

DECISION MEMORANDUM

**TO: COMMISSIONER KJELLANDER
COMMISSIONER RAPER
COMMISSIONER ANDERSON
COMMISSION SECRETARY
COMMISSION STAFF
LEGAL**

**FROM: DAYN HARDIE
DEPUTY ATTORNEY GENERAL**

DATE: MAY 6, 2021

**SUBJECT: IN THE MATTER OF IDAHO POWER COMPANY'S APPLICATION FOR
APPROVAL OR REJECTION OF AN ENERGY SALES AGREEMENT
BETWEEN IDAHO POWER COMPANY AND LEMHI HYDRO
COMPANY; CASE NO. IPC-E-21-11.**

On April 19, 2021, Idaho Power Company ("Company") applied to the Commission for approval or rejection of an energy sales agreement ("ESA") with Lemhi Hydro Company ("Seller") for the energy generated by the Lemhi Hydro Project ("Facility"). The Facility has a nameplate capacity of 500 kilowatt ("kW") and is located near Salmon, Idaho.¹

THE APPLICATION

The Seller has been delivering energy to the Company under a firm energy sales agreement for the Facility that was executed on December 20, 1985. The expiration date of the 1985 energy sales agreement is July 31, 2021. The new ESA has a 20-year term with non-levelized, non-seasonal hydro published avoided cost rates as set in Order No. 34683. The Company requests the Commission approve the ESA and declare all payments for purchases of energy under the ESA be allowed as prudently incurred expenses for ratemaking purposes. The Company requests that the Commission set a procedural schedule that would result in a final Commission determination prior to July 31, 2021, the date when the 1985 energy sales agreement expires.

¹ At the time of construction in 1986, a generator with 450 kW nameplate capacity was installed. The Seller plans to continue operating and maintaining the 450 kW generator.

STAFF RECOMMENDATION

Staff recommends the Commission issue a Notice of Application and Notice of Modified Procedure establishing a 21-day public comment deadline and a 7-day Company reply deadline.

COMMISSION DECISION

Does the Commission wish to issue a Notice of Application and Notice of Modified Procedure establishing a 21-day public comment deadline and a 7-day Company reply deadline?



Dayn Hardie
Deputy Attorney General

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