RECEIVED [X]
FILED [ ]

2004 NOV -5 PM 12: 20

IDAHO PUBLIC
UTILITIES COMMISSION

Peter Richardson
RICHARDSON AND OLEARY
PO Box 1849
99 East State Street
Eagle, Idaho 83616
peter@richardsonandoleary.com
Attorneys for the Industrial Customers of Idaho Power

IN THE MATTER OF THE APPLICATION OF IDAHO POWER COMPANY FOR AN ORDER APPROVING THE COSTS TO BE INCLUDED IN THE 2002/2003 PCA YEAR FOR THE IRRIGATION LOAD REDUCTION PROGRAM AND ASTARIS LOAD REDUCTION AGREEMENT	**CASE NO. IPC-E-01-34** **COMMENTS OF THE INDUSTRIAL CUSTOMERS OF IDAHO POWER**

COMES NOW, the Industrial Customers of Idaho Power ("ICIP" or "Industrial Customers"), by and through its attorney of record, Peter J. Richardson, and pursuant to Order No 29612 that was issued in the above docket by the Idaho Public Utilities Commission ("Commission") on October 15, 2004 and hereby offers the following Comments:

I.

NO PRECEDENT

The ICIP generally opposes the recovery of lost revenues for utilities engaged in conservation and other demand reduction activities. While the Commission is mandated in this case to allow such recovery by order of the Idaho Supreme Court, the Commission should make clear that its decision in this case is limited to the unique facts presented by the irrigation load buy back program.

II.

CLOSE SCRUTINY REQURED

Because of the unique facts surrounding the energy crisis of 2000/2001 this Commission allowed the construction of, and ultimately ratebase treatment for the

Danskin plant - at a significant cost to the ratepayers. At the same time Idaho Power was constructing Danskin it was engaged in an aggressive buy back program from the irrigation class. Although, the ICIP recognizes the Commission finds itself in a catch-22 situation relative to the prudence of the irrigation buy back program, the ICIP respectfully asserts that the Company has already been made whole through the recovery of all of its direct costs associated with that program. Because the Company has already been made whole through the recovery of all of its direct costs associated with the irrigation buy back program, recovery of additional funds would essentially place the entire burden of the energy crisis (the ten percent PCA share notwithstanding) on the backs of Idaho Power's ratepayers.

Because all direct costs have been recovered, the lost revenue associated with the buy back program should be discounted to take into account the fact that the Company incurred no costs associated with the purported lost revenue amount of approximately $12 million. This netting of costs should take into account the effects of the PCA on recovery of the Company's variable power supply costs.

Modified procedure is not the appropriate venue for making detailed findings of fact relative to the magnitude of the dollars that the Company saved as a result of the irrigation buy back program.

CERTIFICATE OF SERVICE

I hereby certify that the foregoing COMMENTS OF THE INDUSTRIAL CUSTOMERS OF IDAHO in Case No. IPC-E-01-34 were hand delivered to the IPUC offices and mailed, postage prepaid, to all parties of record in this matter who are listed on the attached service list.

Respectfully submitted this 5th day of November 2004
By _____
Peter Richardson, attorney for
Industrial Customers of Idaho Power

IDAHO POWER COMPANY
IPC-E-01-34 / ON REMAND

PARTIES OF RECORD

LARRY D RIPLEY
SENIOR ATTORNEY
IDAHO POWER COMPANY
PO BOX 70
BOISE ID 83707-0070

MAGGIE BRILZ
DIRECTOR OF PRICING
IDAHO POWER COMPANY
PO BOX 70
BOISE ID 83707-0070

RANDALL C BUDGE
RACINE OLSON NYE ET AL
PO BOX 1391
POCATELLO ID 83204-1391

ANTHONY YANKEL
29814 LAKE RD
BAY VILLAGE OH 44140

CONLEY WARD
GIVENS PURSLEY LLP
PO BOX 2720
BOISE ID 83701-2720