

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF PACIFICORP DBA ROCKY MOUNTAIN) CASE NO. PAC-E-07-05
POWER FOR APPROVAL OF CHANGES TO)
ITS ELECTRIC SERVICE SCHEDULES) ORDER NO. 30482
)

The Commission in this Order approves a Stipulation offered as a proposed settlement of the rate issues in Case No. PAC-E-07-05. Parties to the Stipulation are PacifiCorp dba Rocky Mountain Power (RMP; Company); the Idaho Irrigation Pumpers Association, Inc. (Irrigators); Monsanto Company; Agrium, Inc.; the Community Action Partnership Association of Idaho (CAPAI); Timothy J. Shurtz; and Commission Staff. The Commission finds the settlement to be fair, just and reasonable and in the public interest. The rate changes we authorize for an effective date of January 1, 2008 increase revenues from electric service by \$11.5 million annually or 6.4%. The increase in base rates will vary by class of customer. The base rates for residential and irrigation customers will increase by 4.89%. The base rates for general service customers (Schedules 6, 6A, 23 and 23A) will not change. The Commission in this Order also approves the November 5, 2007 Electric Service Agreement (Agreement) between PacifiCorp and Monsanto Company and approves grants of intervenor funding for CAPAI and for the Irrigators.

Initial Application

On June 8, 2007, Rocky Mountain Power filed an Application with the Commission for authority to increase the Company's revenues from electric service by \$18.5 million annually, or 10.3%. The net increases recommended by the Company in its Application range from 24.1% for Monsanto Company to 20.7% for public street lighting to 14.5% for Agrium and to 6.7% for residential service customers and irrigators.

The Company's rate spread and rate design proposals are based on a submitted class cost of service study and include a proposal that, in time of rising costs, no individual customer class would receive a rate reduction. The increase in base rates would vary by class of customer.

Rocky Mountain Power provides electric service to more than 67,000 customers in eastern Idaho. As reflected in accompanying testimony, RMP's need for the revenue increase requested is primarily caused by cost increases in the following areas:

1. Fuel, wholesale market and transmission wheeling price increases, which contribute to significant increases in net power costs.
2. New generation, transmission and distribution plant investments.
3. Labor-related cost increases.

The Company contends that all elements of its proposed rate increase are necessary to maintain and provide adequate, efficient, safe and reliable electric service to its customers and to provide a reasonable opportunity for the Company to earn a fair return on its investments. The Company claims it is currently earning a return on equity (ROE) of 5.3% in its Idaho jurisdiction. The requested increase in rates would allow the Company to earn an ROE of 10.75%. The Company contends that the higher ROE is warranted to attract capital necessary to maintain its utility infrastructure.

In addition to the revenue increase requested, the Company also proposed operational changes to its electric service regulations:

- Regulation No. 10 – proposing payment of collection agency cost be the responsibility of the customer causing such a charge to be incurred.
- Schedule 300 – increase in fees associated with the connection and reconnection of service and changing the hours during which connection and reconnection of service is offered after normal office hours.
- Regulation No. 12 – housekeeping, clarification, and changes in the methodology of refunding customer advances for line extension.

As reflected in the Company's Application, the increase requested was \$3.6 million less than the increase otherwise supported by the Company's revenue requirement analysis, but was limited due to the Revised Protocol rate mitigation cap. The Schedule 94 Rate Mitigation Adjustment (RMA) was designed to modify rates and revenue generated from various customer classes to more closely match revenues with class cost of service. The Revised Protocol is the allocation method utilized to allocate and assign generation, transmission and distribution costs to PacifiCorp's six retail state jurisdictions. Reference Case No. PAC-E-02-3 (Inter-Jurisdictional Cost Allocation), Order No. 29708.

The revised tariff schedules proposed by the Company reflect a proposed effective date of January 1, 2008.

Parties of Record

On June 29, 2007, the Commission issued a Notice of Application and Intervention Deadline. *See* Order No. 30356. Parties requesting and granted intervention were: Monsanto Company; Idaho Irrigation Pumpers Association, Inc.; Agrium, Inc.; Community Action Partnership Association of Idaho; and Timothy J. Shurtz.

