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IDAHO PUBLIC
UTILITIES COMMISSION

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF ROCKY MOUNTAIN POWER FOR)
APPROVAL OF CHANGES TO ITS)
ELECTRIC SERVICE SCHEDULES)
)

CASE NO. PAC-E-07-05

IDAHO IRRIGATION PUMPERS

DIRECT TESTIMONY

OF

MARK MICKELSEN

SEPTEMBER 28, 2007

1 Q. PLEASE STATE YOUR NAME, ADDRESS, EMPLOYMENT, AND
2 AFFILIATION WITH THE IDAHO IRRIGATION PUMPERS ASSOCIATION, INC.?

3

4 A. My name is Mark Mickelsen, and I am the president of the Idaho Irrigation
5 Pumpers Association, Inc. ("IIPA"). I farm in the Osgood area of Bonneville County, Idaho.
6 My address is 9088 N. River Road, Idaho Falls, Idaho 83402. I currently grow potatoes,
7 wheat, and canola, and my farming operations are principally served by Rocky Mountain
8 Power ("RMP").

9

10 Q. WHAT CRITICAL ISSUES DO IRRIGATORS FACE WHO RECEIVE
11 THEIR ELECTRICAL SERVICE FROM RMP?

12

13 A. One of the most significant issues facing irrigators is the loss of the BPA
14 credit. This loss has caused an increase in irrigators' rates in the neighborhood of 50% to
15 80%, depending on how you look at it. The irrigators appreciate the actions taken by the
16 Commission and RMP in May to allow irrigators to continue to receive the remainder of the
17 BPA credit for the 2007 irrigation season. This action helped mitigate the unexpected, total
18 loss of the BPA credit.

19 Another important issue facing irrigators is this rate case. This comes right on the
20 heels of the total loss of the BPA credit. Frankly, RMP's rate case, coupled with the loss of
21 the BPA credit, will have the affect of extreme rate shock to the irrigators. The only
22 significant tool within the irrigators' control to counter this rate shock is to participate in

1 RMP's load control programs and/or develop additional programs like a time-of-day
2 irrigation rate as suggested by IIPA's expert.

3

4 Q. WHEN DOES BPA EXPECT TO RESTORE ANY OF THE LOST
5 EXCHANGE CREDIT?

6

7 A. The IIPA has met with RMP, BPA, and Idaho's congressional officials about
8 the restoration of the BPA credit. Absent some type of settlement between the parties to
9 court cases, I understand that the 2009 irrigation season is the earliest that any BPA credit
10 could be restored. It is also my understanding that any future BPA credit will be
11 substantially lower than that which existed in the past.

12

13 Q. DO YOU PARTICIPATE IN RMP'S LOAD CONTROL PROGRAMS?

14

15 A. Yes. I have participated in RMP's load control program for the last three
16 irrigation seasons. This year I participated in RMP's on-demand pilot program. I believe
17 that the on-demand pilot program has real promise. Over the years, I have tried to encourage
18 all irrigators to participate in the load control programs. This is based not only for the credit
19 savings, but also for the benefits the programs provided to the irrigators' class cost of service
20 and the benefits of reducing overall RMP system costs.

21

1 Q. DO YOU BELIEVE THAT THE CREDIT PAID TO THE
2 IRRIGATORS FOR PARTICPATION IN THE LOAD CONTROL PROGRAM IS
3 SUFFICIENT?
4

5 A. No. Given the loss of the BPA credit, I believe that all irrigators must
6 cut costs to stay in business. This necessitates that irrigators must seriously look at
7 participating in RMP's load control programs. However, the credit paid the irrigators
8 must be drastically higher to make up for the loss of the BPA credit and to make it
9 worth while for the irrigators.

10 I have also reviewed RMP's commissioned report entitled "Assessment of
11 Long-Term, System-Wide Potential for Demand-Side and Other Supplemental
12 Resources", dated July 11, 2007 ("DSM Report"). The DSM Report clearly shows
13 that the irrigation load control programs are cost effective and provide RMP with
14 much more in benefits than the associated costs. The IIPA's expert will address the
15 pricing of the load control credit in his testimony.

16

17 Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?
18

19 A. Yes.