, **shall not** prevent Delay Damages or Termination Damages from being due and owing as calculated in accordance with this Agreement.
- 5.4 Termination - If Seller fails to achieve the Operation Date prior to the Scheduled Operation Date or within the Delay Cure Period, such failure will be a Material Breach and Idaho Power may terminate this Agreement at any time until the Seller cures the Material Breach.
- 5.5 Delay Damages billing and payment - Idaho Power shall calculate and submit to the Seller any Delay Damages due Idaho Power within 15 days after the end of each month or within 30 days of the date this Agreement is terminated by Idaho Power. Seller shall have the opportunity to contest and request an accounting of any damages incurred by Idaho Power within 10 days after receipt of any Delay Damages billing.
- 5.6 Termination Damages billing and payment - Idaho Power shall calculate and submit to the Seller any Termination Damages due Idaho Power within 30 days after this Agreement has been terminated. Seller shall have the opportunity to contest and request an accounting of any damages incurred by Idaho Power within 10 days after receipt of any Termination Damages billing.
- 5.7 Seller Payment - Seller shall pay Idaho Power any calculated Delay or Termination Damages

within 15 days from when Idaho Power presents these final adjusted billings to the Seller. Final adjusted billing being the original billing adjusted to reflect any mutually agreed to changes from the original billing. Seller's failure to pay these damages within the specified time will be a Material Breach of this Agreement and Idaho Power shall draw funds from the Security Deposit provided by the Seller in an amount equal to the calculated damages.

- 5.8 Security Deposit - Within thirty (30) days of the date of a final non-appealable Commission Order approving this Agreement as specified in Article XXI, the Seller shall post and maintain liquid security in a form as described in Appendix D equal to or exceeding the amount specified within this Agreement as the Security Deposit until such time as the Security Deposit is released by Idaho Power as specified in paragraph 5.8.1. Failure to post this Security Deposit in the time specified above will be a Material Breach of this Agreement and Idaho Power may terminate this Agreement.

5.8.1 Idaho Power shall release any remaining Security Deposit provided by Seller promptly after either the Facility has achieved its Operation Date or this Agreement has been terminated and only after all final adjusted Delay and Termination Damages have been paid in full to Idaho Power.

ARTICLE VI: PURCHASE AND SALE OF NET ENERGY

- 6.1 Net Energy Purchase and Delivery - Except when either Party's performance is excused as provided herein, Idaho Power will purchase and Seller will sell all of the Net Energy to Idaho Power at the Point of Delivery. All Inadvertent Energy produced by the Facility will also be delivered by the Seller to Idaho Power at the Point of Delivery.
- 6.2 Net Energy Amounts - Neither the initial year's monthly Net Energy amounts nor any adjusted monthly Net Energy amounts provided during the term of this Agreement shall exceed 10 average monthly MW nor be greater than the Maximum Capacity (measured in kW) multiplied by the hours in the applicable month.

- 6.2.1 Initial Year Monthly Net Energy Amounts - Seller intends to produce and deliver Net Energy in the following monthly amounts:

	<u>Month</u>	<u>kWh</u>
Season 1	March	0
	April	129,000
	May	677,000
Season 2	July	875,000
	August	875,000
	November	0
	December	0
Season 3	June	755,000
	September	730,000
	October	253,000
	January	0
	February	0

- 6.2.2 Seller's Adjustment of Initial Year Monthly Net Energy Amounts - Prior to the Operation Date, the Seller may revise all of the previous initial year monthly Net Energy Amounts by providing written notice to Idaho Power in accordance with paragraph 25.1.
- 6.2.3 Seller's Adjustment of Monthly Net Energy Amounts After the Operation Date - After the Operation Date, the Seller may revise any future monthly Net Energy Amounts by providing written notice no later than 5 PM Mountain Standard time on the last business day of the Notification Month specified in the following schedule:

<u>Notification Month</u>	<u>Future monthly Net Energy Amounts eligible to be revised</u>
November	January and any future months
December	February and any future months
January	March and any future months
February	April and any future months
March	May and any future months
April	June and any future months
May	July and any future months
June	August and any future months
July	September and any future months
August	October and any future months
September	November and any future months

October

December and any future months

- a.) This written notice must be provided to Idaho Power in accordance with paragraph 25.1 or by electronic notice provided and verified via return electronic verification of receipt to the electronic notices address specified in paragraph 25.1.
- b.) Failure to provide timely written notice of changed Net Energy Amounts will be deemed to be an election of no change from the most recently provided Net Energy Amounts.

6.2.4 Idaho Power Adjustment of Net Energy Amount – If Idaho Power is excused from accepting the Seller's Net Energy as specified in paragraph 12.2.1 or if the Seller declares a Suspension of Energy Deliveries as specified in paragraph 12.3.1 and the Seller's declared Suspension of Energy Deliveries is accepted by Idaho Power, the Net Energy Amount as specified in paragraph 6.2 for the specific month in which the reduction or suspension under paragraph 12.2.1 or 12.3.1 occurs will be reduced in accordance with the following:

Where:

NEA = Current Month's Net Energy Amount (Paragraph 6.2)

SGU = a.) If Idaho Power is excused from accepting the Seller's Net Energy as specified in paragraph 12.2.1 this value will be equal to the percentage of curtailment as specified by Idaho Power multiplied by the TGU as defined below.

b.) If the Seller declares a Suspension of Energy Deliveries as specified in paragraph 12.3.1 this value will be the sum of the individual Generation Units size ratings as specified in Appendix B that are impacted by the circumstances causing the Seller to declare a Suspension of Energy Deliveries.

TGU = Sum of all of the individual generator ratings of the Generation Units at this Facility as specified in Appendix B of this agreement.

RSH = Actual hours the Facility's Net Energy deliveries were either reduced or suspended under paragraph 12.2.1 or 12.3.1

TH = Actual total hours in the current month

Resulting formula being:

$$\text{Adjusted Net Energy Amount} = \text{NEA} - \left(\left(\frac{\text{SGU}}{\text{TGU}} \times \text{NEA} \right) \times \left(\frac{\text{RSH}}{\text{TH}} \right) \right)$$

This Adjusted Net Energy Amount will be used in applicable Surplus Energy calculations for only the specific month in which Idaho Power was excused from accepting the Seller's Net Energy or the Seller declared a Suspension of Energy.

- 6.3 Failure to Deliver Minimum Net Energy Amounts - Unless excused by an event of Force Majeure, Seller's failure to deliver Net Energy in any Contract Year in an amount equal to at least ten percent (10%) of the sum of the Initial Year Net Energy Amounts as specified in paragraph 6.2 shall constitute an event of default.

ARTICLE VII: PURCHASE PRICE AND METHOD OF PAYMENT

- 7.1 Base Energy Heavy Load Purchase Price – For all Base Energy received during Heavy Load Hours, Idaho Power will pay the monthly non-levelized Base Energy Heavy Load Purchase Price as specified in the applicable Appendix E or Appendix F.
- 7.2 Base Energy Light Load Purchase Price – For all Base Energy received during Light Load Hours, Idaho Power will pay the monthly non-levelized Base Energy Light Load Purchase Price as specified in the applicable Appendix E or Appendix F.
- 7.3 All Hours Energy Price – The price to be used in the calculation of the Surplus Energy Price and Delay Damage Price shall be the monthly non-levelized All Hours Energy as specified in the applicable Appendix E or Appendix F.
- 7.4 Surplus Energy Price - For all Surplus Energy, Idaho Power shall pay to the Seller the current month's Market Energy Reference Price or the applicable All Hours Energy Price, whichever is lower.

7.5 Inadvertent Energy –

7.5.1 Inadvertent Energy is electric energy produced by the Facility, expressed in kWh, which the Seller delivers to Idaho Power at the Point of Delivery that exceeds 10,000 kW multiplied by the hours in the specific month in which the energy was delivered. (For example January contains 744 hours. 744 hours times 10,000 kW = 7,440,000 kWh. Energy delivered in January in excess of 7,440,000 kWh in this example would be Inadvertent Energy.)

7.5.2 Although Seller intends to design and operate the Facility to generate no more than 10 average MW monthly and therefore does not intend to generate Inadvertent Energy, Idaho Power will accept Inadvertent Energy that does not exceed the Maximum Capacity Amount but will not purchase or pay for Inadvertent Energy.

7.5.3 Delivering Inadvertent Energy to Idaho Power for 2 consecutive months and/or in any 3 months during a Contract Year will be a Material Breach of this Agreement and Idaho Power may terminate this Agreement within sixty (60) days after the Material Breach has occurred.

7.6 Seasonal Hydro Facility eligibility – If the Facility fails to satisfy the Seasonal Hydro Facility Qualifications specified in paragraph 3.4, this Facility shall be reclassified as a Non-Seasonal Hydro Facility for the remaining term of the Agreement and the Non-Seasonal Hydro Facility Energy Prices specified in Appendix F will be applicable.

7.6.1 Annual eligibility audits – On or before February 15th of the year following the first full calendar year after the Operations Date and for every calendar year thereafter, Idaho Power will divide the total of the actual Net Energy received from the Facility for the months of June, July, and August by the total Net Energy received for that same calendar year to establish a percentage of energy deliveries for the months of June, July and August. Any reduction in energy deliveries due to Forced Outages, planned or unplanned maintenance, Force majeure or any other reduction in energy deliveries will result in

reduction of both the numerator and the denominator in this calculation, therefore no adjustment to this calculation is required for these events.

7.6.1.1 If this percentage is greater than or equal to 55% it will be deemed that the Facility has met the requirements to be classified as a Seasonal Hydro Facility for that calendar year.

7.6.1.2 If this percentage is less than 55%, Idaho Power will provide notification to the project of the Facility's failure to meet the Seasonal Hydro Facility requirements for the calendar year being reviewed. For any calendar year that the Facility fails to meet the Seasonal Hydro Facility requirements, the monthly energy payments for that calendar year will be recalculated to reflect the Non-Seasonal Hydro Facility energy prices as contained within Appendix F of this Agreement and any overpayments will be collected from the Facility in equal monthly payments over the remaining months of the current calendar year. If the Facility fails to meet the Seasonal Hydro Facility requirements for the second to last calendar year of the contract term, then the monthly energy payments for the remaining term of the contract will be priced according to the Non-Seasonal Hydro Facility Energy Prices specified in Appendix F.

7.6.1.3 If the Facility fails to achieve this percentage of 55% for at least three (3) calendar years during any Seasonal Hydro Facility Eligibility Test Period the Facility will be reclassified as a Non-Seasonal Hydro Facility for the remaining term of this Agreement and the Non-Seasonal Hydro Facility Energy Prices specified in Appendix F will replace the Seasonal Hydro Facility Energy Prices specified in Appendix E for use in all calculations in this Agreement for the remaining term of the Agreement.

7.7 Payment Due Date – Undisputed Base Energy and Surplus Energy payments, less any payments due to Idaho Power will be disbursed to the Seller within thirty (30) days of the date which Idaho

Power receives and accepts the documentation of the monthly Base Energy and Surplus Energy actually delivered to Idaho Power as specified in Appendix A.

- 7.8 Continuing Jurisdiction of the Commission This Agreement is a special contract and, as such, the rates, terms and conditions contained in this Agreement will be construed in accordance with Idaho Power Company v. Idaho Public Utilities Commission and Afton Energy, Inc., 107 Idaho 781, 693 P.2d 427 (1984), Idaho Power Company v. Idaho Public Utilities Commission, 107 Idaho 1122, 695 P.2d 1 261 (1985), Afton Energy, Inc. v. Idaho Power Company, 111 Idaho 925, 729 P.2d 400 (1986), Section 210 of the Public Utility Regulatory Policies Act of 1978 and 18 CFR §292.303-308

ARTICLE VIII: ENVIRONMENTAL ATTRIBUTES

- 8.1 Pursuant to Commission Order 32697 and 32802 the Environmental Attributes and Renewable Energy Certificates as defined within this Agreement and directly associated with the production of energy from the Seller's Facility are owned by the Seller.

ARTICLE IX: FACILITY AND INTERCONNECTION

- 9.1 Design of Facility - Seller will design, construct, install, own, operate and maintain the Facility and any Seller-owned Interconnection Facilities so as to allow safe and reliable generation and delivery of Net Energy and Inadvertent Energy to the Idaho Power Point of Delivery for the full term of the Agreement in accordance with the GIA.

ARTICLE X: METERING, METERING COMMUNICATIONS AND SCADA TELEMETRY

- 10.1 Metering - Idaho Power shall, provide, install, and maintain metering equipment needed for metering the electrical energy production from the Facility. The metering equipment will be capable of measuring, recording, retrieving and reporting the Facility's hourly gross electrical energy, Station Use, Inadvertent Energy, maximum energy deliveries (kW) and any other energy measurements at the Point of Delivery that Idaho Power needs to administer this Agreement and

integrate this Facility's energy production into the Idaho Power electrical system. Specific equipment, installation details and requirements for this metering equipment will be established in the GIA process and documented in the GIA. Seller shall be responsible for all initial and ongoing costs of this equipment as specified in Schedule 72 and the GIA.

10.2 Metering Communications - Seller shall, at the Seller's sole initial and ongoing expense, arrange for, provide, install, and maintain dedicated metering communications equipment capable of transmitting the metering data specified in paragraph 10.1 to Idaho Power in a frequency, manner and form acceptable to Idaho Power. Seller shall grant Idaho Power sole control and use of this dedicated metering communications equipment. Specific details and requirements for this metering communications equipment will be established in the GIA process and documented in the GIA.

10.3 Supervisory Control and Data Acquisition (SCADA) Telemetry – In addition to the requirements of paragraph 10.1 and 10.2, Idaho Power may require telemetry equipment and telecommunications which will be capable of providing Idaho Power with continuous instantaneous SCADA telemetry of the Seller's Net Energy and Inadvertent Energy production in a form acceptable to Idaho Power. Seller shall grant Idaho Power sole control and use of this dedicated SCADA and telecommunications equipment. Specific details and requirements for this SCADA Telemetry and telecommunications equipment will be established in the GIA process and documented in the GIA. Seller shall be responsible for all initial and ongoing costs of this equipment as specified in Schedule 72 and the GIA.

ARTICLE XI - RECORDS

11.1 Maintenance of Records - Seller shall maintain monthly records at the Facility or such other location mutually acceptable to the Parties. These records shall include total generation, Net Energy, Station Use, Surplus Energy, Inadvertent Energy and maximum hourly generation in (kW) and be records in a form and content acceptable to Idaho Power. Monthly records shall be retained for a period of not less than five years.

- 11.2 Inspection - Either Party, after reasonable notice to the other Party, shall have the right, during normal business hours, to inspect and audit any or all records pertaining to the Seller's Facility generation, Net Energy, Station Use, Surplus Energy, Inadvertent Energy and maximum hourly generation in kW.

ARTICLE XII: OPERATIONS

- 12.1 Communications - Idaho Power and the Seller shall maintain appropriate operating communications through Idaho Power's Designated Dispatch Facility in accordance with the GIA.

12.2 Acceptance of Energy -

12.2.1 Idaho Power shall be excused from accepting and paying for Net Energy or accepting Inadvertent Energy which would have otherwise been produced by the Facility and delivered by the Seller to the Point of Delivery:

- a.) If energy deliveries are interrupted due an event of Force Majeure or Forced Outage.
- b.) If interruption of energy deliveries is allowed by Section 210 of the Public Utility Regulatory Policies Act of 1978 and 18 CFR §292.304
- c.) If temporary disconnection and/or interruption of energy deliveries is in accordance with Schedule 72 or other provisions as specified within the GIA.
- d.) If Idaho Power determines that curtailment, interruption or reduction of Net Energy or Inadvertent Energy deliveries is necessary because of line construction, electrical system maintenance requirements, emergencies, electrical system operating conditions, electrical system reliability emergencies on its system, or as otherwise required by Prudent Electrical Practices.

12.2.2 If, in the reasonable opinion of Idaho Power, Seller's operation of the Facility or

Interconnection Facilities is unsafe or may otherwise adversely affect Idaho Power's equipment, personnel or service to its customers, Idaho Power may temporarily disconnect the Facility from Idaho Power's transmission/distribution system as specified within the GIA or Schedule 72 or take such other reasonable steps as Idaho Power deems appropriate.

12.2.3 Under no circumstances will the Seller deliver energy from the Facility to the Point of Delivery in an amount that exceeds the Maximum Capacity Amount at any moment in time. Seller's failure to limit deliveries to the Maximum Capacity Amount will be a Material Breach of this Agreement.

12.2.4 If Idaho Power is unable to accept the energy from this Facility and is not excused from accepting the Facility's energy, Idaho Power's damages shall be limited to only the value of the estimated energy that Idaho Power was unable to accept valued at the applicable energy prices specified in Appendix E or Appendix F. Idaho Power will have no responsibility to pay for any other costs, lost revenue or consequential damages the Facility may incur.

12.3 Seller Declared Suspension of Energy Deliveries

12.3.1 If the Seller's Facility experiences a Forced Outage, and Seller initiates a Declared Suspension of Energy Deliveries, Seller shall, after giving notice as provided in paragraph 12.3.2 below, temporarily reduce deliveries of Net Energy (kW) to Idaho Power from the Facility to not exceed the reduced energy deliveries (kW) stated by the Seller in the initial declaration for a period of not less than 48 hours. ("Declared Suspension of Energy Deliveries"). The Seller's Declared Suspension of Energy Deliveries will begin at the start of the next full hour following the Seller's telephone notification as specified in paragraph 12.3.2 and will continue for the time as specified (not less than 48 hours) in the written notification provided by the Seller. In the month(s) in which the Declared Suspension of Energy occurred, the Net Energy Amount will be adjusted as specified in paragraph 6.2.3.