Public Workshops/Hearings

Public workshops for RMP customers were held on September 4 in Rexburg, Idaho and September 5 in Soda Springs, Idaho. At the workshops customers were provided with an opportunity to hear from Commission Staff regarding the Company's Application and ask questions of Staff and representatives of the Company.

Public hearings were held on October 30 in Rigby and November 1 in Grace, Idaho for the purpose of receiving public comments. A transcript of proceedings has been filed with the Commission.

Settlement Stipulation

A technical hearing in Case No. PAC-E-07-05 was scheduled for November 6, 2007 in Boise, Idaho. At the commencement of proceedings the parties presented for Commission consideration a Stipulation (and proposed settlement).

The following parties appeared by and through their respective counsel:

PacifiCorp dba Rocky Mountain Power	Justin Lee Brown
Commission Staff	Scott D. Woodbury Neil Price
Monsanto Company	Randall C. Budge
Agrium, Inc.	Conley Ward
Idaho Irrigation Pumpers Association, Inc.	Eric L. Olsen
Community Action Partnership Association of Idaho	Brad M. Purdy

Not appearing, although a party of record and signator to the settlement stipulation, was Timothy Shurtz.

The Stipulation presented for Commission consideration is signed by all parties of record and is an all encompassing resolution of the issues presented in RMP's rate case. Accompanying the Stipulation is a proposed November 5, 2007 Electric Service Agreement (2008 Agreement) between PacifiCorp and Monsanto Company. Testimony supporting the Stipulation and proposed settlement was presented on November 6 by RMP witness Brian Dickman, Manager of Regulatory Affairs for the Company's Idaho jurisdiction and Commission Staff witness Randy Lobb, Administrator of the Utilities Division.

The Stipulation and proposed settlement include the following elements:

Revenue Requirement, Stipulation ¶¶ 5-8

- Overall increase in base rates for electric service of \$11.5 million or 6.4%.
- Authorized rate of return 8.27%
- Capital structure consisting of 50.4% common stock equity, 49.1% long-term debt, and 0.5% preferred stock
- Authorized return on equity 10.25%; recognized cost of debt 6.26%.
- RMP should receive recovery of previously deferred costs and should return previously deferred credits as proposed in this case, to the extent that Staff did not challenge such recovery in its direct testimony.

Specifically, these deferred items include:

- a. Grid West loan as approved in Order No. 30156. These costs will continue to be amortized as ordered;
- b. MEHC Commitments I27 and I31 (West Valley lease and A&G credit) as approved in Order No. 30076. Amortization of the deferred benefits will begin January 1, 2008 on the Company's accounting records. All financial benefits as described in Commitments I26 through I31 are deemed to be reflected in the Company's rates effective January 1, 2008, and will be reaffirmed in subsequent rate cases through the expiration of each commitment;
- c. MEHC transition severance expense as approved in Order No. 30225. Severance expense deferred will equal \$31,169,477 as proposed by Staff witness Joe Leckie. Amortization of the deferred costs will begin January 1, 2008; and

- d. Powerdale hydro facility accounting as approved in Order No. 30344 and as included in this case.
- The Stipulation does not alter or impair the recovery of regulatory assets previously deferred by the Commission Orders under FAS 71.

Cost of Service, Rate Spread and Rate Design, Stipulation ¶¶ 9-11

- The parties in Stipulation ¶ 9 agree to the following rate spread.

Idaho Rate Spread -- \$11.50M Increase					
Schedule	Description	COS		Rate Spread	
		Percent	Dollar (000)	Percent	Dollar (000)
1	Residential	5.50%	\$1,632	4.89%	\$1,450
36	Residential TOD	4.06%	\$867	4.89%	\$1,045
10	Irrigation	6.80%	\$2,679	4.89%	\$1,928
7/7A/11/12	Street & Area Lighting	74.67%	\$255	75.29%	\$257
Contract 1	Agrium	11.98%	\$479	6.25%	\$250
Contract 2	Monsanto	16.47%	\$8,014	13.50%	\$6,570
6/8/9/19/23/35	General Service		(\$2,424)	0.00%	\$0
Total		6.43%	\$11,504	6.42%	\$11,500

- With respect to the rate plans for 2008 through 2010 for Agrium and Monsanto, the Company agrees that in any rate filing during the terms of such rate plans it will not seek to recover any revenue shortfalls related to Agrium and Monsanto from other Idaho customers when compared to cost of service studies in those filings.
- The cost of service methodology proposed by the Company in this proceeding will remain in effect as the accepted methodology through the maximum duration of the rate plans for Agrium and Monsanto, which expire December 31, 2010.

