

October 21, 2005

VIA EMAIL AND US MAIL

Filing Center
Oregon Public Utility Commission
550 Capitol Street NE #215
PO Box 2148
Salem, OR 97308-2148

Re: Idaho Power's Application re: Purchase of Fuel Cell System

Dear Sir or Madam:

Enclosed for filing in the above-named docket is the original and three copies of Idaho Power Company's Application Regarding the Purchase of a Fuel Cell System from IdaTech, LLC. Please contact me with any questions.

Very truly yours,



Jessica A. Gorham

Enclosure

1 **BEFORE THE PUBLIC UTILITY COMMISSION**
2 **OF OREGON**

3 **UF _____**

4 IN THE MATTER OF THE APPLICATION
5 OF IDAHO POWER COMPANY
6 REGARDING THE PURCHASE OF A FUEL
7 CELL SYSTEM FROM IDATECH, LLC

APPLICATION

8 Pursuant to ORS Section 757.495 and in accordance with OAR 860-27-0040, Idaho
9 Power Company ("Idaho Power"), hereby applies to the Public Utility Commission of Oregon
10 (the "Commission") for an Order determining that Idaho Power's agreement to purchase a fuel
11 cell system from IdaTech, LLC as described herein (the "Purchase Agreement") is "fair and
12 reasonable, and not contrary to the public interest", and that the "expenses and capital
13 expenditures incurred by Idaho Power under the Purchase Agreement may be recognized in any
14 rate valuation or other hearing or proceeding", all as provided in ORS Section 757.495.

15 The Application of Idaho Power Company respectfully alleges:

16 (a) The exact name of applicant and the address of its principal business office are:
17 Idaho Power Company, 1221 W. Idaho Street, P.O. Box 70, Boise, Idaho 83707-0070. Idaho
18 Power is an electric public utility engaged principally in the generation, purchase, transmission,
19 distribution and sale of electric energy in an approximately 24,000 square mile area in southern
20 Idaho and in the counties of Baker, Malheur and Harney in eastern Oregon.

21 (b) The names and addresses of the persons authorized on behalf of Idaho Power to
22 receive notices, inquiries and communications in respect to this Application are:

23 Lori D. Smith
24 Vice President and Chief Risk Officer
25 Idaho Power Company
26 P.O. Box 70
Boise, ID 83707

Patrick A. Harrington
Attorney
Idaho Power Company
P.O. Box 70
Boise, ID 83707

1 (c) IdaTech is an Oregon limited liability company engaged in the research, design,
2 development, production and sale of fuel cell systems and fuel cell related technologies.
3 IdaTech is owned approximately 90% by IDACORP Technologies, Inc., an Idaho corporation
4 (“ITI”), and ITI is also the managing member of IdaTech. ITI is a wholly-owned subsidiary of
5 IDACORP, Inc., an Idaho corporation (“IDACORP”). IDACORP is an exempt public utility
6 holding company under the Public Utility Holding Company Act of 1935. IDACORP was
7 formed in 1998 and is the parent company of Idaho Power. The Commission approved the Share
8 Exchange Agreement under which IDACORP acquired the common stock of Idaho Power, in
9 UM 877, Order No. 98-056, entered February 17, 1998.

10 (d) IDACORP owns all of the outstanding shares of Idaho Power common stock.

11 (e) None of the officers of IdaTech are officers or directors of Idaho Power. None of
12 the limited liability company members of IdaTech are officers or directors of Idaho Power.
13 IdaTech does not have a board of directors.

14 (f) No officer or director of IdaTech or Idaho Power is a party to the Purchase
15 Agreement.

