

May 18, 2010

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

IDAHO PUBLIC  
UTILITIES COMMISSION

Re: 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, 2010 through May 31, 2011, Case No. IPC-E-10-12, Notice of Modified Procedure – Comments by Magic Water Company, Inc.

Dear Commission Secretary

Magic Water Company, Inc. cordially responds to the Idaho Power proposed rate increase for irrigation customers for the 2010 irrigation season.

It is shameful that Idaho Power Company is asking for almost a 14% rate increase in irrigation rates for the 2010 irrigation season, then try to disguise the rate increase as a rate decrease using the PCA reduction because we had a good water year last year. What happens next year since we are having a bad water this year, and the PCA goes back up? We are stuck with the 14% rate increase plus a revised PCA.

Secondly, Idaho Power Company has publicly said they reached an agreement earlier in the year that both the Idaho Public Utilities Commission (PUC or Commission) and Idaho Power Company had reached an agreement not to increase rates until 2012. Now we have a proposed rate increase of this magnitude? This borders on criminal as false advertising.

Idaho Power Company is proposing a 14% rate increase during one of the most economically depressed times in the history of the United States. The dairy industry is frankly in the toilet, figuratively speaking, and farming in general have some of the lowest farm prices in recent history, along with astronomical high costs for power, fuel, fertilizer, and just about anything else within their budgets. In fact all facets of State government and local businesses are reducing their budgets to survive this downturn.

We have attached to this letter, a summary of our 2009 electrical bills for our primary pumping costs. Please keep in mind, that these are primary pumping costs, and do not include our secondary pumping costs (that is the costs of pumping water into our sprinkler and irrigation systems which essentially double the costs we are showing you here).

We are also showing you our pumping costs using the 2009 usage, but inserting the proposed 2010 dramatic rate increases. Finally, we show you a summary between the two years, by category, of what each increases, along with its percentage increase.

We would also like to comment on the energy efficiency charge which increases by 28.40%. The energy efficiency charge has gone up more dramatically than the other charges since they were substantially less before June 1, 2009. This increase is absurd. Also, with our high lift pumping station, we have little available to increase our efficiency any more than what we already have. So we cannot use what we are paying out within our own system. It seems absurd that we will pay more than \$30,000 next year in energy efficiency charges when we cannot use them in our own operation. Secondly, it is grossly unfair that all rate users are not paying for this energy efficiency charge in that all rate users benefit from it. Why is such a high ratio being put on irrigation rates? At a minimum, there should be some kind of limit in dollar terms, placed on what a company should have to pay in efficiency charges.

You should also be aware; our primary power bills totaled \$441,561 in 2005. In 2009, they totaled \$733,974, a \$292,413 increase in four years, for a whopping 66% increase or an average 16.5% increase each year! That is atrocious! Please keep in mind that does not include our secondary power which increased just as much!

Idaho Power's proposed rates will increase our primary power bill by another \$79,816 in 2010 alone. When crop prices have dropped so dramatically, it appears that Idaho Power's soul purpose in continually raising rates is to drive agriculture out of business.

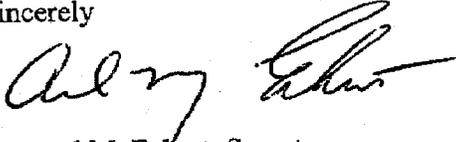
It is also apparent that the demand rate has gotten completely out of line. Idaho Power is now asking for \$5.58 per kW. That means it costs \$558 just to turn on a 100-HP pump, even if you use it one day. That is ridiculous! The demand rate should no longer be calculated on a meter by meter basis. We have a total farming project, and we use many different pumps one time or another. So, Idaho Power Company is charging for a demand for each time a different pump is turned on, when another one might be turned off, when in reality, our total demand for our total farming project did not go up. That is totally unfair because the demand for Idaho Power Company did not increase.

Finally, we would like to point out, that our average kilowatt cost for 2009 was \$0.0626 a kilowatt. And we know, you can skew all of the different costs you have in the equation for electrical costs you want, but the end result is that if you take our total bill in total dollars spent, and divide by the total kilowatts of power we used, we are paying \$0.0626 a kilowatt, no matter how you cut it.

I might add, we are now paying more for a kilowatt of power, than Idaho Power is paying for the purchase of power from wind generation. There is something amiss when pumpers pay more for electricity than Idaho Power is paying to purchase wind from wind producers. That borders on the insane.

In conclusion, we ask that the Commission set a formal hearing on this matter and further more, Magic Water Company, Inc. opposes this horrendous rate increase in these troubled economic times.

Sincerely



Armand M. Eckert, Secretary  
Magic Water Company, Inc.

Cc: Idaho Power Company  
Lisa Nordstrom  
Donovan E. Walker  
Scott Wright  
Greg Said

Cc: Magic Irrigators, Inc.  
Maurice H. Eckert & Son's, Inc.  
M & R Farms, Inc.  
Larsen Magic Farms, Inc.

