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IDAHO PUBLIC  
UTILITIES COMMISSION

February 25, 2008

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

RE: **Case No. IPC-E-07-18**

Dear Ms. Jewell:

Enclosed please find an original and seven (7) copies of the **COMMENTS OF THE INDUSTRIAL CUSTOMERS OF IDAHO POWER TO IDAHO POWER COMPANY** in the above case.

I have also enclosed an extra copy to be service-dated and returned to us for our files. Thank you.

Sincerely,

Nina Curtis  
Administrative Assistant

encl.



## II.

### PCA BALANCE IS ALREADY DANGEROUSLY HIGH

The current PCA balance, according to Idaho Power's most recent PCA deferral report is now in excess of \$111,000,000. That roughly equates to a fifteen percent increase in retail rates. Flowing the SO2 funds through the PCA this year would provide some modest relief from such a large rate increase. In addition to the PCA, the ratepayers will experience a five percent rate increase on March 1<sup>st</sup> of this year. Any amelioration of these back-to-back rate increases will serve the public interest to a much greater extent than Idaho Power's proposed speculative ventures.

The Industrial Customers respectfully urge the Commission to take this opportunity to provide them with the rate relief, albeit modest, that the SO2 credits would afford.

## III.

### FORWARD PURCHASE OF GREEN TAGS VIOLATES THE USED AND USEFUL CONCEPT

Idaho Power proposes that one of the opportunities it would like to investigate is the use of the "customer's share of the proceeds to purchase multi-year streams of Renewable Energy Certificates ('green tags')." *Idaho Power's Motion* at p. 3. Because Idaho Power does not currently operate under a mandate to offer a green portfolio, the pre-purchase of green tags by the Company would be nothing more than pure speculation in a market that is yet to mature. Use of ratepayer funds to purchase assets (green tags) that are not beneficial in the provision of utility service violates the well understood doctrine that ratepayer funds are only to be applied to "used and useful" assets. Green tags will not be used by Idaho Power to provide service and should therefore be purchased, if at all, only with shareholder funds.

#### IV

### IDAHO POWER ALREADY HAS A LARGE WIND PORTFOLIO ON ITS BOOKS MAKING IT UNNECESSARY FOR IT TO USE SO2 CREDITS TO PURCHASE INTO A WIND DEVELOPMENT PROJECT

This Commission is very familiar with Idaho Power's arguments in other dockets in which the company asserts that it is essentially being inundated with new wind projects. It is therefore unnecessary for Idaho Power to utilize the SO2 proceeds to add to the wind projects that it already has in the pipeline.

#### V.

### APPLICATION OF SO2 PROCEEDS TO ENERGY EFFICIENCY EDUCATION EFFORTS WOULD BE REDUNDANT

Idaho Power already has an active energy conservation and education program in place that is funded with ratepayer dollars. There has been no assertion that the ICIP is aware of that these efforts are currently under funded or not effective. Application of the SO2 credit balance to fund a new energy efficiency or energy education project without first understanding the effectiveness (or lack thereof) of the existing programs would be premature and possibly create unintended consequences. The ICIP respectfully requests, therefore, that the SO2 credits be flowed through the PCA and, if the Commission has reason to believe that the Company's energy efficiency and education efforts are lacking, to thoroughly investigate that belief before applying ratepayer money to a problem that has not been documented.

VII  
CONCLUSION

For the foregoing reasons and in the furtherance of providing a modicum of rate relief, the Industrial Customers of Idaho Power respectfully requests this Commission deny Idaho Power's Petition to apply its SO2 balance to any purpose other than reducing the PCA balance.

Respectfully submitted this 25<sup>th</sup> day of February 2008.

RICHARDSON & O'LEARY PLLC

By   
Peter J. Richardson  
Attorneys for the Industrial Customers of  
Idaho Power

## CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 25th day of February, 2008 a true and correct copy of the within and foregoing COMMENTS OF THE INDUSTRIAL CUSTOMERS OF IDAHO. was filed with the Idaho Public Utilities Commission and parties as indicated below:

**Ms. Jean Jewell**

Commission Secretary  
Idaho Public Utilities Commission  
P O Box 83720  
Boise ID 83720-0074

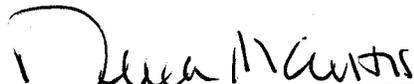
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Nina M. Curtis