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IDAHO PUBLIC  
UTILITIES COMMISSION

Attorneys for the Industrial Customers of Idaho Power

BEFORE THE  
IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF IDAHO POWER )	
COMPANY'S APPLICATION FOR AN )	CASE NO. IPC-E-08-13
ACCOUNTING ORDER AUTHORIZING THE )	
INCLUSION OF POWER SUPPLY EXPENSES )	
ASSOCIATED WITH THE PURCHASE OF )	COMMENTS OF THE INDUSTRIAL
CAPACITY AND ENERGY FROM PPL )	CUSTOMERS OF IDAHO POWER
ENERGYPLUS, LLC, IN THE POWER COST )	
ADJUSTMENT )	

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**COMES NOW**, the Industrial Customers of Idaho Power") by and through its attorney of record, Peter J. Richardson, and pursuant to Notice of Application and Notice of Comment/Protest Deadline and hereby provides its comments on Idaho Power Company's (Idaho Power) Application.

I  
SUMMARY

The ICIP files its Comments to bring to the Commission's attention a discrepancy in the natural gas price forecast used by Idaho Power Company in justifying the price it agreed to pay PPL EnergyPlus (PPL) and the natural gas price forecast it uses to set the avoided cost rates it pays to QFs under this Commission's avoided cost setting methodology.

Comments of the Industrial Customers of Idaho Power IPC-E-08-13

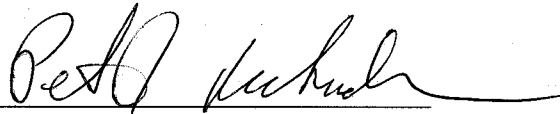
## COMMENTS

The attached Exhibit A was prepared by the ICIP's consultant, Dr. Don Reading. It incorporates the gas forecast Idaho Power uses in this docket to justify the price it agreed to pay PPL into the Commission's avoided cost model. No other changes were made to the avoided cost methodology or inputs. As can be seen, the impact of using Idaho Power's forecast for justifying the cost of the PPL purchase for just the two years of that agreement is quite dramatic.

The ICIP is concerned that the use of inconsistent natural gas price forecasts leads to irrational resource choices. For example, additional higher cost company-acquired resources may not be necessary if QFs were paid the higher price used by Idaho Power to justify the PPL contract. In addition use of consistent natural gas forecasts makes more DSM measures cost effective and may lower the demand for power. In addition the 2007 IRP has stale gas prices as well.

While the ICIP does not oppose the Company's application, it respectfully requests that, if the Commission approves rate recovery for the costs associated with the PPL agreement that it apply the natural gas forecast used to justify that approval for all of the Company's other processes that make use of a natural gas forecast. This would include, among other things, setting avoided cost rates and calculating cost effective DSM measures.

Respectfully submitted this 24<sup>th</sup> day of July 2008

By 

Peter Richardson ISB 3195

RICHARDSON & O'LEARY PLLC

Attorneys for the Industrial Customers of Idaho Power

### **CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on the 24<sup>th</sup> day of July, 2008, a true and correct copy of the within and foregoing COMMENTS OF THE INDUSTRIAL CUSTOMERS OF IDAHO POWER, was served by personal service to:

Barton Kline  
Donovan E. Walker  
Idaho Power Company  
1221 West Idaho Street  
Boise, Idaho

John R. Gale  
Courtney Waites  
Idaho Power Company  
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Commission Secretary  
Idaho Public Utilities Commission  
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Peter Richardson