12.3.2 If the Seller desires to initiate a Declared Suspension of Energy Deliveries as provided in paragraph 12.3.1, the Seller will notify the Designated Dispatch Facility by telephone. The beginning hour of the Declared Suspension of Energy Deliveries will be at the earliest the next full hour after making telephone contact with Idaho Power. The Seller will, within 24 hours after the telephone contact, provide Idaho Power a written notice in accordance with Article XXV that will contain the beginning hour and duration of the Declared Suspension of Energy Deliveries, a description of the conditions that caused the Seller to initiate a Declared Suspension of Energy Deliveries, and the reduced level (kW) of energy deliveries the Facility is requesting that will be set as the maximum energy deliveries to Idaho Power for the duration of the Declared Suspension of Energy Delivery event (not less than 48 hours). Idaho Power will review the documentation provided by the Seller to determine Idaho Power's acceptance of the described Forced Outage as qualifying for a Declared Suspension of Energy Deliveries as specified in paragraph 12.3.1. Idaho Power's acceptance of the Seller's Forced Outage as an acceptable Forced Outage will be based upon the clear documentation provided by the Seller that the Forced Outage is not due to an event of Force Majeure or by neglect, disrepair or lack of adequate preventative maintenance of the Seller's Facility.

12.4 Scheduled Maintenance – On or before January 31st of each calendar year, Seller shall submit a written proposed maintenance schedule of significant Facility maintenance for that calendar year and Idaho Power and Seller shall mutually agree as to the acceptability of the proposed schedule. If the Seller intends to perform planned maintenance at approximately the same time every year, the Seller may submit a maintenance schedule for the first calendar year and include a statement that this maintenance schedule shall be consistent for all future years, until such time as the Seller notifies Idaho Power of a change to this schedule. The Parties determination as to the acceptability of the Seller's timetable for scheduled maintenance will take into consideration Prudent Electrical Practices, Idaho Power system requirements and the Seller's preferred schedule. Neither Party shall unreasonably withhold acceptance of the proposed maintenance

schedule.

- 12.5 Idaho Power Maintenance Information – Upon receiving a written request from the Seller, Idaho Power shall provide publically available information in regards to Idaho Power planned maintenance information that may impact the Facility. The Seller and Idaho Power may, to the extent practical, coordinate their respective line and Facility maintenance schedule to minimize the impact to the other party.
- 12.6 Contact Prior to Curtailment - Idaho Power will make a reasonable attempt to contact the Seller prior to exercising its rights to interrupt interconnection or curtail deliveries from the Seller's Facility. Seller understands that in the case of emergency circumstances, real time operations of the electrical system, and/or unplanned events, Idaho Power may not be able to provide notice to the Seller prior to interruption, curtailment, or reduction of electrical energy deliveries to Idaho Power.

ARTICLE XIII: INDEMNIFICATION AND INSURANCE

- 13.1 Indemnification - Each Party shall agree to hold harmless and to indemnify the other Party, its officers, agents, affiliates, subsidiaries, parent company and employees against all loss, damage, expense and liability to third persons for injury to or death of person or injury to property, proximately caused by the indemnifying Party's, (a) construction, ownership, operation or maintenance of, or by failure of, any of such Party's works or facilities used in connection with this Agreement, or (b) negligent or intentional acts, errors or omissions. The indemnifying Party shall, on the other Party's request, defend any suit asserting a claim covered by this indemnity. The indemnifying Party shall pay all documented costs, including reasonable attorney fees that may be incurred by the other Party in enforcing this indemnity.
- 13.2 Insurance - During the term of this Agreement, Seller shall secure and continuously carry insurance as specified in Appendix G.

ARTICLE XIV: FORCE MAJEURE

14.1 As used in this Agreement, "Force Majeure" or "an event of Force Majeure" means any cause beyond the control of the Seller or of Idaho Power which, despite the exercise of due diligence, such Party is unable to prevent or overcome. Force Majeure includes, but is not limited to, acts of God, fire, flood, storms, wars, hostilities, civil strife, strikes and other labor disturbances, earthquakes, fires, lightning, epidemics, sabotage, or changes in law or regulation occurring after the effective date, which, by the exercise of reasonable foresight such party could not reasonably have been expected to avoid and by the exercise of due diligence, it shall be unable to overcome. Fluctuations and/or changes of the motive force and/or the fuel supply **are not** events of Force Majeure. If either Party is rendered wholly or in part unable to perform its obligations under this Agreement because of an event of Force Majeure, both Parties shall be excused from whatever performance is affected by the event of Force Majeure, provided that:

- (1) The non-performing Party shall, as soon as is reasonably possible after the occurrence of the Force Majeure, give the other Party written notice describing the particulars of the occurrence.
- (2) The suspension of performance shall be of no greater scope and of no longer duration than is required by the event of Force Majeure.
- (3) No obligations of either Party which arose before the occurrence causing the suspension of performance and which could and should have been fully performed before such occurrence shall be excused as a result of such occurrence.

ARTICLE XV: LIABILITY; DEDICATION

15.1 Limitation of Liability. Nothing in this Agreement shall be construed to create any duty to, any standard of care with reference to, or any liability to any person not a Party to this Agreement. Neither party shall be liable to the other for any indirect, special, consequential, nor punitive damages, except as expressly authorized by this Agreement.

- 15.2 Dedication. No undertaking by one Party to the other under any provision of this Agreement shall constitute the dedication of that Party's system or any portion thereof to the Party or the public or affect the status of Idaho Power as an independent public utility corporation or Seller as an independent individual or entity.

ARTICLE XVI: SEVERAL OBLIGATIONS

- 16.1 Except where specifically stated in this Agreement to be otherwise, the duties, obligations and liabilities of the Parties are intended to be several and not joint or collective. Nothing contained in this Agreement shall ever be construed to create an association, trust, partnership or joint venture or impose a trust or partnership duty, obligation or liability on or with regard to either Party. Each Party shall be individually and severally liable for its own obligations under this Agreement.

ARTICLE XVII: WAIVER

- 17.1 Any waiver at any time by either Party of its rights with respect to a default under this Agreement or with respect to any other matters arising in connection with this Agreement shall not be deemed a waiver with respect to any subsequent default or other matter.

ARTICLE XVIII: CHOICE OF LAWS AND VENUE

- 18.1 This Agreement shall be construed and interpreted in accordance with the laws of the State of Idaho without reference to its choice of law provisions.
- 18.2 Venue for any litigation arising out of or related to this Agreement will lie in the District Court of the Fourth Judicial District of Idaho in and for the County of Ada.

ARTICLE XIX: DISPUTES AND DEFAULT

- 19.1 Disputes - All disputes related to or arising under this Agreement, including, but not limited to, the interpretation of the terms and conditions of this Agreement, will be submitted to the Commission for resolution.

19.2 Notice of Default

19.2.1 Defaults. If either Party fails to perform any of the terms or conditions of this Agreement (an "event of default"), the non-defaulting Party shall cause notice in writing to be given to the defaulting Party, specifying the manner in which such default occurred. If the defaulting Party shall fail to cure such default within the sixty (60) days after service of such notice, or if the defaulting Party reasonably demonstrates to the other Party that the default can be cured within a commercially reasonable time but not within such sixty (60) day period and then fails to diligently pursue such cure, then the non-defaulting Party may, at its option, terminate this Agreement and/or pursue its legal or equitable remedies.

19.2.2 Material Breaches – The notice and cure provisions in paragraph 19.2.1 do not apply to defaults identified in this Agreement as Material Breaches. Material Breaches must be cured as expeditiously as possible following occurrence of the breach or if a specific cure and/or inability to cure is identified by this Agreement for the specific Material Breach then that cure shall apply.

19.3 Prior to the Operation Date and thereafter for the full term of this Agreement, Seller will provide Idaho Power with the following:

19.3.1 Insurance - Evidence of compliance with the provisions of Appendix G. If Seller fails to comply, such failure will be a Material Breach.

19.3.2 Engineer's Certifications - Every three (3) years after the Operation Date, Seller will supply Idaho Power with a Certification of Ongoing Operations and Maintenance (O&M) from a Registered Professional Engineer licensed in the State of Idaho, which Certification of Ongoing O&M shall be in the form specified in Appendix C. Seller's failure to supply the required certificate will be an event of default. Such a default may only be cured by Seller providing the required certificate; and

19.3.3 Licenses / Permits / Determinations - During the full term of this Agreement, Seller shall maintain compliance with all permits, licenses and determinations described in

paragraph 4.1.1 of this Agreement. In addition, Seller will supply Idaho Power with copies of any new or additional permits, licenses or determinations. At least every fifth Contract Year, Seller will update the documentation described in Paragraph 4.1.1. If at any time Seller fails to maintain compliance with the permits, licenses and determinations described in paragraph 4.1.1 or to provide the documentation required by this paragraph, such failure will be an event of default and may only be cured by Seller submitting to Idaho Power evidence of compliance from the permitting agency.

ARTICLE XX: GOVERNMENTAL AUTHORIZATION

- 20.1 This Agreement is subject to the jurisdiction of those governmental agencies having control over either Party of this Agreement.

ARTICLE XXI: COMMISSION ORDER

- 21.1 This Agreement shall only become finally effective upon the Commission's approval of all terms and provisions hereof without change or condition and declaration that all payments to be made to Seller hereunder shall be allowed as prudently incurred expenses for ratemaking purposes.

ARTICLE XXII: SUCCESSORS AND ASSIGNS

- 22.1 This Agreement and all of the terms and provisions hereof shall be binding upon and inure to the benefit of the respective successors and assigns of the Parties hereto. Neither this Agreement nor any rights or obligations of either Party hereunder may be assigned, in whole or in part, by operation of law or otherwise, without the prior written consent of both Parties, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, any party which Idaho Power may consolidate, or into which it may merge, or to which it may convey or transfer substantially all of its electric utility assets, shall automatically, without further act, and without need of consent or approval by the Seller, succeed to all of Idaho Power's rights, obligations and interests under this Agreement. A transfer or change in the person or entities who control ten percent or more of the equity securities or voting interests of Seller (whether in a single or

multiple separate transactions resulting in such a change in control of equity interests or voting securities) shall be deemed an assignment of this Agreement requiring prior written consent of Idaho Power for purposes of the foregoing. Any purported assignment in derogation of the foregoing shall be void. This article shall not prevent a financing entity with recorded or secured rights from exercising all rights and remedies available to it under law or contract. Idaho Power shall have the right to be notified by the financing entity that it is exercising such rights or remedies.

ARTICLE XXIII: MODIFICATION

- 23.1 No modification to this Agreement shall be valid unless it is in writing and signed by both Parties and subsequently approved by the Commission.

ARTICLE XXIV: TAXES

- 24.1 Each Party shall pay before delinquency all taxes and other governmental charges which, if failed to be paid when due, could result in a lien upon the Facility or the Interconnection Facilities.

ARTICLE XXV: NOTICES AND AUTHORIZED AGENTS

- 25.1 Notices - All written notices under this Agreement shall be directed as follows and shall be considered delivered when faxed, e-mailed and confirmed with deposit in the U.S. Mail, first-class, postage prepaid, as follows:

To Seller:

Original document to:

Name:	<u>Alan W. Hansten, Manager</u>
	<u>North Side Energy Company</u>
Address:	<u>921 North Lincoln</u>
	<u>Jerome, ID 83338</u>
Telephone:	<u>(208) 324-2319</u>
Cell:	<u>(208) 329-9485</u>
E-mail:	<u>ahansten@cableone.net</u>

To Idaho Power:

Original document to:

Vice President, Power Supply
Idaho Power Company
PO Box 70
Boise, Idaho 83707
Email: lgrow@idahopower.com

Copy of document to:

Cogeneration and Small Power Production
Idaho Power Company
PO Box 70
Boise, Idaho 83707
E-mail: rallphin@idahopower.com

Either Party may change the contact person and/or address information listed above, by providing written notice from an authorized person representing the Party.

25.2 Authorized Agent(s)

Name	Title
Alan W. Hansten	Manager
Shawn Sauer	Assistant Manager
John Beukers	President

Authorized Agents as listed above may be modified by the Seller by requesting and completing an Authorized Agent modification document provided by Idaho Power. This document at minimum will include the requested changes and require signature(s) from an authorized party of the Seller.

ARTICLE XXVI: ADDITIONAL TERMS AND CONDITIONS

26.1 Prior to the Seller executing this Agreement, the Seller shall have:

- a) Filed for interconnection of this Facility and is in compliance with all payments and requirements of the interconnection process.
- b) Received and accepted an interconnection and transmission capacity feasibility study for this Facility.
- c) Acknowledged responsibility for all interconnection costs and any costs associated with acquiring adequate firm transmission capacity to enable the project to be classified as an Idaho Power Designated Network Resource. If final interconnection or transmission studies are not complete at the time the Seller executes this Agreement, the Seller understands that the Seller's obligations to pay Delay and Termination Damages associated with the project's failure to achieve the Operation Date by the Scheduled Operation Date as specified in this Agreement is not relieved by final interconnection or transmission costs, processes or schedules.
- d) Provide acceptable and verifiable evidence to Idaho Power that demonstrates the Facility is eligible for the published avoided costs requested by the Seller and contained within this Agreement. Commission Order 32817 provides the current published avoided costs for Non-Seasonal Hydro Facilities, Seasonal Hydro Facilities, Other Facilities, Solar Facilities, and Wind Facilities.

26.2 This Agreement includes the following appendices, which are attached hereto and included by reference:

Appendix A	-	Generation Scheduling and Reporting
Appendix B	-	Facility and Point of Delivery
Appendix C	-	Engineer's Certifications
Appendix D	-	Forms of Liquid Security
Appendix E	-	Seasonal Hydro Facility Energy Prices
Appendix F	-	Non-Seasonal Hydro Facility Energy Prices
Appendix G	-	Insurance Requirements

ARTICLE XXVII: SEVERABILITY

27.1 The invalidity or unenforceability of any term or provision of this Agreement shall not affect the validity or enforceability of any other terms or provisions and this Agreement shall be construed

in all other respects as if the invalid or unenforceable term or provision were omitted.

ARTICLE XXVIII: COUNTERPARTS

- 28.1 This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

ARTICLE XXIX: ENTIRE AGREEMENT

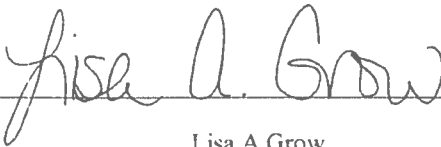
- 29.1 This Agreement constitutes the entire Agreement of the Parties concerning the subject matter hereof and supersedes all prior or contemporaneous oral or written agreements between the Parties concerning the subject matter hereof.

IN WITNESS WHEREOF, The Parties hereto have caused this Agreement to be executed in their respective names on the dates set forth below:

Idaho Power Company

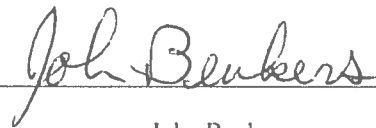
North Side Energy Company

By



Lisa A Grow
Sr. Vice President, Power Supply

By



John Beukers
President

Dated

4.23.14

"Idaho Power"

Dated

4-18-2014

"Seller"

APPENDIX A

A -1 MONTHLY POWER PRODUCTION AND SWITCHING REPORT

At the end of each month the following required documentation will be submitted to:

Idaho Power Company
Attn: Cogeneration and Small Power Production
PO Box 70
Boise, Idaho 83707

The meter readings required on this report will be the readings on the Idaho Power Meter Equipment measuring the Facility's total energy production and Station Usage delivered to Idaho Power and the maximum generated energy (kW) as recorded on the Metering Equipment and/or any other required energy measurements to adequately administer this Agreement. This document shall be the document to enable Idaho Power to begin the energy payment calculation and payment process. The meter readings on this report may not be used to calculate the actual payment, but instead will be a check of the automated meter reading information that will be gathered as described in item A-2 below:

Idaho Power Company

Cogeneration and Small Power Production

MONTHLY POWER PRODUCTION AND SWITCHING REPORT

Month _____ Year _____

Project Name _____ Project Number: _____
 Address _____ Phone Number: _____
 City _____ State _____ Zip _____

Facility
Output

Station
Usage

Metered
Maximum Generation

_____ kW

Meter Number: _____

End of Month kWh Meter Reading: _____

Beginning of Month kWh Meter: _____

Difference: _____

Times Meter Constant: _____

kWh for the Month: _____ - _____

Metered Demand: _____

Net Generation

=

Breaker Opening Record

Breaker Closing Record

<u>Date</u>	<u>Time</u>	<u>Meter</u>

*	<u>Reason</u>

<u>Date</u>	<u>Time</u>	<u>Meter</u>

* Breaker Opening Reason Codes

- 1 Lack of Adequate Prime Mover
- 2 Forced Outage of Facility
- 3 Disturbance of IPCo System
- 4 Scheduled Maintenance
- 5 Testing of Protection Systems
- 6 Cause Unknown
- 7 Other (Explain)

I hereby certify that the above meter readings are true and correct as of Midnight on the last day of the above month and that the switching record is accurate and complete as required by the Energy Sales Agreement to which I am a Party.

 Signature

 Date

A-2 AUTOMATED METER READING COLLECTION PROCESS

Monthly, Idaho Power will use the provided Metering and Telemetry equipment and processes to collect the meter reading information from the Idaho Power provided Metering Equipment that measures the Net Energy and energy delivered to supply Station Use for the Facility recorded at 12:00 AM (Midnight) of the last day of the month.

The meter information collected will include but not be limited to energy production, Station Use, the maximum generated power (kW) and any other required energy measurements to adequately administer this Agreement.

A-3 SELLER CONTACT INFORMATION

Seller's Contact Information

Project Management

Name:	<u>Alan W. Hansten</u>
Telephone Number:	<u>(208) 324-2319</u>
Cell Phone:	<u>(208) 329-9485</u>

24-Hour Project Operational Contact

Name:	<u>Shawn Sauer</u>
Telephone Number:	<u>(208) 324-2319</u>
Cell Phone:	<u>(208) 308-2319</u>

Project On-site Contact information

Name:	<u>Dustin Sears</u>
Telephone Number:	<u>(208) 732-1976</u>
Cell Phone:	<u>(208) 308-9812</u>

APPENDIX B

FACILITY AND POINT OF DELIVERY

Project Name: Head of U Canal Project

Project Number: 20140328

B-1 DESCRIPTION OF FACILITY

(Must include the Nameplate Capacity rating and VAR capability (both leading and lagging) of all Generation Units to be included in the Facility.)

