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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 & Light) CASE NO. PAC-E-02-1
Company for Approval of Changes to its)
Electric Service Schedules)
_____)

COMMENTS OF MONSANTO COMPANY

COMES NOW Intervenor Monsanto Company ("Monsanto"), by and through their counsel of record, and hereby submits these comments to the Commission in support of the Stipulation entered into between PacifiCorp, Staff and the Idaho Irrigation Pumpers Association and submitted to the Commission for approval for the purposes of settling this case. At the conclusion of the technical hearing on May 7, 2002, the Commission established a written comment deadline of May 10, 2002.

As a signatory party to the Stipulation, Monsanto agreed that the Stipulation represents a fair, just and reasonable compromise of the issues raised in this proceeding, and is in the public interest. Monsanto therefore recommends approval of the Stipulation and all of its terms and conditions.

As a Special Contract customer, Monsanto's rates are unaffected by this case, whether concluded by the Commission's approval of the Stipulation or a subsequent Order following hearing. Regardless, Monsanto was compelled to fully participate because of cost of service issues presented by PacifiCorp. Cost of service issues for Monsanto as well as all other customer classes will likely be addressed in the Monsanto-specific rate case, No. PAC-E-01-16. The Stipulation makes it unnecessary for Monsanto and other parties to participate in back-to-back contested cases disputes over PacifiCorp's cost-of-service studies.

RL ✓
J Lecker ✓
M Faunce ✓
DES ✓
MEUSS ✓
AH ✓

As a Special Contract customer of PacifiCorp for over 50 years, Monsanto has been treated as a system customer rather than a situs customer for revenue and cost allocation purposes. This was recognized because of the size and interruptible nature of the Monsanto load which provides the system with substantial load balancing and operating reserves benefits. Monsanto is not subject to increases resulting from general rate cases and surcharges. On the other hand, Monsanto does not receive firm power, nor the decreases benefitting tariff rate customers which resulted from the 1988 Utah Power-PacifiCorp merger, nor the merger credits arising out of the 1999 Scottish Power-PacifiCorp merger. It is noteworthy that while most tariff rate customers will end up with a double digit decrease and none with a greater than 4% increase based on the Stipulation, PacifiCorp's proposal to Monsanto in Case No. PAC-E-01-16 is to eliminate Monsanto as a special contract customer, treat Monsanto as a firm tariff rate Idaho customer and raise Monsanto's rates by 70%.

At the prehearing conference and during the course of the ensuing negotiations between the parties, Monsanto raised certain issues and defenses which it intended to pursue at hearing,¹ asserting that:

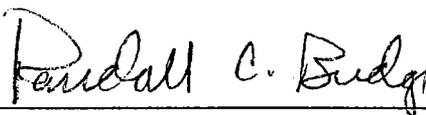
1. Recovery of excess power supply costs is barred by reason of the Scottish Power-PacifiCorp Merger Approval Condition No. 2;
2. Power supply costs associated with the Hunter Plant failure are not recoverable because they were incurred subsequent to the Deferral Order;
3. Any Hunter-related costs properly deferred should be equitably shared with stockholders because PacifiCorp has been unable to determine the cause of the failure, there is evidence of maintenance problems and the unit was their responsibility to maintain and care for;
4. Costs associated with certain wholesale contracts were imprudently incurred and not recoverable;
5. Thorough review and approval of the Company's cost-of-service studies was required before rates should be shifted among the customer classes. The intent of paragraph 14 of the Stipulation is to ensure that the negotiations and resulting Stipulation in this

¹Monsanto's defenses as well as those asserted by IIPA are set forth in paragraph 5 of the Stipulation.

would be afforded an opportunity to object. Monsanto has since received and had an opportunity to review Exhibit 22 and has no objection. Notwithstanding, it must be noted that Monsanto does not in any way agree with the substance of Exhibit 22. Monsanto believes that the response is inaccurate, misleading and a mere attempt to justify PacifiCorp's failure to respond to an opportunity to further curtail Monsanto's load and mitigate high market purchases. While Monsanto could address the letter in detail, such is unnecessary at this time and inappropriate given Monsanto's approval and support of the Stipulation.

RESPECTFULLY SUBMITTED this 9th day of May, 2002.

RACINE, OLSON, NYE, BUDGE &
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By 

RANDALL C. BUDGE

CERTIFICATE OF SERVICE

I hereby certify that on this 9th 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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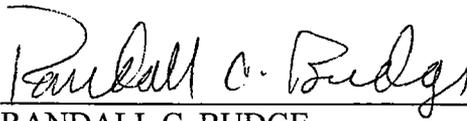
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