Irrigation Customer Issues, Stipulation ¶¶ 12-22

- For inter-jurisdictional cost allocation purposes, the parties agree that the Company's Irrigation Load Control Program shall be situs-assigned in this case. RMP will directly assign to Idaho both the cost responsibility for the incentive payments and the reduction in loads associated with the program.
- RMP and IIPA agree that irrigation class revenues shall increase by 4.89% effective January 1, 2008.

- RMP and IIPA agree that, for the 2008 and 2009 irrigation seasons, the load control credit for the Scheduled Irrigation Load Control Program will remain at the current level of \$11.19/kW-year and there will be no change to the current tariff or operational characteristics of the program.
- RMP and IIPA agree that for the 2008 and 2009 irrigation seasons, the load control credit for the Dispatchable Irrigation Load Control Program shall be increased from the current level of \$11.19/kW-year to \$23.00/kW-year subject to further increase to up to \$28.00/kW-year, according to the total amount of participation in the Irrigation Load Control Program, both Scheduled and Dispatchable, during 2008 and 2009 irrigation seasons. Participation levels in the Dispatchable Irrigation Load Control Program are subject to validation through load history data. Existence of load at the requested site must be demonstrated for a period of two years prior to being eligible to participate in the program. The escalation of the credit is designed to increase participation.

MW Participation Level		Credit \$kW-year
Minimum	Maximum	
0	149	\$23.00
150	174	\$26.00
175	No Limit	\$28.00

- RMP and IIPA agree that participants in the Dispatchable Irrigation Load Control Program may “opt-out” of up to five dispatch events in one irrigation season. Further opt-outs are not permitted and shall result in early termination under the terms of Special Condition-Early Termination, and removal from the program for the remainder of the irrigation season.
- Permissible opt-outs will reduce the participant’s load control credit by the \$/MWh the Company pays for power at the time of the dispatch event. Such \$/MWh prices will be provided by the Company’s commercial and trading organization and will be based on the established Four Corners and Palo Verde trading hubs and the prices actually paid by the Company. Opt-outs will be computed at the conclusion of the irrigation season and will be included as a reduction to the participant’s load control credit issued on the participant’s October check.
- By December 7, 2007, RMP will provide IIPA with documentation of the valuation methodology it proposes to use to value the Dispatchable Irrigation Load Control Program. If a party disputes

any aspect of the methodology, PacifiCorp and IIPA will file a request with the Commission to resolve the dispute.

- The Company will use the methodology to potentially adjust the load control credit for the Dispatchable Irrigation Load Control Program for the 2008 and 2009 irrigation season at participation levels of 175 MW or greater and to assign a value for the load control credit for the Dispatchable Irrigation Load Control Program after the 2009 irrigation season.
- RMP and IIPA agree that the agreed-upon load control credit of \$28/kW-year for the Dispatchable Irrigation Load Control Program for participation levels of 175 MW or greater is subject to adjustment for the 2008 and 2009 irrigation seasons based upon the results of the Company's valuation methodology that will be provided to IIPA no later than December 7, 2007. The adjustment shall be to the final price suggested by the Company's methodology and either agreed to by IIPA or determined by Commission Order, unless the final price is greater than either \$2 above or below \$28/kW-year, then the adjustment shall be limited to a total \$2 adjustment.
- RMP and IIPA agree that the Company will work in good faith to meet all installation requests, but cannot guarantee that it can respond to all installation requests received.

Consumer Related Issues, Stipulation ¶ 23

- The Parties agree to defer consideration of the consumer related changes proposed in this case (recovery of collection agency costs, fees for reconnection of service, and line extension changes).