*Please provide detailed description of facility, type of units, manufacturer, intake, tailrace and penstock design, lay of the land, etc. The facility has eight (8), model # TM-10 MAVEL siphon type hydroelectric turbines that use the irrigation water in the main canal of the North Side Canal Company to generate electricity. The turbines are mounted on a concrete wall that separates the upper forebay water from the lower tailrace water. The turbines along with a vacuum pump, create a siphon effect to start the flow of water through the siphon. Water is drawn from the concrete forebay, passes over the wall via a conduit with the enclosed turbine runner, and discharges into a concrete tailrace basin. Once flow is established in the siphon the vacuum pump is shut off.

The turbines will each have a set maximum flow rate under which they'll operate. As flows increase in the spring in the canal, each generator will be started to accommodate the flow. When flows are fully ramped up to approximately 1,200 CFS, all turbines will be generating electricity. Forebay level control is accomplished by by Langmann gates with electronic controls that operate on 24 volt power with battery backup.

Nameplate: 160 kW each unit for a facility total of 1.28 MW

Var Capability (Both leading and lagging) Leading is 0 kVAR Lagging is 490 kVAR

B-2 LOCATION OF FACILITY

Near: North of Jerome Butte

Actual or nearest physical street address 650 East 275 North, Jerome

GPS Coordinates: Latitude Decimal Degrees 42.7628° North Longitude Decimal Degrees
114.3903° West

State: Idaho County: Jerome

Description of Interconnection Location: Head of U Canal

B-3 SCHEDULED FIRST ENERGY AND OPERATION DATE

Seller has selected April 1, 2015 as the Scheduled First Energy Date.

Seller has selected May 1, 2015 as the Scheduled Operation Date.

In making these selections, Seller recognizes that adequate testing of the Facility and completion of all requirements in paragraph 5.2 of this Agreement must be completed prior to the project being granted an Operation Date.

B-4 MAXIMUM CAPACITY AMOUNT:

This value will be 1.28 MW which is consistent with the value provided by the Seller to Idaho Power in accordance with the GIA. This value is the maximum energy (MW) that potentially could be delivered by the Seller's Facility to the Idaho Power electrical system at any moment in time.

B-5 POINT OF DELIVERY

"Point of Delivery" means, unless otherwise agreed by both Parties, the point of where the Seller's Facility energy is delivered to the Idaho Power electrical system. The GIA will determine the specific Point of Delivery for this Facility. The Point of Delivery identified by the GIA will become an integral part of this Agreement.

B-6 LOSSES

If the Idaho Power Metering equipment is capable of measuring the exact energy deliveries by the Seller to the Idaho Power electrical system at the Point of Delivery, no Losses will be calculated for this Facility. If the Idaho Power Metering Equipment is unable to measure the exact energy deliveries by the Seller to the Idaho Power electrical system at the Point of Delivery, a Losses calculation will be established to measure the energy losses (kWh) between the Seller's Facility and the Idaho Power Point of Delivery. This loss calculation will be initially set at 2% of the kWh energy production recorded on the Facility generation metering equipment. At such time as Seller provides Idaho Power with the electrical equipment specifications (transformer loss

specifications, conductor sizes, etc.) of all of the electrical equipment between the Facility and the Idaho Power electrical system, Idaho Power will configure a revised loss calculation formula to be agreed to by both parties and used to calculate the kWh Losses for the remaining term of the Agreement. If at any time during the term of this Agreement, Idaho Power or Seller determines that the loss calculation does not correctly reflect the actual kWh losses attributed to the electrical equipment between the Facility and the Idaho Power electrical system, Idaho Power may adjust the calculation and retroactively adjust the previous month's kWh loss calculations.

B-7 METERING AND TELEMETRY

The GIA and this Agreement will determine the specific metering and telemetry requirements for this Facility. At the minimum the Metering Equipment and Telemetry equipment must be able to provide and record hourly energy deliveries to the Point of Delivery and any other energy measurements required to administer this Agreement. These specifications will include but not be limited to equipment specifications, equipment location, Idaho Power provided equipment, Seller provided equipment, and all costs associated with the equipment, design and installation of the Idaho Power provided equipment. Seller will arrange for and make available at Seller's cost communication circuit(s) compatible with Idaho Power's communications equipment and dedicated to Idaho Power's use, terminating at Idaho Power's facility capable of providing Idaho Power with continuous instantaneous information on the Facility's energy production. Idaho Power provided equipment will be owned and maintained by Idaho Power, with total cost of purchase, installation, operation, and maintenance, including administrative cost to be reimbursed to Idaho Power by the Seller. Payment of these costs will be in accordance with the GIA and the total metering cost will be included in the calculation of the Monthly Operation and Maintenance Charges specified in the GIA or Schedule 72.

B-8 NETWORK RESOURCE DESIGNATION

Idaho Power cannot accept or pay for generation from this Facility until the Facility has achieved the status of being an Idaho Power designated network resource ("DNR"). Federal Energy

Regulatory Commission ("FERC") rules require Idaho Power to prepare and submit the application to achieve DNR status for this Facility. Because much of the information Idaho Power needs to prepare the DNR application is specific to the Seller's Facility, Idaho Power's ability to file the DNR application in a timely manner is contingent upon timely receipt of the required information from the Seller. Prior to Idaho Power beginning the process to enable Idaho Power to submit a request for DNR status for this Facility, the Seller shall have 1) filed a Generation Interconnection application, 2) submitted all information required by Idaho Power to complete the application, and 3) either executed this Agreement or, at a minimum, provided Idaho Power with confirmation of the Seller's intent to complete this Agreement in a timely manner. **Seller's failure to provide complete and accurate information in a timely manner can significantly impact Idaho Power's ability and cost to attain the DNR designation for the Seller's Facility and the Seller shall bear the costs of any of these delays that are a result of any action or inaction by the Seller.**

APPENDIX C

ENGINEER'S CERTIFICATION

OF

OPERATIONS & MAINTENANCE POLICY

The undersigned _____, on behalf of himself/herself and _____, hereinafter collectively referred to as "Engineer," hereby states and certifies to the Seller as follows:

1. That Engineer is a Licensed Professional Engineer in good standing in the State of Idaho.
2. That Engineer has reviewed the Energy Sales Agreement, hereinafter "Agreement," between Idaho Power as Buyer, and _____ as Seller, dated _____.
3. That the cogeneration or small power production project which is the subject of the Agreement and this Statement is identified as Idaho Power Company Facility No. _____ and is hereinafter referred to as the "Project."
4. That the Project, which is commonly known as the _____ Project, is located in Section _____ Township _____ Range _____, Boise Meridian, _____ County, Idaho.
5. That Engineer recognizes that the Agreement provides for the Project to furnish electrical energy to Idaho Power for a _____ year period.
6. That Engineer has substantial experience in the design, construction and operation of electric power plants of the same type as this Project.
7. That Engineer has no economic relationship to the Design Engineer of this Project.
8. That Engineer has reviewed and/or supervised the review of the Policy for Operation and Maintenance ("O&M") for this Project and it is his professional opinion that, said Project has been designed and built to appropriate standards, and adherence to said O&M Policy will result in the Project's producing at or near the design electrical output, efficiency and plant factor for the full Contact Term of _____ years.

9. That Engineer recognizes that Idaho Power, in accordance with paragraph 5.2 of the Agreement, is relying on Engineer's representations and opinions contained in this Statement.

10. That Engineer certifies that the above statements are complete, true and accurate to the best of his/her knowledge and therefore sets his/her hand and seal below.

By _____

(P.E. Stamp)

Date _____

APPENDIX C
ENGINEER'S CERTIFICATION
OF
ONGOING OPERATIONS AND MAINTENANCE

The undersigned _____, on behalf of himself/herself and _____ hereinafter collectively referred to as "Engineer," hereby states and certifies to the Seller as follows:

1. That Engineer is a Licensed Professional Engineer in good standing in the State of Idaho.
2. That Engineer has reviewed the Energy Sales Agreement, hereinafter "Agreement," between Idaho Power as Buyer, and _____ as Seller, dated _____.
3. That the cogeneration or small power production project which is the subject of the Agreement and this Statement is identified as Idaho Power Company Facility No. _____ and hereinafter referred to as the "Project".
4. That the Project, which is commonly known as the _____ Project, is located in Section _____ Township _____ Range _____, Boise Meridian, _____ County, Idaho.
5. That Engineer recognizes that the Agreement provides for the Project to furnish electrical energy to Idaho Power for a _____ year period.
6. That Engineer has substantial experience in the design, construction and operation of electric power plants of the same type as this Project.
7. That Engineer has no economic relationship to the Design Engineer of this Project.

8. That Engineer has made a physical inspection of said Project, its operations and maintenance records since the last previous certified inspection. The Engineer certifies, based on the Project's appearance and the information provided by the Project, that the Project's ongoing O&M has been completed in accordance with said O&M Policy; that it is in reasonably good operating condition; and it is in the Engineer's professional opinion that if adherence to said O&M Policy continues, the Project will continue producing at or near its design electrical output, efficiency and plant factor for the remaining _____ years of the Agreement.

9. That Engineer recognizes that Idaho Power, in accordance with paragraph 5.2 of the Agreement, is relying on Engineer's representations and opinions contained in this Statement.

10. That Engineer certifies that the above statements are complete, true and accurate to the best of his/her knowledge and therefore sets his/her hand and seal below.

By _____

(P.E. Stamp)

Date _____

APPENDIX C

ENGINEER'S CERTIFICATION
OF
DESIGN & CONSTRUCTION ADEQUACY

The undersigned _____, on behalf of himself/herself and _____ hereinafter collectively referred to as "Engineer", hereby states and certifies to Idaho Power as follows:

1. That Engineer is a Licensed Professional Engineer in good standing in the State of Idaho.
2. That Engineer has reviewed the Energy Sales Agreement, hereinafter "Agreement", between Idaho Power as Buyer, and _____ as Seller, dated _____, _____.
3. That the cogeneration or small power production project, which is the subject of the Agreement and this Statement, is identified as Idaho Power Company Facility No _____ and is hereinafter referred to as the "Project".
4. That the Project, which is commonly known as the _____ Project, is located in Section _____ Township _____ Range _____, Boise Meridian, _____ County, Idaho.
5. That Engineer recognizes that the Agreement provides for the Project to furnish electrical energy to Idaho Power for a _____ year period.
6. That Engineer has substantial experience in the design, construction and operation of electric power plants of the same type as this Project.
7. That Engineer has no economic relationship to the Design Engineer of this Project and has made the analysis of the plans and specifications independently.
8. That Engineer has reviewed the engineering design and construction of the Project, including the civil work, electrical work, generating equipment, prime mover conveyance system, Seller furnished Interconnection Facilities and other Project facilities and equipment.

9. That the Project has been constructed in accordance with said plans and specifications, all applicable codes and consistent with Prudent Electrical Practices as that term is described in the Agreement.

10. That the design and construction of the Project is such that with reasonable and prudent operation and maintenance practices by Seller, the Project is capable of performing in accordance with the terms of the Agreement and with Prudent Electrical Practices for a _____ year period.

11. That Engineer recognizes that Idaho Power, in accordance with paragraph 5.2 of the Agreement, in interconnecting the Project with its system, is relying on Engineer's representations and opinions contained in this Statement.

12. That Engineer certifies that the above statements are complete, true and accurate to the best of his/her knowledge and therefore sets his/her hand and seal below.

By _____

(P.E. Stamp)

Date _____

APPENDIX D

FORMS OF LIQUID SECURITY

The Seller shall provide Idaho Power with commercially reasonable security instruments such as Cash, Cash Escrow Security, Guarantee or Letter of Credit as those terms are defined below or other forms of liquid financial security that would provide readily available cash to Idaho Power to satisfy the Security Deposit requirement and any other security requirements within this Agreement.

For the purpose of this Appendix D, the term "Credit Requirements" shall mean acceptable financial creditworthiness of the entity providing the security instrument in relation to the term of the obligation in the reasonable judgment of Idaho Power, provided that any guarantee and/or Letter of Credit issued by any other entity with a short-term or long-term investment grade credit rating by Standard & Poor's Corporation or Moody's Investor Services, Inc. shall be deemed to have acceptable financial creditworthiness.

1. Cash – Seller shall deposit cash in the amount of the required Security Deposit with Idaho Power. Idaho Power will not be responsible to calculate or pay any interest on these funds deposited with Idaho Power.
2. Cash Escrow Security – Seller shall deposit funds in an escrow account established by the Seller in a banking institution acceptable to both Parties equal to the Security Deposit. The Seller shall be responsible for all costs, and receive any interest earned associated with establishing and maintaining the escrow account(s).

3. Guarantee or Letter of Credit Security – Seller shall post and maintain in an amount equal to the Security Deposit: (a) a guaranty from a party that satisfies the Credit Requirements, in a form acceptable to Idaho Power at its discretion, or (b) an irrevocable Letter of Credit in a form acceptable to Idaho Power, in favor of Idaho Power. The Letter of Credit will be issued by a financial institution acceptable to both parties. The Seller shall be responsible for all costs associated with establishing and maintaining the Guarantee(s) or Letter(s) of Credit.

APPENDIX E

SEASONAL HYDRO FACILITY ENERGY PRICES

(Prices based on 1.2 MW of Capacity)

E-1 Base Energy Heavy Load Purchase Price – For all Base Energy received during Heavy Load Hours, Idaho Power will pay the non-levelized energy price in accordance with Commission Order 32817 with seasonalization factors applied:

Year	Season 1 - (73.50 %) Mills/kWh	Season 2 - (120.00 %) Mills/kWh	Season 3 - (100.00 %) Mills/kWh
2015	58.03	94.74	78.95
2016	62.11	101.41	84.51
2017	64.51	105.33	87.77
2018	67.50	110.21	91.84
2019	69.77	113.91	94.93
2020	71.69	117.05	97.54
2021	74.42	121.51	101.25
2022	77.51	126.55	105.46
2023	80.18	130.91	109.09
2024	81.69	133.37	111.14
2025	83.26	135.94	113.28
2026	84.81	138.46	115.39
2027	86.07	140.52	117.10
2028	87.91	143.52	119.60
2029	89.91	146.78	122.32
2030	91.94	150.10	125.09
2031	94.33	154.01	128.34
2032	97.02	158.40	132.00
2033	99.82	162.97	135.81
2034	103.36	168.75	140.62
2035	107.65	175.76	146.46
2036	112.13	183.07	152.56
2037	116.75	190.61	158.85

E-2 Base Energy Light Load Purchase Price – For all Base Energy received during Light Load Hours, Idaho Power will pay the non-levelized energy price in accordance with Commission Order 32817 with seasonalization factors applied:

Year	Season 1 - (73.50 %) Mills/kWh	Season 2 - (120.00 %) Mills/kWh	Season 3 - (100.00 %) Mills/kWh
2015	52.68	86.00	71.67
2016	56.76	92.68	77.23
2017	59.16	96.59	80.49
2018	62.15	101.47	84.56
2019	64.42	105.18	87.65
2020	66.34	108.31	90.26
2021	69.07	112.77	93.97
2022	72.16	117.81	98.18
2023	74.83	122.18	101.81
2024	76.34	124.64	103.86
2025	77.91	127.21	106.00
2026	79.46	129.73	108.11
2027	80.72	131.78	109.82
2028	82.56	134.79	112.32
2029	84.55	138.05	115.04
2030	86.59	141.37	117.81
2031	88.98	145.27	121.06
2032	91.67	149.67	124.72
2033	94.47	154.24	128.53
2034	98.01	160.01	133.34
2035	102.30	167.02	139.18
2036	106.78	174.33	145.28
2037	111.40	181.88	151.57

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IDAHO POWER
UTILITIES COMMISSION

E-3 All Hours Energy Price – The price to be used in the calculation of the Surplus Energy Price and Delay Damage Price shall be the non-levelized energy price in accordance with Commission Order 32817 with seasonalization factors applied:

Year	Season 1 - (73.50 %) Mills/kWh	Season 2 - (120.00 %) Mills/kWh	Season 3 - (100.00 %) Mills/kWh
2015	55.65	90.85	75.71
2016	59.73	97.52	81.27
2017	62.13	101.44	84.53
2018	65.12	106.32	88.60
2019	67.39	110.03	91.69
2020	69.31	113.16	94.30
2021	72.04	117.62	98.01
2022	75.13	122.66	102.22
2023	77.80	127.02	105.85
2024	79.31	129.49	107.90
2025	80.88	132.05	110.04
2026	82.43	134.58	112.15
2027	83.69	136.63	113.86
2028	85.53	139.64	116.36
2029	87.52	142.90	119.08
2030	89.56	146.22	121.85
2031	91.95	150.12	125.10
2032	94.64	154.51	128.76
2033	97.44	159.09	132.57
2034	100.98	164.86	137.38
2035	105.27	171.87	143.22
2036	109.75	179.18	149.32
2037	114.37	186.73	155.61

APPENDIX F

NON-SEASONAL HYDRO FACILITY ENERGY PRICES

(Prices based on 1.2 MW of Capacity)

F-1 Base Energy Heavy Load Purchase Price – For all Base Energy received during Heavy Load Hours, Idaho Power will pay the non-levelized energy price in accordance with Commission Order 32817 with seasonalization factors applied:

