

LAW OFFICES OF

**RACINE OLSON NYE BUDGE & BAILEY  
CHARTERED**

201 EAST CENTER STREET  
POST OFFICE BOX 1391  
POCATELLO, IDAHO 83204-1391

TELEPHONE (208) 232-6101  
FACSIMILE (208) 232-6109

[www.racinelaw.net](http://www.racinelaw.net)

SENDER'S E-MAIL ADDRESS: [elo@racinelaw.net](mailto:elo@racinelaw.net)

W. MARCUS W. NYE  
RANDALL C. BUDGE  
JOHN A. BAILEY, JR.  
JOHN R. GOODELL  
JOHN B. INGELSTROM  
DANIEL C. GREEN  
BRENT O. ROCHE  
KIRK B. HADLEY  
FRED J. LEWIS  
MITCHELL W. BROWN  
ERIC L. OLSEN  
CONRAD J. AIKEN  
RICHARD A. HEARN, M.D.  
DAVID E. ALEXANDER  
LANE V. ERICKSON  
PATRICK N. GEORGE  
SCOTT J. SMITH  
STEPHEN J. MUHONEN  
BRENT L. WHITING  
JUSTIN R. ELLIS  
JOSHUA D. JOHNSON  
JONATHAN S. BYINGTON  
DAVE BAGLEY  
CAROL TIPPI VOLYN  
THOMAS J. BUDGE  
CANDICE M. MCHUGH

**BOISE OFFICE**  
101 SOUTH CAPITOL  
BOULEVARD, SUITE 208  
BOISE, IDAHO 83702  
TELEPHONE: (208) 395-0011  
FACSIMILE: (208) 433-0167

**IDAHO FALLS OFFICE**  
477 SHOUP AVENUE  
SUITE 203A  
IDAHO FALLS, ID 83402  
TELEPHONE: (208) 528-6101  
FACSIMILE: (208) 528-6109

**COEUR D'ALENE OFFICE**  
250 NORTHWEST  
BOULEVARD, SUITE 106A  
COEUR D'ALENE, ID 83814  
TELEPHONE: (208) 765-6888

**ALL OFFICES TOLL FREE**  
(877) 232-6101

LOUIS F. RACINE (1917-2005)  
WILLIAM D. OLSON, OF COUNSEL

December 10, 2007

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

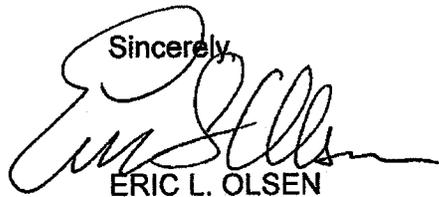
Re: IPC-E-07-08

Dear Jean:

Enclosed please find the original and nine (9) copies of the Direct Testimony of Yankel (with exhibits), Pahi, and Mickelsen. We have also enclosed a searchable CD of the testimony and Yankel's exhibits for the reporter.

Thank you for your assistance and courtesies.

Sincerely,



ERIC L. OLSEN

ELO:sab  
Enclosures  
cc: Service List

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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION )  
OF IDAHO POWER COMPANY FOR )  
AUTHORITY TO INCREASE ITS )  
RATES AND CHARGES FOR ELECTRIC )  
SERVICE TO ELECTRIC CUSTOMERS )  
IN THE STATE OF IDAHO )

CASE NO. IPC-E-07-08

IDAHO IRRIGATION PUMPERS

DIRECT TESTIMONY

OF

JEFFREY J. PAHL

DECEMBER 10, 2007

1 Q. PLEASE STATE YOUR NAME, ADDRESS, AND EMPLOYMENT.

2

3 A. My name is Jeffrey J. Pahl. I am a farmer in Power and Bingham Counties,  
4 Idaho, and I am a member of the Idaho Irrigation Pumpers Association, Inc. My address is  
5 1705 Granite, Pocatello, Idaho 83201.

6

7 Q. WHO PROVIDES YOUR ELECTRIC SERVICE, HOW LONG  
8 HAVE YOU BEEN FARMING, AND WHAT CROPS DO YOU CURRENTLY  
9 RAISE?

10

11 A. Idaho Power Company ("IPC") supplies all the electricity for my  
12 families' farming operations. I started farming with my family in the Aberdeen area  
13 in 1985. We currently raise potatoes, barley, wheat, and sugar beets.

