

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF THE APPLICATION )  
OF IDAHO POWER COMPANY FOR ) CASE NO. IPC-E-05-37  
APPROVAL OF A CONTRACT TO SUPPLY )  
STANDBY ELECTRIC SERVICE TO THE ) ORDER NO. 29958  
AMALGAMATED SUGAR COMPANY, LLC )**

On December 9, 2005, Idaho Power Company (Idaho Power; Company) filed an Application with the Idaho Public Utilities Commission (Commission) requesting approval of a Standby Service Agreement (Agreement) between Idaho Power and Amalgamated Sugar Company (TASCO) dated December 7, 2005 under which Idaho Power will supply standby electric service to TASCO.

Idaho Power provides electric service to TASCO's refined sugar production facilities at Nampa, Paul and Twin Falls, Idaho under Idaho Power's Schedule 19 and to TASCO's refined sugar production facility at Nyssa, Oregon under Idaho Power's Oregon Schedule 19. TASCO owns and operates electric generation facilities at these refined sugar production facilities and utilizes electricity generated from those facilities to supply a portion of its electric load. Idaho Power's service under Schedule 19 supplements the energy obtained from TASCO's on-site generation.

To back up its on-site generation, TASCO currently purchases standby service from Idaho Power under an Agreement for Supply of Standby Service between Idaho Power and TASCO (the 1998 Standby Agreement) dated April 6, 1998. The 1998 Standby Agreement was amended by Letter Agreement dated September 27, 2004. The submitted Agreement will replace the 1998 Standby Agreement, as modified by the Letter Agreement.

Changes in TASCO's operation of the Nyssa, Oregon facility have reduced the amount of supplemental energy required by TASCO from Idaho Power to operate the production facility. According to the service eligibility provisions of Schedule 19, TASCO's Nyssa facility will no longer be eligible for service under Schedule 19 beginning in January 2006. The terms of the 1998 Standby Agreement, as modified by the Letter Agreement, specify that the 1998 Standby Agreement and Schedule 31 shall automatically be cancelled upon a transfer of service

for any of the four (4) TASC0 facilities from Schedule 19 to any other Idaho Power general service schedule or special contract.

TASC0 has requested that Idaho Power continue to provide standby service for the Nampa, Paul and Twin Falls, Idaho refined sugar production facilities. TASC0 has requested that standby service no longer be provided to the Nyssa, Oregon facility.

The Agreement submitted in this case contains the same service provisions and requirements as the 1998 Standby Service Agreement (as modified) with the exception that the total amount of standby generation available to TASC0 during the fall and winter months has been reduced from 4,000 kW to 3,000 kW to accommodate TASC0's current standby service requirements. In addition, minor language revisions have been made to remove references to TASC0's Nyssa facility. TASC0 will continue to pay the standby charges specified in tariff Schedule 31. In addition, TASC0 will continue to pay all costs of supplying, installing, operating and maintaining standby facilities to allow Idaho Power to supply standby service to the TASC0 facilities. Idaho Power believes that the Agreement takes into account the unique operating characteristics of TASC0's refined sugar production facilities, is beneficial to Idaho Power's other existing customers, and is in the public interest. Idaho Power requests that the Commission issue its Order approving the December 7, 2005 Standby Service Agreement.

#### *Staff Analysis*

Commission Staff informs the Commission that it has reviewed the new Agreement for Supply of Standby Electric Service between Idaho Power Company and the Amalgamated Sugar Company, LLC dated December 7, 2005. The new Agreement was compared to the 1998 Standby Agreement it is replacing and the Letter Agreement modifying that 1998 agreement to identify significant changes. Staff agrees with the Company's representations that the differences in the agreements are restricted to those necessary to accommodate the change in scope and quantity of supply brought about by elimination of one of the four plants included in the modified 1998 Standby Agreement.

There are a few other minor differences identified by Staff; the most notable is the addition in the new Agreement of reference to supporting documents pertaining to the three facilities included in the new Agreement. Those referenced documents are: (1) Idaho Power Company Uniform Service Agreement; and (2) Distribution Facilities Investment Report. The

latest versions of both of these documents were also reviewed and no significant changes have been made to those documents for this contract.

Staff also noted that the new Agreement continues to reference tariff Schedule 19, Large Power Service and Schedule 31, Idaho Power Company Agreement For Supply Of Electric Service for Amalgamated Sugar Company – Contract dated April 6, 1998. The only change proposed to those tariffs by the Company is to delete the phrase “Contract Dated April 6, 1998” from Schedule 31. That change has been requested in the form of Tariff Advice No. 05-10.

***Commission Findings***

The Commission has reviewed the filings of record in Case No. IPC-E-05-37 including the December 7, 2005 Agreement for Supply of Standby Electric Service between Idaho Power and TASC0. The Commission has also reviewed the terms of the related 1998 Standby Agreement, as modified by Letter Agreement dated September 27, 2004, and considered Staff’s analysis of the Company’s filing. Based on our review of the current and proposed Standby Service Agreements and referenced documents, the Commission finds that the proposed changes in the Agreement appropriately reflect only those required for the continuation of standby service to TASC0’s Nampa, Paul and Twin Falls, Idaho facilities and elimination of standby service to TASC0’s Nyssa, Oregon facility. As no change in rates is proposed, we find it reasonable to approve the Agreement without further notice or procedure.

**CONCLUSIONS OF LAW**

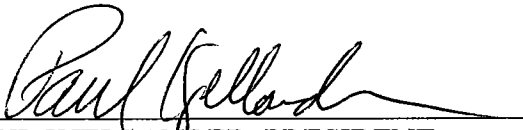
The Idaho Public Utilities Commission has jurisdiction over Idaho Power Company, an electric utility, and the service issues raised in Case No. IPC-E-05-37 pursuant to Idaho Code, Title 61, and the Commission’s Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

**ORDER**

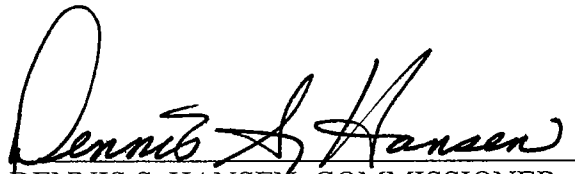
In consideration of the foregoing and as more particularly described above, IT IS HEREBY ORDERED and the Commission does hereby approve the December 7, 2005 Agreement for Supply of Standby Service between Idaho Power Company and the Amalgamated Sugar Company, LLC.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of 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.

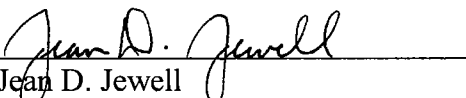
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 26<sup>th</sup> day of January 2006.

  
PAUL KJELLANDER, PRESIDENT

  
MARSHA H. SMITH, COMMISSIONER

  
DENNIS S. HANSEN, COMMISSIONER

ATTEST:

  
Jean D. Jewell  
Commission Secretary

b1s/O:IPC-E-05-37\_sw