

LAW OFFICES OF

RACINE OLSON NYE BUDGE & BAILEY

CHARTERED

RECEIVED

W. MARCUS W. NYE
RANDALL C. BUDGE
JOHN A. BAILEY, JR.
JOHN R. GOODELL
JOHN B. INGELSTROM
DANIEL C. GREEN
BRENT O. ROCHE
KIRK B. HADLEY
FRED J. LEWIS
ERIC L. OLSEN
CONRAD J. AIKEN
RICHARD A. HEARN, M.D.
LANE V. ERICKSON
DAVID E. ALEXANDER
PATRICK N. GEORGE
SCOTT J. SMITH
JOSHUA D. JOHNSON
STEPHEN J. MUHONEN
BRENT L. WHITING
JONATHAN S. BYINGTON
DAVE BAGLEY
CAROL TIPPI VOLYN
THOMAS J. BUDGE
CANDICE M. MCHUGH
JONATHAN M. VOLYN
MARK A. SHAFFER

201 EAST CENTER STREET
POST OFFICE BOX 1391
POCATELLO, IDAHO 83204-1391

TELEPHONE (208) 232-6101
FACSIMILE (208) 232-6109

www.racinelaw.net

SENDER'S E-MAIL ADDRESS: elo@racinelaw.net

BOISE OFFICE
101 SOUTH CAPITOL
BOULEVARD, SUITE 208
BOISE, IDAHO 83702
TELEPHONE: (208) 395-0011
FACSIMILE: (208) 433-0167

IDAHO FALLS OFFICE
477 SHOUP AVENUE
SUITE 203A
IDAHO FALLS, ID 83402
TELEPHONE: (208) 528-6101
FACSIMILE: (208) 528-6109

COEUR D'ALENE OFFICE
250 NORTHWEST
BOULEVARD, SUITE 106A
COEUR D'ALENE, ID 83814
TELEPHONE: (208) 765-8888

ALL OFFICES TOLL FREE
(877) 232-6101

LOUIS F. RACINE (1917-2005)
WILLIAM D. OLSON, OF COUNSEL

March 24, 2009

Jean Jewell
IPUC Commission Secretary
P.O. Box 83720
Boise, Idaho 83720-0074

Re: PAC-E-08-07

Dear Ms. Jewell:

Enclosed for filing you will find the original and seven (7) copies of the Application for Intervenor Funding of The Idaho Irrigation Pumpers Association, Inc.

Sincerely,


ERIC L. OLSEN

ELO/nj
Enclosures
c: Service List

ORIGINAL

Eric L. Olsen, ISB No. 4811
RACINE, OLSON, NYE, BUDGE &
BAILEY, CHARTERED
P.O. Box 1391; 201 E. Center
Pocatello, Idaho 83204-1391
Telephone: (208) 232-6101
Fax: (208) 232-6109

RECEIVED
2009 MAR 24 PM 1:11
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)
ROCKY MOUNTAIN POWER FOR APPROVAL)
OF CHANGES TO ITS ELECTRIC SERVICE)
SCHEDULES)
_____)

CASE NO. PAC-E-08-07

**APPLICATION FOR INTERVENOR FUNDING OF
THE IDAHO IRRIGATION PUMPERS ASSOCIATION, INC.**

COMES NOW the Idaho Irrigation Pumpers Association, Inc. ("Irrigators"), by and through counsel of record, Eric L. Olsen, and hereby respectfully makes application to the Idaho Public Utilities Commission ("Commission") for intervenor funding, pursuant to Idaho Code § 61-617A and IDAPA 31.01.01.161 through .165, regarding the expenses and costs associated with the Irrigators participation in the above referenced matter, as follows:

(A) A summary of the expenses that the Irrigators request to recover broken down into legal fees, consultant fees and other costs and expenses is set forth in Exhibit "A" attached hereto and incorporated by reference. Itemized statements are also included as Attachments 1 and 2 to Exhibit "A" in support of said summary and are incorporated by reference.

(B) Rocky Mountain Power ("RMP" or "Company"), a division of PacifiCorp, provides power to thousands of individuals and entities throughout Idaho and is currently in the early stages

of a large expansion program. This building program is planned to significantly increase the amount of Generation, Transmission, and Distribution plants the Company has in service. The construction of these new facilities is necessitated by the customer growth on the system and the growth in usage (on-peak and off-peak) per customer.

