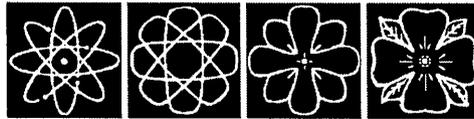


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snake river alliance

IDAHO PUBLIC UTILITIES COMMISSION
IDAHO'S NUCLEAR WATCHDOG

February 11, 2005

Jean Jewell
Commission Secretary
Idaho Public Utilities Commission
P.O. Box 83720
Boise, ID 83720-0074

Re: IPC-E-04-29

Dear Ms. Jewell,

The Snake River Alliance is an Idaho-based grassroots group working through research, education, and community advocacy for peace and justice, the end to nuclear weapons production activities, and responsible solutions to nuclear waste and contamination. I submit these comments on behalf of our members and board of directors.

The Snake River Alliance supports Idaho Power's proposal to increase the DSM rider from 0.5 percent of base revenues to 1.5 percent of revenues in June 2005 and then to 2.4 percent of revenues in June 2007. After years of limited investment in energy efficiency, we commend Idaho Power for expanding its procurement of cost-effective energy efficiency in its 2004 Integrated Resource Plan. Idaho Power's analysis shows these programs will provide customers with more than \$2 in benefits for every \$1 invested. These investments help keep customer bills as low as possible while reducing the environmental impacts of energy production.

While the proposed increase in the rider may seem dramatic, the proposed DSM programs and investment dollars actually reflect a very conservative level of energy savings and a rather narrow focus on peak demand reduction measures.

In January, the Northwest Power and Conservation Council released its Fifth Power Plan, a plan our organization also commented on. That plan recommends the region acquire 700 aMW of cost effective and achievable energy savings over the next five years at an average cost of 2.1 cents/kWh. The Council recommends each utility in the region capture its share of these energy savings based on its share of regional load. Idaho Power accounts for approximately 7 to 10 percent of the regional load and as a result would

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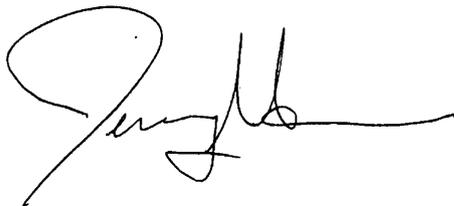
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need to acquire 49 to 70 aMW during the five-year period. Idaho Power's 2004 Integrated Resource Plan calls for 48 MW over the 10-year planning period.

We also understand Idaho Power's own internal study showed the potential for pursuing cost effective efficiency savings went well beyond the level of savings included in the final 2004 IRP. The Company selected energy efficiency resources that equal the study's "low" level of commitment. Whereas the study shows that Idaho Power and its customers receive the most net benefits from the "high" level of savings and investments. Given all the data and analysis presented in the Council and Quantum studies, one could argue that Idaho Power is proposing an insufficient level of investment to capture the most cost effective energy resource in its service territory. However, Idaho Power is ramping up these programs from scratch and still has a ways to go before its programs are in full implementation.

As a local public interest organization, we are sensitive to the economic impact of the rate increase to accommodate investment in these resources. Yet, we also understand that these resources are cost-effective and will result in lower customer bills and reduced high cost peak power needs. These resources are cheaper for Idaho Power to acquire than many other supply side generating resources that would result in a large rate impact. It is vital that the Commission work closely with Idaho Power to ensure effective implementation of the energy efficiency and demand response measures and encourage community education and targeted marketing around these programs.

We recommend that the Commission approve Idaho Power's filing to increase the efficiency rider funding.

A handwritten signature in black ink, appearing to read "Jung", with a long horizontal flourish extending to the right.

Executive Director