

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF THE APPLICATION ) CASE NO. IPC-E-08-21**  
**OF IDAHO POWER COMPANY FOR )**  
**APPROVAL OF A SPECIAL CONTRACT TO ) NOTICE OF APPLICATION**  
**SUPPLY ELECTRICAL POWER TO HOKU )**  
**MATERIALS, INC. ) NOTICE OF**  
**) MODIFIED PROCEDURE**  
**)**  
**) ORDER NO. 30697**

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**NOTICE OF APPLICATION**

YOU ARE HEREBY NOTIFIED that on October 24, 2008, Idaho Power Company (“Idaho Power” or “Company”) filed an Application with the Commission seeking approval of a special contract to supply electrical power to Hoku Materials, Inc. (“Hoku”).

YOU ARE FURTHER NOTIFIED that Idaho Power and Hoku have entered into an Energy Sales Agreement (“ESA”) stipulating that Idaho Power would sell and Hoku would purchase in excess of 25,000 kW.

YOU ARE FURTHER NOTIFIED that Idaho Power has also agreed to construct, at Hoku’s expense, certain interconnection facilities necessary to enable delivery of electrical service to Hoku’s facilities.

YOU ARE FURTHER NOTIFIED that the ESA’s effective date is June 1, 2009 and its termination date is May 31, 2013.

YOU ARE FURTHER NOTIFIED that, under the terms of the ESA, Hoku’s demand will vary during the summer and non-summer seasons. Hoku’s peak monthly demand during the term of the ESA will not exceed 82 MW. The parties have agreed that Hoku’s scheduled load demand for the summer of 2012 is contingent upon Idaho Power’s ability to integrate “major transmission and generation projects” into its system.

YOU ARE FURTHER NOTIFIED that the parties have agreed to divide Hoku’s demand and energy requirements into two blocks for pricing purposes. The first block will be equivalent to the Company’s current Commission-approved avoided cost rates. The second block rates, 25 MW or more, are to be consistent with the Company’s approved Schedule 19-T rates.

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YOU ARE FURTHER NOTIFIED that Hoku is required to “take-or-pay” a certain amount of energy from Idaho Power every month but it is also allowed to “request a release of all or part of its first block energy purchase commitment.” Idaho Power states that it will make a commercially reasonable effort to absorb or resell the released energy and provide a credit to Hoku. The amount credited will depend upon the rate period during which the Company receives timely notice of Hoku’s request to release its energy demands as well as the Company’s ability to manage and supply commitments to serve Hoku’s load.

YOU ARE FURTHER NOTIFIED that if Hoku wishes to procure additional power during the summer rate period then Idaho Power is obligated to make the same commercially reasonable efforts to obtain proposals to supply Hoku’s additional energy request. Hoku will be responsible for the costs of these purchases and any associated transmission and ancillary service expense to transport such purchase to the Hoku facility. Hoku’s ability to expand its first block up to 175,000 kW will be contingent upon the Company’s ability to supply and deliver additional power.

YOU ARE FURTHER NOTIFIED that Idaho Power requests that the first block revenues and expenses be treated similarly to wholesale purchases and sales and thus not be included under the Company’s yearly Power Cost Adjustment (PCA).

#### **NOTICE OF MODIFIED PROCEDURE**

YOU ARE FURTHER NOTIFIED that the Commission has determined that the public interest may not require a formal hearing in this matter and will proceed under Modified Procedure pursuant to Rules 201 through 204 of the Commission’s Rules of Procedure, IDAPA 31.01.01.201-.204. The Commission notes that Modified Procedure and written comments have proven to be an effective means for obtaining public input and participation.

YOU ARE FURTHER NOTIFIED that any person desiring to state a position on this Application may file a written comment in support or opposition with the Commission within sixty (60) days from the service date of this Notice. The comment must contain a statement of reasons supporting the comment. Persons desiring a hearing must specifically request a hearing in their written comments. Written comments concerning this Application shall be mailed to the Commission and the Applicant at the addresses reflected below:

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

Street Address for Express Mail:

472 W. Washington Street  
Boise, ID 83702-5918

Lisa D. Nordstrom  
Barton L. Kline  
Idaho Power Company  
PO Box 70

Boise, Idaho 83707-0070

E-mail: [lnordstrom@idahopower.com](mailto:lnordstrom@idahopower.com)  
[bkline@idahopower.com](mailto:bkline@idahopower.com)

These comments should contain the case caption and case number shown on the first page of this document. Persons desiring to submit comments via e-mail may do so by accessing the Commission's home page located at [www.puc.idaho.gov](http://www.puc.idaho.gov). Click the "Comments and Questions" icon, and complete the comment form, using the case number as it appears on the front of this document. These comments must also be sent to Idaho Power at the e-mail addresses listed above.

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the time limit set, the Commission will consider this matter on its merits and enter its Order without a formal hearing. If written comments are received within the time limit set, the Commission will consider them and, in its discretion, may set the same for formal hearing.

YOU ARE FURTHER NOTIFIED that the Application has been filed with the Commission and is available for public inspection during regular business hours at the Commission offices. The Application is also available on the Commission's website at [www.puc.idaho.gov](http://www.puc.idaho.gov) and then clicking on the "File Room" and then "Electric Cases."

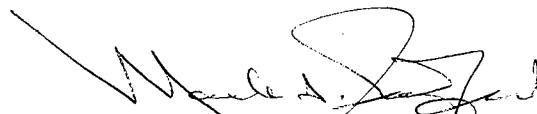
YOU ARE FURTHER NOTIFIED that all proceedings in this case will be held pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code and specifically *Idaho Code* §§ 61-524. The Commission may enter any final Order consistent with its authority under Title 61.

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

**ORDER**

IT IS HEREBY ORDERED that this Application will be processed under Modified Procedure. Persons interested in submitting written comments regarding this case or protesting the use of Modified Procedure should do so no later than 60 days from the service date of this Order.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 3<sup>rd</sup> day of December 2008.



MACK A. REDFORD, PRESIDENT

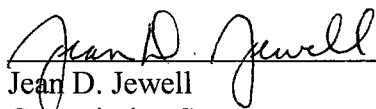


MARSHA H. SMITH, COMMISSIONER



JIM D. KEMPTON, COMMISSIONER

ATTEST:



Jean D. Jewell  
Commission Secretary

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