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**Magic Water Company, Inc.**

2009 Actual Billings	Total Demand	Demand Allocated	Total kWh	kWh Allocated	Rates	Total Billing
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<b>March, 2009 - 29 days (3/03/09 to 4/01/09)</b>						
Demand Charge kW	0	0			\$0.000000	\$0.00
Energy Charge kWh			0	0	\$0.043234	\$0.00
PCA Charge				0	\$0.002419	\$0.00
Energy Efficiency						\$0.08
Customer Charge						\$3.00
Total Bill						\$3.08

<b>April, 2009 - 29 days (4/02/09 to 05/01/09)</b>						
Demand Charge kW	3,492	0			\$0.000000	\$0.00
Energy Charge kWh		1,117,917	1,117,917	572,688	\$0.047816	\$27,383.65
Energy Charge kWh			1,117,917	545,229	\$0.047816	\$26,070.67
PCA Charge				1,117,917	\$0.007864	\$8,791.30
Energy Efficiency						\$1,336.43
Customer Charge						\$3.00
Total Bill						\$63,585.05

<b>May, 2009 - 32 days (30+2), (05/01/09 to 06/02/09)</b>						
Demand Charge kW	3,528	3,308			\$4.900000	\$16,206.75
Demand Charge kW	3,528	221			\$4.900000	\$1,080.45
Energy Charge kWh		2,020,772	578,592	542,430	\$0.039752	\$21,562.68
Energy Charge kWh			1,442,180	1,352,044	\$0.038594	\$52,180.78
Energy Charge kWh		2,020,772	578,592	36,162	\$0.040581	\$1,467.49
Energy Charge kWh			1,442,180	90,136	\$0.039397	\$3,551.10
PCA Charge				1,894,474	\$0.007864	\$14,898.14
PCA Charge				126,298	\$0.014022	\$1,770.95
Energy Efficiency						\$2,538.87
Customer Charge						\$15.75
Total Bill						\$115,272.96

<b>June, 2009 - 29 days (6/02/09 to 07/01/09)</b>						
Demand Charge kW	3,548	3,548			\$4.900000	\$17,385.20
Energy Charge kWh		1,477,145	1,477,145	581,872	\$0.040581	\$23,612.95
Energy Charge kWh			1,477,145	895,273	\$0.039397	\$35,271.07
PCA Credit				1,477,145	\$0.014022	\$20,712.53
Energy Efficiency						\$3,623.54
Customer Charge						\$15.75
Total Bill						\$100,621.04

<b>July, 2009 - 30 days (7/01/09 to 07/31/09)</b>						
Demand Charge kW	4,016	4,016			\$4.900000	\$19,678.40
Energy Charge kWh		2,363,426	2,363,426	658,624	\$0.040581	\$26,727.62
Energy Charge kWh			2,363,426	1,704,802	\$0.039397	\$67,164.08
PCA Charge				2,363,426	\$0.014022	\$33,139.96
Energy Efficiency						\$5,395.33
Customer Charge						\$15.75
Total Bill						\$152,121.14

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<b>Aug, 2009 - 31 days (7/31/09 to 08/31/09)</b>						
Demand Charge kW	4,024	4,024			\$4.900000	\$19,717.60
Energy Charge kWh		2,839,016	2,839,016	659,936	\$0.040581	\$26,780.86
Energy Charge kWh			2,839,016	2,179,080	\$0.039397	\$85,849.21
PCA Charge				2,839,016	\$0.014022	\$39,808.68
Energy Efficiency						\$6,287.26
Customer Charge						\$15.75
<b>Total Bill</b>						<b>\$178,459.37</b>

<b>Sept, 2009 - 30 days (8/31/09 to 9/30/09)</b>						
Demand Charge kW	3,528	3,528			\$0.000000	\$0.00
Energy Charge kWh		1,779,196	1,779,196	578,592	\$0.048811	\$28,241.65
Energy Charge kWh			1,779,196	1,200,604	\$0.048811	\$58,602.68
PCA Charge				1,779,196	\$0.014022	\$24,947.89
Energy Efficiency						\$4,125.25
Customer Charge						\$3.00
<b>Total Bill</b>						<b>\$115,920.47</b>

<b>Oct, 2009 - 30 days (9/30/09 to 10/30/09)</b>						
Demand Charge kW	1,508	1,508			\$0.000000	\$0.00
Energy Charge kWh		122,852	122,852	122,852	\$0.048811	\$5,996.53
PCA Charge				122,852	\$0.014022	\$1,722.63
Energy Efficiency						\$284.98
Customer Charge						\$3.00
<b>Total Bill</b>						<b>\$8,007.14</b>

<b>Totals</b>		<b>11,720,324</b>				<b>\$733,990.25</b>
<b>Average Cost Per Kilowatt</b>					<b>\$ 0.0626</b>	

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**Magic Water Company, Inc.**

