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IDAHO PUBLIC
UTILITIES COMMISSION

January 19, 2007

Commissioner Marsha Smith
Idaho Public Utilities Commission
P.O. Box 83720
Boise, Idaho 83720-0074

IPC-E-06-24

Re: Idaho Power Company Integrated Resource Plan 2006

Dear Commissioner Smith:

I am submitting the following comments relating to Idaho Power Company's 2006 Integrated Resource Plan, the "Energy Plan for Tomorrow", on behalf Idaho Irrigation Pumpers Association, Inc. IIPA's stated goals are to ensure that Idaho's irrigators have access to an inexpensive, reliable electrical power supply. In recent years, IIPA has also become interested in opportunities for irrigators to participate in the development of various resource options including demand-side management and the production of renewables to the benefit of the utility, its ratepayers, and individual irrigators.

IIPA would like to commend Idaho Power first for its thorough examination of the various alternatives available to the company, its shareholders and its ratepayers in developing this particular IRP. It is our opinion that the IRP appears to be realistic and practical in its approach to maintaining future reliability. Our association followed the development of this plan from its inception and would like to express its appreciation to Idaho Power Company for providing the opportunity for an IIPA representative to participate on the IRP Advisory Committee.

The company is also to be commended for proposing a diverse resource base ranging from existing hydropower to renewables and conservation, demand-side management programs and potentially nuclear. Because Idaho is a net importer of energy, it is important to at least consider every viable resource option available. A diverse resource portfolio is important not only to meet reliability, but to maintain rate stability.

IIPA supports Idaho Power Company in its efforts to preserve and protect its hydropower base, especially the Hells Canyon Complex. It is a significant factor in keeping the company's overall rates among the lowest in the region and nation. We agree with the IPCO's assessment that failing to re-license existing hydropower projects, allowing restrictions to be placed on those licenses that decreases available capacity or increases operational costs would be detrimental to the company and its ratepayers.

IIPA also supports the company's assessment that it must build base load capacity to address the phenomenal growth it is currently experiencing whether that occurs in or out-of-state. In the current regulatory climate, it appears doubtful that Idaho Power will be able to add thermal generation in state so IIPA urges the company to follow through with its proposal to upgrade and expand its present transmission system.

However, IIPA would like to stress the fact that, while company growth is driving its need for additional resources, irrigation load is not increasing. The estimated 10 to 12,000 customers per year that Idaho Power projects it will add during this planning period, are not irrigation customers. The IRP estimates the cost of adding services for each new residential customer at approximately \$5,500, a cost that should be born by those customer classes. The irrigation customer class is not adding to the overall cost of service that the company is experiencing as it builds to meet new growth. Growth in other customer classes should not unfairly burden the irrigation class as a whole.

IIPA supports Idaho Power Company's proposal to add 187 MW of demand-side management and is hopeful that the irrigation customer class will be able to continue contributing substantially toward that goal. Over the last several years IIPA has worked with Idaho Power to design both its Irrigation Peak Rewards Program and its Irrigation Efficiency Program. In 2006 the Peak Rewards Program reduced coincident peak load by approximately 40 MW, roughly the equivalent of building a small generation facility.

IIPA urges the company to continue its efforts to develop demand-side management programs for irrigators as well as other ratepayers. IIPA has consistently urged IPCO to expand the existing Peak Rewards by broadening its eligibility criteria and increasing the compensation irrigators receive to more closely reflect the wholesale market cost of purchasing that power, two measures that should result in increased participation. The benefits of increased demand-side management include a reduction in the irrigator's contribution to coincident peak and their cost of service; lower, more stable rates for other customers; and, for the company, improved reliability and an opportunity to postpone building or buying more expensive new generation.

Expanding and appropriately funding these programs not only benefits individual irrigators, but reduces the irrigators' overall impact to Idaho Power Company's cost to serve irrigation load, increases reliability for all customer classes during peak seasons, and allows the company to reduce or postpone building expensive new generation or additional power purchases.

IIPA acknowledges that legislative, regulatory and environmental issues, including carbon sequestration and emissions standards, create uncertainty for the company and its ratepayers. These issues and their impact to the cost of providing energy will be resolved outside the company. They

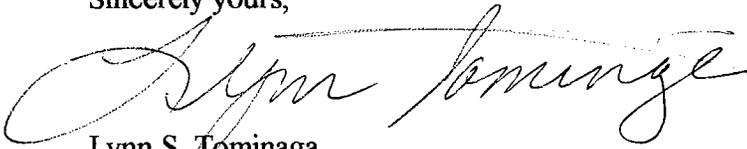
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need to be addressed in order for utilities to move forward in implementing their IRPs and strategies to meet future growth, maintain reliability, and provide stable rates for consumers.

IIPA supports IPCO's proposal to reduce its reliance on regional market purchases. Not only are spot market purchases expensive, but the regional surplus energy supply is projected to decrease at least in the short-term and a significant portion of the existing surplus is owned by independent power producers, raising the question as to whether or not it will be available to regional utilities when needed and placing reliability at risk. Idaho and the region do not want to repeat the 2000-2001 Western Energy Crisis to the detriment of our economy.

IIPA appreciates the opportunity to submit these comments on behalf of the irrigation customer class.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Lynn S. Tominaga".

Lynn S. Tominaga
Executive Director