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 IDAHO PUBLIC UTILITIES COMMISSION

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

<b>IN THE MATTER OF THE APPLICATION )          OF PACIFICORP DBA UTAH POWER &amp; )          LIGHT COMPANY FOR APPROVAL OF )          INTERIM PROVISIONS FOR THE SUPPLY )          OF ELECTRIC SERVICE TO MONSANTO )          COMPANY )</b>	<b>Case No. PAC-E-01-16           IDAHO IRRIGATION PUMPERS          ASSOCIATION, INC.'S          SUPPLEMENT TO APPLICATION          FOR INTERVENOR FUNDING</b>
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COMES NOW the Idaho Irrigation Pumpers Association, Inc. ("Irrigators"), through counsel of record, and hereby respectfully submits the following Supplement to its Application for Intervenor Funding ("Application") filed with the Commission on October 29, 2002. This Supplement will further speak to whether the Irrigators meet the requirements of I.C. § 61-617A(2)(a) and (c) and accompanying regulations so as to qualify for an intervenor funding award in this case.

**THE IRRIGATORS' PARTICIPATION MATERIALLY CONTRIBUTED TO  
 THE COMMISSION'S DECISION**

In addressing the Irrigator's Application, the Commission must consider whether the Irrigator's participation was material or relevant to the questions presented and whether such participation contributed to or aided the Commission in reaching its decision. *See Idaho Fair Share v. Idaho Public Utilities Comm'n*, 113 Idaho 959, 963 (finding that the commission did not abuse its discretion in denying fees for petitioner's efforts on matters not relevant to the proceedings and that were not addressed in the commission's decision). The fact that the Commission may not have

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ultimately agreed with or adopted all of the Irrigator's recommendations does not preclude an award of intervenor funding. *See* Commission Order 29034, at 22.

In reaching its decision in Order 29157, the Commission addressed issues generally concerning (1) whether it was appropriate to continue to use an integrated, long term power supply contract for Monsanto, (2) whether the bulk of Monsanto's load should continue to be treated on a system wide rather than on an Idaho situs basis, and (3) how the value of interruptibility should be derived. The Irrigators spoke directly on these material issues in its direct testimony and post hearing briefing. By way of example, the Irrigators could find no sound policy rationale justifying PacifiCorp's internal policy of terminating all long term, interruptible power supply contracts or tariffs and replacing them with firm service tariffs and short term contracts for the purchase of interruptibility. Yankel (Dir), Tr. Vol. VI, p. 753-756 & 761-763; Irrigators' Post Hearing Brief, at 6-7. In turn, the Commission considered the Irrigators' and the other parties' positions on this issue and then ultimately found that the use of separate contracts was unwarranted. Commission Order 29157, at 4.

Similarly, the Irrigators took the position that continued system treatment of Monsanto's load was appropriate in light of the ongoing Multi-State Process and the fact that Monsanto's interruptible load primarily benefits PacifiCorp's operation of its system as a whole. Yankel (Dir), Tr. Vol. VI, p. 757-760; Irrigator's Post Hearing Brief, at 5-6. After recitation of the Irrigators' and other parties' recommendations, the Commission found that system treatment of the majority of Monsanto's firm and interruptible load was still appropriate. Commission Order 29157, at 6.

The Irrigators also independently developed a methodology for determining the net interruptible energy rate at issue in this case. Yankel (Dir), Tr. Vol. VI, p. 764-766. This approach started with the establishment of a firm energy rate for Monsanto and then subtracted out the benefit

that Monsanto's interruptibility provided to PacifiCorp's system. *Id.* at 764. The benefit that Monsanto's interruptibility provided was measured primarily by estimating how much peaking resource could be removed from PacifiCorp's supply side portfolio. *Id.* at 765-766. Based on the varying levels of interruptibility offered by Monsanto, the Irrigators testified that a net energy rate in the range of 22.78 mills/kWh to 20.45 mills/kWh would be reasonable. *Id.* at 746 & 766. The Irrigators also stressed that its valuation approach appropriately placed interruptibility on similar footing with PacifiCorp's other supply side options and therefore would not provide a disincentive to PacifiCorp's customers to offer such DSM resources. Irrigator's Post Hearing Brief, at 7-8. After considering the parties' testimony, the Commission ultimately decided on a net energy rate of 22.80 mills/kWh by valuing the benefit of interruptibility based on the midpoint between PacifiCorp's avoided market power purchase approach and the peaker approach advocated by Monsanto and the Irrigators. Commission Order 29157, at 11-13.

Based on the foregoing review, it is clear that the Irrigators marshaled its scarce resources to address issues that were only relevant and necessary to the Commission's decision. Further, it is apparent from the record that the Irrigator's testimony and briefing helped delineate the issues before the Commission. As such, the Irrigators respectfully assert that they made a material contribution to the Commission's decision in this case. The fact that the Commission did not specifically adopt the Irrigator's exact positions or reasoning does not preclude a finding by the Commission that the Irrigators materially contributed to its decision.

**THE IRRIGATORS' POLICY AND PRICING RECOMMENDATIONS  
DIFFERED MATERIALLY FROM THAT OF THE COMMISSION STAFF**

The Commission must also consider whether the Irrigators' recommendations to the Commission differed materially from that of the Commission Staff. In this case, the Irrigators

independently addressed the key issues that were before Commission and made recommendations relating to contract structure, system vs. situs treatment, and valuation methodology that were similar in nature to the Commission Staff's recommendations. However, the Irrigators' position differed vitally from that of the Commission Staff with respect to the regulatory policy stance the Commission should take toward PacifiCorp's myopic view of interruptibility and with respect to the valuation methodology that should be used to provide the proper incentive to PacifiCorp's customers to provide this valuable DSM resource.

The Irrigator's policy recommendations that (1) interruptibility is valuable DSM and rate making tool and (2) that the peaker method to valuing interruptibility sends the appropriate pricing signal to PacifiCorp's customers were addressed thoroughly in the Irrigators' briefing. Irrigators' Post Hearing Brief, at 3-5 & 7-8. The Commission is invited to again review the Irrigators' recommendations. In contrast, the Commission staff did not directly address these overarching and germane policy issues that are of importance to all Idaho customers. Therefore, the Irrigators believe that the record before the Commission clearly shows its policy and pricing recommendations with respect to interruptibility differed materially from that of the Commission Staff.

### **CONCLUSION**

With this Supplement, the Irrigators believe that its Petition meets all the procedural requirements of Rule 162, and that its Petition also meets all the conditions necessary to qualify for an award of intervenor funding under Idaho Code § 61-617A and Rule 165. The Irrigators hereby respectfully renews its request that the Commission award it the intervenor funding requested in its Petition.

Respectfully submitted this 6th day of March, 2003.

**RACINE, OLSON, NYE, BUDGE &  
IDAHO IRRIGATION PUMPERS ASSOCIATION, INC.'S SUPPLEMENT TO APPLICATION FOR  
INTERVENOR FUNDING - 4**

BAILEY, CHARTERED

By *Eric L. Olsen* for  
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Attorney for Irrigators

**CERTIFICATE OF MAILING**

I HEREBY CERTIFY that on this 6 day of March 2003, I served a true, correct and complete copy of the Idaho Irrigation Pumpers Association, Inc.'s Comments Re: Order No. 29157 to each of the following, via U.S. Mail, e-mail or hand delivery:

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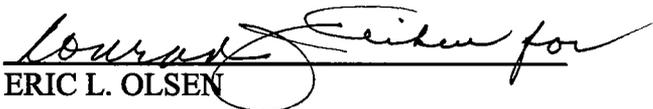
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