2009 Using 2010 Rates	Total Demand	Demand Allocated	Total kWh	kWh Allocated	Rates	Total Billing
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**March, 2009 - 29 days (3/03/09 to 4/01/09)**

Demand Charge kW	0	0			\$0.000000	\$0.00
Energy Charge kWh			0	0	\$0.055518	\$0.00
PCA Charge				0	\$0.003130	\$0.00
Energy Efficiency						\$0.08
Customer Charge						\$3.00
Total Bill						\$3.08

**April, 2009 - 29 days (4/02/09 to 05/01/09)**

Demand Charge kW	3,492	0			\$0.000000	\$0.00
Energy Charge kWh		1,117,917	1,117,917	572,688	\$0.048811	\$27,953.47
Energy Charge kWh			1,117,917	545,229	\$0.048811	\$26,613.17
PCA Charge				1,117,917	\$0.014022	\$15,675.43
Energy Efficiency						\$2,592.06
Customer Charge						\$3.00
Total Bill						\$72,837.14

**May, 2009 - 32 days (30+2), (05/01/09 to 06/02/09)**

Demand Charge kW	3,528	3,308			\$5.580000	\$18,455.85
Demand Charge kW	3,528	221			\$5.580000	\$1,230.39
Energy Charge kWh		2,020,772	578,592	542,430	\$0.046149	\$25,032.60
Energy Charge kWh			1,442,180	1,352,044	\$0.044801	\$60,572.91
Energy Charge kWh		2,020,772	578,592	36,162	\$0.046149	\$1,668.84
Energy Charge kWh			1,442,180	90,136	\$0.044801	\$4,038.19
PCA Charge				1,894,474	\$0.003130	\$5,929.70
PCA Charge				126,298	\$0.003130	\$395.31
Energy Efficiency						\$5,273.29
Customer Charge						\$17.85
Total Bill						\$122,614.95

**June, 2009 - 29 days (6/02/09 to 07/01/09)**

Demand Charge kW	3,548	3,548			\$5.580000	\$19,797.84
Energy Charge kWh		1,477,145	1,477,145	581,872	\$0.046149	\$26,852.81
Energy Charge kWh			1,477,145	895,273	\$0.044801	\$40,109.13
PCA Credit				1,477,145	\$0.003130	\$4,623.46
Energy Efficiency						\$4,121.94
Customer Charge						\$17.85
Total Bill						\$95,523.03

**July, 2009 - 30 days (7/01/09 to 07/31/09)**

Demand Charge kW	4,016	4,016			\$5.580000	\$22,409.28
Energy Charge kWh		2,363,426	2,363,426	658,624	\$0.046149	\$30,394.84
Energy Charge kWh			2,363,426	1,704,802	\$0.044801	\$76,376.83
PCA Charge				2,363,426	\$0.003130	\$7,397.52
Energy Efficiency						\$6,136.94
Customer Charge						\$17.85
Total Bill						\$142,733.27

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<b>Aug, 2009 - 31 days (7/31/09 to 08/31/09)</b>						
Demand Charge kW	4,024	4,024			\$5.580000	\$22,453.92
Energy Charge kWh		2,839,016	2,839,016	659,936	\$0.046149	\$30,455.39
Energy Charge kWh			2,839,016	2,179,080	\$0.044801	\$97,624.96
PCA Charge				2,839,016	\$0.003130	\$8,886.12
Energy Efficiency						\$7,151.23
Customer Charge						\$17.85
Total Bill						\$166,589.47

<b>Sept, 2009 - 30 days (8/31/09 to 9/30/09)</b>						
Demand Charge kW	3,528	3,528			\$0.000000	\$0.00
Energy Charge kWh		1,779,196	1,779,196	578,592	\$0.055518	\$32,122.27
Energy Charge kWh			1,779,196	1,200,604	\$0.055518	\$66,655.13
PCA Charge				1,779,196	\$0.003130	\$5,568.88
Energy Efficiency						\$4,692.09
Customer Charge						\$3.40
Total Bill						\$109,041.78

<b>Oct, 2009 - 30 days (9/30/09 to 10/30/09)</b>						
Demand Charge kW	1,508	1,508			\$0.000000	\$0.00
Energy Charge kWh		122,852	122,852	122,852	\$0.055518	\$6,820.50
PCA Charge				122,852	\$0.014022	\$1,722.63
Energy Efficiency						\$324.14
Customer Charge						\$3.40
Total Bill						\$8,870.66

Totals		11,720,324				\$718,213.36
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Average Cost Per Kilowatt \$ 0.0613

Description	2009	2010	Percent Change
Demand Charges	\$ 74,068.40	\$ 84,347.28	13.88%
Energy Charges	\$ 490,463.02	\$ 553,291.04	12.81%
Energy Efficiency	\$ 23,591.75	\$ 30,291.69	28.40%
Customer Charge	\$ 75.00	\$ 84.30	12.40%
Totals	\$ 588,198.17	\$ 668,014.31	13.57%
PCA	\$ 145,792.08	\$ 50,199.05	-65.57%