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IDAHO POWER COMPANY
P.O. BOX 70
BOISE, IDAHO 83707

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BARTON L. KLINE
Counsel for Idaho Power

IDAHO PUBLIC UTILITIES COMMISSION September 18, 1996

M. Walters

Mrs. Myrna J. Walters
Secretary
Idaho Public Utilities Commission
P. O. Box 83720
Boise, Idaho 83720-0074

Re: Case No. IPC-E-95-15
Idaho Power Company's Amended Application

Dear Mrs. Walters:

Please find enclosed the original and seven (7) copies of the Company's Amended Application regarding the above-entitled matter.

Very truly yours,

Barton L. Kline
jb

Barton L. Kline

BLK:jb
Enclosures

BARTON L. KLINE
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(208) 388-2682

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IDAHO PUBLIC
UTILITIES COMMISSION

Attorney for Idaho Power Company

Street Address for Express Mail:

1221 West Idaho Street
Boise, Idaho 83702

FAX Telephone No.: (208) 388-6936

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF IDAHO POWER COMPANY FOR AN) CASE NO. IPC-E-95-15
ORDER REVISING THE RATES, TERMS)
AND CONDITIONS UNDER WHICH) AMENDED APPLICATION
IDAHO POWER PURCHASES NON-FIRM)
ENERGY FROM QUALIFYING FACILITIES.)
_____)

1. Procedural Background

On October 5, 1995, Idaho Power Company filed an Application to revise its tariff Schedule 86. Schedule 86 establishes the procedures and prices for purchases of non-firm energy from qualifying cogenerators and small power producers.

By Notice dated November 20, 1995, the Commission provided public notice of the Application.

On April 17, 1996 the Commission issued a Notice of Modified Procedure and solicited comments from interested parties. The bulk of the comments received by the

Commission were directed at Idaho Power's proposal to eliminate the "Option C" from Schedule 86. Option C provides a procedure whereby QF projects smaller than 100 kilowatts can offset all or a portion of their retail loads by use of their own generation while at the same time remaining interconnected to the Company for Supplemental and stand-by service.

Following the receipt of comments, the Commission held a decision meeting. Following that decision meeting, Idaho Power met informally with Commission Staff members to discuss the determinations reached by the Commission in their decision meeting and to attempt to formulate changes to tariff Schedule 86 to implement the Commission's determinations.

Based on its discussions with Commission Staff, Idaho Power has revised Schedule 86. A copy of the revised Schedule 86 is attached as Attachment 4.

2. Offset Against Retail Sales

The only change to Schedule 86 that drew comments from interested parties was the proposed elimination of "Option C," the offset against retail sales. In Attachment 4, the Company proposes to reinstate the retail offset option for smaller QF's taking retail service under Idaho Power's rate Schedules 1 and 7. In Attachment 4, the provision dealing with the "Offset Against Retail Sales," is now "Option B" in Paragraph 2 under the section entitled "Purchase Price." In the proposed "Option B," Idaho Power has included a monthly charge to allow the Company to recover certain non-generation related costs that would otherwise not be recovered from those customers that elect to sell energy under Option B. Because the vast majority of comments supporting offset against retail sales

were from persons or entities desiring to install photovoltaic generation, the proposed monthly charge under Option B is based on the generating characteristics of a photovoltaic generating facility.

If in the future a Seller desires to install generating facilities utilizing a generating technology other than photovoltaic and desires to sell the output of its QF under Option B, Idaho Power will develop a similar monthly charge consistent with that generating technology's characteristics.

Idaho Power's Rate Schedules 1 and 7 do not have a demand component. By limiting Option B to Sellers receiving retail service under Rate Schedules 1 and 7, the proposed Option B avoids the cost associated with the installation of a second meter to record generation separate from consumption. Option B as proposed also allows the Company to utilize its existing computerized customer accounting and billing procedures thereby avoiding individual hand processing of each monthly bill for each Seller that elects to sell under Option B.