Agrium, Stipulation ¶¶ 24-26

- RMP and Agrium agree that Agrium's tariff contract revenues under Schedule 401 will increase 6.25% effective January 1, 2008. Rates for service to Agrium or to any other customers served under Schedule 9 will not change on January 1, 2008.
- RMP and Agrium further agree that Agrium's tariff rates will be increased 3% effective January 1, 2009 and 7% effective January 1, 2010. The price changes specified herein shall be applied as a uniform percentage increase to the customer charge, the demand charge, and the HLH and LLH Energy Charges in Schedule 401.
- RMP commits to make no further adjustments to Agrium's tariff rates prior to January 1, 2011.

Monsanto Tariff Contract and Curtailment Value, Stipulation ¶¶ 27-32

- PacifiCorp and Monsanto agree that the existing Electric Service Agreement (Monsanto ESA) and tariff schedule that became effective January 1, 2007 shall remain in full force and effect according to its terms until December 31, 2007. The new Monsanto ESA, dated November 5, 2007, is for an initial three-year term beginning January 1, 2008. (A copy of the Monsanto ESA, parts of which are provided under confidential seal, accompanies the Stipulation.)
- PacifiCorp and Monsanto agree that Monsanto's total firm revenues shall be increased by 13.5% effective January 1, 2008, and that both Monsanto's firm rates and curtailment credit rates shall be increased 3% effective January 1, 2009 and 5% effective January 1, 2010. The price changes specified shall be applied as a uniform percentage increase to the firm energy charge, the customer charge, the firm demand charge, and the interruptible power energy charge in Schedule 400.
- PacifiCorp and Monsanto have agreed to changes and clarifications to Monsanto's curtailment product as follows: (a) the number of economic curtailment hours shall be increased from 800 in 2008 to 830 for 2009 only, and to 850 for 2010 only; (b) operating reserve interruptions shall last up to two hours each and shall end at the top of the second hour following the reserve event; and (c) each hour or portion of an hour counts as a full hour, so that an interruption of one hour and 15 minutes shall count as 2 hours against the current 188 hour limitation on interruptions.
- PacifiCorp commits to make no further adjustments to Monsanto's firm revenues and curtailment credit rates prior to January 1, 2011.
- Monsanto commits not to seek further increases in its curtailment credit rates prior to January 1, 2011.
- The curtailment valuation for Monsanto is based on a "black box" determination with no party accepting a specific methodology for setting this valuation.

The Stipulation represents a compromise of the positions of the parties on all issues in this proceeding. Stipulation ¶ 33. All parties agree that the Stipulation is in the public interest and that all of its terms and conditions are fair, just and reasonable. Stipulation ¶ 36.

Commission Findings

The Commission has reviewed the filings of record in Case No. PAC-E-07-05 including the Stipulation of parties (and proposed settlement) and the November 5, 2007 Electric Service Agreement between PacifiCorp and Monsanto Company. The supporting context for the Commission's deliberation regarding the reasonableness of the Stipulation terms is the Commission's November 6, 2007 record of hearing in this case, which includes by reference all prefiled direct and rebuttal testimony. Commission Rules of Procedure 282, 283; Tr. p. 41. The Commission is also informed by the transcripts of Rigby and Grace, Idaho proceedings where customers and other parties of interest were provided the opportunity to raise their concerns and give testimony, and by filed public comments.

Settlements are reviewed under Commission Rules of Procedure 274-276. We incorporate by reference the submitted Stipulation (and proposed settlement) as if set forth herein in its entirety.

As stated in Rule 276

The Commission is not bound by settlements. It will independently review any settlement proposed to it to determine whether the settlement is just, fair and reasonable, in the public interest, or otherwise in accordance with law or regulatory policy. When a settlement is presented for decision, the Commission may accept the settlement, reject the settlement, or state additional conditions under which the settlement will be accepted. . . .

Under Rule 275, proponents of a proposed settlement carry the burden of showing that the settlement is reasonable, in the public interest, or otherwise in accordance with law or regulatory policy.

