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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 AND A)
PRICE INCREASE OF \$27.7 MILLION OR)
APPROXIMATELY 13.7 PERCENT)

CASE NO. PAC-E-10-07

IDAHO IRRIGATION PUMPERS

SUR REBUTTAL TESTIMONY

OF

MARK MICKELSEN

NOVEMBER 29, 2010

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 IS THE PURPOSE OF YOUR TESTIMONY?

11

12 A. The purpose of my testimony is to address the proposed changes to the
13 Irrigation Load Management Program and the Agricultural Energy Savers Program contained
14 in the Rebuttal Testimony of Carol L. Hunter.

15

16 Q. WHAT INVOLVMENT HAS THE IIPA HAD IN THE DEVELOPMENT
17 AND IMPLEMENTATION OF RMP'S IRRIGATION LOAD CONTROL PROGRAMS?

18

19 A. As part of the settlement in PAC-E-02-01, IIPA and RMP agreed to develop
20 an optional load management program in consideration for the removal of the long standing
21 interruptible irrigation rate schedule C and its associated load control benefits. This timer-
22 based program started out small, but continued to grow due to continuous refinement by
23 RMP and IIPA, as well as IIPA's strong encouragement of its members to participate in the

1 program. Eventually it provided in excess of 40 MW of load reduction to PacifiCorp's
2 system during the summer months. The current version of this timer based program can be
3 found in RMP's Electric Service Rate Schedule No. 72.

4 In 2006, IIPA worked with RMP in the development of the terms and conditions of a
5 dispatchable load control pilot program. This program was a vast improvement for all
6 involved in that the irrigation pumps were curtailed directly by RMP (at its option) via a
7 communications device rather than a timer. The pilot program was successful, in part, due to
8 IIPA's input and marketing efforts amongst its members. As part of the settlement in PAC-
9 E-7-05, RMP and IIPA agreed to an increase in the credit for the dispatchable program based
10 on the level of irrigator participation for the 2008 and 2009 irrigation seasons. If irrigator
11 participation reached a certain level then the credit would be adjusted accordingly, as
12 follows:

13	<u>Participation MW</u>	<u>Credit (\$/kW-yr)¹</u>
14	Less than 150	\$23
15	150 to 175	\$26
16	175 or greater	\$28

17 Due to IIPA's and RMP's marketing efforts, Irrigator participation in the dispatchable
18 program significantly exceeded expectations, and in 2010 achieved and estimated 278 MW
19 of participation in July² at the sales level. This estimated figure does not count those
20 participants in the timer program.

21 In the fall of 2009, IIPA and RMP had further discussions regarding improvements to
22 the terms of the dispatchable program and the credit amount to be paid. These discussions
23 resulted in a Letter Agreement between RMP and IIPA making changes to the terms of the
24 dispatchable program and extending the current pricing and participation schedule through

1 the 2012 irrigation season. A copy of the Letter Agreement is attached hereto as Exhibit 304.
2 Now the dispatchable program alone consistently provides over 250 MW of load reduction to
3 PacifiCorp's system per control event. The current version of this dispatchable program can
4 be found in RMP's Electric Service Schedule 72A.

5

6 Q. DO YOU PARTICIPATE IN RMP'S LOAD CONTROL PROGRAMS
7 AND WHY?

8

9 A. Yes. I have participated in RMP's load control programs for the last four
10 irrigation seasons under the dispatchable program. I did not participate in the timer based
11 program because credit amount received did not exceed my opportunity costs of increased
12 labor expense and reduced crop yields. I continually encourage all eligible irrigators to
13 participate in RMP's load control programs, and I and other members of the IIPA's board
14 have invested a significant amount of time working with RMP and IIPA's members to make
15 the load control programs successful. This is based not only for the credit savings, which has
16 become crucial to many farmers in these uncertain economic times, but also for the benefits
17 of reducing RMP's overall system costs, the Idaho jurisdictional costs, and the irrigators'
18 class cost of service.

