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April 13, 2006

Jean Jewell, Secretary
Idaho Public Utilities Commission
P.O. Box 83720
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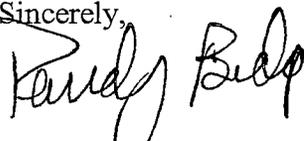
Re: *IPC-E-05-28*

Dear Mrs. Jewell:

Enclosed herewith for filing, please find the following:

1. Original and seven copies of Application for Intervenor Funding of the Idaho Irrigation Pumpers Association.
2. Original and eight copies of Comments of the Idaho Irrigation Pumpers Association.

Sincerely,



RANDALL C. BUDGE

RCB:rr
Enclosures
cc: Service List

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IDAHO PUBLIC UTILITIES COMMISSION

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IDAHO PUBLIC UTILITIES COMMISSION

Attorneys for Intervenor
Idaho Irrigation Pumpers Association, Inc.

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF)
IDAHO POWER COMPANY FOR AUTHORITY) **CASE NO. IPC-E-05-28**
TO INCREASE ITS RATES AND CHARGES)
FOR ELECTRIC SERVICE TO ELECTRIC)
CUSTOMERS IN THE STATE OF IDAHO.)
_____)

**COMMENTS 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 submits the following Comments for the purpose of setting forth support for the Settlement Stipulation, discussing the reason why the direct testimony of Anthony J. Yankel was filed and providing further support for the Irrigators’ Application for Intervenor Funding filed herewith.

1. THE SETTLEMENT STIPULATION:

The Irrigators executed the Settlement Stipulation dated February 27, 2006 (“Stipulation”), and unequivocally support the Commission’s approval of the Stipulation. While other parties agreed to the Stipulation at the conclusion of the settlement discussions on February 14, 2006, the Irrigators were the only party which refused at that time. The Irrigators subsequently agreed to and signed and the Stipulation with reluctance due to modifications to the Stipulation and as a result of pressure from other parties.

Paragraph 10 to the Stipulation was subsequently added at the Irrigators' request to provide a mechanism for addressing the Irrigators' concerns with the Peak Rewards Program. The Irrigators then approved and signed the Stipulation as a reasonable compromise of disputed claims to avoid incurring additional costs and risks inherent with litigation. It was also significant to the Irrigators that the agreed-upon 3.2 percent increase would be spread on a uniform percentage basis and be substantially offset by anticipated 2006 PCA adjustments as well as SO2 credits arising out of Case No. IPC-E-05-26. Further, had the Irrigators not agreed to the Stipulation, it would have been necessary for the other parties, Staff and the Commission to proceed with a contested case hearing addressing issues raised only by the Irrigators, which the other parties preferred to settle.

In sum, the Irrigators participated in the settlement recognizing that issues the Irrigators wished to address regarding the Peak Rewards Program will be addressed under the mechanism set forth in paragraph 10 of the Stipulation and issues relating to disproportionate growth and the allocation of the cost of growth between classes which the Irrigators have substantial concerns about will necessarily be again raised and addressed in future proceedings. Under these circumstances, the Irrigators support the Stipulation as a reasonable compromise.

2. PURPOSE OF IRRIGATORS' DIRECT TESTIMONY:

The direct testimony of the Irrigators witness Yankel was filed March 1, 2006. The need for filing this testimony after the Stipulation was entered into on February 27, 2006, could be questioned. Apparently a misunderstanding occurred when the Irrigators communicated to Barton Kline of Idaho Power, the reasoning for the Irrigators' filing. This misunderstanding led to the myopic statement made in the Company's Rebuttal Testimony of John R. Gale to state at page 8, lines 6-9: "Some portions of the Irrigators' testimony in support of the settlement goes beyond that mutual understanding and, in my opinion, those portions of the testimony border on bad faith on behalf of the Irrigators."