As reflected in the November 6, 2007, transcript of proceedings, the Company in this case initially requested an overall increase in its revenues of \$18.47 million or 10.3%. Tr. p. 11; Stipulation ¶ 2. That request was reduced in Company rebuttal testimony to \$15.4 million or 8.6%. Tr. p. 12; Stipulation ¶ 3. The increase amount agreed to by the parties in the Stipulation (except Monsanto which explicitly does not object) is \$11.5 million or 6.4%. Tr. p. 13; Stipulation ¶ 5.

The parties (also with the exception of Monsanto which explicitly does not object) agree that the cost of capital shall be determined using a capital structure consisting of 50.4% common stock equity, 49.1% long-term debt and 0.5% preferred stock. RMP's authorized return

on equity shall be 10.25%; the Company's cost of debt is recognized to be 6.26%. These components produce an authorized rate of return of 8.27%. Stipulation ¶ 6.

The cost of service methodology proposed by the Company in this proceeding will remain in effect as the accepted methodology through the maximum duration of the rate plans for Agrium and Monsanto, which expire December 31, 2010. Stipulation ¶ 11. The Company agrees that in any rate filing during the terms of such rate plans that it will not seek to recover any revenue shortfalls related to Agrium and Monsanto from other Idaho customers when compared to cost of service studies in those filings. Stipulation ¶ 10.

The Commission finds the Stipulation and negotiated settlement submitted in this case to be fair, just and reasonable and in the public interest. As represented, we find that the settlement is a compromise by all parties. We find the \$11.5 million 6.4% increase to be reasonable, as is spreading the increase to customer classes in the manner set forth in the above schedule. The resultant average changes in electric rates for the Company's customer service schedules that we find reasonable to approve are set forth in Stipulation Exhibit 2 and are depicted in Attachment A to this Order.

Increase in Rates for Street Lighting Classes

The Commission in its public hearings in eastern Idaho heard from many municipalities regarding the percentage increase proposed for street and area lighting. In RMP's general rate case filing, the Company requested a 20.7% rate increase for public street lighting classes. This is far below what the cost of service model calculated as the cost of providing these services. Once Commission Staff's adjustments were made, the cost of service model showed an 80.7% shortfall from these classes. Staff proposed moving the four street lighting classes (7, 7A, 11, 12) to full cost of service rather than a partial increase. The Company agreed in the Stipulation. The Street and Area Lighting annual revenue requirement difference between the Company's original request of \$393,300 and Staff's proposal of \$587,500 is \$194,200.

According to Company witness Griffith's Exhibit 35, the average number of customers for the four public street lighting classes in question is 258 for Schedule 7, 194 for Schedule 7A, 29 for Schedule 11, and 290 for Schedule 12. Moving these customers to full cost of service results in a yearly per customer average of \$428.82 for the average Schedule 7 customer, \$262.02 for the average Schedule 7A customer, \$1,907.48 for the average Schedule 11

customer, and \$1,278.55 for the average Schedule 12 customer. The Commission does not find these amounts to be unduly burdensome or onerous.

Cost of service results have historically fluctuated for the street lighting classes, more so than the larger customer classes. This is the first proposed revenue increase for street lighting classes in many years. We find that moving the street lighting classes to full cost of service is justified on equity principles. Should the increase not be borne by these particular classes, the revenue shortfall would be shifted to those classes already receiving a rate increase. The Commission finds that all customers are better served by aligning costs with revenues. For street lighting customers, it is a large percentage increase, but the related dollar amount, we find, is not likely to impose undue economic hardship.

Monsanto Electric Service Agreement

The November 5, 2007, Electric Service Agreement between PacifiCorp and Monsanto (2008 Agreement) replaces and supersedes a May 18, 2006, Agreement (2007 Agreement) approved by the Commission in Order No. 30197, Case No. PAC-E-06-09. The form of the new Service Agreement remains the same. The 2008 Agreement sets the terms of electrical service provided by the Company and the interruptible (operating reserve, economic curtailment and system integrity) products offered by Monsanto. The changes to the 2007 Agreement are identified in the Settlement Stipulation. The parts redacted have been provided under separate seal and have been reviewed by the Commission. Monsanto claims as confidential information the following: (a) the interruptible credit in dollars per kW of interruptible power set forth in paragraph 4.1.2 of the 2008 Electric Service Agreement and tariff Schedule 400; and (b) the furnace sizes available for operating reserve, system integrity and economic curtailment interruptions set forth in 2008 Electric Service Agreement Exhibits A and B. The Commission has reviewed the accompanying affidavit and certificate of Monsanto's attorney and accepts Monsanto's representation that the net cost of electricity after the interruptible credit and furnace size in MW available for interruption are trade secret information entitled to protection from disclosure under *Idaho Code* § 48-801(5). The remaining terms of the Electric Service Agreement are not considered to be trade secrets or confidential information and are available for public review.

