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May 20, 2008

Via Hand Delivery

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

Re: In the Matter of the Application of Idaho Power Company for Authority to Increase Power Cost Adjustment (PCA) Rates for Electric Service from June 1, 2008 through May 31, 2009
Case Number: **IPC-E-08-07**

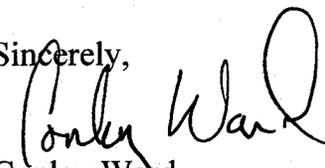
Our File: 4489-32

Dear Jean:

Enclosed for filing please find an original and nine (9) copies of Micron's Comments to Notice of Modified Procedure in the above entitled matter.

Thank you for your assistance in this matter.

Sincerely,


Conley Ward

CEW/tma

cc: Service List (w/enclosures)
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Attorneys for Micron Technology, Inc.
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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION
OF IDAHO POWER COMPANY FOR
AUTHORITY TO IMPLEMENT POWER
COST ADJUSTMENT (PCA) RATES FOR
ELECTRIC SERVICE FROM JUNE 1, 2008
THROUGH MAY 31, 2009

Case No. IPC-E-08-07

MICRON TECHNOLOGY, INC.'S
COMMENTS TO NOTICE OF
MODIFIED PROCEDURE

Micron Technology, Inc. ("Micron"), by and through its attorney of record, Conley E. Ward, Givens Pursley LLP, respectfully submits the following comments in response to Order No. 30540, dated April 25, 2008. Micron is opposed to Idaho Power Company's request for a one time 100% tracking of power supply and PURPA expenses for the following reasons:

ARGUMENT

1. Idaho Power offers three reasons for its proposal. To quote the Commission's Notice of Application, Idaho Power argues that a one time abrogation of the existing PCA rules is justified because of "persistent drought conditions [in recent years], the lack of inclusion of prescriptive hedging activities in PCA forecast methodology, and the failure of a number of PURPA projects to come on-line as envisioned in the last approved test year." Notice of Application at 4.

2. Idaho Power's first argument, that persistent drought conditions have resulted in losses for the utility, is basically nonsensical. Of course, Idaho Power lost money on the PCA during the drought, but it is equally true that ratepayer PCA losses during the same period were nine times those of Idaho Power, amounting to hundreds of millions of dollars. If Idaho Power is arguing that it should have a one time chance to make up some of these losses, then the ratepayers have a nine times more powerful argument for the same outcome.

3. The fact that Idaho Power has adopted prescriptive hedging rules is irrelevant. At bottom, these rules are designed to optimize the risk/reward potential of trading activities. This is nothing less than Idaho Power's obligation as a regulated utility; it is required by law to adopt such rules and regulations as shall be "just and reasonable." *See* Idaho Code Section 61-303. To offer a utility an extra reward for doing what is sensible and prudent is offensive to the whole scheme of regulation.

4. If, in fact, PURPA projects are coming on line more slowly than Idaho Power envisioned, it is difficult to say what impact this would have on the PCA. Some projects, whether utility owned or otherwise, are always behind schedule. Moreover, Idaho Power has argued for 30 years that PURPA projects are overpriced. Without stirring up this old argument, it is reasonable to ask Idaho Power how the delay of supposedly overpriced projects in what looks to be a good water year could somehow be detrimental? And, if so, why should that be chargeable 100% to the ratepayers, rather than 90%?

5. Having dealt with Idaho Power's three arguments for a one time suspension of the PCA rules, there are two other reasons to deny the request. First, the original rationale for the 90/10 split remains as valid as ever. The fact that Idaho Power "has some skin in the game"

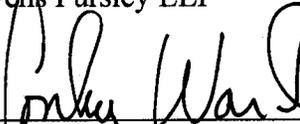
provides a crucial assurance that the Company is properly motivated to minimize power supply costs.

Second, allowing the utility to pick and choose 100% recovery on a case by case basis is the worst of all possible outcomes from the ratepayers' point of view. If such a precedent is established, Idaho Power will be motivated to seek full recovery when conditions appear bleak, while accepting the benefits of a 90/10 split when power costs are projected to be lower than PCA base costs. This makes absolutely no sense as a matter of regulatory policy.

For these reasons Micron opposes Idaho Power's request for a 100% tracking of power supply and PURPA costs in this case.

Respectfully submitted this 20th day of May, 2008.

Givens Pursley LLP



Corley E. Ward, Givens Pursley LLP
Attorneys for Micron Technology, Inc.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 20th day of May, 2008, I caused to be served a true and correct copy of the foregoing by the method indicated below, and addressed to the following:

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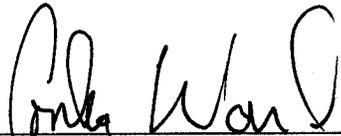
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