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IDAHO PUBLIC
UTILITIES COMMISSION

Energy Affordability in Idaho
Submitted Friday, December 19, 2008
By Ronald Matthews

I find many of the proposals of the PUC Staff to be sound choices in a changing economic environment. In the near future there will still be profound restraints on the availability of energy and natural resources. It is despicable that Idaho Power Company (IPC) refuses or neglects the addition of Green Power, especially the development of geothermal across the Snake River Plain which Google Environment says contains a greater amount of power generation than all of the Bonneville Project.

The proposal of 3 tiers beginning at 0-1000kwh, 1000-2000 kwh for the second tier and a third tier beginning at 2000kwh is the most sound and forward-looking proposal on the table.

I find it wise to dig deep into the IPC customer profiles to discover the true, yet well known reasons that people sign up for payment plans and an increasing number of people fail to negotiate that plan. People are running out of disposable income.

I do not find it at all agreeable that at times of high power demand that IPC says publicly that it has to purchase out of state power at top prices, yet purchases much of that power from such sources as the Coal Fire Plant in Boardman Oregon making a pretty penny of net profit for the owners of that plant. And who owns the plant? Idaho Power Company.

Although it is an exceptionally good idea to increase the funding towards weatherization plans, it is foreseeable that this will not be enough and an "invisible" wall will be reached wherein finding applications for the funding will be increasingly difficult. Consider it as a "neighborhood saturation" of good weatherization. At that point another tried and true application needs to be made of the funding. Solar pre-heating of the cold water intake to the residence hot water tanks. That has worked as a national policy for Israel since the 1967 six day war. Power consumption needed to be reduced by half and preheating the hot water tank reduced national power consumption by 30%.

Idaho Power, its' executives and its' parent Corporation IDACORP, need to do some serious belt-tightening right along with its customers. We are in a recession. One measure of Recession or Depression is the number of jobless. We have enough jobless people today to show we are in a deep and long lasting recession. So far, we have one-third of the required number of jobless to officially indicate a Depression. When, by April 2009 consumer inflation begins to match fiat inflation of 20% a greater number of jobless people will significantly push Idaho into a Depression.

Idaho Power is currently not planning for this.

Idaho Power has placed in print: "Our improved financial performance is due (in part) to progress from prolonged and purposeful regulatory efforts. This years regulatory accomplishments both in Oregon and Idaho highlight the achievement of key milestones of our strategy. We are still not earning our allowed rate of return. Looking forward, we must continue our strategy of timely regulatory filings.

Idaho Power Companies (IPC) net income, the primary component of IDACORP's net income, was \$86.4 million, an increase over last quarter of \$22.8 million. This was due mostly to an increase of base rates, and an increase of \$65.7 million in PCA rates."

What this says to the average person is that IPC will continue filing at the PUC for more increases, multiple times through the year until they feel that the income is close to what they perceive as how much they are worth.

In the meantime, there is strong evidence that IPC is buying small companies and then purchasing through those companies. The Idaho rate payers pay for IPC demanded products like the thousand 500KV monopole that have been installed in the last 4 years, and the profit from the company between the China manufacturer and IPC purchase goes back to IPC. Not an actually accusation, because the dummy paperwork behind the purchase of those monopoles is extensive and some hidden from the public.

Idaho Power's spokesperson, Michael Ybarguen has gone on pubic record during December 2008 stating that Idaho Power will continue to supplement increasing demands with coal, Gas and purchasing imported electricity. There is no clean coal, no matter what the coal companies advertisements say-- there are no clean coal plants on line or planned. During the last year there was a 20% drop in availability of natural gas. Yet, Idaho Power has no plans for green energy. Ybarguen stated that Wind Power was too messy to deal with, that it had some "sticky points." In fact, you know that Idaho Power has asked for a variance of the PURPA ruling so wind power can be avoided.

He also said that Idaho Power plans to run a 500kv line from the coal plant in Boardman Oregon to Pacificorps 500kv line near Twin Falls. Do we need this? The Idaho rate payers will have to pay for this, but there are no "drops" planned for Idaho in the IPC service area according to Ybarguen.

Idaho sits on enough geothermal energy in the Snake River Plain to give Idaho more power than all of the Bonneville complex, yet Idaho Power will not consider this new direction, instead, they plan to be here month after month at the PUC.

Respectfully submitted, Ron Matthews 15926 Sunburst, Caldwell 83607 455-0155