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MILK PRODUCERS OF IDAHO
IDAHO WHEAT & AGRICULTURE CENTER
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Ms. Jean Jewell
Commission Secretary
Idaho Public Utilities Commission
472 W. Washington
Boise, ID 83702

RE: GNR-E-IO-04

Dear Ms. Jewell:

We are enclosing an original and seven copies of this **ANSWER IN OPPOSITION TO JOINT MOTION TO ADJUST PUBLISHED AVOIDED COST RATE ELIGIBILITY CAP BY THE MILK PRODUCERS OF IDAHO** in the above case.

Would you please file the same?

Thank you for your attention to this matter. Please feel free to give me a call if you have any questions.

J. Brent Olmstead, Director
Milk Producers of Idaho

November 18, 2010

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The Milk Producers of Idaho (MPI) is a dairy industry trade association comprised of dairies and associated industries in Idaho. It is with this background that we respectfully submit this letter in opposition to **CASE NO. GNR-E-10-04 - THE JOINT PETITION OF IDAHO POWER COMPANY, AVISTA CORPORATION AND ROCKY MOUNTAIN POWER TO ADDRESS AVOIDED COST ISSUES AND JOINT MOTION TO ADJUST THE PUBLISHED AVOIDED COST RATE ELIGIBILITY CAP.**

Members of MPI have spent millions of dollars over the course of the past decade in research, construction and operation of anaerobic digesters. The purpose behind this expense is twofold:

1. To answer a growing concern with waste products produced at the dairy and
2. To provide a consistent reliable form of power in the community in which the industry is located.

While a system that completely answers the above concerns has yet to be constructed, the industry continues to work toward that goal with ongoing research and the construction of prototype digesters. A key to the success of this research is to have a customer to market the resultant energy production.

It is a fear that should this petition from the Utility industry be accepted by the Commission, especially under a modified procedure, that the incentive for the Utilities to deal in good faith with the dairy industry will no longer be present.

The Joint Motion requests Commission determination on the eligibility cap issue in less than 14 days from the Joint Motion's purported date of service, November 5, 2010. For the reasons stated in this letter, the Milk Producers of Idaho oppose the Joint Motion, and respectfully requests that the Idaho Public Utilities Commission (the "Commission") deny the Joint Motion for expedited disposition.

The Commission should allow a reasonable time for all adverse parties to present evidence or argument in opposition to a reduction in the eligibility cap for the published avoided cost rates. It is the opinion of MPI that an order of this magnitude should be completely vetted with both the public and with impacted parties (such as the Idaho Dairy Industry).

Should the Commission determine that the normal procedure for determination of cases of this magnitude be used, MPI and the Idaho Dairy Industry will participate in the public hearings and provide educational materials to demonstrate a definite harm to the industry by this order.

Additionally MPI would like to endorse comments submitted by the J.R. Simplot Company regarding the exclusion of Non-Wind PURPA resources:

"It is clear that the driving force and sole concern of the Power Companies, in their request to reduce the eligibility cap for published PURPA rates, is the amount of wind resources being offered by the development community. Not once does the Joint Petition refer to problems associated with biomass, cogeneration, solar, small hydro, waste-to-energy projects or any other type of PURPA eligible QF resource. These other types of resources have very different generating characteristics from wind and should therefore not be caught in the overly broad sweep of the Join Motion."

Thank you for the opportunity to submit this letter of opposition. Should you have any questions feel free to contact me at any time.

Respectfully submitted

A handwritten signature in black ink, appearing to read 'J. Brent Olmstead', written in a cursive style.

J. Brent Olmstead, Director
Milk Producers of Idaho