

## DECISION MEMORANDUM

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

**FROM:** KRISTINE SASSER  
DEPUTY ATTORNEY GENERAL

**DATE:** DECEMBER 2, 2010

**SUBJECT:** IDAHO POWER'S APPLICATION FOR APPROVAL OF A FIRM  
ENERGY SALES AGREEMENT WITH J.M. MILLER ENTERPRISES,  
CASE NO. IPC-E-10-37

On November 15, 2010, Idaho Power Company filed an Application with the Commission requesting approval of a 10-year Firm Energy Sales Agreement ("Agreement") between Idaho Power and J.M. Miller Enterprises, Inc. (J.M. Miller) dated November 1, 2010. The Application states that J.M. Miller would sell and Idaho Power would purchase electric energy generated by the Sahko Hydro Project ("Facility") located near Filer, Idaho.

### THE AGREEMENT

The Application states that J.M. Miller is currently selling energy from this Facility to Idaho Power under a Schedule 86 non-firm agreement dated September 7, 2005, approved by the Commission in September 2005. Order No. 29874. Application at 2. The Agreement specifies that the existing agreement shall be terminated at the time the Facility achieves its Operation Date as specified within the presently submitted Agreement.

The Agreement is for a term of 10 years and contains the current non-levelized published avoided cost rates established by the Commission in Order No. 31025 for energy deliveries of less than 10 average megawatts ("aMW"). The nameplate rating of the Facility is 0.5 MW.<sup>1</sup> Interconnection for this Facility was completed in association with the existing Schedule 86. *Id.* at 4. Therefore, all applicable interconnection charges and monthly operation

---

<sup>1</sup> Although Idaho Power filed a Joint Petition with the Commission on November 5, 2010, seeking a reduction in the published avoided cost rate eligibility cap from 10 aMW to 100 kW, Idaho Power does not believe that this Agreement should be impacted by that filing. *Id.* at 2.

and maintenance charges have already been assessed and collected from J.M. Miller regarding this Facility.

As this Facility is already providing energy to Idaho Power under an existing Schedule 86 agreement, J.M. Miller selected a Scheduled Operation Date of 30 days past the date this Agreement is approved by the Commission. By its own terms, the Agreement will not become effective until the Commission has approved all of the Agreement's terms and conditions and declares that all payments made by Idaho Power to J.M. Miller for purchases of energy will be allowed as prudently incurred expenses for ratemaking purposes. Agreement ¶ 21.1.

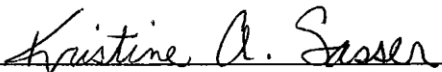
Idaho Power requests that its Application be processed by Modified Procedure pursuant to Commission Rules of Procedure 201-204. IDAPA 31.01.01.201-.204.

**STAFF RECOMMENDATION**

Staff recommends that the case be processed by Modified Procedure.

**COMMISSION DECISION**

Does the Commission wish to process this case under Modified Procedure?

  
\_\_\_\_\_  
Kristine A. Sasser  
Deputy Attorney General

M:IPC-E-10-37\_ks