Year	Season 1 - (73.50 %) Mills/kWh	Season 2 - (120.00 %) Mills/kWh	Season 3 - (100.00 %) Mills/kWh
2015	44.63	72.86	60.71
2016	48.52	79.21	66.01
2017	50.72	82.81	69.00
2018	53.51	87.36	72.80
2019	55.57	90.73	75.60
2020	57.28	93.52	77.93
2021	59.80	97.64	81.36
2022	62.68	102.33	85.28
2023	65.13	106.34	88.62
2024	66.42	108.44	90.37
2025	67.77	110.64	92.20
2026	69.09	112.80	94.00
2027	70.12	114.48	95.40
2028	71.72	117.10	97.58
2029	73.48	119.97	99.98
2030	75.28	122.90	102.42
2031	77.43	126.41	105.34
2032	79.87	130.40	108.66
2033	82.42	134.56	112.13
2034	85.70	139.91	116.59
2035	89.73	146.50	122.08
2036	93.95	153.38	127.82
2037	98.30	160.50	133.75

F-2 Base Energy Light Load Purchase Price – For all Base Energy received during Light Load Hours, Idaho Power will pay the non-levelized energy price in accordance with Commission Order 32817 with seasonalization factors applied:

Year	Season 1 - (73.50 %) Mills/kWh	Season 2 - (120.00 %) Mills/kWh	Season 3 - (100.00 %) Mills/kWh
2015	39.27	64.12	53.43
2016	43.17	70.48	58.73
2017	45.37	74.07	61.72
2018	48.16	78.62	65.52
2019	50.22	81.99	68.32
2020	51.93	84.79	70.65
2021	54.45	88.90	74.08
2022	57.33	93.60	78.00
2023	59.78	97.60	81.34
2024	61.07	99.71	83.09
2025	62.42	101.91	84.92
2026	63.74	104.06	86.72
2027	64.77	105.74	88.12
2028	66.37	108.36	90.30
2029	68.13	111.24	92.70
2030	69.93	114.17	95.14
2031	72.07	117.67	98.06
2032	74.52	121.66	101.38
2033	77.07	125.82	104.85
2034	80.35	131.18	109.31
2035	84.38	137.76	114.80
2036	88.60	144.65	120.54
2037	92.95	151.76	126.47

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F-3 All Hours Energy Price – The price to be used in the calculation of the Surplus Energy Price and Delay Damage Price shall be the non-levelized energy price in accordance with Commission Order 32817 with seasonalization factors applied:

Year	Season 1 - (73.50 %) Mills/kWh	Season 2 - (120.00 %) Mills/kWh	Season 3 - (100.00 %) Mills/kWh
2015	42.24	68.97	57.48
2016	46.14	75.32	62.77
2017	48.34	78.92	65.76
2018	51.13	83.47	69.56
2019	53.19	86.84	72.37
2020	54.90	89.63	74.69
2021	57.42	93.75	78.12
2022	60.30	98.45	82.04
2023	62.75	102.45	85.38
2024	64.04	104.55	87.13
2025	65.39	106.76	88.96
2026	66.71	108.91	90.76
2027	67.74	110.59	92.16
2028	69.34	113.21	94.34
2029	71.10	116.09	96.74
2030	72.90	119.01	99.18
2031	75.04	122.52	102.10
2032	77.49	126.51	105.42
2033	80.04	130.67	108.89
2034	83.32	136.03	113.35
2035	87.35	142.61	118.84
2036	91.57	149.49	124.58
2037	95.92	156.61	130.51

APPENDIX G

INSURANCE REQUIREMENTS

The Seller shall secure and continuously carry insurance as specified within this Appendix for the term of the Agreement.

Insurance Requirements:

1. All insurance required by this Agreement shall be placed with an insurance company with an A.M. Best Company rating of A- or better.
2. If the insurance coverage required in this Appendix is cancelled, materially changed or lapses for any reason, the Seller will immediately notify Idaho Power in writing. This notice will advise Idaho Power of the specific reason for cancellation, material change or lapse and the steps being taken to comply with these Insurance Requirements. Failure to provide this notice and to comply with these Insurance Requirements within 5 days of the cancellation, material change or lapse will constitute a Material Breach and Idaho Power may terminate this Agreement.
3. Prior to the First Energy date and subsequently within 10 days of the annual anniversary of the Operation Date, the Seller shall provide a Certificate of Insurance in the name of Idaho Power Company and list Idaho Power Company as an Additional Insured Endorsement and Waiver of Subrogation Endorsement.
4. The Certificate of Insurance shall evidence the appropriate insurance coverage of Comprehensive General Liability Insurance for both bodily injury and property damage with limits equal to \$1,000,000, each occurrence, combined single limit. The deductible for such insurance shall be consistent with current Insurance Industry Utility practices for similar property.

No. C 96592	Due no later than Oct 31, 2014 Annual Report Form		2. Registered Agent and Address (NO PO BOX)			
Return to: SECRETARY OF STATE 700 WEST JEFFERSON PO BOX 83720 BOISE, ID 83720-0080 NO FILING FEE IF RECEIVED BY DUE DATE	1. Mailing Address: Correct in this box if needed. NORTH SIDE ENERGY COMPANY, INC. ALAN HANSTEN 921 N LINCOLN AVE JEROME ID 83338		ALAN HANSTEN 921 N LINCOLN AVE JEROME ID 83338			
			3. <u>New</u> Registered Agent Signature:*			
4. Corporations: Enter Names and Business Addresses of President, Secretary, and Directors. Treasurer (optional).						
Office Held	Name	Street or PO Address	City	State	Country	Postal Code
DIRECTOR	DEAN T BINGHAM	156 NORTH 100 EAST	JEROME	ID	USA	83338
DIRECTOR	BART PATTERSON	161-A BOB BARTON ROAD	JEROME	ID	USA	83338
DIRECTOR	JAMES FIALA	51 NORTH 200 EAST	JEROME	ID	USA	83338
PRESIDENT	JOHN BEUKERS	711 RIVERVIEW DRIVE	TWIN FALLS	ID	USA	83301
DIRECTOR	DEWITT MARSHALL	151 SOUTH 600 EAST	JEROME	ID	USA	83338
VICE PRESIDENT	DICK ELLIOTT	362 EAST 1750 SOUTH	BLISS	ID	USA	83314
DIRECTOR	GREG HIRAI	3192 SOUTH 1308 EAST	WENDELL	ID	USA	83355
DIRECTOR	ALBERT LOCKWOOD	1721 EAST 1200 SOUTH	EDEN	ID	USA	83325
SECRETARY	ALAN HANSTEN	921 NORTH LINCOLN	JEROME	ID	USA	83338
DIRECTOR	BERWYN MUSSMANN	857 SOUTH EDEN ROAD	EDEN	ID	USA	83325
5. Organized Under the Laws of: ID C 96592		6. Annual Report must be signed.* Signature: Terry Walters Name (type or print): Terry Walters Date: 08/18/2014 Title: Asst. Secretary				
Processed 08/18/2014		* Electronically provided signatures are accepted as original signatures.				

126347

State of Idaho

Department of State

CERTIFICATE OF INCORPORATION OF

NORTH SIDE ENERGY COMPANY, INC.

I, PETE T. CENARRUSA, Secretary of State of the State of Idaho, hereby certify that duplicate originals of Articles of Incorporation for the incorporation of the above named corporation, duly signed pursuant to the provisions of the Idaho Business Corporation Act, have been received in this office and are found to conform to law.

ACCORDINGLY and by virtue of the authority vested in me by law, I issue this Certificate of Incorporation and attach hereto a duplicate original of the Articles of Incorporation.

Dated: October 24, 1991



Pete T. Cenarrusa

SECRETARY OF STATE

Jonny Coulson

Corporation Clerk

ARTICLES OF INCORPORATION

OF

NORTH SIDE ENERGY COMPANY, INC.

RECEIVED
SEC. OF STATE
191 OCT 24 AM 8 37

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned, being of full age and citizens of the United States, have this day voluntarily associated ourselves together for the purpose of forming a corporation under the provisions of Idaho Code § 30-1-2, et seq.:

And we hereby certify in writing:

ARTICLE I

NAME

The name of this corporation shall be the NORTH SIDE ENERGY COMPANY, INC.

ARTICLE II

PURPOSES AND POWERS

The purposes for which this corporation is formed are:

A. To own, hold, construct, maintain and operate certain power facilities, systems, and appurtenant facilities located in Jerome, Gooding, Elmore and Twin Falls Counties, Idaho, whereby certain waters are to be diverted and used for the generation of hydroelectricity or the cooling of thermal electrical generating facilities; also to acquire water rights for said purposes, and to acquire other water and land rights in case the same may be deemed desirable; to acquire, hold, own, maintain and control said water and water rights; to

generate power; to construct such dams, reservoirs, canals, generating facilities and other necessary and appurtenant facilities including rights of way and transmission facilities; to arrange for and finance the construction of said facilities; to negotiate and enter "take or pay" or falling water contracts or other marketing arrangements for the sale of power generated, at wholesale or retail including the direct distribution thereof; and generally to do any and all things necessary or proper to generating, selling and distributing electricity.

B. To participate in joint filing and joint ventures for the development of power.

C. To buy, own, hold, lease and dispose of such real and personal property as may be necessary or expedient for the proper conduct of its business; to commence, prosecute or defend suits, or for any and all other purposes.

D. To enter into, make, perform and carry out contracts of every kind for any lawful purpose, without limit as to amount, with any person, firm, association, corporation, municipality, state government or any subdivision, district or department thereof.

E. To borrow money and to execute or negotiate notes, bonds, mortgages or other obligations for the payment of money for the purpose of raising revenue to defray the expense of construction, improvement and all other capital

expenditures, as well as the management, maintenance and operation of the company assets.

F. To do any and all such other acts, things, business or businesses in any manner connected with, or necessary, incidental, convenient or auxiliary to any of the objects hereinbefore enumerated, or calculated directly or indirectly to promote the interests of the corporation and in carrying on its purposes, or for the purpose of attaining or furthering any of its business, and to do any and all acts and things, and to exercise any and all other powers which a natural person could do or exercise and which now or hereafter may be authorized by law.

G. The several clauses contained in the statement of purposes shall be construed as both purposes and powers, and the statements contained in each clause shall not be limited or restricted by reference to or inference from the terms of any other clause, but shall be regarded as independent purposes and powers, and no recitation, expression or declaration of specific or special powers or purposes herein enumerated shall be deemed exclusive, but it is hereby expressly declared that all other lawful powers, not inconsistent herewith, are hereby included.

ARTICLE III

DURATION

Subject to dissolution in the manner provided by law, the corporation shall be perpetual.

ARTICLE IV

REGISTERED OFFICE

The registered office of said corporation in the State of Idaho shall be located in the County of Jerome, the post office address of the registered office of said corporation in the State of Idaho, County of Jerome, shall be 921 N. Lincoln Avenue, Jerome, Idaho 83338. Ted Diehl shall be the registered agent at the address set forth above.

ARTICLE V

CORPORATE STOCK

The aggregate number of shares which the corporation shall have authority to issue is 100, all of which shall have no par value and shall be designated "Class A Shares".

ARTICLE VI

INCORPORATORS

Following are the names and post office addresses of each of the incorporators:

<u>NAME OF INCORPORATOR</u>	<u>POST OFFICE ADDRESS</u>
Russell Woolley	3 N. 200 E. Jerome, ID 83338
Ted Diehl	921 N. Lincoln Jerome, ID 83338
Vince Alberdi	921 N. Lincoln Jerome, ID 83338

ARTICLE VII

MANAGEMENT

A. The business of the corporation shall be managed by a board of at least three (3) directors, except that if all

of the shares of the corporation are owned beneficially and of record by either one (1) or two (2) stockholders, the number of directors may be less than three (3) but not less than the number of stockholders. Directors need not be shareholders. A director shall hold office for the term for which he was named or elected and until his successor is elected and qualified.

B. The Incorporators listed in Article VI above shall serve as directors until the first meeting of shareholders or until their successors are elected and qualify.

ARTICLE VIII

BYLAWS

The power to adopt, repeal and amend the ByLaws of the corporation shall be in the stockholders and the ByLaws may be amended, adopted, or repealed by a majority vote of the stock issued and entitled to vote.

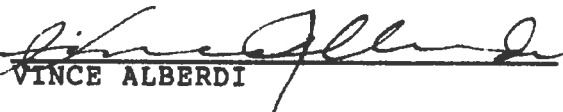
IN WITNESS WHEREOF, I have hereunto set my hand this 24th day of October, 1991.



RUSSELL WOOLLEY



TED DIEHL



VINCE ALBERDI

STATE OF IDAHO

County of Jerome

) ss.

I, John A. Rosholt, a Notary Public, do hereby certify that on this 21st day of October, 1991, personally appeared before me RUSSELL WOOLLEY, who, being by me first duly sworn, declared that he is the Incorporator of NORTH SIDE ENERGY COMPANY, INC., that he signed the foregoing document as Incorporator of the corporation, and that the statements therein contained are true.

John A. Rosholt

Notary Public for Idaho

Residing at: Twin Falls

Commission expires: 1992

STATE OF IDAHO

County of Jerome

) ss.

I, John A. Rosholt, a Notary Public, do hereby certify that on this 21st day of October, 1991, personally appeared before me TED DIEHL, who, being by me first duly sworn, declared that he is the Incorporator of NORTH SIDE ENERGY COMPANY, INC., that he signed the foregoing document as Incorporator of the corporation, and that the statements therein contained are true.

John A. Rosholt

Notary Public for Idaho

Residing at: Twin Falls

Commission expires: 1992

STATE OF IDAHO

County of Twin Falls) ss.

I, John A. Rosholt, a Notary Public, do hereby
certify that on this 21st day of October, 1991,
personally appeared before me VINCE ALBERDI, who, being by me
first duly sworn, declared that he is the Incorporator of NORTH
SIDE ENERGY COMPANY, INC., that he signed the foregoing
document as Incorporator of the corporation, and that the
statements therein contained are true.

John A. Rosholt
Notary Public for Idaho
Residing at: Twin Falls
Commission expires: 1992

5308m

Edl, Michele

From: Travis Thompson [tl@idahowaters.com]
Sent: Friday, February 27, 2015 10:52 AM
To: Edl, Michele
Subject: RE: NSCC Information
Attachments: 20140821FINAL_ORDER_NO_33102.pdf

Michele,

Here's the PUC Order.

Travis

From: Edl, Michele [mailto:Michele.Edl@idwr.idaho.gov]
Sent: Friday, February 27, 2015 10:47 AM
To: Travis Thompson
Subject: RE: NSCC Information

Mr. Thompson,

Thank you. This is information I need.

Are the negotiations for a power sales agreement complete? Or is there a different arrangement for managing the electricity that will be generated?

Michele Edl

From: Travis Thompson [mailto:tl@idahowaters.com]
Sent: Friday, February 27, 2015 10:21 AM
To: Edl, Michele
Subject: FW: NSCC Information

Michele,

Please call if you need anything else.

Travis

From: Travis Thompson
Sent: Friday, February 27, 2015 10:20 AM
To: 'michele.edl.@idwr.idaho.gov'
Subject: NSCC Information

Michele,

I think this is all the information you need. Please advise if there is anything else.

Thanks,

Travis

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION	)	
OF IDAHO POWER COMPANY FOR	)	CASE NO. IPC-E-14-07
APPROVAL OR REJECTION OF AN	)	
ENERGY SALES AGREEMENT WITH	)	
NORTH SIDE ENERGY COMPANY, INC.,	)	
FOR THE SALE AND PURCHASE OF	)	ORDER NO. 33102
ELECTRIC ENERGY FROM THE HEAD	)	
OF U CANAL PROJECT.	)	

On April 30, 2014, Idaho Power Company filed an Application requesting that the Commission accept or reject an Agreement between Idaho Power and North Side Energy Company (North Side), Inc., for the sale and purchase of electric energy generated by the Head of U Canal Project. On May 27, 2014, Idaho Power filed an Amendment to its Application that included a summary of terms and conditions contained in the proposed Agreement that are different from prior agreements approved by this Commission. The Commission issued a Notice of Application and Notice of Modified Procedure on June 11, 2014, setting comment and reply deadlines. Order No. 33056. Commission Staff, North Side Energy, and Idaho Power filed comments.

By this Order, we approve the Agreement between Idaho Power and North Side Energy for the sale and purchase of electric energy generated by the Head of U Canal Project.

THE APPLICATION

On April 23, 2014, Idaho Power and North Side entered into an Agreement pursuant to the terms and conditions of various Commission Orders applicable to PURPA agreements for seasonal hydro projects. Idaho Power states that North Side proposes to operate and maintain a 1.28 megawatt (MW) seasonal hydro energy facility to be located near Jerome, Idaho. The Company maintains that the project will be a qualified facility (QF) under the applicable provisions of the Public Utility Regulatory Policies Act (PURPA).

Under the terms of the Agreement, North Side elected to contract with Idaho Power for a 20-year term using the non-levelized other published avoided cost rates as currently established by the Commission in Order No. 32817 for energy deliveries of less than 10 average MW (aMW). As defined in paragraphs 1.20 and 4.1.4 of the Agreement, North Side will be required to provide data on the facility that Idaho Power will use to confirm that under normal

and/or average conditions, the facility will not exceed 10 aMW on a monthly basis. As described in paragraph 7.5 of the Agreement, should the facility exceed 10 aMW on a monthly basis, Idaho Power will accept the inadvertent energy that does not exceed the maximum capacity amount, but will not purchase or pay for inadvertent energy.

North Side has selected May 1, 2015, as the project's Scheduled Operation Date. Various requirements have been placed upon North Side in order for Idaho Power to accept energy deliveries from this facility. Idaho Power will monitor compliance with these requirements. Idaho Power will continue to monitor the ongoing requirements throughout the term of the Agreement.

The Agreement provides that all applicable interconnection charges and monthly operational or maintenance charges under Schedule 72 will be assessed to North Side. A Schedule 72 Generator Interconnection Agreement (GIA) between North Side and Idaho Power was executed on July 29, 2013. Idaho Power states that PURPA QF generation must be designated as a network resource (DNR) to serve Idaho Power's retail load on its system. In order for the facility to maintain its DNR status and maintain compliance with Idaho Power's non-discriminatory administration of its Open Access Transmission Tariff (OATT) and FERC requirements there must be a power purchase agreement (PPA) associated with its transmission service request.