16 (g) Under the Purchase Agreement, Idaho Power and Intermountain Gas Company
17 (“Intermountain Gas”) have jointly purchased a combined heat and power EtaGen5 fuel cell
18 system (the “Fuel Cell”) from IdaTech. Intermountain Gas is the local distribution company for
19 natural gas in southern Idaho. IdaTech's cost of the Fuel Cell (including warranty) is ***[see
20 Confidential Exhibit A]*** and the market value/ purchase price of the Fuel Cell is \$149,815.
21 Intermountain Gas has paid approximately \$75,000 toward the purchase price of the Fuel Cell.
22 The Fuel Cell will be prominently displayed by Idaho Power and Intermountain Gas at the
23 Foothills Environmental Learning Center in Boise, Idaho, to demonstrate the environmental
24 benefits of the Fuel Cell.

25 (h) Idaho Power does not anticipate any future payments for the Fuel Cell beyond the
26 purchase price referenced in (g) above.

1 (i) Idaho Power believes that the purchase and display of the Fuel Cell offer an
2 excellent opportunity to demonstrate the environmental benefits of fuel cell technology. The
3 Fuel Cell operates on natural gas, which is converted to hydrogen and pure water in the process
4 of producing electricity. The Fuel Cell operates very quietly and produces no pollution. Idaho
5 Power believes that the Fuel Cell display will be beneficial to its utility customers and the
6 general public by increasing public awareness of the environmentally superior fuel cell
7 technology.

8 (j) IdaTech is a world-wide leader in fuel cell technology with a state of the art
9 production facility in Bend, Oregon. IdaTech's fuel cell products are among the most advanced
10 in the industry and are very competitively priced. Idaho Power believes that utilizing
11 competitive bidding for the Fuel Cell purchase would bring no benefits in terms of the
12 performance level or pricing of the Fuel Cell. Furthermore, Idaho Power's purchase of the Fuel
13 Cell jointly with Intermountain Gas will reduce the cost of the purchase for Idaho Power, and
14 will enhance public knowledge and understanding of the benefits of fuel cell technology.

15 (k) Not applicable.

16 (l) A copy of the Purchase Agreement is attached hereto as Exhibit B.

17 (m) No resolutions of the directors or shareholders of Idaho Power are necessary for
18 Idaho Power's purchase of the Fuel Cell.

19 WHEREFORE, Idaho Power Company requests that the Commission issue its Order
20 determining that Idaho Power's purchase of the Fuel Cell under the Purchase Agreement as
21 described herein is "fair and reasonable, and not contrary to the public interest", and that the
22 "expenses and capital expenditures incurred by Idaho Power under the Purchase Agreement may
23 be recognized in any rate valuation or other hearing or proceeding", all as provided in ORS
24 Section 757.495.
25
26

1 DATED this 21st day of October, 2005.

2
3
4 ATER WYNNE, LLP

5
6 /s/ Lisa F. Rackner

7 Lisa Rackner

8 Ater Wynne, LLP

9 222 SW Columbia, Suite 1800

10 Portland, OR 97201

11 Telephone: (503) 226-8693

12 FAX: (503) 226-0079

13 E-mail: lfr@aterwynne.com

14 IDAHO POWER COMPANY

15 Patrick A. Harrington – Attorney

16 Lori D. Smith – Vice President and Chief Risk
17 Officer

18 Idaho Power Company

19 P.O. Box 70

20 Boise, ID 83707-0070

21 Telephone: (208) 388-2878

22 FAX: (208) 388-6936

23 E-mail: pharrington@idahopower.com

IDAHO POWER COMPANY
PURCHASE ORDER

Purchase Order : 00076608
Revision :
Release :
Printed : 12/30/04
Page : 1

IDATECH, LLC
63160 BRITTA ST., STE E100
BEND OR 97701

IPCO Authorized Representative:
SHEILA K. MADER
Title: PROCUREMENT AGENT
Phone: (208) 388-5273 Ext:
Fax : (208) 388-6926

Attn: Ken Pearson

**** ~~DUPLICATE COPY~~ ****

Bill to: Idaho Power Co. ATTN: Accts Payable P.O. Box 70 Boise ID 83707

FREIGHT TRANSPORTATION INFORMATION:

(The following is pertinent unless listed differently at the PO line level)

