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 IDAHO PUBLIC UTILITIES COMMISSION

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
 OF PACIFICORP, DBA UTAH POWER &) **Case No. PAC-E-02-1**
 LIGHT COMPANY FOR APPROVAL OF ITS)
 PROPOSED ELECTRIC SERVICE SCHEDULES)
 _____)

COMMENTS OF THE IDAHO IRRIGATION PUMPERS ASSOCIATION, INC.

COMES NOW the Idaho Irrigation Pumpers Association, Inc. ("Irrigators"), by and through counsel of record, and hereby respectfully submits these comments in further support of the Stipulation entered into by and between PacifiCorp d/b/a Utah Power & Light Company ("PacifiCorp"), the Idaho Public Utilities Commission Staff ("Staff"), Monsanto Company ("Monsanto") and the Irrigators.

As the second largest class of consumers of electricity on the PacifiCorp's Idaho system, the Irrigators have a fundamental interest in the outcome of these proceedings. The Irrigators have actively participated in the settlement negotiations that have led up to the presentation of the Stipulation and also have had one of its representatives testify in support of the Stipulation at the public hearing in Rigby, Idaho. As signatories, the Irrigators support the Stipulation present circumstances as a fair, just, and reasonable resolution of various disputed matt

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in this case and further believe its implementation to be in the public interest.

PacifiCorp's recovery of its excess power supply costs appears to have received the most attention at the recent hearings. The Irrigators identified at the pre-hearing conference various defenses that could be asserted against PacifiCorp to bar or reduce its recovery of its claimed excess power supply costs as generally set forth in paragraph 5 of the Stipulation. In determining the extent of the excess power cost recovery, the Irrigators worked closely with Staff and Monsanto in evaluating the risks involved in presenting defenses to such recovery at a contested hearing and in determining an appropriate recovery in any settlement. The agreed upon net recovery of approximately 22.7 million in excess power costs is reasonable and appropriate given the risks of a less favorable result, the Irrigators' limited resources, and in light of other settlements reached in other jurisdictions on this issue. This aspect of the Stipulation was generally reinforced by the Commission's Order No. 28998 clarifying that PacifiCorp was not generally prohibited from seeking recovery of the excess power costs at issue.

The rate spread and rate design aspects of the Stipulation were crucial points to the Irrigators and were subject to extensive discussions with Staff and PacifiCorp. Specifically, PacifiCorp proposed to restructure the Irrigators' current tariff schedules from the traditional ABC rate structure to a firm rate. The Irrigators agreed to this change in light of the general consensus that if a firm rate could be provided for a rate very close to the current C rate, the Irrigators generally would find it beneficial and avoid various increased labor costs associated with the interruptible C rate. Notwithstanding, the Irrigators still believe that there are load control benefits to be had from an interruptibility and/or curtailment prospective. As consequence, the Stipulation provides that PacifiCorp will work with the Irrigators to develop a load control program as one means to help

those irrigators whose consumption is in excess of the applicable BPA exchange credit.

Staff also proposed a modified Rate Mitigation Adjustment (“RMA”) that would increase the energy revenue requirement for the Irrigators as a class and then (1) redistribute the same among the other customer classes to mitigate the effect of PacifiCorp’s excess power cost recovery and (2) also make a substantial move for the Irrigators to perceived cost of service. Although PacifiCorp’s cost of services studies and methodologies were not accepted by Staff, the Irrigators or Monsanto, the Irrigators agreed to the RMA in light of (1) the historical perception that the class as a whole was under cost of service and (2) the practical realization that the Commission would make such a shift if the matter was resolved through a contested hearing. The Irrigators want to stress the ability to make such an adjustment was only made possible in the aggregate by the extraordinary BPA exchange credit available to this class. Given almost certain rate shock that will occur to the irrigation class as a whole upon the expiration of the current BPA exchange Credit, the Irrigators and Staff required that the RMA would terminate upon the earlier of the expiration of (1) the current BPA exchange credit or (2) the adoption and implementation by the Commission of a cost of service study for PacifiCorp.

To the extent that the Commission determines that Nu-West is a tariff customer, the Irrigators believe that Nu-West should bear its fair share of the excess power costs that are ultimately recoverable by PacifiCorp. The Irrigators know all too well the vagaries of the present economy. To the extent that Commission finds that Nu-West is a special contract customer and not immediately subject to any excess power cost recovery, the Irrigators would not be opposed to PacifiCorp’s proposed alternative that Nu-West’s share of the excess power costs be dealt within the true-up period.

Having participated in the recent public and technical hearings, the Irrigators still continue to support the Stipulation based upon all the known facts and circumstances and urges the Commission to approve the same.

Respectfully submitted this 10th day of May, 2002.

RACINE, OLSON, NYE, BUDGE &
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By 
ERIC L. OLSEN
Attorney for IIPA

CERTIFICATE OF MAILING

I hereby certify that on the ____ day of May, 2002, a true and correct copy of the foregoing was served on the following via U.S. Mail:

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