

Randall C. Budge, ISB No. 1949
RACINE, OLSON, NYE, BUDGE &
BAILEY, CHARTERED
P.O. Box 1391; 201 E. Center
Pocatello, Idaho 83204-1391
Telephone: (208) 232-6101
Fax: (208) 232-6109

RECEIVED
FILED
2005 JUL 11 PM 2:12
IDAHO PUBLIC
UTILITIES COMMISSION

Attorneys for Intervenor
Idaho Irrigation Pumpers Association, Inc.

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE INVESTIGATION)
CONCERNING ISSUES RELATED TO IDAHO) **CASE NO. IPC-E-04-23**
POWER COMPANY'S COST OF SERVICE)
STUDY.)
)
)
_____)

**APPLICATION FOR INTERVENOR FUNDING OF
THE IDAHO IRRIGATION PUMPERS ASSOCIATION, INC.**

COMES NOW the Idaho Irrigation Pumpers Association, Inc. ("Irrigators"), by and through counsel of record, Randall C. Budge, and hereby respectfully makes application to the Idaho Public Utilities Commission ("Commission") for intervenor funding pursuant to Idaho Code § 61-617A and IDAPA 31.01.01.161 through .165 as follows:

(A) A summary of the expenses that the Irrigators request to recover broken down into legal fees, consultant fees and other costs and expenses is set forth in Exhibit "A" attached hereto and incorporated by reference. Itemized statements are also included as Attachments 1 and 2 to Exhibit "A" in support of said summary and are incorporated by reference.

(B) The Irrigators' counsel, Randall C. Budge, and Consultant, Anthony J. Yankel, P.E., fully participated in this proceeding and made presentations at the three workshops, November 3,

2004, December 14, 2004, and February 25, 2005. Also, the Irrigators provided input on the Parties Final Report filed with the Commission. The details of the Irrigators' proposals and recommendations to the Workshops are discussed generally in the Final Report and are set forth in detail in three Power Point presentations set forth in the enclosed CD, which are incorporated by reference.

(C) The expenses and costs incurred by the Irrigators set forth in Exhibit A and accompanying attachments are reasonable in amount and were necessarily incurred in reviewing and evaluating the data from the Company's past filings and supporting data, review of historic accounting and usage data from FERC Form 1's dating back over 23 years, evaluating the impact of temperature and demand normalization on cost-of-service results, reviewing treatment of load research data as the data is gathered and normalized for all classes, work with the Staff and the Company to develop reasonable proposals regarding data handling in the future, preparing presentations to be delivered at various workshops, and participating in all workshop proceedings, in addition to normal client communications regarding the same.

(D) The costs described in (A) above constitute a financial hardship for the Irrigators. The Irrigators currently have \$12,392.00 in the bank. Accounts payable for legal and consultant fees in this case total \$29,499.89 as set out in Exhibit "A", none of which have been paid. The Irrigators have \$4,819.93 in other accounts payable

The Irrigators are an Idaho nonprofit corporation qualified under I.R.C. § 501(c)(5) representing farm interests in electric utility rate matters affecting farmers in southern and central Idaho. The Irrigators rely solely upon dues and contributions voluntarily paid by members, together with intervenor funding to support activities and participate in rate cases. Each year a mailing is sent

to approximately 7500 Idaho Irrigators (approximately two-thirds in the Idaho Power Company service area and one-third in the Utah Power Company service area), soliciting annual dues. The Irrigators recommend members make a voluntary contributions based on acres irrigated or horsepower per pump. Member contributions have been falling which are believed to be attributable to the depressed agricultural economy and increased operating costs and threats, particularly those relating to water right protection issues. From member contributions the Irrigators must pay all expenses, which generally include mailing expenses, meeting expenses and shared office space in Boise, Idaho, in addition to the expenses relating to participation in rate cases. The Executive Director, Lynn Tominaga, is the only part-time paid employee, receiving a retainer plus expenses for office space, office equipment, and secretarial services. Officers and directors are elected annually and serve without compensation.

It has been and continues to be a financial hardship for the Irrigators to fully participate in all rate matters affecting its members. As a result of financial constraints, participation in past rate cases and in this case has been selective and, primarily, on a limited basis.