19

20

¹ Subject to a \$2.00 adjustment up or down depending on RMP's final valuation of the benefit.

² Based upon RMP's response to Irrigation request 23.

1 Q. PLEASE SUMMARIZE RMP'S PROPOSED CHANGES TO THE
2 DISPATCHABLE LOAD CONTROL PROGRAM?

3
4 A. In light of the jurisdictional cost allocation and funding issues raised in
5 this case, RMP has proposed to reduce the magnitude of the program and ultimately
6 the costs associated with the dispatchable load control program ("Program") by (1)
7 restricting participation in the Program to irrigation pumps of at least 50 HP, (2)
8 providing RMP flexibility to reject or narrow the participants in the Program, (3)
9 increasing the penalty a participant faces in the event the irrigator opts out of
10 participating in a load control event, (4) reducing the participation credit for the 2011
11 irrigation season from \$30 per kW to \$25 per kW, (5) having the administrative costs
12 of the Program remain situs assigned for the 2011 irrigation season and having RMP
13 and Staff work to address the issues of system cost allocation of the administrative
14 costs of the Program in the MSP process for 2012. RMP has had recent discussions
15 with IIPA's board regarding these proposed changes.

16
17 Q. WHAT CONCERNS DOES THE IIPA HAVE WITH RMP'S
18 PROPOSED CHANGES TO THE PROGRAM?

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20 A. Just like the major capital investments that RMP is now seeking to
21 place into rate base, the irrigation load control programs are a culmination of years of
22 effort, planning, trial and error to bring them to the cost effective and successful point
23 they are at this time. RMP's proposed changes are aimed at cutting Program costs by

1 shrinking irrigator participation and, in the near term, reducing the credit amount paid
2 to participants. However, IIPA's board believes that even if these are considered to
3 be short term changes, they will have long term detrimental effects because
4 confidence in the program may be lost.

5

6 Q. WHAT LONG TERM EFFECTS WOULD BE EXPECTED?

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8 A. For example, restricting participation in the program to 50 hp will
9 remove 500 control units according to the Company. This may only mean a
10 reduction of 13 MW of participation, but to put this in perspective, there were less
11 than 2,000 participating sites in 2009. This change would impact over 25% of the
12 participating sites. This proposal is being made in spite of the fact that these devices
13 are currently in place and the cost of installation has already been expensed, if not all
14 ready recovered by RMP.

15 Additionally, this proposal is inconsistent with the current tariff language
16 which states:

17 Once a LCSA is executed, Customers in the program will be
18 considered program participants for subsequent years unless the
19 Customer explicitly communicates the desire to no longer
20 participate in the Load Control Credit Rider program or the program
21 is cancelled. (Emphasis added)

22 Furthermore, giving RMP the flexibility to reject current participants at will puts the
23 program in even more jeopardy. How is RMP going to restrict participation? Will it
24 be on a first-come-first-served basis? What about all of the customers that are

1 presently on the program—are they first in line? What about the changes that
2 irrigators had made to their systems so that they could participate in the program?

3 The changes in the opt-out provisions may sound good in isolation, but the
4 fact is that there are extremely few participants that opt-out at this time. Furthermore,
5 each time a customer opts-out, he pays the marginal purchase cost for the power he
6 consumes and the system is made whole at the highest purchase power cost. The
7 ominous penalties being proposed can only result in scarring irrigators away from
8 participating in the program.

9 The IIPA is disappointed that RMP is not going to live up to its agreement to
10 keep the pricing of the participation credit the same through 2012 as set forth in the
11 Letter Agreement. We mutually came up with a 3-year agreement only a year ago
12 and now RMP wants to unilaterally lower the credit. If the credit fluctuates, what
13 assurance do irrigators have that the program will continue to benefit them in the
14 future and that they should put forth the time and investment to participate in the
15 program?