On September 19, 2008, RMP filed an application ("Application") seeking authority to increase the Company's base rates for electric service by \$5.9 million annually (an increase of approximately 4.0%), to be effective on October 19, 2008. The increase in rates varied by individual customer and actual usage. The Application, however, did not include changes to Monsanto Company ("Monsanto") and Agrium, as the rates for those two customers are subject to a stipulation that was filed and approved by the Commission in Docket No. PAC-07-05. No changes to those rates were proposed in the current Docket.

With a view toward resolving the issues raised in RMP's Application in this proceeding, representatives from RMP, Staff from the Idaho Public Utilities Commission ("Staff"), the Community Action Partnership Association of Idaho ("CAPAI"), the Irrigators, and Monsanto (collectively hereafter referred to as the "Parties" or "Party") met on January 15, 2009, pursuant to IDAPA 31.01.01.271 and 272, to engage in settlement discussions. A settlement was reached and a stipulation ("Stipulation") was entered into by and among the Parties.

As a result of the settlement the RMP's proposed increase in the base rate went from \$5,871,441 to \$4,382,632, a savings a nearly \$1.5 million dollars. This amount was ratably applied to RMP's original proposed price change by customer class, as follows:

<u>Customer Class</u>	<u>Proposed</u>	<u>Settled</u>
Residential - Schedule 1	4.73%	3.53%
Residential - Schedule 36	4.73%	3.53%
General Service		
Schedule 23/23A	0%	0%
Schedule 6/6A/8/35	7.96%	5.94%
Schedule 9	7.96%	5.94%
Schedule 19	2.31%	1.73%
Irrigation		
Schedule 10	2.31%	1.73%
Public Street Lighting		
Schedules 7/7A, 11, 12	0%	0%

The Parties also agreed (1) that the Stipulation constituted a “black box” settlement, meaning that the Parties agreed with the result of the increase in the base rate but not the specific methodology behind it; (2) to establish the total Company base net power cost at \$982 million dollars; (3) that RMP’s acquisition of the Chehalis generating plant in Chehalis, Washington was a prudent investment; (4) that the demand-side management programs proposed by RMP in Docket No. PAC-E-08-01 were prudent; (5) that issued related to the Energy Trust of Oregon Funding of the Goodnoe Hills wind generation plant will be deferred to RMP’s next general rate case; (6) that RMP will include an inverted tier rate design proposal or option for residential customers in its next general rate case; (7) to the settled price increase of \$4,382,632; and (8) that the design of rates by rate schedule shall be consistent with RMP’s filed proposal.

Each Party agreed that the Stipulation represented a fair, just and reasonable compromise and was in the public’s best interest. Pursuant to IDAPA 31.01.01.274, the Parties signed and submitted it to the Commission for approval on January 30, 2009. The Irrigators filed comments in support of the Stipulation on February 5, 2009.

Although this case was ultimately settled, the Irrigators had to prepare as though it was a regular rate case. The Irrigators’ President, Mark Mickelsen; Executive Director, Lynn Tominaga;

legal counsel, Eric L. Olsen; and consultant, Anthony J. Yankel, P.E., have all participated directly or indirectly in various meetings, conference calls, and drafting supporting documentation that have resulted in these important changes. Overall, the Irrigators believe that this new dispatchable program is a cost effective demand response program that should be adopted by the Commission.

(C) The expenses and costs incurred by the Irrigators set forth in Exhibit A and accompanying attachments are reasonable in amount and were necessarily incurred. The expenses and costs were incurred in corresponding and collaborating with all the Parties named above, and in gathering information, drafting and reviewing documentation, and negotiating the changes.

(D) The costs described in Paragraph (A) above constitute a financial hardship for the Irrigators. The Irrigators currently have approximately \$47,000.00 in the bank with outstanding accounts payable from participation in prior cases and this case totaling approximately \$53,000.00.

The Irrigators are an Idaho nonprofit corporation that was organized in 1968 to represent agricultural interests in electric utility rate matters affecting farmers in southern and central Idaho. The Irrigators rely solely upon dues and contributions voluntarily paid by members, together with intervenor funding, to support activities. Each year mailings are sent to approximately 7,500 Idaho Irrigators (approximately two-thirds in the Idaho Power Company service area and one-third in the RMP service area), soliciting annual dues. The Irrigators recommend members make voluntary contributions based on acres irrigated or horsepower per pump. Member contributions have been falling presumably due to the current depressed economy, increased operating costs and threats relating to water right protection issues.

From member contributions the Irrigators must pay all expenses, which generally include mailing expenses, meeting expenses and shared office space in Boise, Idaho, in addition to the

expenses relating to participation in rate cases. The Executive Director, Lynn Tominaga, is the only part-time paid employee, receiving a retainer plus expenses for office space, office equipment, and secretarial services. Officers and directors are elected annually and serve without compensation.

