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IDAHO PUBLIC  
UTILITIES COMMISSION

May 19, 2008

**Randy C. Allphin**  
Senior Planning Administrator  
Tel: (208) 388-2614  
[rallphin@idahopower.com](mailto:rallphin@idahopower.com)

Jean Jewell  
Commission Secretary  
Idaho Public Utilities Commission  
PO Box 83720  
Boise, ID 83720-0074

RE: Idaho Winds LLC , Alkali Wind Project, Case No. IPC-E-06-36

Dear Ms. Jewell:

On February 26, 2007 in Order No. 30253, the Idaho Public Utilities Commission approved the Firm Energy Sales Agreement ("Agreement") between Idaho Power Company and Idaho Winds LLC. ("Idaho Winds") for the sale of energy to Idaho Power Company from the proposed Alkali Wind Project (the "Project") to be located near Glens Ferry, Idaho. As proposed, the 18 MW Project would have been considered a Qualified Facility ("QF") under the Public Utility Regulatory Policies Act of 1978. The specified Scheduled Operation Date within this Agreement was December 31, 2007.

Due to various issues, including the process of resolving the QF interconnection issues included in IPUC case IPC-E-06-21, the Project delayed construction and did not meet the December 31, 2007 Scheduled Operation Date.

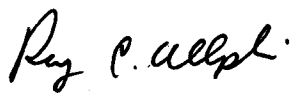
In various e-mails, letters and conversations since December 2007, Idaho Power and Idaho Winds have been discussing possible revisions to the Scheduled Operation Date. At this time both parties have agreed that a mutually agreeable revised Scheduled Operation Date is not achievable and therefore termination of the Agreement is appropriate.

Attached is a termination letter executed by both Idaho Power and Idaho Winds summarizing the termination of this Agreement.

This termination agreement specifies that it shall only be effective upon execution by both parties and acceptance of this termination by the Idaho Public Utilities Commission.

If the Commission requires any further information or action from Idaho Power Company prior to providing Idaho Power acceptance of this termination, please notify me (388-2614) or attorney Bart Kline (388-2682).

Sincerely,

A handwritten signature in black ink that reads "Randy C. Allphin". The signature is written in a cursive style with a large initial "R".

Randy C Allphin  
Idaho Power Company

cc: Rick Sterling (IPUC)  
Scott Woodbury (IPUC)

May 6, 2008

**Randy C. Allphin**  
Senior Planning Administrator  
Tel: (208) 388-2614  
[rallphin@idahopower.com](mailto:rallphin@idahopower.com)

Rick Koebbe  
Idaho Winds, LLC  
5356 N. Cattail Way  
Boise, Idaho 83714

Re: Idaho Winds 18 MW Alkali Wind Project

Dear Rick:

As you are aware, we have been in discussions the last few months to establish a revised Scheduled Operation Date for the Firm Energy Sales Agreement between Idaho Winds LLC and Idaho Power Company dated December 12, 2006 for the Alkali Wind Farm (Agreement). The Scheduled Operation Date within the Agreement was originally established as December 31, 2007.

At this point the parties are unable to agree upon an acceptable revised Scheduled Operation Date.

To summarize the past discussions

Idaho Winds contends:

- ✓ After the Agreement was completed, issues regarding transmission upgrades arose in regards to the interconnection costs and processes required to interconnect this project to the Idaho Power electrical system. Some of these issues were presented to the Idaho Public Utilities Commission for resolution.
- ✓ Considerable time passed in the resolution of the various interconnection issues and during that time, the project's construction costs and turbine availability status experienced significant adverse changes. As a result, Idaho Winds contends that the project is no longer viable.

Idaho Power contends:

- ✓ The project has cited that delays are due to the interconnection issues and these interconnection issues have now been resolved by Commission Order. Therefore, Idaho Power has suggested that a revised Scheduled Operation Date can now be established using the current interconnection process and timeline.
- ✓ Idaho Power believes the project did not perform adequate due diligence regarding the interconnection process prior to committing to the original Scheduled Operation Date. However, Idaho Power (Power Supply) also recognizes that resolution of the interconnection issues did take a considerable period of time.

Termination of the Agreement

- ✓ As of the date of this letter, both parties mutually agree that termination of the Agreement is acceptable.
- ✓ Upon termination of this Agreement both parties agree to waive any claims against the other based on either negligence or breach of contract.
- ✓ Termination of this Agreement shall be effective upon execution of this document by both parties and acceptance of this termination by the Idaho Public Utilities Commission without requirements for any material changes to this document.

Idaho Power is providing three copies of this termination document. Please sign each copy and return all three copies to me no later than Friday, May 16, 2008. Idaho Power reserves the right to modify this document if the signed documents are not received back by the date specified above.

US Mail:

Idaho Power Company  
Attn: Randy Allphin  
P O Box 70  
Boise, ID 83707



Overnight Mailing Address:

Idaho Power Company  
Attn: Randy Allphin  
1221 W Idaho  
Boise, ID 83702

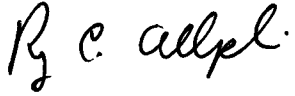
Upon receipt of the three signed copies I will arrange for and present the termination documentation to Idaho Power Company management for their signatures.

After Idaho Power Company signs these documents, I will return one complete signed original to you for your records, prepare and file one original with the Idaho Public Utilities Commission (IPUC) requesting their acceptance of this termination documentation and keep the third original for our records.

UNDERSTOOD, AGREED AND ACCEPTED:

	<u>Idaho Winds, LLC</u>	<u>Idaho Power Company</u>
Signature		
Name	Rick Koebbe	M. MARK STOKES
Title	President	MANAGER, POWER SUPPLY PLANNING
Date	06 May 2008	5/7/2008

Sincerely,



Randy C. Allphin

cc: Bart Kline (IPCo)  
Donovan Walker (IPCo)  
Mark Stokes (IPCo)