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Attorney for Idaho Power Company

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IDAHO PUBLIC
UTILITIES COMMISSION

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF)
IDAHO POWER COMPANY FOR APPROVAL)
OF A FIRM ENERGY SALES AGREEMENT)
FOR THE SALE AND PURCHASE OF)
ELECTRIC ENERGY BETWEEN IDAHO)
POWER COMPANY AND PRISTINE)
SPRINGS, INC.)

CASE NO. IPC-E-05-11

MOTION REQUESTING
EXTENSION OF THE
EXISTING AGREEMENT
PENDING APPROVAL OF
THE NEW AGREEMENT

COMES NOW Idaho Power Company ("Idaho Power" or the "Company") and,
in accordance with Idaho Public Utilities Commission ("IPUC" or the "Commission") Order
No. 29738 and Rule of Procedure 56, hereby submits the following comment to the
Commission describing Idaho Power Company's and Pristine Springs, Inc.'s intentions,
pending approval of Case No. IPC-E-05-11, to extend the terms of the parties' present
agreement under which Pristine Springs, Inc. is currently selling energy to Idaho Power
from the Pristine Springs Facility and moving that the Commission approve the same. The
sale of this energy is in accordance with a previously approved Firm Energy Sales

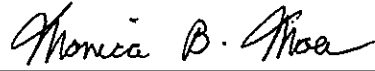
Agreement dated October 7, 1994 that was approved by the IPUC pursuant to Order No. 25793, dated November 15, 1994.

As noted in Idaho Power's Application for approval of the new Firm Energy Sales Agreement between Idaho Power and Pristine Springs, Inc. ("Agreement"), the existing agreement between the parties is due to expire on March 30, 2005. It is the intention of the parties to make a seamless transition between the expiring agreement and the new Agreement without the need to interrupt the purchase by Idaho Power of electrical generation from the Facility. The new Agreement specifies that its terms shall not take effect until such time as the IPUC approves that Agreement.

In the course of processing the Application for approval of the new Agreement, it is apparent that an IPUC Order approving the new Agreement will not be issued prior to the March 30, 2005 expiration date of the old agreement. Idaho Power, with the concurrence of Pristine Springs, Inc. proposes to extend the term of the old agreement for this Facility until such time as the new Agreement is approved by the IPUC, provided that the IPUC approval process continues forward in a routine and timely manner.

For the foregoing reasons, Idaho Power respectfully moves that the Commission extend the term of the Firm Energy Sales Agreement dated October 7, 1994 between Idaho Power Company and Pristine Springs, Inc. that was approved by the IPUC pursuant to Order No. 25793, dated November 15, 1994, pending approval of the new Agreement. Idaho Power further requests that, should the Commission approve the new Agreement between the parties, the Commission declare all payments for purchases of energy under the old agreement as extended and described herein be allowed as prudently incurred expenses for ratemaking purposes.

Respectfully submitted this 30th day of March 2005.

A handwritten signature in cursive script, reading "Monica B. Moen".

MONICA B. MOEN
Attorney for Idaho Power Company

CERTIFICATE OF MAILING

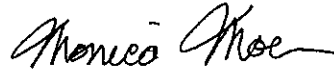
I HEREBY CERTIFY that on the 30th day of March 2005, I served a true and correct copy of the within and foregoing MOTION REQUESTING EXTENSION OF THE EXISTING AGREEMENT PENDING APPROVAL OF THE NEW AGREEMENT upon the following named parties by the method indicated below, and addressed to the following:

Wendell Starke
Pristine Springs Inc.
274 Kay Drive
Twin Falls, ID 83301

<u> </u>	Hand Delivered
<u> x </u>	U.S. Mail
<u> </u>	Overnight Mail
<u> </u>	FAX

Kira Pfisterer
Deputy Attorney General
Idaho Public Utilities Commission
472 W. Washington Street
P.O. Box 83720
Boise, ID 83720-0074

<u> x </u>	Hand Delivered
<u> </u>	U.S. Mail
<u> </u>	Overnight Mail
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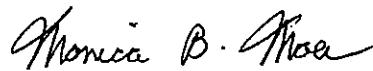
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Attorney for Idaho Power Company

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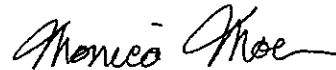
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☐	FAX

