

HYDRO POWER

U. F. DANIELAY
VICE PRESIDENT

IDAHO POWER COMPANY

BOX 70 • BOISE, IDAHO 83707

March 16, 1982

S & S Limited Partnership
c/o Wayne Skeem
1742 Targee
Twin Falls, Idaho 83301

RE: Operation Date for the Mud Creek
Hydro Project

Dear Mr Skeem:

On October 30, 1981, Idaho Power Company ("Company") and S & S Limited Partnership ("S & S") hereinafter collectively referred to as the "parties", entered into a Power Sales Agreement ("Agreement"). The Agreement was subsequently amended on December 23, 1981. Article 1 of the Agreement defines "Operation Date" as follows:

The day commencing at 0001 hours, following the day during which all features and equipment of the Facility and the Interconnection Facilities have reached a degree of completion and reliability, such that they are capable of operating simultaneously to delivery power continuously into Idaho's system; provided that the Operation Date may occur only after such degree of completion and reliability has been demonstrated to Idaho's satisfaction which must be confirmed by Idaho in writing. Seller shall have the duty to obtain the confirmation from Idaho; however, such confirmation shall not be unreasonably withheld by Idaho.

Both the Company and S & S recognize and agree that on March 15, 1982 the Mud Creek Facility achieved the necessary degree of reliability and completion to permit the Company to establish that date as the Operation Date. Therefore S & S is entitled to capacity payments as well as energy payments beginning with the submission of the March switching report. The Company also recognizes that S & S generated some energy in February. However, under the terms of the Agreement, the Company is not obligated to begin making capacity payments until the "Operation Date" has occurred. Because of cash flow problems, S & S has requested that the Company make the capacity payment for the month of February. Based on the information that S & S has provided to the Company, it appears there is a need for the Company to make a payment to S & S on an advanced funds basis, for the capacity and energy generated in the month of February. S & S agrees that this advance payment plus interest at the average prime rate of the Idaho First National Bank during the period from February 20, 1982 to March 1, 1983 will be repaid to the Company if by March 1, 1983 S & S has not generated the Contract Capacity specified in Amendment Number 1 to the Agreement dated December 23, 1981.

This willingness to make this advance payment should not be construed as a waiver by the Company of any of its rights under the Agreement or otherwise.

If you concur that the foregoing accurately represents the understanding and agreement of the parties, please indicate your agreement by signing this letter in the appropriate space provided below.

Very truly yours,

D E Barclay
D E Barclay

DEB:ke

ACKNOWLEDGED AND AGREED TO:

S & S LIMITED PARTNERSHIP

By

Wayne B. Steem
General Partner

Date

3-17-82

AMENDMENT NO 1
TO POWER SALES AGREEMENT BETWEEN
S & S LIMITED PARTNERSHIP AND IDAHO POWER COMPANY

This Amendment, entered into as of this 23 day of December, 1981, between S & S Limited Partnership, a limited partnership, hereinafter referred to as "Seller", and Idaho Power Company, a corporation, hereinafter referred to as "Idaho".

WHEREAS, Seller and Idaho previously, as of the 30th day of October, 1981, entered into a Power Sales Agreement ("Agreement") which provided for the sale by Seller and purchase by Idaho of electrical capacity and energy from a small power production facility to be constructed, owned, operated and maintained by Seller; and

WHEREAS, Seller and Idaho now desire to amend specific provisions of the Agreement;

NOW THEREFORE, The parties agree that the last paragraph of Section (A) of Article III of the Agreement is amended to read as follows:

By selecting Option 3, Seller agrees to provide energy in an amount estimated to be 3,493,632 kilowatt hours per year. If Seller elects under Option 3 or 4 to supply Capacity, the Contract Capacity shall be 532 kilowatts.

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment No 1 as of the day and year herein written.

S & S LIMITED PARTNERSHIP

IDAHO POWER COMPANY

By Daniel C. Skeem
Its General Partner

By D E Barclay
Its Vice President

By Wayne B Skeem
Its Limited Partner
Wayne B. Skeem