16

17 Q. WHAT ARE YOU ASKING THE COMMISSION TO DO AT THIS
18 TIME?

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20 A. The Commission needs to balance how these changes will affect the
21 continued long term viability of the irrigation load control programs and not
22 jeopardize the prior investments in time and effort that have brought us to this point.
23 Such a determination process is impossible to do in the very compressed rebuttal

1 testimony and subsequent technical hearing schedule in this case. Thus, the IIPA
2 asks the Commission to bifurcate the consideration of the Program changes from this
3 case so that RMP, Staff, IIPA, and other interested parties can more fully vet these
4 issues in a expedited manner, without unintentionally affecting the long term viability
5 of the irrigation load control programs.

6 In the event that the Commission is inclined to address substantive changes to
7 the Program in its forthcoming Order, then the IIPA has the following comments on
8 RMP's proposed changes to the Program:

- 9 • First, the IIPA is not opposed to restricting future participation in the
10 Program to pumps having a minimum of 30 HP. This change appears that
11 it would not have a significant effect on the total amount of MWs of
12 Program participation and should reduce the equipment expenses.
13 However, like Idaho Power, smaller Irrigators could participate if they pay
14 an installation fee. There is no benefit to go back to these customers that
15 presently have a control device and incur further costs to remove these
16 devices and incurring any accompanying ill-will.
- 17 • Second, the IIPA supports in the inclusion of the Idaho Power
18 participation selection language so as to give RMP flexibility in efficiently
19 administering the Program. However, this flexibility should only be
20 applied to future installation and any rejection of a customer should have
21 written justification. It is my understanding that even though Idaho Power
22 has this flexibility, it has never exercised it. We do not want to give

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language like that in Idaho Power's tariff and have it be used in a completely different way by RMP.

- Third, the IIPA is not opposed to changes to the penalty for opt-out events under Schedule 72A. IIPA believes that the amount of avoided load should be there when called upon and that the penalty changes should help avoid free-rider concerns. However, the penalty proposed by RMP is excessive. Idaho Power has a fixed opt-out fee of \$0.005 per kWh of monthly billing. The IIPA believes that this amount is significant, but we would be willing to accept it for use in RMP. Anything beyond this would seriously jeopardize the program.
- Finally, the IIPA objects to RMP's proposal to reduce the credit amount under the Program from \$30 per kW to \$25 per kW for the 2011 irrigation season. One of the keys to the success of the Program was setting the credit at an amount that would be cost effective, i.e., the benefits exceed their costs under respective regulatory tests, but also encourage sufficient irrigator participation notwithstanding the irrigators' opportunity costs of increased labor expense and prospects of reduced crop yields. This is why the IIPA entered into the Letter Agreement to provide that credit certainty to participants and associated participation so as to maintain this valuable system demand-side resource. The IIPA believes that RMP should live up to its obligations under the Letter Agreement and that the credit amount should remain at its current \$30 per kW level for the 2011 and 2012 irrigation seasons.

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2

Q. WHAT IS THE IIPA'S POSITION ON THE PROPOSED

3

ELIMINATION OF THE AGRICULTURAL ENGERGY SAVERS PROGRAM?

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A. The IIPA understands that the Agricultural Energy Savers Program is

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not as cost effective as the load control programs, but points out that it still is

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considered to be cost effective. The IIPA also acknowledges that a significant portion

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of energy efficiency and load management dollars are spent for the agricultural sector

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programs. However, the IIPA believes that this potential imbalance is not the result

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of any bias, but just a function of getting the more bang for every buck spent on

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irrigation programs as opposed to other programs currently available to the customer

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classes. Nevertheless, the IIPA would defer to the judgment of the Commission as to

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whether the Agricultural Energy Savers Program is eliminated or not in order to

14

reduce energy efficiency and demand side management costs.

