

DECISION MEMORANDUM

TO: COMMISSIONER KJELLANDER
COMMISSIONER REDFORD
COMMISSIONER SMITH
COMMISSION SECRETARY
COMMISSION STAFF
LEGAL

FROM: NEIL PRICE
DEPUTY ATTORNEY GENERAL

DATE: MAY 27, 2014

SUBJECT: IN THE MATTER OF EASTERN IDAHO RAILROAD'S OBJECTION TO
ITS 2014 ASSESSMENT FEE, CASE NO. EIR-R-14-01

On May 15, 2014, Eastern Idaho Railroad ("Eastern Idaho" or "Company") sent a letter to the Commission registering its objection, pursuant to *Idaho Code* § 61-1007, to the Company's 2014 Railroad Assessment Fee. Eastern Idaho attached several invoices as attachments, documenting the Commission's Fee Assessment as well as the Company's Gross Operating Revenues for the calendar year 2013.

THE COMPANY'S OBJECTION

The Commission's operating budget is derived from the assessment of regulatory fees upon utilities and railroads subject to the Commission's jurisdiction. *Idaho Code* § 61-1003 provides that on or before April 1st of each year, each railroad corporation shall report its gross operating revenues from its intrastate railroad business in Idaho for the preceding calendar year. Based upon the total amount of gross intrastate revenues reported by all the railroads, the Commission then determines the proportionate assessment applicable to each railroad to recover the Legislature's authorized appropriation.

Once each railroad's assessment is determined, the Commission notifies the railroad of its regulatory fee no later than May 1st of each year. Such fee shall be paid to the Commission in equal semi-annual installments. *Idaho Code* § 61-1005. Any utility or corporation may object to the fee "on or before the time specified for payment for the first installment of the assessment made against it." *Idaho Code* § 61-1007.

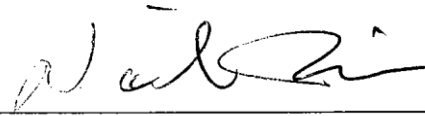
In its letter to the Commission, Eastern Idaho acknowledges that it committed an error in reporting to the Commission its gross *interstate* operating revenues instead of its gross intrastate operating revenues. Allegedly, the difference between Eastern Idaho's 2013 Gross Interstate Revenues (\$16,336,596.00 – Attachment B) and its 2013 Gross Intrastate Revenues (\$3,236,286.00 – Attachment C) is significant. The Company awaits “acknowledgement of its objection and further instructions from the Commission on how to proceed in this matter.”

STAFF RECOMMENDATION

Staff recommends that the Commission process this case under Modified Procedure so that it may inquire of the Company and attempt to verify the correct amount of the Company's 2013 Gross Operating Intrastate Revenues.

COMMISSION DECISION

Does the Commission wish to issue a Notice of Objection to Assessment Fee and Modified Procedure, with a 42-day comment period so that Staff may conduct an inquiry and verify the Company's 2013 Gross Operating Intrastate Revenues?



Neil Price
Deputy Attorney General

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