DECISION MEMORANDUM

TO:COMMISSIONER HANSEN

COMMISSIONER NELSON

COMMISSIONER SMITH

MYRNA WALTERS

TONYA CLARK

STEPHANIE MILLER

DAVE SCHUNKE

BRAD PURDY

KEITH HESSING

KENT SCHNEIDER

MADONNA FAUNCE

DAVID SCOTT

WORKING FILE

FROM:DON HOWELL

DATE:FEBRUARY 23, 1998

RE:IDAHO POWER’S MOTION OPPOSING THE INTERVENTION OF SOLUTIA IN CASE NO. IPC-E-98-2

In Order No. 27342 issued January 28, 1998, the Commission initiated a proceeding to investigate Idaho Power Company’s costs of providing electrical service.  The Commission’s Order noted that Case 98-2 would be for the purpose of examining, in greater detail, the data Idaho Power provided regarding its costs of service in Case No. GNR-E-97-1.  On February 4, 1998, Solutia, Inc. (formerly Monsanto Company) filed a petition to intervene in the above referenced case.  In its petition, Solutia stated that it and its fellow “members have a direct and substantial interest in this proceeding and intend to participate in all respects herein as a party as may be required to represent its interests.”  Petition at 2.

IDAHO POWER’S OBJECTION

On February 12, 1998, Idaho Power filed a timely Motion in Opposition to the Petition.  Idaho Power noted that the Commission’s Procedural Rule 72 requires a party petitioning to intervene to “clearly and concisely state the direct and substantial interest the petitioner has in the proceeding.”  Opposition at 1.  The Company asserted that Solutia “is not a customer of Idaho Power and has not explained in any manner how Solutia, Inc. will be effected by this proceeding.”  Id.  Idaho Power did not object if Solutia is listed as an “interested party” but argued that it should not be granted full intervenor status.  Id.

SOLUTIA’S RESPONSE

On February 23, 1998, Solutia filed a response to Idaho Power’s opposition.  In its response, Solutia maintained that it and Monsanto Company own the Soda Springs phosphate plant under a joint venture known as “P4 Productions, LLC”.  Solutia is the operating manager of the joint venture owning approximately 40% of the assets while Monsanto owns 60% of the assets.  Response at 1.  The response also noted that Monsanto has a wholly owned subsidiary known as Naturemark with offices in Boise.  “Naturemark and, consequently, Monsanto, are customers of Idaho Power Company and receive service as a small customer.”  Id. at 1-2.

If necessary, Solutia requested permission to amend its petition to intervene to enter appearances on behalf of itself and other members of the joint venture—Monsanto Company and P4 Production, LLC.  Solutia, Monsanto and P4 Production maintained that the development of issues in this case may have “a substantial potential impact” on the joint intervenors “because a direct market access to wholesale power and a change in current regulated conditions would impact the current contract of these parties with PacifiCorp.  Any deregulation may trigger an election to cancel the current contract in the event the electric industry were to deregulate in Idaho.”  Id. at 2 (emphasis added).

Commission Decision:

1.  Does the Commission find that Solutia has a “direct and substantial” interest in this proceeding?

2.  Should Solutia’s intervention be limited or conditioned?

Don Howell

vld/M:IPC-E-98-2.dh