

Jean Jewell

From: js_weber@hotmail.com
Sent: Tuesday, May 08, 2012 2:54 AM
To: Jean Jewell; Beverly Barker; Gene Fadness
Subject: PUC Comment Form

A Comment from John Weber follows:

Case Number: IPC-E-12-14
Name: John Weber
Address:
City: Boise
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Daytime Telephone:
Contact E-Mail: js_weber@hotmail.com
Name of Utility Company: Idaho Power
Acknowledge: acknowledge

Please describe your comment briefly:

It seems that Idaho Power is waging an all out war against PURPA projects. I believe their reasoning for this is to maximize company profits, which is pretty much the goal of all for profit corporations. This is how the capitalistic system works. IOUs (Investor-Owned Utilities) in Idaho are regulated monopolies. The PUC is the regulator that sets the rules. The regulated utilities play by the rules to maximize their profits. I think it is time for the PUC to review the rules.

I understand currently the regulated utilities are allowed an opportunity to receive a fair rate of return on asset investments; an example would be building a new power plant. Power purchases on the open market or from PURPA contracts are passed through to ratepayers without a mark up or rate of return for the utility. The perfect scenario for an electrical utility would be to have as much asset investments (receiving an approved rate of return) as possible and the least amount of purchased power regardless of the source of generation. An IOU is responsible to maximize the company profits for their shareholders.

Shareholder profits are not always in the best interest of the ratepayers in the service area. Shutting down PURPA projects could cost the state of Idaho hundreds of millions of dollar in lost investment and thousands of jobs. In the interest of the people of Idaho, the PUC should review rates of return for electrical utilities. The rates of return should not discourage power purchases, energy efficiency, and in the future, storage. The rules the Idaho PUC set should at least be neutral regarding generation, purchases, efficiency, and storage. That way the IOUs can receive a rate of return on power purchases and they won't have a profit incentive to shut down PURPA projects.

While attending the Idaho PUC hearing for approving the Langley Gulch gas plant I recall the most compelling reason to build the plant was so more wind power could be integrated into the grid. Now that the plant is almost done being built (at substantial cost to the ratepayers) it seems Idaho Power wants to limit wind projects just when the plant built to help incorporate more wind into the system is near completion. The below is from Idaho Power's brochure about Langley Gulch gas plant.

"This flexible resource will have the features of a base load plant, in that it is economical and will run a great deal of the time. It also has the flexibility to vary output quickly to integrate intermittent resources from area wind and future solar projects."

If the Idaho PUC knew Idaho Power wanted to shut down wind generation and the plant would not be used to integrate wind resources, would it have been approved?

I challenge the commission and the staff of the PUC to regulate electrical utilities in a way that to maximize profits of IOUs they must also maximize the benefit to the community. Without appropriate regulation, deregulation may be the best course of action regarding IOUs in Idaho.

The form submitted on <http://www.puc.idaho.gov/forms/ipuc1/ipuc.html>
IP address is 71.33.103.73