It has been and continues to be a financial hardship for the Irrigators to fully participate in this review and settlement. As a result of financial constraints, participation in this review and settlement has been selective and, primarily, on a limited basis.

(E) Although there was a stipulation in this case, the Irrigator provided a unique perspective on a number of issues that not only impacted the Irrigators, but the jurisdiction as a whole. Because there was a stipulation, it is not appropriate to go into any of the specifics of the case that the Irrigators were developing. However, some general points can be made in order to justify intervenor funding without going into details of the Irrigators unique perspective. Specifically, the Irrigators have worked closely with the Company and the Staff in order to develop the greatly expanded Irrigation Load Management program that we have today with over 200 MW of interruption capability. The Irrigators were using this unique insight in order to insure that overall costs and jurisdictional allocations of those costs were being conducted in a manner that would lower Idaho's overall revenue requirement, compared to a case where the program did not exist. Although testimony was not presented, the Irrigators believe that the Stipulation either addressed the issues that they would raise during the course of the case, or that the dollar impact of those issues were sufficiently address in a manner that was quantifiable and assured by the Stipulation, while the outcome of a full hearing would be less certain.

(F) The implementation of the new parameters that will shave off 200 MW during the summer system peak lowers the costs and jurisdictional allocations of those costs in a manner that

will lower Idaho's overall revenue requirement. In particular, this curtailment program significantly reduces the need for peak resources, resulting in lower generation and transmission costs for the entire system. In addition, when RMP's load is high and purchased power costs are high, RMP can avoid some or all of these expensive purchases by curtailing the Idaho Irrigation load. Equally important, when market prices are high, the Company could take advantage of these curtailment opportunities to sell power into the market at a significant profit. Clearly, the Irrigators' participation in this case has addressed issues of concern to the general body of users or consumers on Idaho Power's system.

(G) The Irrigators represent the irrigation class of customers under Schedule 24.

Based on the foregoing, it is respectfully submitted that the Irrigators are a qualifying intervenor and should be entitled to an award of costs of intervention in the maximum amount allowable pursuant to Idaho Code § 61-617A and IDAPA 31.01.01.161 through .165.

DATED this the 34 day of March, 2009.

RACINE, OLSON, NYE, BUDGE &
BAILEY, CHARTERED

By 
ERIC L. OLSEN

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 24th day of March, 2009, I served a true, correct and complete copy of the Idaho Irrigation Pumpers Association, Inc.'s Application for Intervenor Funding to each of the following, via U.S. Mail or private courier, e-mail or hand delivery, as indicated below:

Jean D. Jewell, Secretary
Idaho Public Utilities Commission
P.O. Box 83720
472 W. Washington Street
Boise, Idaho 83720-0074
jjewell@puc.state.id.us

U.S. Mail/Postage Prepaid
 E-mail
 Facsimile
 Overnight Mail
 Hand Delivered

Ted Weston
PacifiCorp/dba Rocky Mountain Power
201 S. Main Street, Suite 2300
Salt Lake City, Utah 84111
ted.weston@pacificorp.com

U.S. Mail/Postage Prepaid
 E-mail
 Facsimile
 Overnight Mail
 Hand Delivered

Daniel Solander
PacifiCorp/dba Rocky Mountain Power
201 S. Main Street, Suite 2300
Salt Lake City, Utah 84111
Daniel.solander@pacificorp.com

U.S. Mail/Postage Prepaid
 E-mail
 Facsimile
 Overnight Mail
 Hand Delivered

Dennis Paseau, Ph.D.
Utility Resources, Inc.
15000 Liberty St. SE, Suite 250
Salem, OR 97302
dpeseau@excite.com

U.S. Mail/Postage Prepaid
 E-mail
 Facsimile
 Overnight Mail
 Hand Delivered

Randall C. Budge
Racine Olson Nye Budge & Bailey, Chd
201 E. Center
P.O. Box 1391
Pocatello, Idaho 83204-1391
rcb@racinelaw.net

U.S. Mail/Postage Prepaid
 E-mail
 Facsimile
 Overnight Mail
 Hand Delivered

Katie Iverson
Brubaker & Associates
17244 W. Cordova Court
Surprise, AZ 85387
kiverson@consultbai.com

U.S. Mail/Postage Prepaid
 E-mail
 Facsimile
 Overnight Mail
 Hand Delivered

Electronic Copies Only
James R. Smith
Monsanto Company
P.O. Box 816
Soda Springs, Idaho 83276
Jim.r.smith@monsanto.com

