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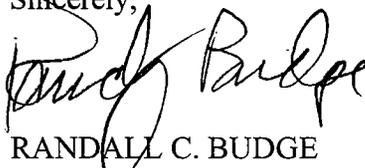
November 7, 2006

Jean Jewell, Secretary
Idaho Public Utilities Commission
472 W. Washington Street
Boise, Idaho 83702-5983

Re: *Case No. IPC-E-06-22*
Comments of Idaho Irrigation Pumpers Association

Dear Mrs. Jewell:

Enclosed please find an original and eight copies of the Comments of the Idaho Irrigation Pumpers Association, Inc., for filing in the above-referenced matter.

Sincerely,

RANDALL C. BUDGE

RCB:rr
Enclosures
cc: Idaho Power Company

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IDAHO PUBLIC
UTILITIES COMMISSION

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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF IDAHO POWER COMPANY) Case No. **IPC-E-06-22**
REQUESTING APPROVAL OF REVISIONS)
TO ITS IRRIGATION PEAK REWARDS)
PROGRAM, SCHEDULE 23)
)
)
)

COMMENTS OF THE IDAHO IRRIGATION PUMPERS ASSOCIATION

COMES NOW the Idaho Irrigation Pumpers Association, Inc. ("Irrigators"), through counsel, and hereby submits the following Comments in support of Idaho Power Company's Application requesting approval of changes to the Irrigation Peak Rewards Program, Schedule 23.

BACKGROUND

While the irrigation load has been relatively flat for the past 20 years, Idaho Power Company (the Company) has experienced considerable load growth, particularly in the residential and commercial classes. The Company's Integrated Resource Plans continue to project peak resource deficiencies in coming years. To meet growing peak load, particularly in the summer months, the Company has regularly bought power and has constructed new natural gas-fired peakers. The Company has also appropriately targeted demand side resources to reduce peak demand on the system.

The Irrigation Peak Rewards Program (formerly referred to as the Peak Clipping Program) was implemented and became operational during the 2005 irrigation season following a successful pilot program in 2004. According to the Company's year-end report dated December 1, 2005, filed with the Commission, the program proved to be an effective way to reduce demand at the optimal

times of the day, produced substantial and measurable impacts on peak demand and was well received by customers. Of the 1112 eligible customers, 23 percent chose to participate in the Program. The total load reduction associated with the Program averaged 23.8 MW from 4:00-8:00 p.m. over the course of the 2005 summer, with a maximum load reduction of 40.3 MW during the last half of June.

The Irrigators have and continue to be an active advocate of the Peak Rewards Program. The Irrigators' Program objectives are simply to increase the level of participation by irrigation customers to maximize the reduction of peak usage. This will help achieve three primary goals. First, to reduce the irrigators' contribution to peak and thus the overall class revenue requirement. Second, to provide a direct financial benefit for irrigators who participate in the program and method for them to reduce pumping costs and help stay in business. Third, to reduce system costs for all customers. These goals have been increasingly important to the Irrigators as a result of cost-of-service studies advocated by the Company in its last two general rate cases where relative costs assigned to the irrigation class have gone up dramatically as a result of more cost weighting being placed upon the summer usage of all classes.

Comparing the Company's Peak Reward Program with PacifiCorp's Irrigation Load Control Program under Schedule 72, the Irrigators were of the opinion that PacifiCorp's considerably greater level of participation and peak reduction resulted directly from greater price incentives and broader and more flexible program terms. Consequently, in order for the Irrigators to enter into the Stipulation settling the last Company general rate case number IPC-E-05-28, the following paragraph was included:

"10. Idaho Power agrees that no later than November 1, 2006, it will convene a working group to review the current status of the Irrigation Peak Rewards Program ('Program'), including consideration of suggested modifications to improve the Program. Issues to be considered would include the amount of incentive payments and the size of irrigation facilities eligible for participation in the Program. The working group participants would include representatives of the IIPA. It is Idaho Power's intention that any proposed modifications to the Program developed by the working group would be presented to the Energy Efficiency Advisory Group ('EEAG') and the Commission in time for such modifications to be in effect during the 2007 irrigation season."

