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Caribou County Commissioners

P.O. Box 775
Soda Springs, Idaho 83276
(208) 547-4324

EARL SOMSEN
Commissioner District #2

LLOYD M. RASMUSSEN, Chairman
Commissioner District #3

R. DOUGLAS HOGAN
Commissioner District #1

August 22, 2007

Idaho Public Utilities Commission
472 West Washington Street
Boise ID 83702

Attn: Paul Kjellander, Mack Redford, and Marsha Smith

RE: PacifiCorp

Dear Commissioners:

With much concern, we respectfully write this letter to you in regards to PacifiCorp's upcoming rate case. We are keenly aware of the impact that your decision will have on Caribou County, the southeast region of Idaho, its residents, the farmers who irrigate their crops and on the industries in this area.

It is our understanding that much of the costs that PacifiCorp is intending to pass on to Caribou County and southeast Idaho customers come from new electrical generation. While we understand the need for new generation plants and the updating of old assets, much of this new generation is being built to serve new load in the region. It seems wrong that the cost of assets built to serve growth in other states or even here in Idaho should be born by industries and customers in Caribou County and southeastern Idaho that have, if anything, reduced energy demands through closure, efficiency or conservation over the last 40 plus years. Furthermore, while other counties are experiencing economies that are growing, Caribou County has experienced dramatic declines in jobs. We are extremely concerned that the constant increasing of the cost of electricity will result in the closure of another plant here in the Caribou County and others in southeastern Idaho. Our estimates of the regional economic loss of a Monsanto closure could be as high as \$700 million dollars annually. This would absolutely devastate Caribou County. To those that say that Monsanto would never close its Soda Springs plant down, we need only point to a similar nearby plant, the FMC plant in Pocatello.

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If you approve this proposed increase, Monsanto's rates will have raised 38% since the rates they paid in 2006, and it is our understanding that Monsanto's rates will have increased 71% since from the rates they were paying in 2002. Additionally, we are also aware that Monsanto has also given up curtailment or the right to run its operations for 1,000 hours to the power company to hold down its electrical costs. We understand that this provides reliability to all customers, at a high cost to Monsanto for lost production. Also, the farmers who use irrigation for their crops recently incurred a 51% increase after loss of BPA credits.

As Idaho Public Utilities commissioners, you have the mandate to set rates that are "fair, just and reasonable". We believe this gives you a broader latitude to consider all issues in your decisions. We ask you to consider the economic impact your decision may have on the jobs and people that live in Caribou County and southeastern Idaho. We are working diligently to attract new business to Caribou County, but all of our efforts could never replace the loss of a Monsanto, Agrium, or Simplot plant.

Respectfully, we ask that you consider these facts as you make your decision.


Lloyd Rasmussen Chairman
Commissioner District 3


Earl Somsen
Commissioner District 2


Doug Hogan
Commissioner District 1