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IDAHO PUBLIC  
UTILITIES COMMISSION

17 February 2009

Ms. Jean Jewell  
Commission Secretary  
Idaho Public Utilities Commission  
472 W. Washington  
Boise, ID 83702

RE: **IPC-E-08-24**

Dear Ms. Jewell:

We are enclosing an original and seven (7) copies of the **PETITION FOR RECONSIDERATION OF THE INDUSTRIAL CUSTOMERS OF IDAHO POWER** in the above case.

An additional copy is enclosed for you to stamp for our records.

Sincerely,

Nina Curtis  
Richardson & O'Leary PLLC

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UTILITIES COMMISSION

Attorneys for the Industrial Customers of Idaho Power

BEFORE THE  
IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF )  
IDAHO POWER FOR AN ORDER ) CASE NO. IPC-E-08-24  
AUTHORIZING THE RETIREMENT OF ITS )  
GREEN TAGS )  
) PETITION FOR RECONSIDERATION OF  
) THE INDUSTRIAL CUSTOMERS OF  
) IDAHO POWER  
)  
)

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**COMES NOW**, the Industrial Customers of Idaho Power ("ICIP") by and through its attorney of record, Peter J. Richardson, and pursuant to Rule 331 of this Commission's Rules of Procedure and hereby lodges its Petition for Reconsideration.

I  
SUMMARY

The Commission's order permitting Idaho Power to retire its Green Tags is based on a fundamental misunderstanding of the nature of Green Tags and the workings of the Green Tag market. It also violates a fundamental ratemaking principal regarding the disposal of surplus utility assets.

## II

### MISUNDERSTANDING OF THE GREEN TAG MARKET

The Commission, in part, bases its finding that it is reasonable for Idaho Power to retire its Green Tags now on the following of the Order:

The likelihood of federal regulation regarding renewable energy and carbon emission cannot be over stated. The Commission finds that any potential savings through rates for customers in the short-term might result in the need for exponentially greater increases in rates in the future in order to meet mandated renewable energy standards.

*Order p.3*

Simply put, Green Tags that are retired today are not available – ever - to meet future renewable portfolio standards because the Green Tag that is retired today has, by definition, been extinguished. A retired Green Tag cannot be resuscitated to meet some future Green Tag Program.

Indeed, if one were planning in anticipation of a future renewable portfolio standard, the opposite response would be more appropriate. By holding on to the Green Tags and not retiring them, Idaho Power would currently at least be preserving those Green Tags for use at some time into the future – depending, of course, on the shelf life given to existing Green Tags by a yet to be adopted renewable portfolio standard.

## III

### POOR RATEMAKING PRECEDENT

Because the Green Tags are not currently required by Idaho Power for any service to the ratepayers, e.g. compliance with a renewable portfolio standard, they are nothing more than superfluous property that have no use to the ratepayer. It is, in short, surplus ratepayer funded property. Retiring these Green Tags destroys the value to the ratepayer of this surplus property.

Since the value was created by ratepayer dollars that value should be returned to the ratepayer and it should not be destroyed by Idaho Power.

Idaho Power's proposal should be viewed in the same vein as how it would treat any other ratepayer funded asset. This ratepayer funded asset is akin to plant that is not currently used and useful in providing service to the ratepayers - with the added problem that Green Tag retirement insures that they will not be available to provide any service to the ratepayer in the future. For example, If Idaho Power had a contract to take delivery of natural gas that turned out to be surplus, the Commission would rightly insist that it sell that surplus gas on the market to maximize the benefit to the ratepayer. Retiring the Green Tags would be the equivalent of flaring surplus natural gas rather than reselling it.

## VI

### IMAGE ADVERTISING BUDGET NOT ANALYZED

The cost and ratemaking treatment of image advertising is typically addressed in the context of a general rate case. Idaho Power's goal of retiring Green Tags in order to advertise that it is acquiring renewable resources may or may not be a laudable one. However the cost of such image advertising needs to be examined in light of the Company's current advertising budget. There is nothing in the record suggesting that the approximately \$2,000,000 loss to the ratepayers is reasonable in light of the other funds the ratepayers are providing Idaho Power for image advertising.

## VI

### CONCLUSION

For the foregoing reasons the Industrial Customers of Idaho Power respectfully requests this Commission grant its Petition for Reconsideration. The ICIP stands ready to provide further

evidence on the workings of Green Tag markets, the inappropriateness of squandering ratepayers assets, and the appropriate image advertising budget for a utility like Idaho Power.

Respectfully submitted this 17th day of February, 2009.

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 17th day of February, 2009, a true and correct copy of the within and foregoing PETITION FOR RECONSIDERATION OF THE INDUSTRIAL CUSTOMERS OF IDAHO POWER, was served in the manner shown to:

**Ms. Jean Jewell**

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

Hand Delivery  
 U.S. Mail, postage pre-paid  
 Facsimile  
 Electronic Mail

Lisa Nordstrom

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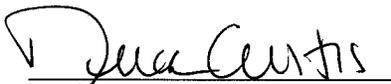
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Nina Curtis  
Administrative Assistant