As a result of the Commission's approval of the Stipulation settling Case No. IPC-E-05-28,

Idaho Power conducted a workshop with the Irrigators and other interested parties to consider proposed revisions to the Peak Rewards Program. As a result of the workshop, the Company filed its Application to Revise the Program.

PROPOSED PROGRAM REVISIONS

The Application filed by the Company for authority to revise the Irrigation Peak Rewards Program, Schedule 23, provides an extensive and accurate background of the workshop that was conducted, the proposed Program modifications and the expected impact of the proposed modifications. The workshop included several representatives of the Irrigators, including its counsel and consultant, other agricultural irrigation customers, the Commission Staff and Company representatives. The current Program along with several recommended modifications were thoroughly researched and analyzed by the Company, openly discussed and carefully considered. After several weeks of analysis and discussion in a collaborative process, the parties were able to identify and agree upon two substantial changes. The first modification was to increase the demand credits according to the following schedule:

<u>Interruption Option</u>	<u>Current Demand Credit per kW</u>	<u>Proposed Demand Credit per kW</u>
Option 1 (1 Day per Wk)	\$2.01	\$2.01
Option 2 (2 Days per Wk)	\$2.51	\$3.36
Option 3 (3 Days per Wk)	\$2.76	\$4.36

The Irrigators believe that the proposed increase in the demand credit for the two and three day per week options will provide a greater and more fairly priced incentive, thus increasing irrigator participation. This is expected to result in an additional reduction in the summer peak on a cost effective basis for all customers.

The second proposed revision is a reduction in the horsepower limit for eligibility from 100 horsepower to 75 horsepower. This proposed change will make more customers eligible and is also expected to increase participation. The Irrigators support the installation fee of \$250 for those customers with irrigation pumps between 75 and 99 cumulative horsepower in order to maintain the cost-effectiveness of this program change.

Consideration was also given towards moving the current interruption period of 4:00 to 8:00 p.m. up one hour in order to provide more daylight hours to restart equipment at the end of an interruption period. During the end of the summer when daylight hours are shortened, darkness is

a concern to many irrigators. However, no change was made after a survey indicated that most customers were satisfied with the current interruption period.

CONCLUSION

The Irrigators respectfully request that the Commission approve the Company's Application and adopt the proposed revisions to the Irrigation Peak Rewards Program, Schedule 23. The Commission should further direct the revised Program be implemented for the 2007 irrigation season.

The Irrigators believe that the Program modifications will result in increased participation by irrigation customers, result in additional load reduction on a cost-effective basis, and continue to achieve a high level of satisfaction among participants. The Company should be required to file annually a report which summarizes and assesses the results of the Program. The Irrigators believe that the Program continues to be a work in progress. Accordingly, annual review should be required to ensure that pricing remains on a level playing field with supply side resources and provides a demand response that is most beneficial to both irrigation and non-irrigation customers.

Finally, the Company and particularly its participants in the workshop should be commended for the collaborative workshop process that was conducted openly with full participation and thorough analysis resulting in the proposed modifications by consensus.

RESPECTFULLY SUBMITTED this 7th day of November, 2006.

RACINE, OLSON, NYE, BUDGE &
BAILEY, CHARTERED

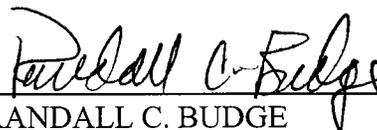
By  _____
RANDALL C. BUDGE, Attorney for
Idaho Irrigation Pumpers Association, Inc.

CERTIFICATE OF MAILING

I HEREBY CERTIFY that on this 3rd day of November, 2006, I mailed a true and complete copy of the foregoing document, postage prepaid, to each of the following:

Jean Jewell, Secretary (UPS/Overnight Mail)
Idaho Public Utilities Commission
472 W. Washington Street
Boise, Idaho 83702-5983

Barton L. Kline
Monica B. Moen
Maggie Brilz
Idaho Power Company
P.O. Box 70
Boise, Idaho 83707-0070



RANDALL C. BUDGE