Hand Delivered
 U.S. Mail/Postage Prepaid
 E-mail
 Facsimile
 Overnight Mail
 Hand Delivered

Brad M. Purdy
2019 N. 17th Street
Boise, Idaho 83702
bmpurdy@hotmail.com

Hand Delivered
 U.S. Mail/Postage Prepaid
 E-mail
 Facsimile
 Overnight Mail
 Hand Delivered

Conley E. Ward
Michael C. Creamer
Givens Pursley LLP
601 W. Bannock St.
P.O. Box 2720
Boise, Idaho 83701-2720
cew@givenspursley.com

Hand Delivered
 U.S. Mail/Postage Prepaid
 E-mail
 Facsimile
 Overnight Mail
 Hand Delivered


ERIC L. OLSEN

EXHIBIT A

SUMMARY OF EXPENSES INCURRED BY
IRRIGATORS IN CASE NO. PAC-E-08-7

1. Legal Fees:

Eric L. Olsen (Partner): 23.70 hrs @ \$185.00 per hour \$ 4,384.50

Jason E. Flaig (Associate/Legal Intern): 4.1 hrs @
\$125.00 per hour \$ 512.50

Pam Mottishaw (Paralegal): 0.9 hrs @ \$75.00 per hour \$ 67.50

Costs: Postage and travel \$ 539.06

Total Legal Fees: \$ 5,503.56

2. Consultant Fees:

Anthony J. Yankel: 100 hrs @ \$125 per hour \$12,500.00

Total Consultant Fees: \$12,500.00

TOTAL FEES AND EXPENSES: \$18,003.56

Attachment 1

DETAIL FEE TRANSACTION LIST
710.1518535 IDAHO IRRIGATION PUMPERS ASSOCIATION, INC.
2008 ROCKY MOUNTAIN POWER RATE CASE

DATE	ATTY	RATE	HOURS	TOTAL	DESCRIPTION
9/3/2008	ELO	185	0.20	37.00	REVIEW PACIFICORP PRESS RELEASE
9/17/2008	ELO	185	0.10	18.50	TELEPHONE CONFERENCE WITH MARK MICKELSEN RE: CONFERENCE CALL WITH PACIFICORP
9/18/2008	ELO	185	0.70	129.50	PREPARE FOR AND PARTICIPATE IN CONFERENCE CAL
9/24/2008	ELO	185	0.40	74.00	REVISE PETITION TO INTERVENE
9/26/2008	ELO	185	2.20	407.00	REVIEW COMPANY TESTIMONY OF RATE CASE
10/1/2008	ELO	185	0.10	18.50	CONFERENCE WITH RCB RE: RMP CUSTOMER MEETING
11/25/2008	PM	75	0.90	67.50	REVISE AND SEND OUT DISCOVERY RESPONSES
12/2/2008	ELO	185	0.30	55.50	TELEPHONE CONFERENCE WITH MARK MICKELSEN RE: STATUS OF CASES AND SETTING BOARD MEETING
12/11/2008	ELO	185	0.60	111.00	ATTEND IIPA BOARD MEETING
12/15/2008	ELO	185	0.50	92.50	REVIEW ADDITIONAL DATA REQUESTS AND SEE THAT SAME ARE SERVED ON RMP AND PARTIES
1/14/2009	ELO	185	0.50	92.50	TELEPHONE CONFERENCE WITH TONY YANKEL RE: UPCOMING SETTLEMENT NEGOTIATIONS
1/15/2009	ELO	185	3.00	555.00	TRAVEL TO BOISE FROM POCATELLO
1/15/2009	ELO	185	4.80	888.00	ATTEND RMP SETTLEMENT NEGOTIATIONS
1/28/2009	ELO	185	1.10	203.50	REVIEW PROPOSED STIPULATION AND FORWARD TO YANKEL FOR REVIEW; TELEPHONE CONFERENCE WITH MARK MICKELSON RE: SAME
1/29/2009	ELO	185	0.50	92.50	TELEPHONE CONFERENCE WITH TONY YANKEL Re: REVIEW OF STIPULATION; REVIEW CHANGES TO STIPULATION; FINALIZE REVIEW OF STIPULATION A EMAIL PARTIES RE: SAME
1/30/2009	ELO	185	0.40	74.00	REVIEW AND SIGN FINAL STIPULATION AND SEE THA SIGNATURE PAGE IS FAXED AND MAILED
2/18/2009	ELO	185	0.50	92.50	REVIEW EMAIL OF SENATOR RAYBO3#LD; EMAIL TONY YANKEL RE: RMP RATE CASE AND CONCERNS OVER INTEROPERABILITY PROGRAM
2/19/2009	ELO	185	0.30	55.50	TELEPHONE CONFERENCE WITH TONY YANKEL RE: PREPARING COMMENTS FOR RMP RATE CASE
2/24/2009	ELO	185	0.60	111.00	REVIEW AND COMMENT ON IIPA NEWS LETTER
2/25/2009	ELO	185	2.90	536.50	DRAFT COMMENTS IN SUPPORT OF STIPULATION AND SEE THAT SAME ARE FILED
3/11/2009	ELO	185	4.00	740.00	TRAVEL TO BOISE FROM POCATELLO (1-ONE WAY); ATTENDED HEARING ON PRESENTATION OF STIPULATION
3/19/2009	JEF	125	4.10	512.50	DRAFTED APPLICATION FOR INTERVIENOR FUNDING; CONF. W/ ELO RE: THE SAME
			28.70	4964.50	TOTAL FEES
1/16/2009	ELO			24.26	POSTAGE 1/05/2009 - ANTHONY YANKEL
2/27/2009	ELO			257.40	RT MILEAGE POCATELLO - BOISE - 1/15/2009
3/11/2009	ELO			257.40	RT MILEAGE POCATELLO - BOISE - 3/11/2009
				539.06	TOTAL COSTS
				<u>5,503.56</u>	TOTAL FEES AND COSTS

