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John A. Rosholt, ISB No. 1037  
Travis L. Thompson, ISB No. 6168  
Shelley M. Davis, Bar. No. 6788  
BARKER ROSHOLT & SIMPSON LLP  
1010 W. Jefferson St., Ste. 102  
P.O. Box 2139  
Boise, ID 83701-2139  
Telephone: (208) 336-0700  
Facsimile: (208) 344-6034

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IDAHO PUBLIC  
UTILITIES COMMISSION

Attorneys for North Side Canal Company and Twin Falls Canal Company

**BEFORE THE**

**IDAHO PUBLIC UTILITIES COMMISSION**

IN THE MATTER OF THE JOINT	)	CASE NO. GNR-E-10-04
PETITION OF IDAHO POWER CO.,	)	
AVISTA CORPORATION, AND	)	REPLY COMMENTS
ROCKY MOUNTAIN POWER TO	)	OF THE TWIN FALLS AND NORTH
ADDRESS AVOIDED COST ISSUES	)	SIDE CANAL COMPANIES
AND JOINT MOTION TO ADJUST THE	)	
PUBLISHED AVOIDED COST RATE	)	
ELIGIBILITY CAP.	)	
_____	)	

COME NOW, the Intervenors, North Side Canal Company, and Twin Falls Canal Company, by and through their counsel, Barker Rosholt & Simpson, LLP, and herby submit these reply comments in the above entitled matter. These comments are submitted in response to certain "Long-term Alternatives" postulated in the Comments of the Commission Staff filed on or about December 22, 2010.

**REPLY DISCUSSION**

The Canal Companies support the recommendation of the Commission Staff that the interim reduction in the rate eligibility cap be limited to only wind QFs. The Staff determination that the immediate problem that the Utilities seek to address concerning the disaggregation of

wind projects that exceed 10 MW in order to be eligible for published rates, and that limiting the immediate relief sought is permitted by FERC's PURPA implementation rules (18 C.F.R. 292.304(c)(3)(ii)) is appropriate.

However, the proposed long-term alternatives discussed in the Comments of the Commission Staff were not anticipated by the Intervenor to be raised at this stage in the proceedings. The Notice of Joint Petition issued by the IPUC on December 3, 2010, sought comments limited to three areas of inquiry, "(1) the advisability of reducing the published avoided costs eligibility cap; (2) if the eligibility cap is reduced, the appropriateness of exempting non-wind QF projects from the reduced eligibility cap; and (3) the consequences of dividing the larger wind projects into 10 aMW projects to utilize the published rate." While the Canal Companies understand that this matter is proceeding under modified procedure, it is imperative that the intervenors have a full and fair opportunity to participate as the proposed long-term alternatives are considered by the Utilities and the IPUC.

In particular, the Canal Companies oppose an initiative to limit the eligibility for published rates to projects that are geographically located at least 5 miles apart. Small conduit hydropower projects, which are located on irrigation systems, may in some instances be located within 5 miles of one another and a prohibition on the eligibility for published rates concerning such projects would be arbitrary and capricious.

Additionally, the Canal Companies seek to participate in any discussion concerning contract requirements that affect ownership of Renewable Energy Credits.

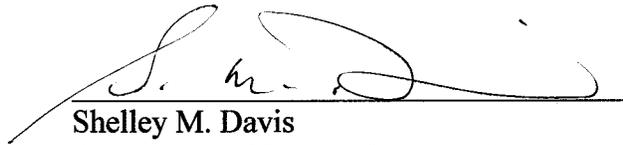
### **CONCLUSION**

The Canal Companies support the staff recommendation that the immediate relief sought by the Utilities to lower the rate eligibility be applied only to wind QFs. Further, the Canal

Companies request an opportunity to participate in any additional discussion and formal proceedings relating to the long-term alternatives proposed by the Commission Staff.

Dated this 19<sup>th</sup> day January, 2011.

**BARKER ROSHOLT & SIMPSON LLP**

A handwritten signature in black ink, appearing to read "S. M. Davis", is written over a horizontal line.

**Shelley M. Davis**  
**Attorneys for North Side Canal Company and**  
**Twin Falls Canal Company**

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on the 19<sup>th</sup> day of January, 2011, a true and correct copy of the foregoing ***REPLY COMMENTS OF THE TWIN FALLS AND NORTH SIDE CANAL COMPANIES*** was served upon the following by the method indication below.

Original and Seven Copies to via Hand Delivery:

Jean Jewell  
Commission Secretary  
Idaho Public Utilities Commission  
472 W. Washington St.  
Boise, ID 83702  
[Jean.Jewell@puc.idaho.gov](mailto:Jean.Jewell@puc.idaho.gov)

Served by Electronic Mail Upon the Following:

Donovan E. Walker  
Lisa Nordstrom  
Idaho Power Company  
1221 W. Idaho St.  
Boise, ID 83707-0070  
[dwalker@idahopower.com](mailto:dwalker@idahopower.com)  
[lnordstrom@idahopower.com](mailto:lnordstrom@idahopower.com)

Daniel E. Solander  
Rocky Mountain Power  
201 South Main  
Salt Lake City, UT 84111  
[daniel.solander@pacificcorp.com](mailto:daniel.solander@pacificcorp.com)

Michael G. Andrea  
Avista Corporation  
1411 E. Mission Ave. – MSC-23  
Spokane, WA 99202  
[michael.andrea@avistacorp.com](mailto:michael.andrea@avistacorp.com)

