

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF)	
IDAHO POWER COMPANY FOR APPROVAL)	CASE NO. IPC-E-03-6
OF THE PURCHASE OF NON-FIRM ENERGY)	
BETWEEN IDAHO POWER COMPANY AND)	
PRISTINE SPRINGS, INC.)	ORDER NO. 29234
)	

On April 17, 2003, Idaho Power Company (Idaho Power; Company) filed an Application in Case No. IPC-E-03-6 requesting Commission approval of a tariff Schedule 86—Non-Firm Energy Purchase Agreement (Agreement). A copy of the March 28, 2003, Agreement between Idaho Power and Pristine Springs, Inc. (Pristine Springs) accompanies the Application.

Pristine Springs intends to develop a 200 kW hydroelectric generation facility located on Warm Creek, north of Twin Falls, Idaho, in an area more particularly described as the NorthWest Quarter of Section 19, Township 9 South, Range 17 East, Boise-Meridian, Jerome County, Idaho. The Pristine Springs generation facility will be a qualified small power production facility (QF) under the applicable provisions of the Public Utility Policies Act of 1978 (PURPA).

Section 8 of the Agreement provides that “this agreement shall not become effective until the Commission approves all terms and provisions hereof without change or condition and declares that all payments to be made hereunder shall be allowed as prudently incurred expenses for ratemaking purposes.”

Pursuant to Schedule 86 the Company will pay the seller monthly, for each kilowatt hour of energy delivered and accepted at the point of delivery during the preceding calendar month, an amount equal to 85% of the monthly avoided energy cost. The avoided energy cost is the weighted average of the daily on-peak and off-peak Dow Jones Mid-Columbia Electric Price Index (Dow Jones Mid-C Index prices) for non-firm energy. The project intends to begin operation May 1, 2003. Idaho Power reports that it is currently working with Pristine Springs to complete the necessary documentation and construction of interconnection equipment. The estimated cost of the Idaho Power provided interconnection equipment, special facilities and metering equipment is \$45,000.

COMMISSION FINDINGS

The Commission has reviewed the March 28, 2003, Idaho Power/Pristine Springs, Inc. Schedule 86 Non-firm Energy Agreement. We find that the Agreement, as signed and submitted by the parties, contains non-firm energy rates in conformity with posted tariffs and applicable Commission Orders. We find it reasonable to allow payments made under the Agreement as prudently incurred expenses for ratemaking purposes. We also find that it is appropriate to approve the Agreement without further Notice.

CONCLUSIONS OF LAW

The Idaho Public Utilities Commission has jurisdiction over Idaho Power Company, an electric utility, 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 the authority under PURPA and 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, and to implement FERC rules.

ORDER

In consideration of the foregoing, IT IS HEREBY ORDERED and the Commission does hereby approve the March 28, 2003, Idaho Power/Pristine Springs, Inc. Schedule 86 Non-firm Energy Purchase Agreement.

THIS IS A FINAL ORDER. Any person interested in this Order (or in issues finally decided by this 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.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 29th
day of April 2003.



PAUL KJELLANDER, PRESIDENT




MARSHA H. SMITH, COMMISSIONER



DENNIS S. HANSEN, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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