Article 21 of the Agreement provides that the PPA will not become effective until the Commission has approved all terms and conditions and declared that all payments Idaho Power makes to North Side for purchases of energy will be allowed as prudently incurred expenses for ratemaking purposes.

Idaho Power filed an Amendment to its initial Application on May 27, 2014. The Amendment provides a summary of terms and conditions contained in the proposed Agreement that are different from prior agreements approved by this Commission. In its Amendment, Idaho Power explains that the recent hydro agreements are the first hydro-based agreements submitted for approval "that contain revised terms and conditions subsequent to the Commission's final and reconsideration orders from Case No. GNR-E-11-03. As such, the form of the [Agreement] has several terms and conditions that vary from previously approved agreements in order to comply with the Commission's recent orders." Amendment at 5.

Idaho Power and North Side also agreed to changes in some standard provisions that the parties now propose for Commission approval. Idaho Power identifies the major changes as follows:

- Change to the definition of “Mid-Columbia Market Energy Cost” to replace reference to the Dow Jones index with reference to the Intercontinental Exchange (ICE) index and formula consistent with the proposed settlement in Case No. IPC-E-13-25¹;
- Addition of definitions and provisions, paragraphs 1.29, 1.38, 1.39, 3.4 and 7.6 to incorporate definitions of “non-seasonal hydro facility” and “seasonal hydro facility” as well as “seasonal hydro facility test periods” to incorporate and maintain separate rates for seasonal and non-seasonal hydro projects and to ensure that seasonal hydro projects perform within the requirements of generating 55 percent of their annual generation in the months of June, July and August;
- Removal of the provisions providing for delay liquidated damages and maintained provisions to provide for delay security and actual delay damages as provided for by the Commission’s adoption of the partial stipulation in Commission Order No. 32697;
- Change to Article VIII, “Environmental Attributes,” to indicate that North Side owns all Environmental Attributes or Renewable Energy Credits/Certificates;
- Change to paragraph 6.2 to allow North Side to adjust the “Initial Year Monthly Net Energy Amounts” on a monthly, rather than quarterly, basis;
- Revision to paragraph 12.4 relating to Scheduled Maintenance; and

Idaho Power also made several other minor revisions in an attempt to add clarity.

COMMENTS AND REPLIES

Commission Staff

Because of the number of significant changes contained in this Agreement as compared to prior power purchase agreements approved by this Commission, Staff thoroughly reviewed the modified terms and conditions with regard to their overall impact on Idaho Power’s system and the utility’s customers. Generally, Staff found the changes to be consistent with prior

¹ This change is relevant to the 90/110 performance requirement.

Commission Orders and directives. However, Staff took exception to ¶ 6.2.3 of the Agreement regarding monthly, rather than quarterly, revisions to energy generation estimates.

Staff considered the history of the 90/110 performance band in its analysis of whether it was prudent to move to monthly generation estimates. Staff explained that, in Case No. IPC-E-04-08/10, Idaho Power proposed a performance band to firm up QF power and make it more predictable and reliable. At that time, the Company contended that by providing economic incentives for QF developers to more accurately estimate the amount of firm energy it would deliver each month, the Company hoped to encourage developers to deliver firm rather than non-firm energy. Obtaining better estimates of the monthly amounts of firm energy to be provided, Idaho Power contended, would increase the Company's ability to predict when QF generation would be available and would improve the Company's ability to integrate QF resources into its resource planning and acquisition processes as firm resources. Based on the record developed in that case, the Commission adopted provisions for a 90/110 percent performance band in order for QFs to be entitled to firm energy rates.² Order No. 29632. Under the 90/110 provisions, QFs must provide monthly generation estimates that, after the first year, can only be revised every three months. Moreover, QFs are not allowed to revise their generation estimates in the immediate three months of the forecast period.

The Company reasoned that the change in revised generation estimates benefits the utility and the project by allowing more clarity and flexibility to North Side in adjusting its estimated energy deliveries and maintaining stability in the energy estimates necessary for Idaho Power's planning and operation. However, because Staff believes that the new terms regarding generation estimates fail to comply with the Commission's prior Order, Staff recommended that the proposed Agreement be rejected by the Commission. Staff suggested that any consideration to change the 90/110 forecasting requirement with a monthly generation estimate should occur in a docket that allows all three utilities and any other interested persons or parties to participate.

Idaho Power Company

Idaho Power filed reply comments on July 18, 2014. The Company stated that it believed the contractual change to monthly, rather than quarterly, generation estimates was "a

² Under the adopted provisions, monthly QF deliveries of energy in excess of 110 percent of scheduled "net energy" receive only 85 percent of the market price, or the contract rate, whichever is less. If the QF delivers less than 90 percent of the scheduled "net energy" amount, existing contracts provide for liquidated damages to compensate the utility and its customers for having to acquire energy to make up the shortfall.

relatively straightforward and non-controversial revision that maintains the integrity of the existing 90/110 performance and firmness requirements, but clarified a complicated and confusing contractual provision that talks about yearly, monthly, quarterly, and nine month time periods.” Reply at 7. Idaho Power further reasoned that “[f]rom the Company’s perspective, the purpose of the 90/110 provisions, and the consequent direction about revision to the estimated Net Energy Amounts used for the 90/110 requirement, is not to implement some kind of punitive pricing policy, but, rather, to get an accurate estimate and forecast of QF generation to assist in the real-time planning and operation of Idaho Power’s system for the benefit of its customers in a least cost manner.” *Id.* at 8.

The Company maintained that monthly generation estimates are consistent with the Commission’s prior Orders regarding 90/110 provisions because “the interest of the Company in planning for QF resources is better served if the generation forecast is a reliable estimate.” Order No. 29632 at 23. Idaho Power argued that monthly estimates are much more beneficial in meeting the Company’s short-term, operational planning needs for integrating QF generation. Idaho Power explained that the purpose of the performance criteria is to allow the project to provide Idaho Power with an accurate energy estimate that can be used in both long and short-term planning by the utility – not to increase or reduce the energy payments made to a project.

Idaho Power does not believe that a separate, larger proceeding is required to consider a change to the contract provisions for adjusting generation estimates. The Company requests that the Commission approve the Agreement without change or condition and declare that payments for purchases of energy between Idaho Power and North Side be allowed as prudently incurred expenses for ratemaking purposes.

North Side Energy Company

North Side filed reply comments on July 17, 2014, in response to Staff’s comments recommending disapproval of the Agreement. North Side supports the use of monthly generation estimates because estimates further into the future are hard to accurately predict. Therefore, the more accurate energy estimates are more useful to Idaho Power for planning purposes. Consequently, North Side asks that the Commission approve its Agreement with Idaho Power.

FINDINGS AND CONCLUSIONS

The Idaho Public Utilities Commission has jurisdiction over Idaho Power, an electric utility, and the issues raised in this matter pursuant to the authority and power granted it under Title 61 of the Idaho Code and the Public Utility Regulatory Policies Act of 1978 (PURPA). The Commission has authority under PURPA and the implementing regulations of the Federal Energy Regulatory Commission (FERC) to set avoided costs, to order electric utilities to enter into fixed-term obligations for the purchase of energy from qualified facilities (QFs) and to implement FERC rules.

The Commission has reviewed the record in this case, including the April 23, 2014 Agreement, comments of Commission Staff and replies filed by Idaho Power and North Side. We find that the proposed Agreement submitted in this case contains acceptable contract provisions including the current, non-levelized published avoided cost rates approved by the Commission in Order No. 32817 for energy deliveries of less than 10 average MW (aMW). We further find that the terms and definitions regarding Mid-Columbia Market Energy Cost, seasonal and non-seasonal hydro rates, delay security and damages, ownership of renewable energy credits, and generation estimates for purposes of the 90/110 provision are consistent with prior Commission Orders.

Specifically, we find that monthly, as opposed to quarterly, reporting of energy generation estimates is a reasonably negotiated term between the parties and not inconsistent with the Commission's guidance and findings in Order No. 29632. As we stated in that Order, "it is reasonable and operationally expedient to require QFs to provide Idaho Power with monthly kWh production estimates. . . . The Commission finds it reasonable to provide more frequent opportunities to revise generation estimates than [the two years] proposed by the Company. We find that the interest of the Company in planning for QF resources is better served if the generation forecast is a reliable estimate." Order No. 29632 at 23. The Commission did not approve the 90/110 provisions in order to implement a punitive pricing mechanism. The intent of a QF providing generation estimates has always been to assist the utility in forecasting and operational planning so that the utility can provide the most reliable service possible to its customers. We find that a provision allowing for monthly generation estimate updates is consistent with that purpose.

We acknowledge Staff's concerns that monthly generation estimates would likely allow more energy production to fall within the 90/110 band. However, no evidence was presented that this result is unreasonable or would work to the detriment of Idaho Power's ratepayers. Moreover, Staff ultimately agreed that "much of the justification provided by Idaho Power" in defense of utilizing monthly generation estimates has merit. Staff Comments at 7. Consequently, based on our review of the evidence presented, we find that the use of monthly generation estimates is just and reasonable. We encourage Idaho Power to be mindful of the effects that this change may have on both its operations and its ratepayers. We expect that the Company will weigh the benefits and detriments of monthly generation estimates as projects with these provisions come on-line.

Based on the foregoing, we find that the Agreement as a whole is just, reasonable and in the public interest. Therefore, we approve the Agreement between Idaho Power and North Side Energy Company without material change or condition. We further find it reasonable to allow payments made under the Agreement as prudently incurred expenses for ratemaking purposes.

ORDER

IT IS HEREBY ORDERED that the Energy Sales Agreement between Idaho Power and North Side Energy Company is approved without change or condition.

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.

Edl, Michele

From: Travis Thompson [tlth@idahowaters.com]
Sent: Friday, February 27, 2015 10:21 AM
To: Edl, Michele
Subject: FW: NSCC Information
Attachments: FERC Acceptance email receipt.pdf; FERC Final Determination for Exemption 1-8-14.pdf; Head of U Canal Hydro form-556-Submitted.pdf

Michele,

Please call if you need anything else.

Travis

From: Travis Thompson
Sent: Friday, February 27, 2015 10:20 AM
To: 'michele.edl.@idwr.idaho.gov'
Subject: NSCC Information

Michele,

I think this is all the information you need. Please advise if there is anything else.

Thanks,

Travis



alan hansten <ahansten@cableone.net>

FERC Acceptance for Filing in QF14-403-000

1 message

eFiling@ferc.gov <eFiling@ferc.gov>

Wed, Mar 19, 2014 at 9:35 AM

To: ahansten@cableone.net, efilingacceptance@ferc.gov

Acceptance for Filing

The FERC Office of the Secretary has accepted the following electronic submission for filing (Acceptance for filing does not constitute approval of any application or self-certifying notice):

- Accession No.: 201403195059
- Docket(s) No.: QF14-403-000
- Filed By: North Side Energy Company, Inc.
- Signed By: Alan Hansten
- Filing Type: Qualifying Facility Application or PURPA Energy Utility Filing
- Filing Desc: Form 556 of North Side Energy Company, Inc. under QF14-403.
- Submission Date/Time: 3/19/2014 10:10:01 AM
- Filed Date: 3/19/2014 10:10:01 AM

Your submission is now part of the record for the above Docket(s) and available in FERC's eLibrary system at:

http://elibrary.ferc.gov/idmws/file_list.asp?accession_num=20140319-5059

If you would like to receive e-mail notification when additional documents are added to the above docket(s), you can eSubscribe by docket at:

<https://ferconline.ferc.gov/eSubscription.aspx>

There may be a 10 minute delay before the document appears in eLibrary.

Thank you again for using the FERC Electronic Filing System. If you need to contact us for any reason:

E-Mail: efiling@ferc.gov <mailto:efiling@ferc.gov> (do not send filings to this address)

Voice Mail: 202-502-8258.

FEDERAL ENERGY REGULATORY COMMISSION
Washington, D. C. 20426

OFFICE OF ENERGY PROJECTS

Docket No. CD14-10-000 – Idaho
Head of U Canal Hydro Project
North Side Canal Company

Mr. Alan W. Hansten
North Side Canal Company
921 North Lincoln
Jerome, ID 83338

January 8, 2014

Subject: Determination that your project meets the Qualifying Conduit Hydropower
Facility Criteria

Dear Mr. Hansten:

On November 5, 2013, you filed a notice of intent, pursuant to section 30(a) of the Federal Power Act (FPA), 16 U.S.C. § 823a (2012), as amended by Section 4 of the Hydropower Regulatory Efficiency Act of 2013, Pub. L. 113-23, § 4a, 127 Stat. 493 (2013), to construct a qualifying conduit hydropower facility, the Head of U Canal Hydro Project.

On November 14, 2013, Commission staff issued a public notice that preliminarily determined that the project met the statutory criteria for a qualifying conduit hydropower facility, and thus was not required to be licensed under Part I of the FPA. The notice established a 45-day period for entities to contest whether the project met the criteria. No comments were filed in response to the notice. Accordingly, this letter constitutes a written determination that the Head of U Canal Hydro Project meets the qualifying criteria under FPA section 30(a), and is not required to be licensed under Part I of the FPA.

If you have any questions, please contact Mr. Christopher Chaney at (202) 502-6778 or christopher.chaney@ferc.gov.

Sincerely,



M. Joseph Fayyad
Engineering Resources Branch
Division of Hydropower Administration
and Compliance

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, DC

OMB Control # 1902-0075
Expiration 05/31/2016

Form 556

Certification of Qualifying Facility (QF) Status for a Small Power
Production or Cogeneration Facility

General

Questions about completing this form should be sent to Form556@ferc.gov. Information about the Commission's QF program, answers to frequently asked questions about QF requirements or completing this form, and contact information for QF program staff are available at the Commission's QF website, www.ferc.gov/QF. The Commission's QF website also provides links to the Commission's QF regulations (18 C.F.R. § 131.80 and Part 292), as well as other statutes and orders pertaining to the Commission's QF program.

Who Must File

Any applicant seeking QF status or recertification of QF status for a generating facility with a net power production capacity (as determined in lines 7a through 7g below) greater than 1000 kW must file a self-certification or an application for Commission certification of QF status, which includes a properly completed Form 556. Any applicant seeking QF status for a generating facility with a net power production capacity 1000 kW or less is exempt from the certification requirement, and is therefore not required to complete or file a Form 556. See 18 C.F.R. § 292.203.

How to Complete the Form 556

This form is intended to be completed by responding to the items in the order they are presented, according to the instructions given. If you need to back-track, you may need to clear certain responses before you will be allowed to change other responses made previously in the form. If you experience problems, click on the nearest help button () for assistance, or contact Commission staff at Form556@ferc.gov.

Certain lines in this form will be automatically calculated based on responses to previous lines, with the relevant formulas shown. You must respond to all of the previous lines within a section before the results of an automatically calculated field will be displayed. If you disagree with the results of any automatic calculation on this form, contact Commission staff at Form556@ferc.gov to discuss the discrepancy before filing.

You must complete all lines in this form unless instructed otherwise. Do not alter this form or save this form in a different format. Incomplete or altered forms, or forms saved in formats other than PDF, will be rejected.

How to File a Completed Form 556

Applicants are required to file their Form 556 electronically through the Commission's eFiling website (see instructions on page 2). By filing electronically, you will reduce your filing burden, save paper resources, save postage or courier charges, help keep Commission expenses to a minimum, and receive a much faster confirmation (via an email containing the docket number assigned to your facility) that the Commission has received your filing.

If you are simultaneously filing both a waiver request and a Form 556 as part of an application for Commission certification, see the "Waiver Requests" section on page 3 for more information on how to file.

Paperwork Reduction Act Notice

This form is approved by the Office of Management and Budget. Compliance with the information requirements established by the FERC Form No. 556 is required to obtain or maintain status as a QF. See 18 C.F.R. § 131.80 and Part 292. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number. The estimated burden for completing the FERC Form No. 556, including gathering and reporting information, is as follows: 3 hours for self-certification of a small power production facility, 8 hours for self-certifications of a cogeneration facility, 6 hours for an application for Commission certification of a small power production facility, and 50 hours for an application for Commission certification of a cogeneration facility. Send comments regarding this burden estimate or any aspect of this collection of information, including suggestions for reducing this burden, to the following: Information Clearance Officer, Office of the Executive Director (ED-32), Federal Energy Regulatory Commission, 888 First Street N.E., Washington, DC 20426 (DataClearance@ferc.gov); and Desk Officer for FERC, Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, DC 20503 (oira_submission@omb.eop.gov). Include the Control No. 1902-0075 in any correspondence.

Electronic Filing (eFiling)

To electronically file your Form 556, visit the Commission's QF website at www.ferc.gov/QF and click the eFiling link.

If you are eFiling your first document, you will need to register with your name, email address, mailing address, and phone number. If you are registering on behalf of an employer, then you will also need to provide the employer name, alternate contact name, alternate contact phone number and alternate contact email.

Once you are registered, log in to eFiling with your registered email address and the password that you created at registration. Follow the instructions. When prompted, select one of the following QF-related filing types, as appropriate, from the Electric or General filing category.

Filing category	Filing Type as listed in eFiling	Description
Electric	(Fee) Application for Commission Cert. as Cogeneration QF	Use to submit an application for Commission certification or Commission recertification of a cogeneration facility as a QF.
	(Fee) Application for Commission Cert. as Small Power QF	Use to submit an application for Commission certification or Commission recertification of a small power production facility as a QF.
	Self-Certification Notice (QF, EG, FC)	Use to submit a notice of self-certification of your facility (cogeneration or small power production) as a QF.
	Self-Recertification of Qualifying Facility (QF)	Use to submit a notice of self-recertification of your facility (cogeneration or small power production) as a QF.
	Supplemental Information or Request	Use to correct or supplement a Form 556 that was submitted with errors or omissions, or for which Commission staff has requested additional information. Do <i>not</i> use this filing type to report new changes to a facility or its ownership; rather, use a self-recertification or Commission recertification to report such changes.
General	(Fee) Petition for Declaratory Order (not under FPA Part 1)	Use to submit a petition for declaratory order granting a waiver of Commission QF regulations pursuant to 18 C.F.R. §§ 292.204(a) (3) and/or 292.205(c). A Form 556 is not required for a petition for declaratory order unless Commission recertification is being requested as part of the petition.

