

DECISION MEMORANDUM

**TO: COMMISSIONER KEMPTON
COMMISSIONER SMITH
COMMISSIONER REDFORD
COMMISSION SECRETARY
COMMISSION STAFF**

**FROM: KRISTINE SASSER
DEPUTY ATTORNEY GENERAL**

DATE: JULY 24, 2009

**SUBJECT: IDAHO POWER'S APPLICATION FOR A TEMPORARY AMENDMENT
TO THE ENERGY SALES AGREEMENT WITH MICRON
TECHNOLOGY, CASE NO. IPC-E-09-17**

On June 15, 2009, Idaho Power Company filed an Application for a temporary amendment to its Energy Sales Agreement with Micron Technology. The proposed amendment requests (1) an extension of the previously approved temporary amendment to the Electric Service Agreement (ESA) between Micron and Idaho Power and (2) an updated Schedule 26A containing the temporary rates and charges for service to Micron.

THE APPLICATION

Idaho Power asserts that Micron is in the process of restructuring operations at its Boise facility. Micron's ESA with Idaho Power contains a monthly Contract Demand Charge that may reduce Micron's flexibility in managing its electric consumption during the restructuring period. On January 26, 2009, the Commission approved a temporary amendment to the ESA between the parties to be effective January 1, 2009, through June 30, 2009, at which time Schedule 26 rates were to recommence. Order No. 30721.

Idaho Power now requests that the ESA amendment be extended through December 31, 2009. Idaho Power further states that it has entered into a letter agreement with Micron that proposes to reduce the Contract Demand component from 85,000 kW to 75,000 kW for purposes of administering the Daily Excess Demand Charge. Idaho Power also proposes a modification to its Schedule 26A to reflect the change in the Daily Excess Demand Charge.¹

The proposed changes have been agreed to by both Idaho Power and Micron.

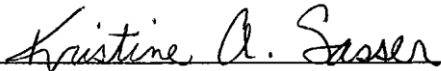
¹ The Daily Excess Demand Charge should have been adjusted when Schedule 26A was revised on February 1, 2009, following Idaho Power's general rate case. Order No. 30722.

STAFF RECOMMENDATION

Staff has reviewed the Application and recommends that the Application be approved without further process.

COMMISSION DECISION

1. Does the Commission find it appropriate to approve Idaho Power's Application for a temporary amendment to its Energy Sales Agreement with Micron without further process?



Kristine A. Sasser
Deputy Attorney General

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