NOW, THEREFORE, Idaho Power respectfully requests that the Commission issue its Order:

1. Approving the proposed revisions to Schedule 86 in accordance with the Sheet Nos. 86-1 through 86-6 shown on Attachment 4. Upon approval of the revisions, the Company will file final tariff sheets showing the required effective date.
2. Authorizing Idaho Power to file the computation and supporting documentation for the monthly Avoided Energy Cost computation with the Commission on a semi-annual rather than monthly basis.

Respectfully submitted this 18th day of September, 1996.



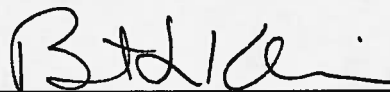
BARTON L. KLINE

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 18th day of September, 1996, I served a true and correct copy of the within and foregoing AMENDED APPLICATION upon the following parties of record by the method indicated below, and addressed to the following:

Brad Purdy
Deputy Attorney General
Idaho Public Utilities Commission
472 West Washington Street
P. O. Box 83720
Boise, Idaho 83720-0074

Hand Deliver
 U.S. Mail
 Overnight Mail
 Facsimile



BARTON L. KLINE

SCHEDULE 86
COGENERATION AND SMALL POWER
PRODUCTION
NON-FIRM ENERGY

AVAILABILITY

Service under this schedule is available in the Company's service territory in the State of Idaho.

APPLICABILITY

Service under this schedule is applicable to any Seller who owns or operates a Qualifying Facility and desires to sell Energy to the Company on a non-firm, if, as, and when available basis.

DEFINITIONS

Avoided Energy Cost is the monthly average per kWh cost of the energy used to serve the Company's marginal 200 MW of firm load.

Cogeneration Facility means equipment used to produce electric energy and forms of useful thermal energy (such as heat or steam), used for industrial, commercial, heating, or cooling purposes, through the sequential use of energy.

Designated Dispatch Facility is the Company's Boise Bench Dispatch Center.

Energy means the non-firm electric energy, expressed in kWh generated by the Qualifying Facility and delivered by Seller to the Company in accordance with the conditions of this schedule. Energy is measured net of Losses and Station Use.

Interconnection Facilities are all facilities reasonably required by Prudent Electrical Practices and the National Electric Safety Code to interconnect and safely deliver Energy from the Qualifying Facility to the Company's system, including, but not limited to, connection, transformation, switching, metering, relaying, communications, disconnection, and safety equipment.

Losses are the loss of electric energy occurring as a result of the transformation and transmission of electric energy from the Qualifying Facility to the Point of Delivery.

Point of Delivery is the location where the Company's and the Seller's electrical facilities are inter-connected.

Prudent Electrical Practices are those practices, methods and equipment that are commonly used in prudent electrical engineering and operations to operate electric equipment lawfully and with safety, dependability, efficiency and economy.

PURPA means the Public Utility Regulatory Policies Act of 1978.

Qualifying Facility is a cogeneration facility or a small power production facility which meets the PURPA criteria for qualification set forth in Subpart B of Part 292, Subchapter K, Chapter I, Title 18, of the Code of Federal Regulations.

Schedule 72 is the Company's service schedule which provides for Interconnection to Non-Utility Generation or its successor schedule(s) as approved by the Commission.

Seller is any entity that owns or operates a Qualifying Facility and desires to sell Energy to the Company.

Standby Power is electrical energy or capacity supplied by the Company during an unscheduled outage of a Qualifying Facility to replace energy consumed by the seller which is ordinarily supplied by the Seller's Qualifying Facility.

SCHEDULE 86
COGENERATION AND SMALL POWER
PRODUCTION
NON-FIRM ENERGY
(Continued)

DEFINITIONS (Continued)

Station Use is electric energy used to operate the Qualifying Facility which is auxiliary to or directly related to the generation of electricity and which, but for the generation of electricity, would not be consumed by the Seller.

Supplementary Power is electric energy or capacity supplied by the Company which is regularly used by a Seller in addition to the Energy and Capacity which the Qualifying Facility usually supplies to the Seller.

PURCHASE PRICE

1. Option A - Under this option, The Company will pay the Seller monthly, for each kWh of Energy delivered and accepted at the Point of Delivery during the preceding calendar month, an amount equal to the Avoided Energy Cost per kWh for that month. The Avoided Energy Cost will be determined at the end of each calendar month, and will be filed with the Commission on a semi-annual basis.