(E) The benefit to all ratepayers and irrigation customers resulting from participation in a Workshop such as this is not as easy to evaluate as in a rate case setting where testimony is filed and the Commission renders a decision. However, the Irrigators took a lead role in establishing positions in all but one of the issues raised at the Workshop and thus differed materially from the positions taken by the Commission Staff. For example, the Irrigators extensively analyzed the Load Research data, billing cycle data, and methodologies used by the Company to normalize that data for purposes of its cost of service study. The Irrigators were the only party to develop and present extensive information regarding growth rates and costs over the past 23 years. For the most part,

Staff and other parties were not critical of the data or methodologies presented by the Irrigators, but generally seemed to feel that the information presented added to all participants' understanding of many issues regarding the data that goes into cost-of-service studies.

(F) The Irrigators' participation addressed issues of concern to the general body of users or consumers on Idaho Power's system. For example, the Irrigators brought forth the need to normalize demand data used for cost of service purposes. This impacts all customer classes and makes for a more uniform/consistent result. Demand normalization will not benefit one class versus another, but simply provide better, more consistent data for all customer classes. A proposal was put forth on demand normalization that was accepted by all parties. In a similar manner, the Irrigators proposed that the Company's billing cycle data be adjusted by a formula that recognized the temperature sensitive nature of certain of the Company's loads. This recommendation was accepted by all parties and impacts all customer classes, but does not do so in a manner that favors one customer class over another – it simply results in better overall data.

The growth issue is also one that impacts all classes. There is no question that the rapid growth in the Idaho Power service area has been driving the costs of service higher for all classes. The Irrigators presented data that demonstrated that this growth has been very uneven between classes over the last 23 years with Residential increasing 50%, Schedule 9 increasing 100% and Irrigation remaining flat. The Irrigators also demonstrated that the growth in plant has been uneven over this timeframe with Generation going up 75%, Transmission going up 110%, and Distribution plant actually tripling. In absolute dollars Distribution plant has increased more than Generation. The only consensus that could be reached on this data is that the present cost-of-service methodology is inadequate to capture this diversity of growth between customer classes.

(G) The Irrigators represent the irrigation class of customers under Schedule 24.

Based on the foregoing, it is respectfully submitted that the Irrigators are a qualifying intervenor and should be entitled to an award of costs of intervention in the amount of \$29,499.89 pursuant to Idaho Code § 61-617A and IDAPA 31.01.01.161 through .165.

DATED this 7 day of ~~June~~^{July}, 2005.

RACINE, OLSON, NYE, BUDGE &
BAILEY, CHARTERED

By Randall C. Budge
RANDALL C. BUDGE

EXHIBIT A

SUMMARY OF EXPENSES INCURRED BY IRRIGATORS
IN CASE NO. IPC-E-03-13

1.	Legal Fees:		
	Randall C. Budge:	22.60 hours at \$175 =	\$ 3,955.00
	Costs:		
	Long distance phone:		\$ 50.54
	Travel:		<u>\$ 175.50</u>
	Total Work and Costs:		\$ 4,181.04
2.	Consultant Anthony J. Yankel		
	192 hours at \$125 per hour		\$24,000.00
	Expenses:		
	Travel, room and meals		<u>\$ 1,318.85</u>
	Total Work and Costs:		\$25,318.85
	TOTAL FEES AND EXPENSES:		\$29,499.89

Attachment 1: Legal Fees and Costs (Randall C. Budge)

