DECISION MEMORANDUM

TO:COMMISSIONER HANSEN

COMMISSIONER NELSON

COMMISSIONER SMITH

MYRNA WALTERS

TONYA CLARK

DON HOWELL

BRAD PURDY

STEPHANIE MILLER

DAVE SCHUNKE

KENT SCHNEIDER

KEITH HESSING

TERRI CARLOCK

DAVID SCOTT

WORKING FILE

FROM:CHERI C. COPSEY

DATE:FEBRUARY 24, 1998

RE:IDAHO POWER COMPANY’S AND FMC CORPORATION’S APPLICA­TION FOR APPROVAL OF A SPECIAL CONTRACT FOR SERVICE TO FMC CORPORATION AND A REVISED SCHEDULE 28--FMC TARIFF AND FOR APPROVAL OF REVISIONS TO THE POWER COST ADJUST­MENT OF IDAHO POWER COMPANY AS A RESULT OF THE NEW FMC CONTRACT, CASE NO. IPC-E-97-13.

On December 31, 1997, Idaho Power Company and FMC Corporation filed a Joint Application requesting that the Commissionapprove a special contract for service to FMCeffective January 1, 1998. Idaho Power and FMC also sought approval to revise Idaho Power’s Power Cost Adjustment mechanism.  The parties stated that these revisions to the Power Cost Adjustment were made necessary by the new FMC contract.

On February 4, 1998, the Commission received a Petition for Leave to Intervene filed by Solutia, Inc., formerly Monsanto Company.  FMC and Idaho Power filed an opposition to Solutia’s intervention on February 9, 1998, alleging Solutia was not a customer and that the basis for its intervention had not been established.  Instead FMC and Idaho Power requested Solutia be allowed to be listed as an interested party only to receive copies of pleadings and orders filed in this proceeding.

On February 17, 1998, Solutia filed its response.  It amended its original Petition to request intervention on behalf of Monsanto Company and the P4 Production, L.L.C. Joint Venture.  Solutia and Monsanto own a plant in Soda Springs, Idaho under a joint venture known as P4 Production, L.L.C. Joint Venture.  Solutia is the operating manager.  They allege that Monsanto’s wholly owned subsidiary, Naturemark, has offices in Boise, Idaho and that Naturemark (and thus Monsanto as the owner) is a customer of Idaho Power and receives service as a small customer.

Solutia, Monsanto, and P4 further allege that approval of the FMC contract and proceedings pertaining thereto will affect Solutia and Monsanto because Sections 4 and 5 of the FMC proposed contract would allow FMC direct market access to wholesale power and to circumvent the current regulated monopoly under Idaho law.  Solutia Response at p. 2.  They allege this would impact existing contracts.

FMC and Idaho Power filed a response to Solutia’s Amended Petition to Intervene on February 20, 1998.  Idaho Power states it reviewed its billing records and those records do not disclose that Naturemark is a customer of Idaho Power.  Idaho Power and FMC Response at p. 2.  They argue that Solutia is attempting to inject effects the FMC contract may have on Monsanto’s contract for electric service with another utility and that this is irrelevant to these proceedings.

Commission Decision:

Does the Commission want to grant Solutia, Inc.’s, Monsanto’s and P4's  Petition for Leave to Intervene?

Cheri C. Copsey

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