Attachment 2

	<u>Date</u>	<u>Hours</u>	<u>Description--Case PAC-E-08-07</u>
Nov	17	6	Read testimony of Company witnesses Walje, Hadaway, Williams, and Dickman in case PAC-E-08-07; Review detailed cost data in Dickman's Exhibit 12.
	18	6	Read testimony of Company witnesses Duvall, Lasich, Bird, Tucker, and Bumgarner in case PAC-E-08-07; Review detailed cost of service data in Tucker's
Dec	11	5	Review filing of the Company; review past discovery requests to and responses from the Company in order to determine what else to add to the discovery in this
	12	5	Review past discovery requests to and responses from the Company in order to determine what else to add to the discovery in this case; review data supporting the distribution peaks in this case and the last case and review the differences in allocations that occurred between rate schedules between the two cases.
	15	3	Review previous interrogatories sent to PacifiCorp; develop additional
	19	8	Review filing of PacifiCorp and its witnesses; assess the impact of the load management program on the cost of service study; review the treatment of DSM revenues in the interjurisdictional allocation procedures.
	22	4	Review filing of PacifiCorp and its witnesses; assess the impact of the load management program on the cost of service study; review the treatment of DSM revenues in the interjurisdictional allocation procedures.
	26	6	Review what information is at hand regarding case; alert Olsen that I have not gotten the Irrigation discovery that is overdue, or the responses to the Staff's first set of data requests which is also overdue; review various ways to address the impact of Irrigation load management in the Company's interjurisdictional cost of
	29	3	Review filing; review jurisdictional allocations with emphasis upon the irrigation curtailments; trace values and calculations through the Company's jurisdictional cost of service workpapers.
Jan	7	7	Review data responses by the Company; look into proper loss factor adjustment for irrigation curtailment credits; work with JAM model to try to make a new run that incorporates better loss factors; discussion with Hessing and Eric Olsen.
	8	7	Review data responses by the Company; work with JAM model to try to make a new run that incorporates better loss factors; discussion with Weston of the Company in order to learn how to run model.
	9	8	Review data responses by the Company; work with JAM model to try to make a new run that incorporates the irrigation interruptibility as a system resource; review system and Idaho specific loss study for possible use in this case;

<u>Date</u>	<u>Hours</u>	<u>Description--Case PAC-E-08-07</u>
12	8	Review material regarding use of border load data to define Idaho's share of use on PacifiCorp; review similar data that is used to define distribution peak data; investigate the cause of the July distribution peak in Idaho occurring at midnight; review related data responses.
13	8	Review material regarding use of border load data to define Idaho's share of use on PacifiCorp; calculate differences between border load data and the summation of the load research data; review the additional data responses that came in.
14	7	Review material regarding use of border load data to define Idaho's share of use on PacifiCorp; verify data from different sources and discovery responses; write memo regarding same.
15	8	Prepare for and attend settlement discussions with the Company and Staff; multiple conversations with Olsen.
29	1	Review draft stipulation; review and confirm figures and percentages in spreadsheet regarding rate spread.
Total	100	