Monsanto operates an elemental phosphorous plant near the City of Soda Springs in Caribou County, Idaho. Rates for service under the 2007 Agreement are fixed through year-end

2007. Monsanto is PacifiCorp's largest single-point customer with three electric furnaces and a firm electric load of approximately 182 MW. On average, Monsanto consumes approximately 1.4 million MWh of electricity, roughly 42% of PacifiCorp's Idaho jurisdictional load. Monsanto contends that electricity is the largest single cost of producing phosphorous at its Soda Springs plant and represents approximately one-third of its total production costs. Affordable electricity at a price that is relatively stable and reliable is important to Monsanto. The Commission finds that the interruptible products offered by Monsanto provide it with a means of controlling its net energy price.

Monsanto operates its electric furnaces 7 days a week, 24 hours a day, 365 days a year, excepting maintenance and repair. Monsanto is an interruptible customer that can provide PacifiCorp with up to 162 MW of curtailments. Its three furnaces can be interrupted separately as well as collectively in any combination. Interruptions can occur within seconds to meet system emergencies and provide operating reserves. Two hours notice is required to interrupt for economic reasons. The interruptible products, we find, provide operational benefits to PacifiCorp. We find the products to be priced at a level commensurate with the value they represent today. The Commission finds it reasonable to approve the submitted 2008 Agreement governing electric service to Monsanto for an effective date of January 1, 2008.

Intervenor Funding

Intervenor funding is available pursuant to *Idaho Code* § 61-617A and Commission Rules of Procedure 161 through 165. Section 61-617A(1) declares that it is the "policy of this state to encourage participation at all stages of all proceedings before this Commission so that all affected customers receive full and fair representation in those proceedings." The statutory cap for intervenor funding that can be awarded in any one case is \$40,000. *Idaho Code* § 61-617A(2). Accordingly, the Commission may order any regulated utility with intrastate annual revenues exceeding \$3.5 million to pay all or a portion of the costs of one or more parties for legal fees, witness fees and reproduction costs not to exceed a total for all intervening parties combined of \$40,000.

Petitions for Intervenor Funding were filed by Community Action Partnership Association of Idaho (\$13,160.04), the Idaho Irrigation Pumpers Association (\$66,027.12), and Timothy Shurtz (\$12,019.92).

Rule 162 of the Commission's Rules of Procedure provides the form and content requirements for a petition for intervenor funding. The petition must contain: (1) an itemized list of expenses broken down into categories; (2) a statement of the intervenor's proposed finding or recommendation; (3) a statement showing that the costs the intervenor wishes to recover are reasonable; (4) a statement explaining why the costs constitute a significant financial hardship for the intervenor; (5) a statement showing how the intervenor's proposed finding or recommendation differed materially from the testimony and exhibits of the Commission Staff; (6) a statement showing how the intervenor's recommendation or position addressed issues of concern to the general body of utility users or customers; and (7) a statement showing the class of customer on whose behalf the intervenor appeared. The filings of petitioners comport with the form required by the Commission Rules.

Commission Findings

Submitted for Commission consideration are Petitions for Intervenor Funding filed by the Community Action Partnership Association of Idaho, the Idaho Irrigation Pumpers Association, and Timothy Shurtz. The Commission has reviewed the Petitions, the prefiled testimony of the Petitioners and the prefiled testimony of Commission Staff.

Pursuant to *Idaho Code* § 61-617A(2) the Commission may order PacifiCorp to pay all or a portion of the costs of one or more parties for legal fees, witness fees and reproduction costs, not to exceed a total for all intervening parties combined of \$40,000 in any proceeding before the Commission. The combined total requested by the Irrigators, CAPAI and Timothy Shurtz is \$91,207.18. We find that the Petitions for Intervenor Funding in this case were timely filed and satisfied all of the other "procedural" or technical requirements set forth in Rules 161-165 of the Commission Rules of Procedure.