Donald L. Howell, II  
Kristine A. Sasser  
Deputy Attorneys General  
Idaho Public Utilities Commission  
472 W. Washington  
P.O. Box 83720  
Boise, ID 83720-0074  
[don.howell@puc.idaho.gov](mailto:don.howell@puc.idaho.gov)  
[kris.sasser@puc.idaho.gov](mailto:kris.sasser@puc.idaho.gov)

Peter J. Richardson  
Gregory M. Adams  
Richardson & O’Leary, PLLC  
P.O. Box 7218  
Boise, ID 83702  
[peter@richardsonandoleary.com](mailto:peter@richardsonandoleary.com)  
[greg@richardsonandoleary.com](mailto:greg@richardsonandoleary.com)

Robert D. Kahn  
Executive Director  
Northwest and Intermountain Power  
Producers Coalition  
117 Minor Ave., Suite 300  
Seattle, WA 98101  
[rkahn@nippc.org](mailto:rkahn@nippc.org)

Don Sturtevant  
Energy Director  
J.R. Simplot Company  
P.O. Box 27  
Boise, ID 83707-0027  
[don.sturtevant@simplot.com](mailto:don.sturtevant@simplot.com)

Robert A. Paul  
Grand View Solar II  
15690 Vista Circle  
Desert Hot Springs, CA 92241  
[Robertapaul08@gmail.com](mailto:Robertapaul08@gmail.com)

James Carkulis  
Managing Member  
Exergy Development Group of Idaho, LLC  
802 W. Bannock St., Suite 1200  
Boise, ID 83702  
[jcarkulis@exergydevelopment.com](mailto:jcarkulis@exergydevelopment.com)

Ronald L. Williams  
Williams Bradbury, P.C.  
1015 W. Hays Street  
Boise, ID 83702  
[ron@williamsbradbury.com](mailto:ron@williamsbradbury.com)

Scott Montgomery  
President  
Cedar Creek Wind, LLC  
668 Rockwood Dr.  
North Salt Lake, UT 84054  
[scott@westernenergy.us](mailto:scott@westernenergy.us)

Dana Zentz  
Vice President  
Summit Power Group, Inc.  
2006 E. Westminster  
Spokane, WA 99223  
[dzentz@summitpower.com](mailto:dzentz@summitpower.com)

Thomas H. Nelson  
P.O. Box 1211  
Welches, OR 97067-1211  
[nelson@thnelson.com](mailto:nelson@thnelson.com)

John R. Lowe  
Consultant to Renewable Energy Coalition  
12050 SW Tremont St.  
Portland, OR 97225  
[jravensanmarcos@yahoo.com](mailto:jravensanmarcos@yahoo.com)

R. Greg Ferney  
Mimura Law Offices, PLLC  
2176 E. Franklin Rd., Suite 120  
Meridian, ID 83642  
[greg@mimuralaw.com](mailto:greg@mimuralaw.com)

Bill Piske, Manager  
Interconnect Solar Development, LLC  
1303 E. Carter  
Boise, ID 83706  
[billpiske@cableone.net](mailto:billpiske@cableone.net)

Dean J. Miller  
McDevitt & Miller, LLP  
P.O. Box 2564  
Boise, ID 83701  
[joe@mcdevitt-miller.com](mailto:joe@mcdevitt-miller.com)

Paul Martin  
Intermountain Wind, LLC  
P.O. Box 353  
Boulder, CO 80306  
[paulmartin@intermountainwind.com](mailto:paulmartin@intermountainwind.com)

Wade Thomas  
General Counsel  
Dynamis Energy, LLC  
776 W. Riverside Dr., Suite 15  
Eagle, ID 83616  
[wthomas@dynamisenergy.com](mailto:wthomas@dynamisenergy.com)

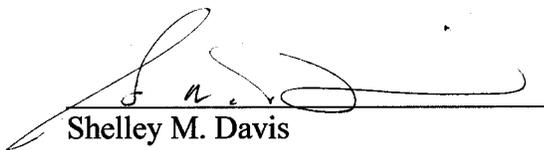
Brian Olmstead  
General Manager  
Twin Falls Canal Company  
P.O. Box 326  
Twin Falls, ID 83303  
[olmstead@tfcanal.com](mailto:olmstead@tfcanal.com)

Ted Diehl  
General Manager  
North Side Canal Company  
921 N. Lincoln St.  
Jerome, ID 83338  
[nscanal@cableone.net](mailto:nscanal@cableone.net)

Bill Brown, Chair  
Board of Commissioners Adams County, ID  
P.O. Box 48  
Council, ID 83612  
[bdbrown@frontiernet.net](mailto:bdbrown@frontiernet.net)

Ted S. Sorenson, P.E.  
Birch Power Company  
5203 South 11<sup>th</sup> East  
Idaho Falls, ID 83404  
[ted@tsorenson.net](mailto:ted@tsorenson.net)

Glenn Ikemoto  
Margaret Rueger  
Idaho Windfarms, LLC  
672 Blair Avenue  
Piedmont, CA 94611  
[glenni@envisionwind.com](mailto:glenni@envisionwind.com)  
[margaret@envisionwind.com](mailto:margaret@envisionwind.com)

A handwritten signature in black ink, appearing to read 'S. M. Davis', is written over a horizontal line.

Shelley M. Davis  
Attorney for North Side Canal Company and  
Twin Falls Canal Company