You will be prompted to submit your filing fee, if applicable, during the electronic submission process. Filing fees can be paid via electronic bank account debit or credit card.

During the eFiling process, you will be prompted to select your file(s) for upload from your computer.

Filing Fee

No filing fee is required if you are submitting a self-certification or self-recertification of your facility as a QF pursuant to 18 C.F.R. § 292.207(a).

A filing fee is required if you are filing either of the following:

- (1) an application for Commission certification or recertification of your facility as a QF pursuant to 18 C.F.R. § 292.207(b), or
- (2) a petition for declaratory order granting waiver pursuant to 18 C.F.R. §§ 292.204(a)(3) and/or 292.205(c).

The current fees for applications for Commission certifications and petitions for declaratory order can be found by visiting the Commission's QF website at www.ferc.gov/QF and clicking the Fee Schedule link.

You will be prompted to submit your filing fee, if applicable, during the electronic filing process described on page 2.

Required Notice to Utilities and State Regulatory Authorities

Pursuant to 18 C.F.R. § 292.207(a)(ii), you must provide a copy of your self-certification or request for Commission certification to the utilities with which the facility will interconnect and/or transact, as well as to the State regulatory authorities of the states in which your facility and those utilities reside. Links to information about the regulatory authorities in various states can be found by visiting the Commission's QF website at www.ferc.gov/QF and clicking the Notice Requirements link.

What to Expect From the Commission After You File

An applicant filing a Form 556 electronically will receive an email message acknowledging receipt of the filing and showing the docket number assigned to the filing. Such email is typically sent within one business day, but may be delayed pending confirmation by the Secretary of the Commission of the contents of the filing.

An applicant submitting a self-certification of QF status should expect to receive no documents from the Commission, other than the electronic acknowledgement of receipt described above. Consistent with its name, a self-certification is a certification *by the applicant itself* that the facility meets the relevant requirements for QF status, and does not involve a determination by the Commission as to the status of the facility. An acknowledgement of receipt of a self-certification, in particular, does not represent a determination by the Commission with regard to the QF status of the facility. An applicant self-certifying may, however, receive a rejection, revocation or deficiency letter if its application is found, during periodic compliance reviews, not to comply with the relevant requirements.

An applicant submitting a request for Commission certification will receive an order either granting or denying certification of QF status, or a letter requesting additional information or rejecting the application. Pursuant to 18 C.F.R. § 292.207(b)(3), the Commission must act on an application for Commission certification within 90 days of the later of the filing date of the application or the filing date of a supplement, amendment or other change to the application.

Waiver Requests

18 C.F.R. § 292.204(a)(3) allows an applicant to request a waiver to modify the method of calculation pursuant to 18 C.F.R. § 292.204(a)(2) to determine if two facilities are considered to be located at the same site, for good cause. 18 C.F.R. § 292.205(c) allows an applicant to request waiver of the requirements of 18 C.F.R. §§ 292.205(a) and (b) for operating and efficiency upon a showing that the facility will produce significant energy savings. A request for waiver of these requirements must be submitted as a petition for declaratory order, with the appropriate filing fee for a petition for declaratory order. Applicants requesting Commission recertification as part of a request for waiver of one of these requirements should electronically submit their completed Form 556 along with their petition for declaratory order, rather than filing their Form 556 as a separate request for Commission recertification. Only the filing fee for the petition for declaratory order must be paid to cover both the waiver request and the request for recertification *if such requests are made simultaneously*.

18 C.F.R. § 292.203(d)(2) allows an applicant to request a waiver of the Form 556 filing requirements, for good cause. Applicants filing a petition for declaratory order requesting a waiver under 18 C.F.R. § 292.203(d)(2) do not need to complete or submit a Form 556 with their petition.

Geographic Coordinates

If a street address does not exist for your facility, then line 3c of the Form 556 requires you to report your facility's geographic coordinates (latitude and longitude). Geographic coordinates may be obtained from several different sources. You can find links to online services that show latitude and longitude coordinates on online maps by visiting the Commission's QF webpage at www.ferc.gov/QF and clicking the Geographic Coordinates link. You may also be able to obtain your geographic coordinates from a GPS device, Google Earth (available free at <http://earth.google.com>), a property survey, various engineering or construction drawings, a property deed, or a municipal or county map showing property lines.

Filing Privileged Data or Critical Energy Infrastructure Information in a Form 556

The Commission's regulations provide procedures for applicants to either (1) request that any information submitted with a Form 556 be given privileged treatment because the information is exempt from the mandatory public disclosure requirements of the Freedom of Information Act, 5 U.S.C. § 552, and should be withheld from public disclosure; or (2) identify any documents containing critical energy infrastructure information (CEII) as defined in 18 C.F.R. § 388.113 that should not be made public.

If you are seeking privileged treatment or CEII status for any data in your Form 556, then you must follow the procedures in 18 C.F.R. § 388.112. See www.ferc.gov/help/filing-guide/file-ceii.asp for more information.

Among other things (see 18 C.F.R. § 388.112 for other requirements), applicants seeking privileged treatment or CEII status for data submitted in a Form 556 must prepare and file both (1) a complete version of the Form 556 (containing the privileged and/or CEII data), and (2) a public version of the Form 556 (with the privileged and/or CEII data redacted). Applicants preparing and filing these different versions of their Form 556 must indicate below the security designation of this version of their document. If you are *not* seeking privileged treatment or CEII status for any of your Form 556 data, then you should not respond to any of the items on this page.

Non-Public: Applicant is seeking privileged treatment and/or CEII status for data contained in the Form 556 lines indicated below. This non-public version of the applicant's Form 556 contains all data, including the data that is redacted in the (separate) public version of the applicant's Form 556. ☐
Public (redacted): Applicant is seeking privileged treatment and/or CEII status for data contained in the Form 556 lines indicated below. This public version of the applicants's Form 556 contains all data <u>except</u> for data from the lines indicated below, which has been redacted. ☐
Privileged: Indicate below which lines of your form contain data for which you are seeking privileged treatment
Critical Energy Infrastructure Information (CEII): Indicate below which lines of your form contain data for which you are seeking CEII status

The eFiling process described on page 2 will allow you to identify which versions of the electronic documents you submit are public, privileged and/or CEII. The filenames for such documents should begin with "Public", "Priv", or "CEII", as applicable, to clearly indicate the security designation of the file. Both versions of the Form 556 should be unaltered PDF copies of the Form 556, as available for download from www.ferc.gov/QF. To redact data from the public copy of the submittal, simply omit the relevant data from the Form. For numerical fields, leave the redacted fields blank. For text fields, complete as much of the field as possible, and replace the redacted portions of the field with the word "REDACTED" in brackets. Be sure to identify above all fields which contain data for which you are seeking non-public status.

The Commission is not responsible for detecting or correcting filer errors, including those errors related to security designation. If your documents contain sensitive information, make sure they are filed using the proper security designation.

OMB Control # 1902-0075
Expiration 5/31/2013

Certification of Qualifying Facility (QF) Status for a Small Power Production or Cogeneration Facility

Application Information

1a Full name of applicant (legal entity on whose behalf qualifying facility status is sought for this facility) North Side Energy Company		
1b Applicant street address 921 North Lincoln		
1c City Jerome	1d State/province Idaho	
1e Postal code 83338	1f Country (if not United States)	1g Telephone number (208) 324-2319
1h Has the instant facility ever previously been certified as a QF? Yes ☐ No ☒		
1i If yes, provide the docket number of the last known QF filing pertaining to this facility: QF ____ - ____ - ____		
1j Under which certification process is the applicant making this filing? ☒ Notice of self-certification (see note below) ☐ Application for Commission certification (requires filing fee; see "Filing Fee" section on page 3) Note: a notice of self-certification is a notice by the applicant itself that its facility complies with the requirements for QF status. A notice of self-certification does not establish a proceeding, and the Commission does not review a notice of self-certification to verify compliance. See the "What to Expect From the Commission After You File" section on page 3 for more information.		
1k What type(s) of QF status is the applicant seeking for its facility? (check all that apply) ☒ Qualifying small power production facility status ☐ Qualifying cogeneration facility status		
1l What is the purpose and expected effective date(s) of this filing? ☒ Original certification; facility expected to be installed by <u>4/1/15</u> and to begin operation on <u>4/15/15</u> ☐ Change(s) to a previously certified facility to be effective on _____ (identify type(s) of change(s) below, and describe change(s) in the Miscellaneous section starting on page 19) ☐ Name change and/or other administrative change(s) ☐ Change in ownership ☐ Change(s) affecting plant equipment, fuel use, power production capacity and/or cogeneration thermal output ☐ Supplement or correction to a previous filing submitted on _____ (describe the supplement or correction in the Miscellaneous section starting on page 19)		
1m If any of the following three statements is true, check the box(es) that describe your situation and complete the form to the extent possible, explaining any special circumstances in the Miscellaneous section starting on page 19. ☐ The instant facility complies with the Commission's QF requirements by virtue of a waiver of certain regulations previously granted by the Commission in an order dated _____ (specify any other relevant waiver orders in the Miscellaneous section starting on page 19) ☐ The instant facility would comply with the Commission's QF requirements if a petition for waiver submitted concurrently with this application is granted ☐ The instant facility complies with the Commission's regulations, but has special circumstances, such as the employment of unique or innovative technologies not contemplated by the structure of this form, that make the demonstration of compliance via this form difficult or impossible (describe in Misc. section starting on p. 19)		

Contact Information	2a Name of contact person Alan W. Hansten		2b Telephone number (208) 324-2319	
	2c Which of the following describes the contact person's relationship to the applicant? (check one) ☐ Applicant (self) ☒ Employee, owner or partner of applicant authorized to represent the applicant ☐ Employee of a company affiliated with the applicant authorized to represent the applicant on this matter ☐ Lawyer, consultant, or other representative authorized to represent the applicant on this matter			
	2d Company or organization name (if applicant is an individual, check here and skip to line 2e) ☐ North Side Energy Company			
	2e Street address (if same as Applicant, check here and skip to line 3a) ☒			
	2f City		2g State/province	
	2h Postal code		2i Country (if not United States)	
Facility Identification and Location	3a Facility name Head of U Canal Hydro Project			
	3b Street address (if a street address does not exist for the facility, check here and skip to line 3c) ☒			
	3c Geographic coordinates: If you indicated that no street address exists for your facility by checking the box in line 3b, then you must specify the latitude and longitude coordinates of the facility in degrees (to three decimal places). Use the following formula to convert to decimal degrees from degrees, minutes and seconds: decimal degrees = degrees + (minutes/60) + (seconds/3600). See the "Geographic Coordinates" section on page 4 for help. If you provided a street address for your facility in line 3b, then specifying the geographic coordinates below is optional. Longitude ☐ East (+) 114.395 degrees Latitude ☒ North (+) 42.763 degrees ☒ West (-)			
	3d City (if unincorporated, check here and enter nearest city) ☐ Jerome		3e State/province Idaho	
	3f County (or check here for independent city) ☐ Jerome		3g Country (if not United States)	
	Identify the electric utilities that are contemplated to transact with the facility.			
Transacting Utilities	4a Identify utility interconnecting with the facility Idaho Power Company			
	4b Identify utilities providing wheeling service or check here if none ☒			
	4c Identify utilities purchasing the useful electric power output or check here if none ☐ Idaho Power Company			
	4d Identify utilities providing supplementary power, backup power, maintenance power, and/or interruptible power service or check here if none ☐ Idaho Power Company			

Ownership and Operation

5a Direct ownership as of effective date or operation date: Identify all direct owners of the facility holding at least 10 percent equity interest. For each identified owner, also (1) indicate whether that owner is an electric utility, as defined in section 3(22) of the Federal Power Act (16 U.S.C. 796(22)), or a holding company, as defined in section 1262(8) of the Public Utility Holding Company Act of 2005 (42 U.S.C. 16451(8)), and (2) for owners which are electric utilities or holding companies, provide the percentage of equity interest in the facility held by that owner. If no direct owners hold at least 10 percent equity interest in the facility, then provide the required information for the two direct owners with the largest equity interest in the facility.

Full legal names of direct owners		Electric utility or holding company		If Yes, % equity interest
1)	North Side Energy Company	Yes ☐	No ☒	%
2)		Yes ☐	No ☐	%
3)		Yes ☐	No ☐	%
4)		Yes ☐	No ☐	%
5)		Yes ☐	No ☐	%
6)		Yes ☐	No ☐	%
7)		Yes ☐	No ☐	%
8)		Yes ☐	No ☐	%
9)		Yes ☐	No ☐	%
10)		Yes ☐	No ☐	%

☐ Check here and continue in the Miscellaneous section starting on page 19 if additional space is needed

5b Upstream (i.e., indirect) ownership as of effective date or operation date: Identify all upstream (i.e., indirect) owners of the facility that both (1) hold at least 10 percent equity interest in the facility, and (2) are electric utilities, as defined in section 3(22) of the Federal Power Act (16 U.S.C. 796(22)), or holding companies, as defined in section 1262(8) of the Public Utility Holding Company Act of 2005 (42 U.S.C. 16451(8)). Also provide the percentage of equity interest in the facility held by such owners. (Note that, because upstream owners may be subsidiaries of one another, total percent equity interest reported may exceed 100 percent.)

Check here if no such upstream owners exist. ☒

Full legal names of electric utility or holding company upstream owners		% equity interest
1)		%
2)		%
3)		%
4)		%
5)		%
6)		%
7)		%
8)		%
9)		%
10)		%

☐ Check here and continue in the Miscellaneous section starting on page 19 if additional space is needed

5c Identify the facility operator

North Side Energy Company

Energy Input

6a Describe the primary energy input: (check one main category and, if applicable, one subcategory)

- | | | |
|--|--|--|
| ☐ Biomass (specify) | ☒ Renewable resources (specify) | ☐ Geothermal |
| ☐ Landfill gas | ☐ Hydro power - river | ☐ Fossil fuel (specify) |
| ☐ Manure digester gas | ☐ Hydro power - tidal | ☐ Coal (not waste) |
| ☐ Municipal solid waste | ☐ Hydro power - wave | ☐ Fuel oil/diesel |
| ☐ Sewage digester gas | ☐ Solar - photovoltaic | ☐ Natural gas (not waste) |
| ☐ Wood | ☐ Solar - thermal | ☐ Other fossil fuel (describe on page 19) |
| ☐ Other biomass (describe on page 19) | ☐ Wind | |
| ☐ Waste (specify type below in line 6b) | ☒ Other renewable resource (describe on page 19) | ☐ Other (describe on page 19) |

6b If you specified "waste" as the primary energy input in line 6a, indicate the type of waste fuel used: (check one)

- ☐ Waste fuel listed in 18 C.F.R. § 292.202(b) (specify one of the following)
- ☐ Anthracite culm produced prior to July 23, 1985
 - ☐ Anthracite refuse that has an average heat content of 6,000 Btu or less per pound and has an average ash content of 45 percent or more
 - ☐ Bituminous coal refuse that has an average heat content of 9,500 Btu per pound or less and has an average ash content of 25 percent or more
 - ☐ Top or bottom subbituminous coal produced on Federal lands or on Indian lands that has been determined to be waste by the United States Department of the Interior's Bureau of Land Management (BLM) or that is located on non-Federal or non-Indian lands outside of BLM's jurisdiction, provided that the applicant shows that the latter coal is an extension of that determined by BLM to be waste
 - ☐ Coal refuse produced on Federal lands or on Indian lands that has been determined to be waste by the BLM or that is located on non-Federal or non-Indian lands outside of BLM's jurisdiction, provided that applicant shows that the latter is an extension of that determined by BLM to be waste
 - ☐ Lignite produced in association with the production of montan wax and lignite that becomes exposed as a result of such a mining operation
 - ☐ Gaseous fuels (except natural gas and synthetic gas from coal) (describe on page 19)
 - ☐ Waste natural gas from gas or oil wells (describe on page 19 how the gas meets the requirements of 18 C.F.R. § 2.400 for waste natural gas; include with your filing any materials necessary to demonstrate compliance with 18 C.F.R. § 2.400)
 - ☐ Materials that a government agency has certified for disposal by combustion (describe on page 19)
 - ☐ Heat from exothermic reactions (describe on page 19)
 - ☐ Residual heat (describe on page 19)
 - ☐ Used rubber tires
 - ☐ Plastic materials
 - ☐ Refinery off-gas
 - ☐ Petroleum coke
- ☐ Other waste energy input that has little or no commercial value and exists in the absence of the qualifying facility industry (describe in the Miscellaneous section starting on page 19; include a discussion of the fuel's lack of commercial value and existence in the absence of the qualifying facility industry)

6c Provide the average energy input, calculated on a calendar year basis, in terms of Btu/h for the following fossil fuel energy inputs, and provide the related percentage of the total average annual energy input to the facility (18 C.F.R. § 292.202(j)). For any oil or natural gas fuel, use lower heating value (18 C.F.R. § 292.202(m)).

Fuel	Annual average energy input for specified fuel	Percentage of total annual energy input
Natural gas	0 Btu/h	0 %
Oil-based fuels	0 Btu/h	0 %
Coal	0 Btu/h	0 %

Technical Facility Information

Indicate the maximum gross and maximum net electric power production capacity of the facility at the point(s) of delivery by completing the worksheet below. Respond to all items. If any of the parasitic loads and/or losses identified in lines 7b through 7e are negligible, enter zero for those lines.

