

SHOROCK HYDRO, INC.
P. O. Box 1787
Twin Falls, Idaho 83303-1787

August 5, 2012

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IDAHO PUBLIC
UTILITIES COMMISSION

Idaho Public Utilities Commission
472 West Washington Street
P.O. Box 83720
Boise, Idaho 83702

Re: Electric Case GNR-E-11-03

Dear Members of the Commission;

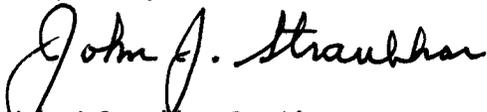
I am the President of a firm named Shorock Hydro, Inc. and we operate and own two hydroelectric plants in the Magic Valley of Idaho. We have owned and operated these plants since 1981 – 82. I believe we were the first hydroelectric PURPA project in Idaho to sign an agreement with Idaho Power Company. Our plants have operated continuously for over thirty (30) years and have been very reliable as we use both canal and natural stream flows.

Our two power sales agreements end in 2017 and 2018 (35 Years). We are concerned regarding Idaho Power Companies position regarding the upcoming rate hearing for QF contracts and the avoided cost rates. (Electric Case GNE-E-11-03). We have a significant investment in our power plants of time and money. The projects have been reasonably good investments due to a fair avoided cost rate. We believe the avoided cost concept was a good idea in 1980 and is still a good method of compensating private power projects. Also, our peak production matches the irrigation demand curve for Idaho Power Company.

We would like to have our new power sales agreements in 2017 and 2018 have a term of at least 15 years. This is what it typically takes to obtain bank financing for a new project. The rates based on a surrogate gas model were fair and not excessive to us or Idaho Power Company. In addition, we would request that hydroelectric power sales agreements be separated from wind, solar, and geothermal as they are not as reliable or consistent in power production. We have over 30 years of proven power production.

We would hope that the IPUC will be fair in their avoided cost pricing. It is our desire to keep producing reasonably priced power from our reliable plant. It is noteworthy that our plant factors meet or exceed those of Idaho Power Company and other regulated utilities.

Respectfully submitted,

A handwritten signature in cursive script that reads "John J. Straubhar". The signature is written in black ink and is positioned above the printed name.

John J. Straubhar, President
Shorock Hydro, Inc.