Kira Pfisterer
Deputy Attorney General
Idaho Public Utilities Commission
472 W. Washington Street
P.O. Box 83720
Boise, ID 83720-0074

☒	Hand Delivered
☐	U.S. Mail
☐	Overnight Mail
☐	FAX



MONICA B. MOEN

DECISION MEMORANDUM

TO: COMMISSIONER KJELLANDER
COMMISSIONER SMITH
COMMISSIONER HANSEN
COMMISSION SECRETARY
COMMISSION STAFF
LEGAL

FROM: KIRA DALE PFISTERER

DATE: MARCH 14, 2005

RE: CASE NO. IPC-E-05-11
FIRM ENERGY SALES AGREEMENT – PRISTINE SPRINGS, INC.

On March 4, 2005, Idaho Power Company filed an Application requesting approval of a Firm Energy Sales Agreement (Agreement) between Idaho Power and Pristine Springs, Inc. dated February 18, 2005. Under the Agreement, Pristine Springs will sell and Idaho Power will purchase electric energy generated by the Pristine Springs hydroelectric generation facility located on Warm Creek, north of Twin Falls, Idaho in an area more particularly described as the NE ¼ of the NW ¼ of Section 29, Township 9 South, Range 17 East, Boise Meridian, Jerome County, Idaho. The Pristine Springs facility consists of a single 125 kW hydroelectric generation unit. The nameplate rating and maximum generation capability of the Pristine Springs facility is 125 kW.

THE AGREEMENT

The Pristine Springs facility will be a qualified small power production facility (QF) under the applicable provisions of the Public Utility Regulatory Policies Act of 1978 (PURPA). The Agreement was developed pursuant to Commission Order Nos. 29632 (*U.S. Geothermal et al. v. Idaho Power*) and 29646 (avoided cost) to replace the existing Firm Energy Sales Agreement between Idaho Power and Pristine Springs due to expire on March 30, 2005. See Order No. 25793. In the proposed Agreement, the parties agree to a ten-year contract term and to use the non-levelized published avoided cost rates as currently established by the Commission for energy deliveries of no more than 10 aMW.

Because the Pristine Springs facility is currently interconnected and selling energy to Idaho Power under an existing Firm Energy Sales Agreement, interconnection to the Company's

distribution system is completed. The previously established interconnection costs set out in the existing Firm Energy Sales Agreement will be used to value the interconnection costs under the proposed Agreement. The applicable monthly Schedule 72 charges will apply.

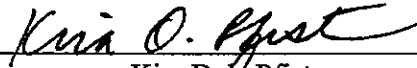
As reflected in Article 24 of the Agreement, the Agreement will not become effective until the Commission has approved all the Agreement's terms and conditions and declares that all payments that Idaho Power makes to Pristine Springs for purchases of energy will be allowed as prudently incurred expenses for ratemaking purposes. The proposed effective date of the Agreement is February 18, 2005.

STAFF RECOMMENDATION

The Commission Staff recommends that the Application be processed under Modified Procedure, i.e., by written submission rather than a hearing. IDAPA 31.01.01.201-204.

COMMISSION DECISION

Does the Commission wish to process the Idaho Power Pristine Springs Firm Energy Sales Agreement under Modified Procedure?


Kira D. Pfisterer

M:IPCE0511_kdp

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF THE APPLICATION OF)
IDAHO POWER COMPANY FOR APPROVAL)
OF A FIRM ENERGY SALES AGREEMENT)
FOR THE SALE AND PURCHASE OF)
ELECTRIC ENERGY BETWEEN IDAHO)
POWER COMPANY AND PRISTINE SPRINGS,)
INC.)**

CASE NO. IPC-E-05-11

ORDER NO. 29766

On March 4, 2005, Idaho Power Company filed an Application requesting approval of a Firm Energy Sales Agreement (Agreement) between Idaho Power and Pristine Springs, Inc. dated February 18, 2005. Under the Agreement, Pristine Springs will sell and Idaho Power will purchase electric energy generated by the Pristine Springs hydroelectric generation facility. The Pristine Springs facility consists of a single hydroelectric generation unit located on Warm Creek, north of Twin Falls, Idaho in an area more particularly described as the NE ¼ of the NW ¼ of Section 29, Township 9 South, Range 17 East, Boise Meridian, Jerome County, Idaho. The nameplate rating and maximum generation capability of the Pristine Springs facility is 125 kW.