2. Option B - Offset Against Retail Sales - Rate Schedules 1 and 7 Only - Facilities Under 100 kW Only Where such an arrangement can be established in accordance with Prudent Electrical Practices, the Company will offset Energy supplied by the Seller against the Company's retail sales of electric energy to the Seller under Rate Schedules 1 and 7.

A. To allow the Company to recover certain non-generation costs, the Company will compute a charge to be added to the Seller's monthly retail billing. That additional charge (Monthly Charge) will be computed as follows:

For PhotoVoltaic (PV) Generation Facilities

Monthly Charge = Net PhotoVoltaic Charge (NPVC) = PVO * (CCER - PVCR)

Where:

Definitions

AEC means monthly Avoided Energy Costs (computed on a five year rolling average basis)

AHS means monthly Average Hours of Sunlight

PVCR means PhotoVoltaic Credit Rate

PVO means PhotoVoltaic Output (a 1000 watt solar unit with a 25% capacity factor has a PVO of 0.25 kW)

CER means Customer Energy Rate (from rate class schedule)

CCER means Converted Customer Energy Rate in mills per kilowatt

NPVC means Net PhotoVoltaic Charge

Equations

PVCR = Average of (AEC * AHS) (units are mills per kilowatt)

CCER = Average of (CER * AHS) (units are mills per kilowatt)

NPVC = PVO * (CCER - PVCR)

Seller will provide Company with the expected PVO for Seller's PV facility. Upon request, Seller will provide data to support the expected PVO.

B. The methodology for determining the Monthly Charge for generation technologies other than PV will be determined as required.

SCHEDULE 86
COGENERATION AND SMALL POWER
PRODUCTION
NON-FIRM ENERGY
(Continued)

CONDITIONS OF PURCHASE AND SALE

The conditions listed below shall apply to all transactions under this schedule.

1. The Company shall purchase Energy from any Seller that offers to sell Energy to the Company.
2. As a condition of interconnection with the Company, the Seller shall:
 - A. Submit proof to the Company that all licenses, permits, or approvals necessary for the Seller's operations under this schedule have been obtained from applicable Federal, State, or local authorities.
 - B. Make payment to the Company in accordance with Schedule 72.
 - C. Obtain written acceptance from the Company as provided in paragraph 5.
 - D. Submit proof to the Company of all insurance required by paragraph 16.
 - E. Demonstrate to the Company's satisfaction that the Seller's Qualifying Facility has been completed, and that all features and equipment of the Qualifying Facility are capable of operating safely to commence deliveries of Energy into the Company's system.
 - F. Submit to the Company a certification from a professional engineer licensed in the State of Idaho stating that the design of and equipment in the Qualifying Facility and Seller-furnished Interconnection Facilities (1) comply with the standards of this schedule and applicable electric and building codes and (2) will operate to safely deliver Energy to the Point of Delivery.
 - G. Obtain written confirmation from the Company that all conditions to interconnection have been fulfilled. Such confirmation shall not be unreasonably withheld by the Company.
3. The Seller and the Company shall each indemnify the other, their respective officers, agents, and employees against all loss, damage, expense, and liability to third persons for injury to or death of person or injury to property, proximately caused by the indemnifying party's construction, ownership, operation or maintenance of, or by failure of, any of such party's works or facilities used in connection with purchases under this schedule. The indemnifying party shall, on the other party's request, defend any suit asserting a claim covered by this indemnity. The indemnifying party shall pay all costs that may be incurred by the other party in enforcing this indemnity.
4. The Company shall offer to provide Standby Power and Supplementary Power to the Seller. Charges for Supplementary and Standby Power will be in accordance with the Company's Schedule 7 as that schedule is modified from time to time by the Commission.
5. Construction and operation of Interconnection Facilities will be in accordance with Schedule 72. To assure that the Qualifying Facility and Seller-furnished Interconnection Facilities are compatible with the Company's system, the Seller shall submit the designs, plans, specifications, and performance data for the Qualifying Facility and Seller-furnished Interconnection Facilities to the Company for review. The Company's acceptance shall not be construed as confirming or endorsing the design, or as a warranty of safety, durability, or reliability of the qualifying Interconnection Facility or Seller Furnished Interconnection Facilities.