Date: 06/21/2005

Detail Fee Transaction File List RACINE, OLSON, NYE, BUDGE AND BAILEY CHARTERED

Page: 1

Client	Trans Date	H Atty P	Tod	Rate	Hours to Bill	Amount	Ref #
Client ID 710.1518525 IDAHO IRRIGATION PUMPERS ASSOCIATION, INC.							
710.1518525	11/02/2004	RCB A	131	175.00	4.00	700.00 TRAVEL TO BOISE; TELEPHONE CONFERENCE WITH T. YANKEL AND PREPARE PUC WORKSHOP ON IPCO COST OF SERVICE ISSUES	ARCH
710.1518525	11/03/2004	RCB A	7	175.00	3.50	612.50 ATTEND IPUC WORKSHOP ON IPCO COST OF SERVICE ISSUES	ARCH
710.1518525	11/24/2004	RCB A	62	175.00	0.50	87.50 REVIEW AND EVALUATE IIPA PROPOSAL TO PARTIES RE: WORKSHOP ON COST OF SERVICE FOR IPCO IRRIGATION CLASS; TELEPHONE CONFERENCE WITH T. YANKEL RE: SAME	ARCH
710.1518525	11/29/2004	RCB A	75	175.00	0.30	52.50 TELEPHONE CONFERENCE WITH T. YANKEL RE: COST OF SERVICE PROPOSAL TO PARTIES	ARCH
710.1518525	12/14/2004	RCB A	35	175.00	7.00	1225.00 MEETING WITH T. YANKEL, L. TOMINAGA RE: IPCO COST OF SERVICE WORKSHOP ISSUES AND PREPARATION; ATTEND PUC WORKSHOP RE: IPCO COST OF SERVICE ISSUES; 1/2 TRAVEL	ARCH
710.1518525	02/18/2005	RCB A	62	175.00	0.50	87.50 REVIEW T. YANKEL PROPOSED PRESENTATION TO IPCO WORKSHOP; TELEPHONE CONFERENCE WITH T. YANKEL, L. TOMINAGA RE: SAME	ARCH
710.1518525	02/23/2005	RCB A	75	175.00	0.30	52.50 TELEPHONE CONFERENCE WITH T. YANKEL RE: PREPARATION FOR IPCO WORKSHOP 2.25	ARCH
710.1518525	02/24/2005	RCB A	62	175.00	0.60	105.00 REVIEW IIPA PROPOSED COST OF SERVICE POWER POINT PRESENTATION; TELEPHONE CONFERENCE WITH IPCO AND T. YANKEL RE: PRESENTATION WORKSHOP AND PREPARATION AND STRATEGY	ARCH
710.1518525	02/25/2005	RCB A	7	175.00	4.40	770.00 ATTEND IPCO COS WORKSHOP (VIA CONFERENCE CALL) RE: IPCO COST OF SERVICE; FOLLOWUP TELEPHONE CONFERENCE WITH T. YANKEL RE: GOING FORWARD STRATEGY AND REPORT TO COMMISSION ON WORKSHOP RESULTS; LETTER TO IIPA BOARD- REPORT ON COS WORKSHOP CONCLUSIONS	ARCH
710.1518525	02/28/2005	RCB A	75	175.00	0.30	52.50 TELEPHONE CONFERENCE WITH T. YANKEL AND L. TOMINAGA RE: FOLLOWUP ON WORKSHOP CONCLUSION AND LETTER TO BOARD AND PROPOSED STAFF REPORT	ARCH
710.1518525	05/10/2005	RCB U	58	175.00	1.20	210.00 RECEIVE AND REVIEW FROM STAFF (D. SCHUNKE) PROPOSED DRAFT FINAL REPORT ON IPCO COS WORKSHOPS; TELEPHONE CONFERENCE WITH T. YANKEL, D. SCHUNKE RE: IRRIGATORS COMMENTS AND PROPOSED REVISIONS; PREPARE IRRIGATORS RED-LINED PROPOSED CHANGES TO DRAFT REPORT; LETTER TO D. SCHUNKE WITH IRRIGATORS COMMENTS	12
710.1518525	05/31/2005	RCB U	56	175.00		-1328.04 TRANSFER CREDIT BALANCE FROM 710.15185	13
Total for Client ID 710.1518525				Billable	22.60	2626.96	IDAHO IRRIGATION PUMPERS ASSOCIATION, INC. CASE NO. IPC-E-04-23

3955

GRAND TOTALS			
	Billable	22.60	2626.96

Detail Cost Transaction File List
 RACINE, OLSON, NYE, BUDGE AND BAILEY CHARTERED

Client	Trans Date	H Atty P	Tcd	Rate	Amount	Ref #
Client ID 710.1518525 IDAHO IRRIGATION PUMPERS ASSOCIATION, INC.						
710.1518525	11/08/2004	RCB A	129		175.50 RT MILEAGE POCATELLO-BOISE	ARCH
710.1518525	02/28/2005	RCB A	128		50.54 LONG DISTANCE TELEPHONE EXPENSE	ARCH
Total for Client ID 710.1518525				Billable	226.04	IDAHO IRRIGATION PUMPERS ASSOCIATION, INC. CASE NO. IPC-E-04-23
GRAND TOTALS						
				Billable	226.04	

