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IDAHO PUBLIC
UTILITIES COMMISSION

Attorneys for Intervenor
Idaho Irrigation Pumpers Association, Inc.

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF PACIFICORP, DBA UTAH POWER &)
LIGHT COMPANY FOR APPROVAL OF)
CHANGES TO ITS ELECTRIC SERVICE)
SCHEDULES)
_____)

Case No. PAC-E-05-1

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 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"), Agrium, Inc. ("Agrium"), J.R. Simplot Company, Community Action Partnership Association of Idaho, Timothy Shurtz, and the Irrigators.

As the second largest customer class on PacifiCorp's Idaho system, the Irrigators have a fundamental interest in the outcome of these proceedings. These proceedings take on even greater importance due to the fact that there has not been a PacifiCorp general rate case for almost two decades. In reviewing this case, the Irrigators felt that there were a lot of issues to consider and areas that needed to be addressed. Thus, the Irrigators have taken a very active role early on via case evaluation and extensive discovery requests, as well as in the most recent negotiation and signing of

the Stipulation.

There are two categories of issues with respect to the Stipulation that the Commission must judge to be fair. The first category is whether or not the overall rate increase is fair. The second category is whether or not the overall rate spread to the various customer classes is fair.

Fairness of the Overall Increase

PacifiCorp originally filed for a rate increase of \$15.1 million annually . The Stipulation limits this increase to \$ 5.75 million annually . The Stipulation's rate increase is greater than the litigation position that the Irrigators would have pursued, but recognizing the uncertainty of litigation, the proposed increase still appears to be fair and reasonable under the circumstances.

One of the largest jurisdictional dollar items the Irrigators pursued during the course of this case was the treatment of the Monsanto Company ("Monsanto") contract. Approximately, 2/3rds of the requested increase was due to what PacifiCorp calculated to be a deficiency in the revenue requirement associated with the Monsanto contract and the application of the new MSP interjurisdictional allocation process. The Irrigators took exception to the requirement that tariff customers were being asked to pick up the perceived shortfall PacifiCorp had with a contract customer. This issue will assuredly be at issue in the next general rate case.

The Irrigators also vigorously pursued an adjustment regarding the level of Irrigation Curtailment that was included in PacifiCorp's filed test year. In this case, the level of Irrigation Curtailment was set at 2003 levels (the first year of the program). The filing was to contain known and measurable changes thru 2005. The level of participation in the Irrigation Curtailment program over doubled between 2003 (402 individually metered sites) and 2005 (1,066 individually metered sites as of 5/12/05) and yet the Company's filing contained no adjustments for this known and measurable change. The increased participation in the Irrigation Curtailment program would have

significantly reduced the allocation of demand related costs to the Idaho Jurisdiction and thus, the overall revenue requirement to the Idaho jurisdiction.

To further the Commission's policy that Idaho electrical utilities must aggressively pursue demand side management ("DSM") and peak-load management programs as alternative to incremental construction of peaking generation units (e.g. Order No. 29410, at 10), the Irrigators have actively sought an increase in the amount of the Load Control Service Credit ("LCSC") provided under Irrigation Curtailment program (i.e., Schedule 72). The Irrigators believe that an increase in the LCSC will increase the participation in the Irrigation Curtailment program. Increased program participation will further reduce the Idaho jurisdiction demand related costs under future cost of service studies, reduce PacifiCorp's need for incremental construction of peaking generation units, and further refine this rate making tool in light of the uncertainty that the Irrigators face with the eminent reduction of the BPA Exchange Credit after 2006. As a result, the Irrigators and PacifiCorp have agreed in the Stipulation to meet and discuss this LCSC issue further and, if necessary, initiate proceedings to have the Commission decide on the appropriate amount of the LCSC.

In light of the foregoing, the Irrigators believe that the Stipulation gives balance to its litigation positions and other possible outcomes.

Fairness of the Spread of the Increase To All Classes

With the exception of Agrium, the Company's cost-of-service study depicted most classes as providing a rate of return that was relatively close to the jurisdictional average rate of return. The Irrigators put forth a great deal of effort during the discovery process reviewing the quality of the data that went into the Company's cost-of-service study. The Irrigators believe that the methodologies employed by PacifiCorp to classify and allocate costs on a class basis in this case are appropriate (although other methodologies could be advanced that would be more beneficial to the Irrigators). However, there have been a number of faults found with the underlying data used in those studies.

Specifically, the Irrigators were not able to reproduce a large portion of the coincident peak data that was used by PacifiCorp from its own load research data. Upon questioning by the Irrigators and further review by PacifiCorp, it was discovered that there was a glitch in PacifiCorp's load research data program that prevented all of the load research data from being included. Ultimately, the correction of this problem resulted in an increase in the rate of return calculated for Residential Schedule 1 and Irrigation customers.

There were a number of other concerns with the data that was used as inputs into PacifiCorp's cost-of-service study. These concerns included the weather normalization of data and the averaging of historical Residential data for a number of months that were not available from PacifiCorp's load research data. Some of these problems appeared to be unique to this case and would either not be expected to occur in the future, or would be corrected in the future.

Based upon these issues, the Irrigators do not believe that the data used in PacifiCorp's class cost-of-service studies was sufficient to justify anything but an across-the-board increase to all customer classes.

Conclusion

As a signatory, the Irrigators support the Stipulation under the present circumstances as a fair, just, and reasonable resolution of various disputed matters at issue in this case and further believe its implementation to be in the public interest. The Irrigators, however, take no position with respect to Paragraph 9 of the Stipulation relating to the tariff treatment of Monsanto Company.

Respectfully submitted this 1st day of July, 2005.

RACINE, OLSON, NYE, BUDGE &
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By  for
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Attorney for IIPA

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 1st day of July, 2005, I served a true, correct and complete copy of the Idaho Irrigation Pumpers Association, Inc.'s Fifth Data Request to PacifiCorp to each of the following, via U.S. Mail, e-mail or hand delivery:

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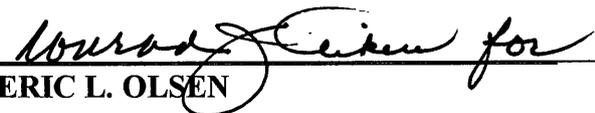
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