**SCHEDULE 86
COGENERATION AND SMALL POWER
PRODUCTION
NON-FIRM ENERGY
(Continued)**

CONDITIONS OF PURCHASE AND SALE (Continued)

5. Construction and operation of Interconnection Facilities will be in accordance with Schedule 72. To assure that the Qualifying Facility and Seller-furnished Interconnection Facilities are compatible with the Company's system, the Seller shall submit the designs, plans, specifications and performance data for the Qualifying Facility and Seller-furnished Interconnection Facilities to the Company for review. The Company's acceptance shall not be construed as confirming or endorsing the design, or as a warranty of safety, durability, or reliability of the Qualifying Interconnection Facility or Seller Furnished Interconnection Facilities.

6. The Company will establish the settings of disconnection equipment to disconnect the Qualifying Facility for the protection of the Company's system and personnel consistent with Prudent Electrical Practices. Except as otherwise required by Prudent Electrical Practices, disconnection equipment will be designed so that the closure of any breaker or other disconnecting device which connects the Qualifying Facility to the Company's system shall be controlled by equipment which will perform the following:

- A. Automatically monitor the status of the electrical system on the Company's side of the disconnecting device; as to voltage and frequency; and
- B. Prohibit closure or reconnection until voltage and frequency have been within approved limits for a continuous period of not less than 5 minutes; and
- C. Operate so that if the Company's system is de-energized within 10 seconds after the initial closure of the disconnecting device, the disconnecting device will immediately open and not close again until the Company has been satisfied that the Company can safely reclose the disconnecting equipment.

If the Seller attempts to modify, adjust or otherwise interfere with the disconnection equipment or its settings as established by the Company, such action may be grounds for the Company's refusal to continue purchases from the Seller under this schedule.

7. The Company shall procure, install, own, and maintain metering equipment to record power flows to the Company. All acquisition, installation, maintenance, inspection and testing costs relating to meters installed to measure the Seller's generation shall be borne by the Seller. Any metering costs incurred by the Company for load research or other purposes shall be borne by the Company.

8. Metering will be provided for recording net output of the Qualifying Facility and will be separate from metering of the Seller's load.

9. The Seller shall use its best efforts to minimize voltage swings and to maintain voltage levels acceptable to the Company.

10. The Seller shall maintain the Qualifying Facility or such other location mutually acceptable to the Company and the Seller, adequate metering and related power production records, in a form and content recommended by the Company.

**SCHEDULE 86
COGENERATION AND SMALL POWER
PRODUCTION
NON-FIRM ENERGY
(Continued)**

CONDITION OF PURCHASE AND SALE (Continued)

Either the Seller or the Company after reasonable notice to the other party, shall have the right, during normal business hours, to inspect and audit any or all such metering and related power production records pertaining to the Seller's account.

11. If, in the reasonable opinion of the Company, the Seller's operation of the Qualifying Facility or Interconnection Facilities is unsafe or may otherwise adversely affect the Company's equipment, personnel, or service to its customers, the Company may physically interrupt the flow of Energy from the Qualifying Facility or take such other reasonable steps as the Company deems appropriate. The Seller shall provide and maintain adequate protective equipment sufficient to prevent damage to the Qualifying Facility and Seller-Furnished Facilities.

12. During a period of shortage of energy on the Company's system, the Seller shall, at the Company's request and within the limits of reasonable safety requirements as determined by the Seller, use its best efforts to provide requested Energy, and shall, if necessary, delay any scheduled shutdown of the Qualifying Facility.

13. The Company and the Seller shall maintain appropriate operating communications through the Designated Dispatch Facility.

14. The Company shall not be obligated to accept, and the Company may require the Seller to curtail, interrupt or reduce deliveries of Energy if the Company, consistent with Prudent Electrical Practices, determines that curtailment, interruption or reduction is necessary because of line construction or maintenance requirements, emergencies, or other critical operating conditions on its system.

15. If the Company is required by the Commission to institute curtailment of deliveries of electricity to its Customers, the Company may require the Seller to curtail its consumption of electricity in the same manner and to the same degree as other Customers within the same Customer class who do not own Facilities.