Idaho Code § 61-617A includes a statement of policy to encourage participation by intervenors in Commission findings. The Commission determines an award for intervenor funding based on the following considerations:

- (a) A finding that the participation of the intervenor has materially contributed to the decision rendered by the Commission; and
- (b) A finding that the costs of intervention are reasonable in amount and would be a significant financial hardship for the intervenor; and

- (c) The recommendation made by the intervenor differed materially from the testimony and exhibits of the Commission Staff; and
- (d) The testimony and participation of the intervenor addressed issues of concern to the general body of users or consumers.

Idaho Code § 61-617A. We find that only the Petitions of CAPAI and the Irrigators satisfy the substantive findings that we are required to make to justify an award. IDAPA 31.01.01.165.01.a-e. We find that the participation and presentations of each, as reflected in their respective prefiled testimonies and the Stipulation, materially contributed to the Commission's decision. Both add informed perspectives to the hearing record. We find that the recommendations of each differed materially from the testimony and exhibits of Commission Staff and provided measurable form and substance to the Settlement Stipulation.

Although the intervenor funding statute provides that intervenor funding may be awarded up to a total of \$40,000 in any particular case, we do not feel obligated to award the entire amount. This particular case was resolved by way of settlement and not litigation. CAPAI is a non-profit corporation overseeing a number of agencies that assist with issues related to the causes and conditions of poverty in Idaho. In this case CAPAI addressed the Company's proposal to recover collection costs from customers as a condition of reconnection. We find it fair, just and reasonable to award the total request of CAPAI in the amount of \$13,160.04 and find that the public interest is well served by such award. We find the itemized costs of CAPAI to be reasonable and recognize that the cost to CAPAI of participating in this proceeding constitutes a significant financial hardship. We find that CAPAI was professional and economical in the marshalling of its time and efforts.

The Commission is uncomfortable with awarding the full amount requested by the Irrigators in this case. The Irrigators are a non-profit corporation representing farm interests in southern and central Idaho. The Irrigators rely solely upon dues and contributions voluntarily paid by members based on acres irrigated or horsepower per pump. The Irrigators report that member contributions have been falling and that the organization currently has only approximately \$16,000 in the bank. While we appreciate the participation of the Irrigators in the case and recognize their contribution to the ultimate resolution of issues, the fact remains that this rate case was settled and not litigated. While we do not challenge any particular itemized expense, the Irrigators have requested \$66,027.12. The unallocated amount of intervenor

funding remaining is \$26,839.96. Of this amount, we find it fair, just and reasonable to award the Irrigators \$22,000.

The Commission finds that the intervenor funding awards to CAPAI and the Irrigators are fair and reasonable and will further the purpose of encouraging “participation at all stages of all proceedings before the Commission so that all affected customers receive full and fair representation in those proceedings.” *Idaho Code* § 61-617A(1).

While this Commission is reluctant to deny Petitions for Intervenor Status, we find that Mr. Shurtz’s participation did not result in evidence or input qualitatively different from the comments received by the Commission from customers and interested parties in the public hearings we held in eastern Idaho or in the written comments of customers filed with the Commission. Based on our review of the record in this case, the Commission finds that Mr. Shurtz has failed to demonstrate entitlement to an award of intervenor funding. Specifically, we find that his participation did not materially contribute to our decision and that his recommendations on matters deemed of relative importance and significance to this Commission did not materially differ from the prefiled testimony and exhibits of Commission Staff.

CONCLUSIONS OF LAW

The Idaho Public Utilities Commission has jurisdiction over PacifiCorp dba Rocky Mountain Power, an electric utility, and the issues presented in this case, pursuant to the powers granted it under Title 61 of the Idaho Code and pursuant to the Commission’s Rules of Procedure, IDAPA 31.01.01.000 *et seq.*, including specifically Rules 272 through 280 as pertains to settlements.