THE AGREEMENT

Pristine Springs is a qualified small power production facility (QF) under the applicable provisions of the Public Utility Regulatory Policies Act of 1978 (PURPA). The Agreement was developed pursuant to Commission Order Nos. 29632 (*U.S. Geothermal v. Idaho Power*) and 29646 (setting 2004 avoided cost rates) and will replace the previously approved Firm Energy Sales Agreement between Idaho Power and Pristine Springs. *See* Order No. 25793. In the proposed Agreement, the parties agree to a ten-year contract term and to use the non-levelized, published avoided cost rates as currently established by the Commission for energy deliveries of no more than 10 aMW.

Because the Pristine Springs facility is currently interconnected and selling energy to Idaho Power under an existing Agreement, interconnection to the Company's distribution system is completed. The previously established interconnection costs set out in the existing Agreement will be used to value the interconnection costs under the proposed Agreement. The applicable monthly Schedule 72 charges will apply.

As reflected in Article 24 of the Agreement, the Agreement will not become effective until the Commission has approved all the Agreement's terms and conditions and declares that all payments that Idaho Power makes to Pristine Springs for purchases of energy will be allowed as prudently incurred expenses for ratemaking purposes.

COMMISSION FINDINGS

The Commission has reviewed Idaho Power's Application and the comments filed in this case. The Commission finds that the Agreement comports with the Commission's Order No. 29632 and includes the current, non-levelized published rates approved by the Commission in Order No. 29646.

The Commission finds that the rates and other provisions in the Agreement are reasonable and just. The Commission further finds that it is reasonable to allow payments made under the Agreement as prudently incurred expenses for ratemaking purposes.

CONCLUSIONS OF LAW

The Commission has jurisdiction over Idaho Power Company, an electric utility, pursuant to 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 promulgated by 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, and to implement FERC regulations.

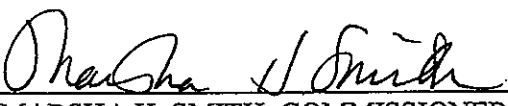
ORDER

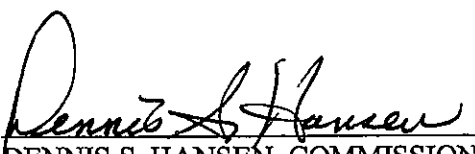
IT IS HEREBY ORDERED that the Application of Idaho Power for approval of the Firm Energy Sales Agreement between Idaho Power and Pristine Springs, Inc. is approved.

THIS IS A FINAL ORDER. Any person interested in the Order may petition for reconsideration within twenty-one (21) days of the service date of this Order with regard to any matter decided in 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 and 62-619.

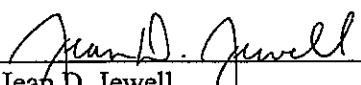
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 25th
day of April 2005.


PAUL KJELLANDER, PRESIDENT


MARSHA H. SMITH, COMMISSIONER


DENNIS S. HANSEN, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

O:IPCE0511_kdp2

APPENDIX B

FACILITY AND POINT OF DELIVERY

PROJECT NO. 31415164

PRISTINE SPRINGS PROJECT

B-1 DESCRIPTION OF FACILITY

The Seller's Facility is described as a single synchronous generator with a nameplate rating of 125 kW, 480 volt, three phase, 60 hertz, driven by a Pelton Turbine.

B-2 LOCATION OF FACILITY

The Facility is located in the NE 1/4 of the NW 1/4 of Section 29, Township 9 South, Range 17 East, Boise Meridian, Jerome County, Idaho.

B-3 MAXIMUM CAPACITY AMOUNT: This value will be 125 kW, the maximum energy that potentially could be delivered by the Seller's Facility to the Idaho Power electrical system at any moment in time.

B-4 POINT OF DELIVERY

The Point of Delivery of energy from the Seller to Idaho Power will be Idaho Power's 12.5 kV distribution line deadend insulators where they attach to the Seller's 12.5 kV transformer pole.

The Seller will provide three 12.5/7.2 kV grounded wye to 480/277 V ungrounded wye overhead transformers with associated fused disconnects, arresters, hardware, jumpers, and busing as well as all secondary conductor and hardware.

B-5 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