The purpose of the filing of the Irrigators' testimony was three-fold. First, to provide a supporting basis for the Irrigators' Request for Intervenor Funding. Second, to confirm that the testimony was substantially completed prior to the settlement discussions conducted between the parties on February 7 and 14 in order to meet the upcoming filing deadline in anticipation that the case would go to hearing, like all previous Idaho Power general rate cases of memory. Third, to

identify significant issues the Irrigators had worked on extensively and would have fully addressed at the hearing concerning power supply costs, disproportionate growth and allocation of growth between classes and the Irrigation Peak Rewards Program.

The Irrigators had concern their Request for Intervenor Funding might not be properly supported and documented and could be found inadequate or subject to criticism if the testimony was not filed. In the last general rate case of PacifiCorp settled in 2005, the Irrigators' Request for Intervenor Funding was substantially reduced. The rationale appeared to be in part due to the fact that the case was settled and not litigated and because the Irrigators' draft testimony attached to their Petition for Intervenor Funding was not part of the record. In Case No. PAC-E-05-1, Order No. 29878 dated September 30, 2005, the Commission stated at page 8:

“The Commission is uncomfortable with awarding the full amount requested by the Irrigators in this case. While we appreciate the participation of the Irrigators in the case and recognize their contribution regarding ultimate resolution of the issues, the fact remains that this case was settled and not litigated. The draft testimony attached by Irrigators to their Petition for Intervenor Funding was not part of the record we relied on in making our decision in this case.”

The Commission then awarded \$21,780.03 of the requested \$38,197.40. Accordingly the Irrigators felt it was important to file their testimony in the record in this case so that appropriate consideration could be given by the Commission in making an Intervenor Funding award.

3. IRRIGATORS' INTERVENOR FUNDING APPLICATION:

The Commission is well familiar with the criteria and framework for awards of intervenor funding under Idaho Code §61-617A and Rules 161-165 of the Commission's Rules of Procedure which need not be discussed. Over the years since the Intervenor Funding statute was enacted, the Irrigators have been a consistent beneficiary of significant funding awards from this Commission. General rate cases are complex and lengthy proceedings that require considerable time and expense to meaningfully participate in. The Irrigators participate only in Idaho Power and PacifiCorp rate proceedings before this Commission. This constitutes a financial hardship, particularly since the Irrigators rely solely upon intervenor funding and voluntary dues paid by Idaho farmers. Member contributions have been diminishing for several years, largely due to rising operating costs, thin margins and water measurement and use costs imposed by ground water districts to provide

mitigation to surface water holders and to deal with water right disputes in the Snake River Basin Adjudication. Due to these financial constraints, participation in rate cases has and continues to be on a selective and limited basis. But for intervenor funding, it is doubtful that the Irrigators would be able to participate in rate cases to any significant degree. Efforts are underway to transition financing to ground water districts having assessment powers so the burden can be more broadly spread and equally shared.

The Irrigators urge the Commission to liberally construe and apply the intervenor funding criteria consistent with the Statement of Policy under Idaho Code §61-617A to encourage participation by intervenors in Commission proceedings. While there is no obligation to award up to the statutory maximum of \$40,000 in any particular case and the Commission should continue to apply prudence in making awards, hesitancy to make substantial awards up to the maximum seems unnecessary inasmuch as awards are charged back to the customer class. This causes no injury to the Company or other customer class and avoids freeloading by fairly allocating the costs to all class members.

The settlement of this case should not be considered an impediment to an award of intervenor funding. Such could foster an inappropriate incentive for intervenors to litigate rather than settle issues.

RESPECTFULLY SUBMITTED this 13th day of April, 2006.

RACINE, OLSON, NYE, BUDGE &
BAILEY, CHARTERED

By Randall C. Budge
RANDALL C. BUDGE

CERTIFICATE OF MAILING

I HEREBY CERTIFY that on this 13th day of April, 2006, I served a true, correct and complete copy of the foregoing document, to each of the following, via the method so indicated:

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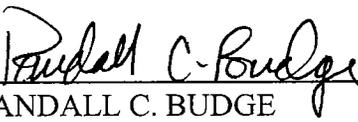
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