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IDAHO PUBLIC
UTILITIES COMMISSION

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Wind Farm LLC and Cassia Gulch
Wind Park LLC (Magic and Cassia)*

ORIGINAL

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE PETITION OF
IDAHO POWER COMPANY FOR AN
ORDER TEMPORARILY SUSPENDING
IDAHO POWER'S PURPA OBLIGATION TO
ENTER INTO CONTRACTS TO PURCHASE
ENERGY GENERATED BY WIND-
POWERED SMALL POWER PRODUCTION
FACILITIES.

Case No. IPC-E-05-22

**REPLY OF MAGIC AND CASSIA
TO MOTION TO MODIFY
SCHEDULE**

COME NOW Magic and Cassia, by and through their counsel, and make the following Reply to Idaho Power Company's Motion to Modify Schedule dated July 19, 2005.

INTRODUCTION

To place Idaho Power's Motion in proper context two observations are appropriate:

First, since June 17, 2005 Idaho Power Company has been operating under a self-declared suspension of its federal PURPA obligations. During this time the normal contracting process has been halted. (*See* Testimony of Jared Grover). The Magic and Cassia projects, both of which are at important stages of development, have already been

harm by Idaho Power's unilateral suspension of its obligations. (See Testimony of Armand Eckert, Jared Grover).

Second, Idaho Power now proposes to further extend its self declared suspension for an indefinite period¹, without a Commission finding as to its legality or factual necessity. Further extension of the self-declared suspension with cause further, and perhaps irreversible, harm to the Magic and Cassia projects.

**AN EXTENSION SHOULD NOT BE GRANTED UNLESS A
"GRANDFATHERING" RULE IS ADOPTED AT THE SAME TIME**

Two proposals for the definition of an exemption standard are in the record. Staff recommends that any projects that have submitted a signed contract to Idaho Power Company should be exempted from a temporary suspension of the Company's PURPA obligations. (See Testimony of Rick Sterling). Magic and Cassia have recommended that any projects that have submitted Interconnection Applications to Idaho Power should be exempted. (See Brief of Magic and Cassia, dated July 15, 2005).

Both of these tests are sensible. They each provide a rational way to distinguish between projects that are mature and those that are not. They each strike a fair balance between allowing mature projects to proceed to completion and between concerns, however unfounded, that "too much" wind is on the horizon.

Thus, if the Commission grants the requested extension, it should at the same time declare that any project that meets the Staff test (contract submitted) or the Magic—

¹ While Idaho Power professes a willingness to proceed expeditiously, Magic and Cassia are not so sure. If this case proceeds in a workshop/settlement format, history indicates this process is time consuming and slow to fruition. (See, for example the Commission's pending workshop proceedings with respect to customer rules and stray voltage. <http://www.puc.state.id.us/rulemakings/ican.pdf> and <http://www.puc.idaho.gov/internet/cases/elec/RUL/RULE0501/ordnotc/20050419NOTICE%20OF%20NEGOTIATED%20RULEMAKING.PDF>. These matters have been pending for months with little discernable progress). If the case proceeds with traditional testimony and hearings, the prognosis is not any better. In the last case in which the Commission addressed wind issues, *U.S. Geothermal*, nine months lapsed from start to finish. (See Order No. 29632).

Cassia test (application submitted) is exempt from the suspension and that the contracting process with respect to those projects should continue, under current rules and rates.

IF AN EXEMPTION STANDARD IS NOT ESTABLISHED, THE JULY 22 HEARING SHOULD PROCEED

Magic and Cassia are willing to make reasonable accommodations to address Idaho Power's concerns that the volume of testimony and material to be considered has expanded beyond that which can be considered in one days time. To that end, Magic and Cassia hereby formally waive their right to cross examine all witnesses except Company witness Gale and Staff witness Sterling. Further, Magic and Cassia will vacate the currently scheduled deposition of John R. Gale so as to allow Idaho Power and other parties additional time for preparation.

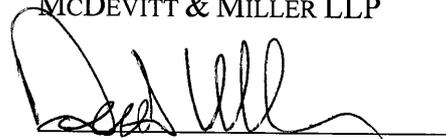
CONCLUSION

Magic and Cassia respectfully request that any extension be conditioned by the exemption from suspension as herein suggested and in the absence thereof the July 22 hearing proceed as scheduled.

Dated this 21 day of July, 2005

Respectfully submitted,

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CERTIFICATE OF SERVICE

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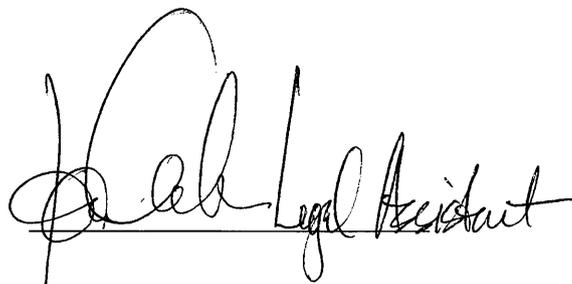
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