14

15 Q. WHAT HAS BEEN THE IMPACT TO YOUR FARMING  
16 OPERATIONS DUE TO THE LOSS OF THE BPA CREDIT?

17

18 A. I estimate that our electricity costs have increased approximately 4%  
19 to 6% during the 2007 irrigation season due to the loss of the BPA credit. This  
20 unexpected increase, coupled with IPC's proposed 20% increase to the irrigation class  
21 and the price increases we face for other energy inputs such as diesel, has and will put  
22 a serious financial strain on my families' farming operations.

23

1 Q. IN WHAT WAYS HAVE YOU TRIED TO CONTROL YOUR  
2 ELECTRICITY OVERHEAD IN THIS ERA OF EVER INCREASING ENERGY  
3 COSTS?

4

5 A. In addition to irrigation efficiency measures, we currently participate  
6 in IPC's Peak Rewards Program (hereinafter "Program"). We started participating in  
7 the Program with just one pump in 2005 and currently have five out of our eight  
8 irrigation pumps enrolled in the Program. Currently, we have our pumps curtailed  
9 one day per week under the Program.

10

11 Q. WHY HAVE YOU NOT CHOSEN TO CURTAIL YOUR PUMPING  
12 MORE DAYS PER WEEK OR HAVE ALL YOUR PUMPS PARTICIPATE IN  
13 THE PROGRAM?

14

15 A. Our irrigation system uses all wheel lines. The use of this type of  
16 irrigation system is more labor intensive. In order to participate in the Program, we  
17 have to keep an employee later on the day we curtail to ensure that the systems restart  
18 properly after the curtailment ends at 8:00 p.m. We have not participated in more  
19 curtailment due the fact that increased labor costs and the risks of having reduced  
20 crop yield and crop quality if sufficient water is not applied have outweighed the  
21 financial incentives provided to us if we were to provide more interruption under the  
22 Program.

1           The pumps that we currently do not enroll in the Program irrigate potatoes and  
2 also are used to provide chemigation delivery to these crops. Because of the  
3 sensitivity of the potatoes to the proper amount of water and the fact that this is how  
4 we apply our fertilizer and other chemicals, we have determined that the amount of  
5 the credit received does not justify the economic risks of participation in the Program.

6

7           Q.     WOULD YOU PROVIDE MORE CURTAILMENT TO IPC UNDER  
8 THE RIGHT CONDITIONS?

9

10          A.     Yes. We would provide more curtailment under the Program and/or  
11 enroll additional pumps if the credits are large enough to offset our increased labor  
12 costs and crop related risks. Currently, we have provided as much curtailment as we  
13 can justify given the current amount of the curtailment credit.

14

15          Q.     WHAT IMPACT WILL IPC'S PROPOSED 20% INCREASE IN  
16 IRRIGATION RATES HAVE ON YOUR FARMING OPERATIONS?

17

18          A.     IPC's proposed increase to our irrigation rates is a hard pill to  
19 swallow. We realize that energy costs are going up, but the proposed increase gives  
20 use very limited choices. As long as we are farming, we will have to purchase  
21 electricity to irrigate our crops. Thus, we need programs that let us choose how to  
22 provide value to the IPC system such as curtailment under the Program or possibly a

1 workable time of day irrigation rate. As such, we can run the cost/benefit analysis  
2 and decide which program will best meet our specific needs.

3

4 Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

5

6 A. Yes.

**Eric L. Olsen ISB# 4811  
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**

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**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 ) CASE NO. IPC-E-07-08  
AUTHORITY TO INCREASE ITS RATES )  
AND CHARGES FOR ELECTRIC SERVICE )  
TO ELECTRIC CUSTOMERS IN THE )  
STATE OF IDAHO. )  
\_\_\_\_\_ )**

**IDAHO IRRIGATION PUMPERS' CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that on this 10<sup>th</sup> day of December, 2007, I served a true, correct and complete copy of the Direct Testimony of Anthony J. Yankel, Jeffrey J. Pahl, and Mark Mickelsen to each of the following, via U.S. Mail postage prepaid, e-mail or hand delivery:

Jean Jewell (original and 9 and searchable disk)  
Idaho Public Utilities Commission  
472 W. Washington Street  
P.O. Box 83720  
Boise, Idaho 83720-0074  
E-mail: [jean.jewell@puc.idaho.gov](mailto:jean.jewell@puc.idaho.gov)

U.S. Mail and  
via E-mail

Barton L. Kline  
Monica B. Moen  
Idaho Power Company  
P.O. Box 70  
Boise, Idaho 83707-0070  
E-mail: [bkline@idahopower.com](mailto:bkline@idahopower.com)  
E-mail: [mmoen@idahopower.com](mailto:mmoen@idahopower.com)

via E-mail

John R. Gale  
Vice President, Regulatory Affairs  
Idaho Power Company  
P.O. Box 70  
Boise, Idaho 83707-0070  
E-mail: [rgale@idahopower.com](mailto:rgale@idahopower.com)

via E-mail

Weldon Stutzman  
Donovan Walker  
Deputy Attorney Generals  
Idaho Public Utilities Commission  
472 W. Washington (83702)  
P.O. Box 83720  
Boise, ID 83720-0074  
E-mail: [weldon.stutzman@puc.idaho.gov](mailto:weldon.stutzman@puc.idaho.gov)  
[donovan.walker@puc.idaho.gov](mailto:donovan.walker@puc.idaho.gov)

via E-mail

Peter J. Richardson, Esq.  
Richardson & O'Leary  
515 N. 27<sup>th</sup> Street  
P.O. Box 7218  
Boise, ID 83702  
E-mail: [peter@richardsonandoleary.com](mailto:peter@richardsonandoleary.com)

via E-mail

Don Reading  
Ben Johnson Associates  
6070 Hill Road  
Boise, ID 83703  
E-mail: [dreading@mindspring.com](mailto:dreading@mindspring.com)

via E-mail

Anthony Yankel  
29814 Lake Road  
Bay Village, OH 44140  
E-mail: [tony@yankel.net](mailto:tony@yankel.net)

via E-mail

Michael L. Kurtz, Esq.  
Kurt J. Boehm, Esq.  
Boehm, Kurtz & Lowry  
36 E. Seventh Street, Suite 1510  
Cincinnati, Ohio 45202  
E-mail: [mkurtz@FKLawfirm.com](mailto:mkurtz@FKLawfirm.com)  
E-mail: [kboehm@BKLawfirm.com](mailto:kboehm@BKLawfirm.com)

via E-mail

Conley E. Ward  
Michael C. Creamer  
Givens Pursley LLP

via E-mail

601 W. Bannock Street  
P.O. Box 2720  
Boise, Idaho 83701-2720  
E-mail: [cew@givenspursley.com](mailto:cew@givenspursley.com)

Lot H. Cooke via E-mail  
Acting Assistant General Counsel  
United States Department of Energy  
1000 Independence Avenue, S.W.  
Washington, D.C. 20585  
E-mail: [Lot.cooke@hq.doe.gov](mailto:Lot.cooke@hq.doe.gov)

Dennis Goins via E-mail  
Potomac Management Group  
5801 Westchester Street  
P.O. Box 30225  
Alexander, VA 22310-1149  
E-mail: [DGoinsPMG@cox.net](mailto:DGoinsPMG@cox.net)

Arthur Perry Bruder via E-mail  
United States Department of Energy  
Office of the General Counsel  
1000 Independence Ave. S.W.  
Washington, D.C. 20585  
E-mail: [Arthur.Bruder@HQ.doe.gov](mailto:Arthur.Bruder@HQ.doe.gov)

Dennis E. Peseau, Ph.D. via E-mail  
Utility Resources, Inc.  
1500 Liberty Street, Suite 250  
Salem, Oregon 97302  
E-mail: [dpeseau@excit.com](mailto:dpeseau@excit.com)

Dale Swan via E-mail  
Exeter Associates, Inc.  
5565 Sterrett Place Suite 310  
Columbia, Maryland 21044  
E-mail: [dswan@exeterassociates.com](mailto:dswan@exeterassociates.com)

  
ERIC L. OLSEN