15

16

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

17

18

A. Yes.



*Jeffrey K. Larsen
Vice President, Regulation
One Utah Center
201 S. Main Street, Suite 2300
Salt Lake City, UT 84111
801.220.4907*

October 15, 2009

Idaho Irrigators Pumper's Association
201 East Center
PO Box 1391
Pocatello, ID 83204

Attn: Mark Mickelsen
Eric Olsen

Re: Idaho Tariff Schedule 72A Dispatchable Load Control Service Credit Rider Program Settlement Terms

Dear Mark and Eric:

The purpose of this letter agreement is to memorialize the October 6, 2009 discussions between representatives of Rocky Mountain Power ("Company") and the Idaho Irrigation Pumper's Association, ("IIPA"). The Company and IIPA collectively are referred to herein as the "Parties". At that meeting, the Parties discussed the results of the dispatchable irrigation program to-date and negotiated the post-2009 terms of such program.

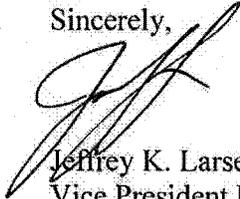
For the 2008 and 2009 irrigation seasons the dispatchable irrigation program was governed by the stipulation to Rocky Mountain Power's Case No. PAC-E-07-05, approved in Order No. 30482 by the Idaho Public Utilities Commission. Tariff Schedule 72A was modified to reflect the terms of the stipulation. Since Tariff Schedule 72A does not address the terms for irrigation seasons after 2009, the Parties have agreed to the following changes in the terms and conditions of the dispatchable irrigation program under Tariff Schedule 72A to address the post-2009 treatment of the program:

1. extend the current participation schedule for the irrigation seasons through the end of the 2012 irrigation season;
2. revise the dispatch program season from the current period of June 1 to September 15 to a new period of June 1 to August 31 of each year; and,
3. revise the available dispatch hours from the current period of 2:00 PM to 8:00 PM to a new period of 11:00 AM to 7:00 PM. The change in times will help facilitate phasing in and out of dispatch events as well as provide additional time to the pumpers to check that their irrigation system is operating correctly before it gets dark;

**Exhibit No. 304
Case No. PAC-E-10-07
Mickelsen, Irrigators**

Furthermore, the Parties agree to these terms and conditions as reflected as revisions to the current Tariff Schedule 72A, with all other terms and conditions remaining unchanged as specified in the attached tariff sheets. The Parties will support these changes to Tariff Schedule 72A in a tariff advice filing made by the Company for Commission approval and represent that they are in the public interest.

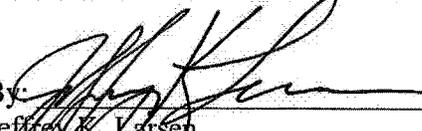
Sincerely,



Jeffrey K. Larsen
Vice President Regulation

The Parties have negotiated the changes to tariff Schedule 72A in good faith and by their signatures below acknowledge and agree to the terms as detailed above.

ROCKY MOUNTAIN POWER

By: 
Jeffrey K. Larsen
Vice President Regulation
201 South Main Street, Suite 2300
Salt Lake City, UT 84111

Date: 10/15/09

**IDAHO IRRIGATION
PUMPER'S ASSOCIATION**

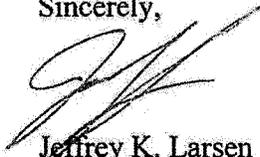
By: _____
Eric Olsen
Attorney for IIPA
201 East Center PO Box 1391
Pocatello, ID 83204

Date: _____

4. revise the available dispatch hours from the current period of 2:00 PM to 8:00 PM to a new period of 11:00 AM to 7:00 PM. The change in times will help facilitate phasing in and out of dispatch events as well as provide additional time to the pumpers to check that their irrigation system is operating correctly before it gets dark; and,
5. continue to provide results of the Dispatchable Irrigation program in the DSM report filed annually with the Idaho Commission.

Furthermore, the Parties agree to these terms and conditions as reflected as revisions to the current Tariff Schedule 72A, with all other terms and conditions remaining unchanged as specified in the attached tariff sheets. The Parties will support these changes to Tariff Schedule 72A in a Tariff Advice filing made by the Company for Commission approval and represent that they are in the public interest.

