DECISION MEMORANDUM

TO:COMMISSIONER NELSON

COMMISSIONER SMITH

COMMISSIONER HANSEN

MYRNA WALTERS

TONYA CLARK

DON HOWELL

STEPHANIE MILLER

DAVE SCHUNKE

RANDY LOBB

GARY RICHARDSON

WORKING FILE

FROM:BRAD PURDY

DATE:AUGUST 28, 1995

RE:CASE NO. IPC-E-95-5:  APPLICATION OF IDAHO IRRIGATION PUMPERS ASSOCIATION FOR INTERVENOR FUNDING

On August 21, 1995, the Idaho Irrigation Pumpers Association (Pumpers) applied for intervenor funding in this case.  The Pumpers state that they have incurred the following fees and expenses:

Randall C. Budge:Legal Expenses (24.2 hrs. at $110/hr.)$2,662.00

Travel, meals and lodging, postage, fax, photo

copies and miscellaneous expenses$   263.43

$2,925.43

Tony Yankel:Legal Expenses(51 hrs. at $95/hr.)$4,845.00

Travel, meals, lodging, miscellaneous expenses$1,464.98

$6,309.98

Grand Total:$9,235.41

The Pumpers state that they are a non-profit corporation representing farm interests in electric utility rate matters affecting farmers in southern and central Idaho and that they rely solely upon dues and contributions voluntarily paid by members together with intervenor funding to fund activities and participate in rate cases.  Each year the Pumpers send approximately 7,500 mailers to farmers soliciting annual dues.  The Pumpers recommend that each member make a voluntary contribution of 30¢ per horsepower for each pumping installation.

The Pumpers contend that the analysis and findings described in the testimony of witness Tony Yankel differ from the analysis and findings of the Commission Staff.  The Pumpers submit that Yankel and Staff witness Hessing, based upon independent analyses, each recommended certain adjustments to the Company’s normalized power supply costs as opposed to the Company’s initial recommendation to flow the power supply changes as a result of the Twin Falls plant through the PCA mechanism.  Mr. Yankel’s testimony addressed three methods of calculating Twin Falls’ benefits; one method applied to offset costs.  his first method proposed recapturing the 10% of cost savings that would not be returned through the PCA.  This method produces the same end result as Mr. Hessing’s proposal; a benefit to ratepayers of $190,000.

Under Yankel’s second method, base power supply costs would not be changed.  he proposes that additional Twin Falls generation offset a portion of firm load growth.  The net benefit of passing this scenario through the PCA would be $228,469.

Yankel’s third and preferred proposal is the same as his second except that in addition to allowing power supply costs to flow through the PCA at 12.87 mills/kWh on the Twin Falls increment, an additional 10.63 mills/kWh would be passed back to ratepayers to recognize that the Company could sell the additional power for 23.5 mills/kWh; (23.5 = 12.87 + 10.63).  Under this proposal, the ratepayers would receive the PCA credit plus $1,698,674 annually.

According to the Pumpers, the Company ultimately accepted the recommendations of Yankel and Hessing as a result of which Idaho Power’s revenue requirement and resulting rate increase to all customers was substantially reduced.

Idaho Code § 61-617A provides for a total intervenor funding award in any given case not to exceed $25,000.  The statute states that the Commission shall consider the following when ruling on applications for intervenor funding:

[A]A finding that the participation of the intervenor has materially contributed to the decision rendered by the Commission,

[B]A finding that the costs of intervention are reasonable in amount and would be a significant financial hardship for the intervenor,

[C]The recommendation made by the intervenor differed materially from the testimony and exhibits of the Commission Staff, and

[D]The testimony and participation of the intervenor addressed issues of concern to the general body of users or consumers.

Rule 162 of the Commission’s Rules of Procedure, IDAPA 31.01.01, states that applications for intervenor funding must contain the following: (a) an itemized list of expenses that the intervenor requests to recover broken down into categories such as legal fees, witness fees or reproduction fees; (b) a statement of the intervenor’s proposed finding or recommendation that the intervenor proposes the Commission adopt; (c) a statement showing that the costs the intervenor proposes to recover are reasonable; (d) a statement explaining why the costs incurred constitute a significant financial hardship for the intervenor; (e) a statement showing how the intervenors proposed findings or recommendations differed materially from those of the Commission Staff; (f) a statement showing how the intervenor’s recommendations addressed issues of concern to the general body of utility customers, and (g) a statement showing the class of customers on whose behalf the intervenor appeared.

The Pumpers’ Application satisfies all of the technical requirements of Idaho Code § 61-617A as well as Rule 162 of the Commission’s Rules of Procedure.  Furthermore, no party opposed the Application.

COMMISSION DECISION

How does the Commission wish to rule on the Application of the Idaho Irrigation Pumpers Association for intervenor funding?

Brad Purdy

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