To arrange Freight Transportation contact:	Meridian IQ at 1-800-893-6342
Freight Billing Information:	Meridian IQ / Idaho Power Co.
	P.O. Box 550
	Greenwood IN 46142

Route all shipments as follows:

Up to 150 lbs. total weight	UPS "COLLECT" Acct 00005X29X4
Over 150 lbs. and under 7000 lbs.	Call Meridian IQ
Over 7000 lbs. OR	
More than 10 ft. of trailer space OR	
Expedites	Call Meridian IQ
Air Express under 70 lbs. total weight	FED EX "COLLECT" Acct 1019-3906-5
Air Cargo 70 lbs. and over	Call Meridian IQ
Drop shipments	Call Meridian IQ AND
	Idaho Power Company MUST appear
	on Bill of Lading

When shipping "INBOUND COLLECT" the following must appear on Bill of Lading:

Idaho Power Company Purchase Order Number AND mark Bill of Lading "COLLECT"

Primary Ship To: CHQ WAREHOUSE
1221 West Idaho Street
Delivery Entrance
Boise ID 83702

Attention : Receiving: (208) 388-2487

IDAHO POWER COMPANY

PURCHASE ORDER

Purchase Order : 00076608
 Revision :
 Release :
 Printed : 12/30/04
 Page : 2

Instructions & Notes
 Reference Proposal O6UJ9A00005W

Line	Qty	UP	Item Description	Unit Price	Extension
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0001	1	EA	Catalog ID: 0000045289	0	\$149,815.000000	\$149,815.00
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TAXABLE

Qty: 1 Delivery Date: 08/31/04

CELL, FUEL, NGEN 5 INTEGRATED (CHP)
 FUEL CELL SYSTEM
 Fuel: Natural Gas (7.5.27.5 mbarg),
 <40 sLm Natural Gas at full rated
 output
 Water Supply, <3 micro Siemens, no
 dissolved solids, (6.0 L/hr de-ionized
 water at full rated output)
 Sound Level: <60 dB @ 1 meter
 Dimensions (LxWxH): 99x75x174 cm; 39"x
 29.5"x68.5"
 Weight (approximate): 360 kg: 795 lbs.
 Temperature Range: 2 to 40' C
 Exhaust Temperature: <50' C
 Ventilation Requirement: Must be vented
 outdoors
 Operating States: On-Idle-Off
 Electrical Specifications:
 Electrical: 0.8 kWe (Net min)
 4.6 kWe (Net max)
 Thermal: 6.0 kWt (net) based on 40'
 C inlet water temperature
 Nominal Output Voltage: 240 VAC @60 Hz
 Electrical Output Turn Down Ratio: 6:1
 Documentation and manuals including
 system verification and Factory
 Acceptance Testing (FAT) at Idatech.
 Installation and SAT (Site Acceptance
 Test) services, not to exceed eight
 (8) days on-site at the Customer's
 facility. This includes labor, travel,
 and living expenses.
 Remote Monitoring for one (1) nGen 5
 Fuel Cell System; Project and Data
 Management for one (1) year. Spare
 Parts package for one (1) nGen 5 Fuel
 Cell System includes consumable parts
 and parts for maintenance and operation
 of the Fuel Cell System for 2500 hours

IDAHO POWER COMPANY
PURCHASE ORDER

Purchase Order : 00076608
Revision :
Release :
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of operation.

Mfr/Vendor: IDATECH, LLC
Model : NGEN 5
Part :

Purchase Order Total Amount

TOTAL THIS PO: \$149,815.00

THIS TRANSACTION IS GOVERNED BY THE IDAHO POWER COMPANY
GENERAL TERMS AND CONDITIONS / GOODS AND SERVICES.
SUPPLIER ACKNOWLEDGES THAT IT HAS RECEIVED AND REVIEWED
THESE TERMS AND CONDITIONS WHICH ARE VIEWABLE AT:

www.idahopower.com

AUTHORIZED SIGNATURE

* * * End of Purchase Order * * *