Attachment 2: Consultant Fees and Costs (T. Yankel)		
<u>Date</u>	<u>Hours</u>	<u>Description</u>
July 28	2	Look up how workshops were conducted in Utah and formulate recommendations for the IPCo case.
Nov. 3	7	Prepare for and attend workshop meeting over phone; phone calls with Budge before and after.
16	8	Review problems with normalization procedures and develop presentation regarding same.
17	8	Review problems with normalization procedures and load research data: develop presentation regarding same.
18	8	Develop and draft presentation regarding billing vs. calendar data as well as how growth impacts Irrigators.
19	7	Develop and draft presentation regarding how growth impacts Irrigators.
20	8	Develop and draft presentation regarding how growth impacts Irrigators.
Dec. 7	3	Finalize presentation for taskforce and send it to Staff for distribution.
11	3	Review presentation to be made on Tuesday regarding Cost-of-Service and prepare to make presentation.
12	7	Travel to Boise and review of presentation for Cost of Service Task
14	5	Prepare for and attend meeting at the Commission regarding cost-of-service task force.
15	6	Travel back to Cleveland and review what needs to be done for future cost of-service workshop meetings.
Jan 27	5	Review various procedures for allocating growth.
28	8	Test different procedures for normalizing demand.
31	6	Review rates of growth by class and by FERC account.
Feb. 1	4	Review rates of growth by class and by FERC account.
2	2	Work through various methods of allocating growth.
3	6	Work through various methods of allocating growth.
4	8	Develop data regarding changes in ratebase by FERC account for the last 20 plus years as well as usage by rate schedule.

<u>Date</u>	<u>Hours</u>	<u>Description</u>
7	5	Work through various methods of allocating growth with respect to the Distribution system.
9	8	Rework model to incorporate the usage of additional allocation factors for Distribution plant-in-service; develop cost of service runs for various scenarios of allocation factors.
10	8	Rework model to incorporate the usage of additional allocation factors for Distribution plant-in-service; develop cost of service runs for various scenarios of allocation factors.
11	6	Rework model to incorporate the usage of additional allocation factors for Distribution plant-in-service; develop cost of service runs for various scenarios of allocation factors.
14	7	Develop PowerPoint presentation regarding growth issues.
21	5	Review additional FERC Form 1 data; finalize information and develop final format for PowerPoint presentation.
22	8	Finalize presentation; make corrections suggested by Idaho Power; converse with others regarding what was being presented.
24	8	Travel to Boise and prepare for workshop.
25	6	Prepare for and attend workshop.
26	8	Return home and review material from workshop.
Mar 10	5	Develop distribution data by using data responses in case to separate out distribution plant by summer and winter use.
11	4	Develop distribution data by using data responses in case to separate out distribution plant by summer and winter use.
Apr 20	2	Conversations with Idaho Power regarding finding agreement associated with demand normalization; review data and techniques; write proposed language to go into task force report.
22	1	Review and comment on draft workshop report associated with growth.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 7 day of July, 2005, I mailed a true and complete copy of the foregoing document, postage prepaid, to each of the following:

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

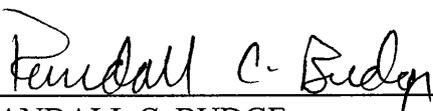
Barton L. Kline
Monica B. Moen
Idaho Power Company
P.O. Box 70
Boise, Idaho 83707-0070
E-mail: bkline@idahopower.com
mmoen@idaho power.com

John R. Gale
VP-Regulatory Affairs
Idaho Power Company
P.O. Box 70
Boise, Idaho 83707-0070
E-mail: rgale@idahopower.com

Lisa Nordstrom
Weldon Stutzman
Deputy Attorney Generals
Idaho Public Utilities Commission
472 W. Washington (83702)
P.O. Box 83720
Boise, Idaho 83720-0074
E-mail: lnordst@puc.state.id.us
wstutzm@puc.state.id.us

Peter J. Richardson, Esq.
Richardson & O'Leary
99 E. State St., Suite 200
P.O. Box 1849
Eagle, Idaho 83616
E-mail: peter@richardsonandoleary.com

Conley E. Ward
Givens Pursley LLP
601 W. Bannock St.
P.O. Box 2720
Boise, ID 83701-2720
E-mail: cew@givenspursley.com



RANDALL C. BUDGE