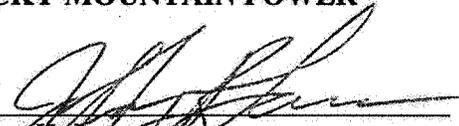
Sincerely,



Jeffrey K. Larsen
Vice President Regulation

The Parties have negotiated the changes to tariff Schedule 72A in good faith and by their signatures below acknowledge and agree to the terms as detailed above.

ROCKY MOUNTAIN POWER

By: 
Jeffrey K. Larsen
Vice President Regulation
201 South Main Street, Suite 2300
Salt Lake City, UT 84111

Date: 10/21/09

**IDAHO IRRIGATION
PUMPER'S ASSOCIATION**

By: 
Eric Olsen
Attorney for IIPA
201 East Center PO Box 1391
Pocatello, ID 83204

Date: 10/26/09



I.P.U.C. No. 1

~~Third~~Fourth Revision of Sheet No. 72A.1
Canceling ~~Second~~Third Revision of Sheet No. 72A.1

ROCKY MOUNTAIN POWER
ELECTRIC SERVICE SCHEDULE NO. 72A
STATE OF IDAHO

Dispatchable Irrigation Load Control Credit Rider Program

PURPOSE: This optional tariff allows Customers to participate in a dispatchable control service interruption program in exchange for a Load Control Service Credit (LCSC). Customers participating in this program will be considered participants in the Irrigation Load Control Credit Rider program.

PARTICIPATION: Prior to participation, and in order to qualify under this Schedule, Customers must execute a Load Control Service Agreement (LCSA) with the Company. Participants in the dispatchable program will be considered program participants for subsequent years unless the Customer explicitly communicates the desire to no longer participate in the Load Control Credit Rider program.

APPLICABLE: To qualifying Customers served on Schedule 10 and who have continuous access to the Internet from May 1 through September 15. Access to the internet beginning May 1 is required to allow for program information sharing, training, and communication testing in advance of the control season. In addition, Schedule 10 Customers participating in the dispatchable program must:

- (a) Meet minimum irrigation equipment motor load size of 30 Hp. The Company may evaluate individual pumps or motors smaller than 30 Hp to determine if participation is cost-effective or necessary because such pumps are part of a larger participating system.
- (b) Use advanced 2-way remote control equipment as specified by the Company to manage ALL pumping requirements throughout the Company defined Irrigation Season (June 1 through September 15).
- (c) Participate in Company-defined training to set up their pump sites for dispatch.
- (d) Incur air time communication charges for communication transactions exceeding 70 per month. Charges for communication transactions in excess of 70 per month will be deducted from the Customer's LCSC.

IRRIGATIONDISPATCHABLE PROGRAM SEASON: This rider is applicable only during the Irrigation Season from June 1 to August 31 September 15, annually.

(Continued)

Submitted Under Advice No. 09-054

ISSUED: February 11, 2009

EFFECTIVE: June 1, 2009
Exhibit No. 304
Case No. PAC-E-10-07
Mickelson, Irrigators



I.P.U.C. No. 1

ThirdFourth Revision of Sheet No. 72A.2
Canceling SecondThird Revision of Sheet No. 72A.2

ELECTRIC SERVICE SCHEDULE NO. 72A – Continued

LOAD CONTROL SERVICE AGREEMENT: The Customer and Company will execute a LCSA for irrigation load control participation. The LCSA shall specify the Load Control kW amount that each of the Customer’s sites shall curtail during each Dispatch Event. The agreement will also include typical costs that the Customer may incur for Early Termination. Once executed, the agreement shall remain in force for subsequent Irrigation Seasons unless explicitly canceled by the participating Customer. Cancellation of an existing LCSA may occur only between September 16 and May 30 each year.

