

Edl, Michele

From: Rick Sterling [Rick.Sterling@puc.idaho.gov]
Sent: Wednesday, January 16, 2008 12:47 PM
To: Edl, Michele
Subject: Malad River hydro
Attachments: Malad term.pdf

Malad River/Ravenscroft is a 35-year contract. See the attached page from the power sales agreement with Idaho Power. According to the agreement, it expires "on or about May 1, 2018."

I'm not sure why I thought the contract might be expiring soon. I guess it's because the guy who has been calling me over the past year or so has been asking questions about the existing contract and what the new rates will be when the existing contract expires. I think he may have been trying to evaluate the value of the project, based on the revenue it generates now and the revenue it might be able to generate in the future under a new contract.

Rick Sterling
Idaho Public Utilities Commission
208-334-0351

1/16/2008

"Prudent Electrical Practices" - Those practices, methods and equipment that are commonly and ordinarily used in electrical engineering and operations to operate electric equipment lawfully and with safety, dependability, efficiency and economy.

"Purchase Price" - The amount(s) to be paid to Seller by Idaho for Energy or Energy and Capacity delivered to Idaho.

"Scheduled Maintenance" - The periods of time during which the Facility is shut down for routine maintenance operations with the advance approval of Idaho, as provided in Article VI(H) hereof.

"Unit Avoided Energy Cost" - The sum of the variable costs associated with the specific generating unit or project designated by the Idaho Public Utilities Commission as the basis for the determination of avoided capacity cost. Variable costs include fuel costs and operation and maintenance expenses which vary with the designated unit's or project's generation.

ARTICLE II: TERM

This Agreement shall become effective on the date first above written, and shall continue in full force and effect for a period of thirty-five (35) years from the Operation Date, ending on or about May 1, 2018.

ARTICLE III: SALE OF POWER

(A) Seller agrees to deliver and sell and Idaho agrees to accept and purchase all of the Energy and non-Dispatchable Capacity delivered by Seller at the Point of Delivery.