ORDER

In consideration of the foregoing and as more particularly described above, IT IS HEREBY ORDERED and the Commission hereby accepts the Stipulation and proposed settlement tendered in Case No. PAC-E-07-05 approving an \$11.5 million increase in base rates representing an aggregate base rate increase of 6.4% for an effective date of January 1, 2008. The Company is directed to file amended tariffs comporting with this Order.

IT IS FURTHER ORDERED and the Commission does hereby approve the November 5, 2007 Electric Service Agreement between PacifiCorp and Monsanto Company.

IT IS FURTHER ORDERED and the Community Action Partnership Association of Idaho’s Petition for Intervenor Funding is granted in the amount of \$13,160.04. Reference *Idaho*

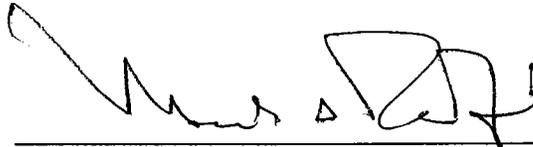
Code § 61-617A. PacifiCorp is directed to pay said amount to CAPAI within 28 days from the date of this Order. IDAPA 31.01.01.165.02. PacifiCorp shall include the cost of this award of intervenor funding to CAPAI as an expense to be recovered in the Company's next general rate case proceeding from the residential customer class. *Idaho Code* § 61-617A(3).

IT IS FURTHER ORDERED and the Petition for Intervenor Funding filed by the Idaho Irrigation Pumpers Association, Inc. is partially granted in the amount of \$22,000. Reference *Idaho Code* § 61-617A. PacifiCorp is directed to pay said amount to the Irrigators within 28 days from the date of this Order. IDAPA 31.01.01.165.02. PacifiCorp shall include the cost of this award of intervenor funding to the Irrigators as an expense to be recovered in the Company's next general rate case proceeding from the irrigation customer class. *Idaho Code* § 61-617A(3).

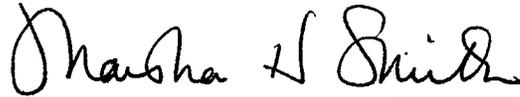
IT IS FURTHER ORDERED and the Commission hereby denies the Petition for Intervenor Funding filed by Mr. Timothy Shurtz.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. See *Idaho Code* § 61-626.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 27th
day of December 2007.



MACK A. REDFORD, PRESIDENT



MARSHA H. SMITH, COMMISSIONER



JIM KEMPTON, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

b1s/O:PAC-E-07-05_sw3

**Average Stipulated Retail Rates For Idaho Customers of
PacifiCorp**

<u>Description</u>	<u>Present Sch.</u>	<u>Present (¢)/kWh¹</u>	<u>Proposed (¢)/kWh²</u>
<u>Residential Sales</u>			
Residential Service	1	8.36	8.76
Residential Optional TOD	36	6.77	7.10
Total Residential		<u>7.61</u>	<u>7.98</u>
<u>Commercial & Industrial</u>			
General Service - Large Power	6	5.98	5.98
General Svc. - Lg. Power (R&F)	6A	6.74	6.74
General Service - Med. Voltage	8	5.81	5.81
General Service - High Voltage	9	4.60	4.60
Irrigation	10	6.68	7.00
Comm. & Ind. Space Heating	19	6.69	6.69
General Service	23	8.04	8.08
General Service (R&F)	23A	8.70	8.45
General Service Optional TOD	35	5.17	5.17
Special Contract-Schedule 400		3.49	3.96
Special Contract- Schedule 401		3.64	3.87
Total Commercial & Industrial		<u>4.80</u>	<u>5.13</u>
<u>Public Street Lighting³</u>			
Security Area Lighting	7	N/A	N/A
Security Area Lighting (R&F)	7A	N/A	N/A
Street Lighting - Company	11	N/A	N/A
Street Lighting - Customer	12	N/A	N/A
Total Public Street Lighting		N/A	N/A
Total Sales to Ultimate Customers		<u>5.37</u>	<u>5.72</u>

Notes:

1: Includes Schedule 94-RMA revenues. Excludes Schedule 34-BPA credit.

2: Excludes Schedule 34-BPA credit.

3: Charges are per lamp or luminaire, no energy rate.