LOAD CONTROL SERVICE CREDIT: The LCSC for a participating site shall be calculated and issued to the participating customer in the form of a check, or as a credit against the participating site account if an outstanding account balance exists that is 30 days or more past due two weeks before the credit issuance. The LCSC will be issued no later than October 31 following each irrigation season. The LCSC is composed of a Fixed Annual Participation Credit that shall remain fixed throughout the Irrigation Season each year. The LCSC shall be computed at the conclusion of the Irrigation Season by multiplying the Fixed Annual Participation Credit times the Load Control kW at the Schedule 10 metered pump site. The Load Control kW shall be computed by taking the most recent 2-year demand (kW) average for that particular site. In situations where the pump has been replaced and/or re-wound the kW shall be computed by taking the manufacturer’s revised nameplate Hp and converting it to kW using standard engineering conversion metrics.

The Fixed Annual Participation Credit for 2010, 2011 and 2012 is based upon total program participation volumes as defined in the table below (Participation Credit Schedule). The participation credit is increased for each tier of program participation volume to encourage participation in the program.

Participation Credit Schedule

Program Participation Volumes (MW)	Participation Credit (\$/kW-yr)
Less than 150	\$23.00
150 to less than 175	\$26.00
175 or greater	\$28.00

SCHEDULE:

Notification of Credit: The Company will provide notification of the total LCSC to all eligible Schedule 10 customers by February 15 each year.

Load Control Service Agreement: Concurrent with the Notification of Credit referenced above, the Company will provide a LCSA listing the amount of the credit the Customer will receive for the irrigation season if they elect to participate in the program. Customers who have not previously entered into a LCSA with the Company and who desire to participate in this load control program shall sign the LCSA and return it to the Company by April 15 to indicate their participation.

(Continued)

Submitted Under Advice No. 09-045

ISSUED: February 12, 2009

EFFECTIVE: June 1, 2009
Exhibit No. 304
Case No. PAC-E-10-07
Mickelsen, Irrigators



I.P.U.C. No. 1

~~Third~~Fourth Revision of Sheet No. 72A.3
Canceling ~~Second~~Third Revision of Sheet No. 72A.3

ELECTRIC SERVICE SCHEDULE NO. 72A – Continued

DISPATCH CONDITIONS: The Company shall have the right to implement a Dispatch Event for participating customers according to the following criteria:

- (a) Available Dispatch Hours: 211:00 PAM to 87:00 PM Mountain Daylight Savings Time
- (b) Maximum Dispatch Hours: 52 hours per Irrigation Season
- (c) Dispatch Duration: Not more than four hours per Dispatch Event or twelve hours per week
- (d) Dispatch Event Frequency: limited to a single (1) Dispatch Event per day
- (e) Dispatch Days: Monday through Friday (inclusive)
- (f) Dispatch Day Exclusions: July 4 and July 24

DISPATCH COMMUNICATIONS: The Company will provide day-ahead notice of intent to dispatch as well as day-of confirmation communication prior to the dispatch event. Communications will be made via voice, text or email messaging depending on each Customer's communication preference.

SPECIAL CONDITIONS:

Load Control kW: The Load Control kW amount for the 2007-Irrigation Season shall be computed as follows:

1. The maximum kW for the past two (2) years (or available history) for each of the four irrigation months shall be averaged by month (June 1 through September 15).
2. The average monthly values calculated in Step 1 above shall be averaged.
3. The output of Step 2 above shall be multiplied by the appropriate participation credit as defined in the Participant Credit Schedule above.

Outages: Uncontrolled outages or other types of interruptions do not qualify for payment under the tariff.

Ownership of Control Equipment: The load control equipment remains the property of the Company. Customers may, at their discretion, purchase complementary control components that can work with the Company's foundational control units. To the extent possible, the Company will cooperate and work with local equipment distributors in facilitating such additional equipment.

Communication: The Company will pay the cost of air time communication for up to 70 transactions per month. Additional Customer communication with irrigation control equipment is permitted. The cost of such transactions will be the Customer's responsibility but will be managed through the Company (Note: Customer air time communication costs, if any, will be calculated as a reduction to the LCSC).