16. The Seller shall secure and continuously carry liability insurance coverage for both bodily injury and property damage liability in the amount of not less than \$1,000,000 each occurrence combined single limit.

Such insurance shall include an endorsement naming the Company as an additional insured insofar as liability arising out of operations under this schedule and a provision that such liability policies shall not be canceled or their limits of liability reduced without 30 days' written notice to the Company. The Seller shall furnish the Company with certificates of insurance together with the endorsements required herein. The Company shall have the right to inspect the original policies of such insurance.

17. The Seller will grant to the Company all necessary rights of way and easements to install, operate, maintain, replace, and remove the Company's metering and other Interconnection Facilities including adequate and continuing access rights to the property of the Seller. The Seller warrants that it has procured sufficient easements and rights of way from third parties as are necessary to provide the Company with the access described above. The Seller will execute such other grants, deeds, or documents as the Company may require to enable it to record such rights of way and easements.

18. Depending on the size and location of the Seller's Qualifying Facility, it may be necessary for the Company to establish additional requirements for operation of the Qualifying Facility. These requirements may include, but are not limited to, voltage, reactive, or operating requirements.

IDAHO POWER COMPANY
SCHEDULE 86
UNIFORM AGREEMENT

For the Purchase of Non-Firm Energy From Qualifying Facilities

THIS AGREEMENT Made this _____ day of _____, 19 _____,
between _____ whose mailing address is _____
_____ hereinafter called Seller and IDAHO POWER COMPANY,
a corporation with its principal office located at 1221 West Idaho Street, Boise, Idaho hereinafter called "Company".

NOW, THEREFORE, The parties agree as follows:

1. Company shall purchase Energy produced by the Seller's Qualifying Facility located at or near _____, County of _____, State of Idaho, located in the _____ of Section _____, Township _____, Range _____, BM, in the form of three phase 60 Hz and at a nominal phase to phase potential of _____ volts, subject to emergency operating conditions of the Company. Purchases under this Agreement are subject to the Company's applicable Tariff provisions, including but not limited to Schedules 86 and 72 approved by and as may be hereafter modified by the Idaho Public Utilities Commission ("Commission") and the provisions of this Agreement.
2. Seller shall pay Company for all costs of Interconnection Facilities as provided for in Exhibit A of this Agreement and Schedule 72.
3. In addition to the charges provided under Paragraph 2, Seller shall pay to the Company the monthly Operation & Maintenance Charge specified in Schedule 72 on the investment by the Company in Interconnection Facilities which investment is set forth in Exhibit A, attached hereto and made a part hereof. As such investment changes, in order to provide facilities to serve Sellers's requirements, Company shall notify Seller in writing of additions or deletions of facilities by forwarding a dated revised Exhibit A, which shall become part of this Agreement. The monthly Operation & Maintenance Charge will be adjusted to correspond to the Revised Exhibit A.
4. The initial date of acceptance of Energy under this Agreement is subject to the Company's ability to obtain required labor, materials, equipment, satisfactory rights of way, and comply with governmental regulations.
5. The term of this Agreement shall become effective on the date first above written, and shall continue to full force and effect until canceled by Seller upon sixty (60) days prior written notice.
6. This Agreement and the rates, terms, and conditions of service set forth or incorporated herein, and the respective rights and obligations of the parties hereunder, shall be subject to valid laws and to the regulatory authority and orders, rules, and regulations of the Commission and such other administrative bodies having jurisdiction.
7. Nothing herein shall be construed as limiting the Commission from changing any rates, charges, classification or service, or any rules, regulation or conditions relating to service under this Agreement, or construed as affecting the right of the Company or the Seller to unilaterally make application to the Commission for any such change.
8. This Agreement shall not become effective until the Commission approves all terms and provisions hereof without change or condition and declares that all payments to be made hereunder shall be allowed as prudently incurred expenses for ratemaking purposes.

(APPROPRIATE SIGNATURES)

IDAHO
Issued -
Effective -

Issued by IDAHO POWER COMPANY
D. H. Jackson, Vice President, Retail Services
1221 West Idaho Street, Boise, Idaho