7a The maximum gross power production capacity at the terminals of the individual generator(s) under the most favorable anticipated design conditions	1,150 kW
7b Parasitic station power used at the facility to run equipment which is necessary and integral to the power production process (boiler feed pumps, fans/blowers, office or maintenance buildings directly related to the operation of the power generating facility, etc.). If this facility includes non-power production processes (for instance, power consumed by a cogeneration facility's thermal host), do not include any power consumed by the non-power production activities in your reported parasitic station power.	5 kW
7c Electrical losses in interconnection transformers	10 kW
7d Electrical losses in AC/DC conversion equipment, if any	0 kW
7e Other interconnection losses in power lines or facilities (other than transformers and AC/DC conversion equipment) between the terminals of the generator(s) and the point of interconnection with the utility	0 kW
7f Total deductions from gross power production capacity = 7b + 7c + 7d + 7e	15.0 kW
7g Maximum net power production capacity = 7a - 7f	1,135.0 kW

7h Description of facility and primary components: Describe the facility and its operation. Identify all boilers, heat recovery steam generators, prime movers (any mechanical equipment driving an electric generator), electrical generators, photovoltaic solar equipment, fuel cell equipment and/or other primary power generation equipment used in the facility. Descriptions of components should include (as applicable) specifications of the nominal capacities for mechanical output, electrical output, or steam generation of the identified equipment. For each piece of equipment identified, clearly indicate how many pieces of that type of equipment are included in the plant, and which components are normally operating or normally in standby mode. Provide a description of how the components operate as a system. Applicants for cogeneration facilities do not need to describe operations of systems that are clearly depicted on and easily understandable from a cogeneration facility's attached mass and heat balance diagram; however, such applicants should provide any necessary description needed to understand the sequential operation of the facility depicted in their mass and heat balance diagram. If additional space is needed, continue in the Miscellaneous section starting on page 19.

The Head of U Canal Hydro Project will use 8 siphon type turbines that will generate approximately 150 kilowatts each for a total station output of 1.2 megawatts. Water for the project is supplied by North Side Canal Company, the parent company to North Side Energy Company, during the irrigation season. The generators will operate during the irrigation season beginning in April of each year and will be shutdown in October.

Information Required for Small Power Production Facility

If you indicated in line 1k that you are seeking qualifying small power production facility status for your facility, then you must respond to the items on this page. Otherwise, skip page 10.

Certification of Compliance with Size Limitations	Pursuant to 18 C.F.R. § 292.204(a), the power production capacity of any small power production facility, together with the power production capacity of any other small power production facilities that use the same energy resource, are owned by the same person(s) or its affiliates, and are located at the same site, may not exceed 80 megawatts. To demonstrate compliance with this size limitation, or to demonstrate that your facility is exempt from this size limitation under the Solar, Wind, Waste, and Geothermal Power Production Incentives Act of 1990 (Pub. L. 101-575, 104 Stat. 2834 (1990) <i>as amended by</i> Pub. L. 102-46, 105 Stat. 249 (1991)), respond to lines 8a through 8e below (as applicable).																
	8a Identify any facilities with electrical generating equipment located within 1 mile of the electrical generating equipment of the instant facility, and for which any of the entities identified in lines 5a or 5b, or their affiliates, holds at least a 5 percent equity interest.																
	Check here if no such facilities exist. ☒																
	<table border="1"> <thead> <tr> <th>Facility location (city or county, state)</th> <th>Root docket # (if any)</th> <th>Common owner(s)</th> <th>Maximum net power production capacity</th> </tr> </thead> <tbody> <tr> <td>1) _____</td> <td>QF - _____</td> <td>_____</td> <td>_____ kW</td> </tr> <tr> <td>2) _____</td> <td>QF - _____</td> <td>_____</td> <td>_____ kW</td> </tr> <tr> <td>3) _____</td> <td>QF - _____</td> <td>_____</td> <td>_____ kW</td> </tr> </tbody> </table>	Facility location (city or county, state)	Root docket # (if any)	Common owner(s)	Maximum net power production capacity	1) _____	QF - _____	_____	_____ kW	2) _____	QF - _____	_____	_____ kW	3) _____	QF - _____	_____	_____ kW
	Facility location (city or county, state)	Root docket # (if any)	Common owner(s)	Maximum net power production capacity													
	1) _____	QF - _____	_____	_____ kW													
2) _____	QF - _____	_____	_____ kW														
3) _____	QF - _____	_____	_____ kW														
☐ Check here and continue in the Miscellaneous section starting on page 19 if additional space is needed																	
8b The Solar, Wind, Waste, and Geothermal Power Production Incentives Act of 1990 (Incentives Act) provides exemption from the size limitations in 18 C.F.R. § 292.204(a) for certain facilities that were certified prior to 1995. Are you seeking exemption from the size limitations in 18 C.F.R. § 292.204(a) by virtue of the Incentives Act? ☐ Yes (continue at line 8c below) ☒ No (skip lines 8c through 8e)																	
Certification of Compliance with Fuel Use Requirements	8c Was the original notice of self-certification or application for Commission certification of the facility filed on or before December 31, 1994? Yes ☐ No ☐																
	8d Did construction of the facility commence on or before December 31, 1999? Yes ☐ No ☐																
	8e If you answered No in line 8d, indicate whether reasonable diligence was exercised toward the completion of the facility, taking into account all factors relevant to construction? Yes ☐ No ☐ If you answered Yes, provide a brief narrative explanation in the Miscellaneous section starting on page 19 of the construction timeline (in particular, describe why construction started so long after the facility was certified) and the diligence exercised toward completion of the facility.																
Certification of Compliance with Fuel Use Requirements	Pursuant to 18 C.F.R. § 292.204(b), qualifying small power production facilities may use fossil fuels, in minimal amounts, for only the following purposes: ignition; start-up; testing; flame stabilization; control use; alleviation or prevention of unanticipated equipment outages; and alleviation or prevention of emergencies, directly affecting the public health, safety, or welfare, which would result from electric power outages. The amount of fossil fuels used for these purposes may not exceed 25 percent of the total energy input of the facility during the 12-month period beginning with the date the facility first produces electric energy or any calendar year thereafter.																
	9a Certification of compliance with 18 C.F.R. § 292.204(b) with respect to uses of fossil fuel: ☒ Applicant certifies that the facility will use fossil fuels <i>exclusively</i> for the purposes listed above.																
	9b Certification of compliance with 18 C.F.R. § 292.204(b) with respect to amount of fossil fuel used annually: ☒ Applicant certifies that the amount of fossil fuel used at the facility will not, in aggregate, exceed 25 percent of the total energy input of the facility during the 12-month period beginning with the date the facility first produces electric energy or any calendar year thereafter.																

Information Required for Cogeneration Facility

If you indicated in line 1k that you are seeking qualifying cogeneration facility status for your facility, then you must respond to the items on pages 11 through 13. Otherwise, skip pages 11 through 13.

General Cogeneration Information	Pursuant to 18 C.F.R. § 292.202(c), a cogeneration facility produces electric energy and forms of useful thermal energy (such as heat or steam) used for industrial, commercial, heating, or cooling purposes, through the sequential use of energy. Pursuant to 18 C.F.R. § 292.202(s), "sequential use" of energy means the following: (1) for a topping-cycle cogeneration facility, the use of reject heat from a power production process in sufficient amounts in a thermal application or process to conform to the requirements of the operating standard contained in 18 C.F.R. § 292.205(a); or (2) for a bottoming-cycle cogeneration facility, the use of at least some reject heat from a thermal application or process for power production.	
	10a What type(s) of cogeneration technology does the facility represent? (check all that apply) ☐ Topping-cycle cogeneration ☐ Bottoming-cycle cogeneration	
	10b To help demonstrate the sequential operation of the cogeneration process, and to support compliance with other requirements such as the operating and efficiency standards, include with your filing a mass and heat balance diagram depicting average annual operating conditions. This diagram must include certain items and meet certain requirements, as described below. You must check next to the description of each requirement below to certify that you have complied with these requirements.	
	Check to certify compliance with indicated requirement	Requirement
☐	Diagram must show orientation within system piping and/or ducts of all prime movers, heat recovery steam generators, boilers, electric generators, and condensers (as applicable), as well as any other primary equipment relevant to the cogeneration process.	
☐	Any average annual values required to be reported in lines 10b, 12a, 13a, 13b, 13d, 13f, 14a, 15b, 15d and/or 15f must be computed over the anticipated hours of operation.	
☐	Diagram must specify all fuel inputs by fuel type and average annual rate in Btu/h. Fuel for supplementary firing should be specified separately and clearly labeled. All specifications of fuel inputs should use lower heating values.	
☐	Diagram must specify average gross electric output in kW or MW for each generator.	
☐	Diagram must specify average mechanical output (that is, any mechanical energy taken off of the shaft of the prime movers for purposes not directly related to electric power generation) in horsepower, if any. Typically, a cogeneration facility has no mechanical output.	
☐	At each point for which working fluid flow conditions are required to be specified (see below), such flow condition data must include mass flow rate (in lb/h or kg/s), temperature (in °F, R, °C or K), absolute pressure (in psia or kPa) and enthalpy (in Btu/lb or kJ/kg). Exception: For systems where the working fluid is <i>liquid only</i> (no vapor at any point in the cycle) and where the type of liquid and specific heat of that liquid are clearly indicated on the diagram or in the Miscellaneous section starting on page 19, only mass flow rate and temperature (not pressure and enthalpy) need be specified. For reference, specific heat at standard conditions for pure liquid water is approximately 1.002 Btu/(lb*R) or 4.195 kJ/(kg*K).	
☐	Diagram must specify working fluid flow conditions at input to and output from each steam turbine or other expansion turbine or back-pressure turbine.	
☐	Diagram must specify working fluid flow conditions at delivery to and return from each thermal application.	
☐	Diagram must specify working fluid flow conditions at make-up water inputs.	

EPA 2005 Requirements for Fundamental Use of Energy Output from Cogeneration Facilities

EPA 2005 cogeneration facilities: The Energy Policy Act of 2005 (EPA 2005) established a new section 210(n) of the Public Utility Regulatory Policies Act of 1978 (PURPA), 16 USC 824a-3(n), with additional requirements for any qualifying cogeneration facility that (1) is seeking to sell electric energy pursuant to section 210 of PURPA and (2) was either not a cogeneration facility on August 8, 2005, or had not filed a self-certification or application for Commission certification of QF status on or before February 1, 2006. These requirements were implemented by the Commission in 18 C.F.R. § 292.205(d). Complete the lines below, carefully following the instructions, to demonstrate whether these additional requirements apply to your cogeneration facility and, if so, whether your facility complies with such requirements.

11a Was your facility operating as a qualifying cogeneration facility on or before August 8, 2005? Yes ☐ No ☐

11b Was the initial filing seeking certification of your facility (whether a notice of self-certification or an application for Commission certification) filed on or before February 1, 2006? Yes ☐ No ☐

If the answer to either line 11a or 11b is Yes, then continue at line 11c below. Otherwise, if the answers to both lines 11a and 11b are No, skip to line 11e below.

11c With respect to the design and operation of the facility, have any changes been implemented on or after February 2, 2006 that affect general plant operation, affect use of thermal output, and/or increase net power production capacity from the plant's capacity on February 1, 2006?

☐ Yes (continue at line 11d below)

☐ No. Your facility is not subject to the requirements of 18 C.F.R. § 292.205(d) at this time. However, it may be subject to these requirements in the future if changes are made to the facility. At such time, the applicant would need to recertify the facility to determine eligibility. Skip lines 11d through 11j.

11d Does the applicant contend that the changes identified in line 11c are not so significant as to make the facility a "new" cogeneration facility that would be subject to the 18 C.F.R. § 292.205(d) cogeneration requirements?

☐ Yes. Provide in the Miscellaneous section starting on page 19 a description of any relevant changes made to the facility (including the purpose of the changes) and a discussion of why the facility should not be considered a "new" cogeneration facility in light of these changes. Skip lines 11e through 11j.

☐ No. Applicant stipulates to the fact that it is a "new" cogeneration facility (for purposes of determining the applicability of the requirements of 18 C.F.R. § 292.205(d)) by virtue of modifications to the facility that were initiated on or after February 2, 2006. Continue below at line 11e.

11e Will electric energy from the facility be sold pursuant to section 210 of PURPA?

☐ Yes. The facility is an EPA 2005 cogeneration facility. You must demonstrate compliance with 18 C.F.R. § 292.205(d)(2) by continuing at line 11f below.

☐ No. Applicant certifies that energy will *not* be sold pursuant to section 210 of PURPA. Applicant also certifies its understanding that it must recertify its facility in order to determine compliance with the requirements of 18 C.F.R. § 292.205(d) *before* selling energy pursuant to section 210 of PURPA in the future. Skip lines 11f through 11j.

11f Is the net power production capacity of your cogeneration facility, as indicated in line 7g above, less than or equal to 5,000 kW?

☐ Yes, the net power production capacity is less than or equal to 5,000 kW. 18 C.F.R. § 292.205(d)(4) provides a rebuttable presumption that cogeneration facilities of 5,000 kW and smaller capacity comply with the requirements for fundamental use of the facility's energy output in 18 C.F.R. § 292.205(d)(2). Applicant certifies its understanding that, should the power production capacity of the facility increase above 5,000 kW, then the facility must be recertified to (among other things) demonstrate compliance with 18 C.F.R. § 292.205(d)(2). Skip lines 11g through 11j.

☐ No, the net power production capacity is greater than 5,000 kW. Demonstrate compliance with the requirements for fundamental use of the facility's energy output in 18 C.F.R. § 292.205(d)(2) by continuing on the next page at line 11g.

EPA 2005 Requirements for Fundamental Use of Energy Output from Cogeneration Facilities (continued)

Lines 11g through 11k below guide the applicant through the process of demonstrating compliance with the requirements for "fundamental use" of the facility's energy output. 18 C.F.R. § 292.205(d)(2). Only respond to the lines on this page if the instructions on the previous page direct you to do so. Otherwise, skip this page.

18 C.F.R. § 292.205(d)(2) requires that the electrical, thermal, chemical and mechanical output of an EPA 2005 cogeneration facility is used fundamentally for industrial, commercial, residential or institutional purposes and is not intended fundamentally for sale to an electric utility, taking into account technological, efficiency, economic, and variable thermal energy requirements, as well as state laws applicable to sales of electric energy from a qualifying facility to its host facility. If you were directed on the previous page to respond to the items on this page, then your facility is an EPA 2005 cogeneration facility that is subject to this "fundamental use" requirement.

The Commission's regulations provide a two-pronged approach to demonstrating compliance with the requirements for fundamental use of the facility's energy output. First, the Commission has established in 18 C.F.R. § 292.205(d)(3) a "fundamental use test" that can be used to demonstrate compliance with 18 C.F.R. § 292.205(d)(2). Under the fundamental use test, a facility is considered to comply with 18 C.F.R. § 292.205(d)(2) if at least 50 percent of the facility's total annual energy output (including electrical, thermal, chemical and mechanical energy output) is used for industrial, commercial, residential or institutional purposes.

Second, an applicant for a facility that does not pass the fundamental use test may provide a narrative explanation of and support for its contention that the facility nonetheless meets the requirement that the electrical, thermal, chemical and mechanical output of an EPA 2005 cogeneration facility is used fundamentally for industrial, commercial, residential or institutional purposes and is not intended fundamentally for sale to an electric utility, taking into account technological, efficiency, economic, and variable thermal energy requirements, as well as state laws applicable to sales of electric energy from a qualifying facility to its host facility.

Complete lines 11g through 11j below to determine compliance with the fundamental use test in 18 C.F.R. § 292.205(d)(3). Complete lines 11g through 11j *even if you do not intend to rely upon the fundamental use test to demonstrate compliance with 18 C.F.R. § 292.205(d)(2)*.

11g Amount of electrical, thermal, chemical and mechanical energy output (net of internal generation plant losses and parasitic loads) expected to be used annually for industrial, commercial, residential or institutional purposes and not sold to an electric utility	MWh
11h Total amount of electrical, thermal, chemical and mechanical energy expected to be sold to an electric utility	MWh
11i Percentage of total annual energy output expected to be used for industrial, commercial, residential or institutional purposes and not sold to a utility = $100 * 11g / (11g + 11h)$	0 %

11j Is the response in line 11i greater than or equal to 50 percent?

Yes. Your facility complies with 18 C.F.R. § 292.205(d)(2) by virtue of passing the fundamental use test provided in 18 C.F.R. § 292.205(d)(3). Applicant certifies its understanding that, if it is to rely upon passing the fundamental use test as a basis for complying with 18 C.F.R. § 292.205(d)(2), then the facility must comply with the fundamental use test both in the 12-month period beginning with the date the facility first produces electric energy, and in all subsequent calendar years.

No. Your facility does not pass the fundamental use test. Instead, you must provide in the Miscellaneous section starting on page 19 a narrative explanation of and support for why your facility meets the requirement that the electrical, thermal, chemical and mechanical output of an EPA 2005 cogeneration facility is used fundamentally for industrial, commercial, residential or institutional purposes and is not intended fundamentally for sale to an electric utility, taking into account technological, efficiency, economic, and variable thermal energy requirements, as well as state laws applicable to sales of electric energy from a QF to its host facility. Applicants providing a narrative explanation of why their facility should be found to comply with 18 C.F.R. § 292.205(d)(2) in spite of non-compliance with the fundamental use test may want to review paragraphs 47 through 61 of Order No. 671 (accessible from the Commission's QF website at www.ferc.gov/QF), which provide discussion of the facts and circumstances that may support their explanation. Applicant should also note that the percentage reported above will establish the standard that that facility must comply with, both for the 12-month period beginning with the date the facility first produces electric energy, and in all subsequent calendar years. See Order No. 671 at paragraph 51. As such, the applicant should make sure that it reports appropriate values on lines 11g and 11h above to serve as the relevant annual standard, taking into account expected variations in production conditions.

Information Required for Topping-Cycle Cogeneration Facility

If you indicated in line 10a that your facility represents topping-cycle cogeneration technology, then you must respond to the items on pages 14 and 15. Otherwise, skip pages 14 and 15.