Liquidated Damages: Customers are permitted to 'opt-out' of five (5) Dispatch Events throughout the Irrigation Season. Customers electing to 'opt-out' of a scheduled dispatch event may do so on the program's web page, by contacting the program's call center, or by notifying a program field technician. Each 'opt-out' event will incur a cost resulting in a reduction to the Customer's LCSC. The costs will be calculated based on the \$/MWh the Company otherwise has to pay for power at the time of the Dispatch Event. Such \$/MWh prices will be provided by day ahead on-peak price as published at <http://theice.com> and will be based on the established Four Corners trading hubs.

(Continued)

Submitted Under Advice No. 09-054

ISSUED: February/October 11/22, 2009

EFFECTIVE: June/December 1, 2009
Exhibit No. 304
Case No. PAC-E-10-07
Mickelsen, Irrigators



I.P.U.C. No. 1

~~Third~~Fourth Revision of Sheet No. 72A.4
Canceling ~~Second~~Third Revision of Sheet No. 72A.4

ELECTRIC SERVICE SCHEDULE NO. 72A – Continued

Liquidated Damages: (continued)

'Opt-outs' will be computed at the conclusion of the irrigation season and will be included as a reduction to the LCSC payment issued to the Customer prior to October 31 each year. 'Opt-outs' beyond those identified above are not permitted. Violation of the Liquidated Damages provision shall result in Early Termination under the terms of Special Condition-Early Termination, forfeiture of the entire LCSC.

Liability: The Company is not responsible for any consequences to the participating Customer that result from a load control Dispatch Event or the failure of load control equipment.

Use of Load Control Equipment: The Customer shall be required to exclusively use the 2-way load control equipment to manage their irrigation equipment through the duration of the Irrigation Season.

Load Shifting: Customers participating in this program may not shift irrigation loads to other facilities served by the Company or purchase replacement production from another facility served by the Company. The Company reserves the right to determine if the participating customer site is in violation of Special Condition-Load Shifting. Violation of the Load Shifting provision shall result in Early Termination under the terms of Special Condition-Early Termination, forfeiture of the entire LCSC, and removal from the program for the remainder of the Irrigation Season.

Control Equipment Damage / Sabotage: The Company reserves the right to determine if load control devices were intentionally damaged and/or bypassed to limit load control. Violation of this clause shall result in early termination under the terms of Special Condition-Early Termination, forfeiture of the entire LCSC, and removal from the pilot program for the remainder of the Irrigation Season.

Early Termination: If the Customer is terminated from the program the Customer shall be responsible for reimbursing the Company for costs associated with participation in the program. Such costs include, but are not limited to, direct and indirect labor costs associated with enrolling the Customer in the program, labor costs for installing the equipment, labor to investigate intentional damage to load control devices, removing the Customer from the program, and will not include costs for replacement power. Customers required to pay costs associated with early termination under terms of this Special Condition will be provided with a statement detailing such costs.

Free Riders: Customers may not participate in this program with accounts and meters that would not have used power during the Irrigation Season irrespective of participation in the program. The Company reserves the right to determine if the participating customer is in violation of the Special Condition-Free Riders. Violation of Special Condition-Free Riders shall result in Early Termination, forfeiture of the LCSC, and removal from the program for the remainder of the Irrigation Season.

ELECTRIC SERVICE REGULATIONS: Service under this Schedule will be in accordance with the terms of the Electric Service Agreement between the Customer and the Company. The Electric Service Regulations of the Company on file with and approved by the Idaho Public Utilities Commission, including future applicable amendments, will be considered as forming a part of and incorporated in said Agreement.

Submitted Under Advice No. 09-045

ISSUED: February ~~October~~ 22, 2009

EFFECTIVE: June ~~December~~ 1, 2009
Exhibit No. 304
Case No. PAC-E-10-07
Mickelsen, Irrigators