Usefulness of Topping-Cycle Thermal Output	The thermal energy output of a topping-cycle cogeneration facility is the net energy made available to an industrial or commercial process or used in a heating or cooling application. Pursuant to sections 292.202(c), (d) and (h) of the Commission's regulations (18 C.F.R. §§ 292.202(c), (d) and (h)), the thermal energy output of a qualifying topping-cycle cogeneration facility must be useful. In connection with this requirement, describe the thermal output of the topping-cycle cogeneration facility by responding to lines 12a and 12b below.		
	12a Identify and describe each thermal host, and specify the annual average rate of thermal output made available to each host for each use. For hosts with multiple uses of thermal output, provide the data for each use <i>in separate rows</i>.		
	Name of entity (thermal host) taking thermal output		Thermal host's relationship to facility; Thermal host's use of thermal output
			Average annual rate of thermal output attributable to use (net of heat contained in process return or make-up water)
	1)	Select thermal host's relationship to facility Select thermal host's use of thermal output	Btu/h
	2)	Select thermal host's relationship to facility Select thermal host's use of thermal output	Btu/h
	3)	Select thermal host's relationship to facility Select thermal host's use of thermal output	Btu/h
	4)	Select thermal host's relationship to facility Select thermal host's use of thermal output	Btu/h
	5)	Select thermal host's relationship to facility Select thermal host's use of thermal output	Btu/h
	6)	Select thermal host's relationship to facility Select thermal host's use of thermal output	Btu/h
☐ Check here and continue in the Miscellaneous section starting on page 19 if additional space is needed			
12b Demonstration of usefulness of thermal output: At a minimum, provide a brief description of each use of the thermal output identified above. In some cases, this brief description is sufficient to demonstrate usefulness. However, if your facility's use of thermal output is not common, and/or if the usefulness of such thermal output is not reasonably clear, then you must provide additional details as necessary to demonstrate usefulness. Your application may be rejected and/or additional information may be required if an insufficient showing of usefulness is made. (Exception: If you have previously received a Commission certification approving a specific use of thermal output related to the instant facility, then you need only provide a brief description of that use and a reference by date and docket number to the order certifying your facility with the indicated use. Such exemption may not be used if any change creates a material deviation from the previously authorized use.) If additional space is needed, continue in the Miscellaneous section starting on page 19.			

**Topping-Cycle Operating and
Efficiency Value Calculation**

Applicants for facilities representing topping-cycle technology must demonstrate compliance with the topping-cycle operating standard and, if applicable, efficiency standard. Section 292.205(a)(1) of the Commission's regulations (18 C.F.R. § 292.205(a)(1)) establishes the operating standard for topping-cycle cogeneration facilities: the useful thermal energy output must be no less than 5 percent of the total energy output. Section 292.205(a)(2) (18 C.F.R. § 292.205(a)(2)) establishes the efficiency standard for topping-cycle cogeneration facilities for which installation commenced on or after March 13, 1980: the useful power output of the facility plus one-half the useful thermal energy output must (A) be no less than 42.5 percent of the total energy input of natural gas and oil to the facility; and (B) if the useful thermal energy output is less than 15 percent of the total energy output of the facility, be no less than 45 percent of the total energy input of natural gas and oil to the facility. To demonstrate compliance with the topping-cycle operating and/or efficiency standards, or to demonstrate that your facility is exempt from the efficiency standard based on the date that installation commenced, respond to lines 13a through 13l below.

If you indicated in line 10a that your facility represents *both* topping-cycle and bottoming-cycle cogeneration technology, then respond to lines 13a through 13l below considering only the energy inputs and outputs attributable to the topping-cycle portion of your facility. Your mass and heat balance diagram must make clear which mass and energy flow values and system components are for which portion (topping or bottoming) of the cogeneration system.

13a Indicate the annual average rate of useful thermal energy output made available to the host(s), net of any heat contained in condensate return or make-up water	Btu/h
13b Indicate the annual average rate of net electrical energy output	kW
13c Multiply line 13b by 3,412 to convert from kW to Btu/h	Btu/h
13d Indicate the annual average rate of mechanical energy output taken directly off of the shaft of a prime mover for purposes not directly related to power production (this value is usually zero)	hp
13e Multiply line 13d by 2,544 to convert from hp to Btu/h	Btu/h
13f Indicate the annual average rate of energy input from natural gas and oil	Btu/h
13g Topping-cycle operating value = $100 * 13a / (13a + 13c + 13e)$	%
13h Topping-cycle efficiency value = $100 * (0.5 * 13a + 13c + 13e) / 13f$	%
13i Compliance with operating standard: Is the operating value shown in line 13g greater than or equal to 5%? ☐ Yes (complies with operating standard) ☐ No (does not comply with operating standard)	
13j Did installation of the facility in its current form commence on or after March 13, 1980? ☐ Yes. Your facility is subject to the efficiency requirements of 18 C.F.R. § 292.205(a)(2). Demonstrate compliance with the efficiency requirement by responding to line 13k or 13l, as applicable, below. ☐ No. Your facility is exempt from the efficiency standard. Skip lines 13k and 13l.	
13k Compliance with efficiency standard (for low operating value): If the operating value shown in line 13g is less than 15%, then indicate below whether the efficiency value shown in line 13h greater than or equal to 45%: ☐ Yes (complies with efficiency standard) ☐ No (does not comply with efficiency standard)	
13l Compliance with efficiency standard (for high operating value): If the operating value shown in line 13g is greater than or equal to 15%, then indicate below whether the efficiency value shown in line 13h is greater than or equal to 42.5%: ☐ Yes (complies with efficiency standard) ☐ No (does not comply with efficiency standard)	

Information Required for Bottoming-Cycle Cogeneration Facility

If you indicated in line 10a that your facility represents bottoming-cycle cogeneration technology, then you must respond to the items on pages 16 and 17. Otherwise, skip pages 16 and 17.

Usefulness of Bottoming-Cycle Thermal Output	The thermal energy output of a bottoming-cycle cogeneration facility is the energy related to the process(es) from which at least some of the reject heat is then used for power production. Pursuant to sections 292.202(c) and (e) of the Commission's regulations (18 C.F.R. § 292.202(c) and (e)), the thermal energy output of a qualifying bottoming-cycle cogeneration facility must be useful. In connection with this requirement, describe the process(es) from which at least some of the reject heat is used for power production by responding to lines 14a and 14b below.		
	14a Identify and describe each thermal host and each bottoming-cycle cogeneration process engaged in by each host. For hosts with multiple bottoming-cycle cogeneration processes, provide the data for each process <i>in separate rows</i>.		
	Name of entity (thermal host) performing the process from which at least some of the reject heat is used for power production	Thermal host's relationship to facility; Thermal host's process type	Has the energy input to the thermal host been augmented for purposes of increasing power production capacity? (if Yes, describe on p. 19)
	1)	Select thermal host's relationship to facility	Yes ☐ No ☐
		Select thermal host's process type	
	2)	Select thermal host's relationship to facility	Yes ☐ No ☐
		Select thermal host's process type	
	3)	Select thermal host's relationship to facility	Yes ☐ No ☐
		Select thermal host's process type	
	☐ Check here and continue in the Miscellaneous section starting on page 19 if additional space is needed		
14b Demonstration of usefulness of thermal output: At a minimum, provide a brief description of each process identified above. In some cases, this brief description is sufficient to demonstrate usefulness. However, if your facility's process is not common, and/or if the usefulness of such thermal output is not reasonably clear, then you must provide additional details as necessary to demonstrate usefulness. Your application may be rejected and/or additional information may be required if an insufficient showing of usefulness is made. (Exception: If you have previously received a Commission certification approving a specific bottoming-cycle process related to the instant facility, then you need only provide a brief description of that process and a reference by date and docket number to the order certifying your facility with the indicated process. Such exemption may not be used if any material changes to the process have been made.) If additional space is needed, continue in the Miscellaneous section starting on page 19.			

**Bottoming-Cycle Operating and
Efficiency Value Calculation**

Applicants for facilities representing bottoming-cycle technology and for which installation commenced on or after March 13, 1990 must demonstrate compliance with the bottoming-cycle efficiency standards. Section 292.205(b) of the Commission's regulations (18 C.F.R. § 292.205(b)) establishes the efficiency standard for bottoming-cycle cogeneration facilities: the useful power output of the facility must be no less than 45 percent of the energy input of natural gas and oil for supplementary firing. To demonstrate compliance with the bottoming-cycle efficiency standard (if applicable), or to demonstrate that your facility is exempt from this standard based on the date that installation of the facility began, respond to lines 15a through 15h below.

If you indicated in line 10a that your facility represents *both* topping-cycle and bottoming-cycle cogeneration technology, then respond to lines 15a through 15h below considering only the energy inputs and outputs attributable to the bottoming-cycle portion of your facility. Your mass and heat balance diagram must make clear which mass and energy flow values and system components are for which portion of the cogeneration system (topping or bottoming).

15a Did installation of the facility in its current form commence on or after March 13, 1980?

- ☐ Yes. Your facility is subject to the efficiency requirement of 18 C.F.R. § 292.205(b). Demonstrate compliance with the efficiency requirement by responding to lines 15b through 15h below.
- ☐ No. Your facility is exempt from the efficiency standard. Skip the rest of page 17.

15b Indicate the annual average rate of net electrical energy output

kW

15c Multiply line 15b by 3,412 to convert from kW to Btu/h

0 Btu/h

15d Indicate the annual average rate of mechanical energy output taken directly off of the shaft of a prime mover for purposes not directly related to power production (this value is usually zero)

hp

15e Multiply line 15d by 2,544 to convert from hp to Btu/h

0 Btu/h

15f Indicate the annual average rate of supplementary energy input from natural gas or oil

Btu/h

15g Bottoming-cycle efficiency value = $100 * (15c + 15e) / 15f$

0 %

15h Compliance with efficiency standard: Indicate below whether the efficiency value shown in line 15g is greater than or equal to 45%:

☐ Yes (complies with efficiency standard)

☐ No (does not comply with efficiency standard)

Certificate of Completeness, Accuracy and Authority

Applicant must certify compliance with and understanding of filing requirements by checking next to each item below and signing at the bottom of this section. Forms with incomplete Certificates of Completeness, Accuracy and Authority will be rejected by the Secretary of the Commission.

Signer identified below certifies the following: (check all items and applicable subitems)

- ☒ He or she has read the filing, including any information contained in any attached documents, such as cogeneration mass and heat balance diagrams, and any information contained in the Miscellaneous section starting on page 19, and knows its contents.
- ☒ He or she has provided all of the required information for certification, and the provided information is true as stated, to the best of his or her knowledge and belief.
- ☒ He or she possess full power and authority to sign the filing; as required by Rule 2005(a)(3) of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.2005(a)(3)), he or she is one of the following: (check one)
- ☐ The person on whose behalf the filing is made
 - ☒ An officer of the corporation, trust, association, or other organized group on behalf of which the filing is made
 - ☐ An officer, agent, or employee of the governmental authority, agency, or instrumentality on behalf of which the filing is made
 - ☐ A representative qualified to practice before the Commission under Rule 2101 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.2101) and who possesses authority to sign
- ☒ He or she has reviewed all automatic calculations and agrees with their results, unless otherwise noted in the Miscellaneous section starting on page 19.
- ☒ He or she has provided a copy of this Form 556 and all attachments to the utilities with which the facility will interconnect and transact (see lines 4a through 4d), as well as to the regulatory authorities of the states in which the facility and those utilities reside. See the Required Notice to Public Utilities and State Regulatory Authorities section on page 3 for more information.

Provide your signature, address and signature date below. Rule 2005(c) of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.2005(c)) provides that persons filing their documents electronically may use typed characters representing his or her name to sign the filed documents. A person filing this document electronically should sign (by typing his or her name) in the space provided below.

Your Signature

Alan W. Hansten

Your address

921 N. Lincoln
Jerome, Idaho 83338

Date

3/18/2014

Audit Notes

Commission Staff Use Only:



Miscellaneous

Use this space to provide any information for which there was not sufficient space in the previous sections of the form to provide. For each such item of information *clearly identify the line number that the information belongs to*. You may also use this space to provide any additional information you believe is relevant to the certification of your facility.

Your response below is not limited to one page. Additional page(s) will automatically be inserted into this form if the length of your response exceeds the space on this page. Use as many pages as you require.

6a - Other Renewable Resource - Qualifying Conduit Hydropower Facility,
Docket No. CD14-10-000

Skaggs, Pam

From: Travis Thompson <tlth@idahowaters.com>
Sent: Friday, February 27, 2015 8:34 AM
To: Skaggs, Pam
Subject: RE: NSCC Application 1-7084A

Ok thank you. Have a good day.

Travis

From: Skaggs, Pam [mailto:Pam.Skaggs@idwr.idaho.gov]
Sent: Friday, February 27, 2015 8:30 AM
To: Travis Thompson
Subject: RE: NSCC Application 1-7084A

COPY

Travis,

This is sufficient information to proceed and matches my supposition. The place of use will be described as you have advised below.

Pam

Pam Skaggs
Water Rights Supervisor
(208) 287-4951

From: Travis Thompson [mailto:tlth@idahowaters.com]
Sent: Friday, February 27, 2015 8:20 AM
To: Skaggs, Pam
Subject: NSCC Application 1-7084A

Pam,

The project is located wholly within this legal description. I can provide an aerial map next week that would provide a better overview (the guys at NSCC that can do this are out of the office today).

Lot 3, Sec. 6, Township 8, Range 18, Jerome County.

Thanks,

Travis

No. C 5096	Due no later than Apr 30, 2015 Annual Report Form		2. Registered Agent and Address (NO PO BOX)		
Return to: SECRETARY OF STATE 700 WEST JEFFERSON PO BOX 83720 BOISE, ID 83720-0080 NO FILING FEE IF RECEIVED BY DUE DATE	1. Mailing Address: Correct in this box if needed		ALAN HANSTEN 921 NORTH LINCOLN JEROME 83338		
	NORTH SIDE CANAL COMPANY, LIMITED TERRY L WALTERS 921 NORTH LINCOLN JEROME ID 83338		3. <u>New</u> Registered Agent Signature:*		
4. Corporations: Enter Names and Business Addresses of President, Secretary, and Directors. Treasurer (optional).					
Office Held	Name	Street or PO Address	City	State	Country Postal Code
SECRETARY	TERRY L WALTERS	177 N 800 E	JEROME	ID	USA 83338
SECRETARY	ALAN HANSTEN	921 NORTH LINCOLN	JEROME	ID	USA 83338
DIRECTOR	JAMES FIALA	521 NORTH 200 EAST	JEROME	ID	USA 83338
DIRECTOR	DEAN T BINGHAM	156 NORTH 100 EAST	JEROME	ID	USA 83338
DIRECTOR	BART PATTERSON	161 BOB BARTON RD	JEROME	ID	USA 83338
PRESIDENT	JOHN BEUKERS	711 RIVERVIEW DR	TWIN FALLS	ID	USA 83301
DIRECTOR	DEWITT MARSHALL	151 SOUTH 600 EAST	JEROME	ID	USA 83338
VICE PRESIDENT	DICK ELLIOTT	362 EAST 1750 SOUTH	BLISS	ID	USA 83314
DIRECTOR	GREG HIRAI	3192 SOUTH 1300 EAST	WENDELL	ID	USA 83355
DIRECTOR	ALBERT LOCKWOOD	1721 EAST 1200 SOUTH	EDEN	ID	USA 83325
DIRECTOR	BERWYNN MUSSMANN	857 SOUTH EDEN RD	EDEN	ID	USA 83325
TREASURER	PAULETTE WALZ	1532 SOUTH LINCOLN	JEROME	ID	USA 83338
5. Organized Under the Laws of: ID C 5096		6. Annual Report must be signed.* Signature: Terry Walters Date: 02/17/2015 Name (type or print): Terry Walters Title: Asst. Secretary			
Processed 02/17/2015		* Electronically provided signatures are accepted as original signatures.			

COPY

*John A. Rosholt
Albert P. Barker
John K. Simpson
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Shelley M. Davis
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Scott A. Magnuson*



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Travis L. Thompson
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February 24, 2015

RECEIVED

FEB 27 2015

DEPARTMENT OF
WATER RESOURCES

VIA EMAIL & U.S. MAIL

Mr. Shelley Keen
Idaho Department of Water Resources
322 East Front Street
P.O. Box 83720
Boise, Idaho 83720-0098

Re: Residual Water Right No. 01-7084A (North Side Canal Company)

Dear Shelley:

Our office last corresponded with you on this matter on September 22, 2010. That letter followed up on meetings that our office had with Director Spackman, Jeff Peppersack, and Garrick Baxter in August of that year. Since that time North Side Canal Company (NSCC) has proceeded to develop a new hydroelectric project within its canal system labeled the "Head of the U Canal Hydroelectric Project." Development has proceeded to a point where NSCC expects the project to be complete and able to generate electricity later this spring.

As referenced in the September 2010 letter, we are providing notice that NSCC wishes to proceed with processing of part of the application for permit 01-7084A that relates to the project identified at Exhibit 5 to the original application (Headworks of "M," "R" & "U" Canals). Further, the project has been modified and reduced in scope from what was originally proposed as follows:

<u>U Canal Project</u>	<u>Flows</u>	<u>MW</u>
Original	1,700 cfs	4.5
Current	1,200 cfs	1.28

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01-10576
Permit Review

Mr. Shelley Keen (IDWR)

February 24, 2015

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The project will only utilize water flows from the U Canal, thus the reduction in the diversion rate. NSCC wishes to proceed with processing of this part of the application for permit 01-7084A as soon as possible. It's my understanding based upon the prior correspondence and meetings that a new water right number will be assigned and that the application will not need to be re-advertised.

If you need additional information or have any questions please call me at (208) 733-0700. Thank you for your attention to this matter.

Sincerely,

BARKER ROSHOLT & SIMPSON LLP



Travis L. Thompson

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cc: Alan Hansten, NSCC