

Orr Affidavit

Exhibit 62

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DEPARTMENT OF  
WATER RESOURCES

“Findings of the Secretary of the Interior as to net profits from the Black Canyon and the Minidoka Power Plants, through sales of power on the Minidoka project and towns adjacent thereto, during the year 1935,” by T.A. Walters, Acting Secretary of the Interior (Mar. 12, 1936)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF RECLAMATION

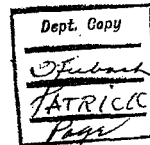
Findings of the Secretary of the Interior as to net profits from the Black Canyon and the Minidoka Power Plants, through sales of power on the Minidoka project and towns adjacent thereto, during the year 1935.

During the last five years the enlargement of the irrigation canals supplying the lands of the South Side Pumping Division of the Minidoka Project (Burley District) and the installation of more and larger pumps at the three pumping plants supplying water for that district, has resulted in a rapidly increasing demand upon the Minidoka Power Plant for electric energy for irrigation pumping for the benefit of the Burley Irrigation District and the landowners therein.

During the year 1935 this increased demand for power for irrigation pumping reached such a point that the entire available power capacity of the Minidoka Power Plant was required to supply the power used for irrigation pumping during the height of the irrigation season, leaving no power available from the Minidoka plant for the purpose of carrying on the commercial and domestic power business on the Minidoka project, which in recent years has yielded a net profit close to \$100,000 per year.

The absorption of the entire power output of the Minidoka Power Plant during the height of the irrigation season in irrigation pumping would have resulted in the entire loss of the commercial and domestic power business of the Minidoka project and the profits therefrom, except for the power brought into the project from outside sources in exchange for power from the government's Black Canyon Power Plant on Payette River, Boise project, under the contracts hereafter referred to. But by means of the power brought into the Minidoka project from outside sources under the exchange above referred to, the commercial and domestic power business on the Minidoka project has been continued during the year 1935 and has increased at a normal rate as compared to the previous year.

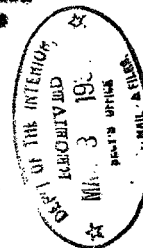
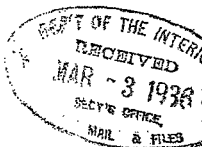
Under the Idaho Constitution use of water for irrigation purposes is considered a superior public use, to the use of water for power development, and the very serious water shortages which have occurred in large sections of the Snake River Valley during the last five years have emphasized the urgent importance of saving every acre foot of the winter flow of Snake



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River which it is possible to save, and storing the water for use during the next irrigation season.

Under the conditions prevailing in the Snake River Valley where farming is entirely dependent on irrigation and the towns are also dependent on the success of the irrigation farmers, it is believed that the furnishing of an adequate water supply for irrigation purposes should be the first consideration of those in charge of the irrigation works constructed by the United States and the power works incidental thereto, and that the public interest requires that the water supply needed for irrigation purposes should not be sacrificed for the purpose of providing increased power profits, and especially so in cases where ample power can be brought into the Valley from outside sources where the winter operation of power plants does not interfere with the storage of water needed for irrigation purposes.

It has therefore been found necessary (in order to avoid the waste of water needed for irrigation purposes) to limit the operation of the Minidoka Power Plant during the non-irrigation season to such amount of water as is turned down for the purpose of supplying the requirements of the canals below American Falls for domestic purposes and stock water and municipal water supplies.

The power available from the Minidoka power plant during the non-irrigation season from October 1, 1934 to April 15, 1935 was found to be insufficient to meet the power requirements of the commercial and domestic power business on the Minidoka project during the non-irrigation season and a large part of the power used for such purposes during that period was also brought into the Minidoka project from outside sources in exchange for power from the Black Canyon Power Plant.

In order to provide power from outside sources to replace the Minidoka power which has been completely absorbed by the increased irrigation demands in the Burley District and to save the commercial power revenues which would otherwise have been lost and for the purpose of providing free transmission service for irrigation pumping on the Owyhee Project and also for the purpose of saving the winter flow of Snake River so that it may be stored for irrigation use, a contract was made between the United States and the Idaho Power Company, copy of which is hereto attached as Exhibit A, under which the company has agreed to furnish and deliver free of charge on the Minidoka Project 4,000 kilowatts of additional firm power during the irrigation season and such non-

irrigation season power as may be needed up to 10,000 kilowatts in exchange for the power to be delivered to the company from the government's Black Canyon Plant on Payette River, and the forbearance of the United States during the life of the contract to exercise its right to build a power plant at American Falls.

Under the said contract the United States in effect secures the free use of the company's transmission system for the purpose of transmitting power from the Black Canyon plant to the Minidoka Project for the uses above mentioned.

The Black Canyon Power Plant and the Deadwood Reservoir used in connection therewith were constructed under acts of Congress which required that the entire cost of the Deadwood Reservoir, the entire cost of the power plant and one-half the cost of the Black Canyon Dam be repaid out of revenues from the sale of power from that plant. A reasonable charge for the use of the Black Canyon Power Plant and related works in providing power for use on the Minidoka Project under the exchange above referred to has been found to be the sum of \$50,000 per year. In order to provide the \$50,000 per year for this purpose without placing additional burden on the users of irrigation water, it has been found desirable to provide for the sale in the Minidoka Irrigation District and the town of Minidoka of a part of the power brought into the Minidoka Project from outside sources under the said exchange. For that purpose a contract has been made, under date of January 1, 1935 (copy of which is hereto attached as Exhibit B) under which the district has guaranteed the payment to the United States of the net sum of \$50,000 from the sale of power in the Minidoka District and the town of Minidoka subject to the agreement of the Advisory Board representing the American Falls Reservoir, to insure the district to the extent of \$10,000 per year against loss on its said guaranty.

It is found that during the calendar year 1935, that is from January 1, 1935 to December 31, 1935, inclusive, the number of kilowatt hours of electric energy brought into the Minidoka Project from outside sources in exchange for the said Black Canyon Power was substantially the same as the number of kilowatt hours of electric energy sold in the Minidoka Irrigation District and the town of Minidoka; that the net collections from the sale of power in the Minidoka Irrigation District and the town of Minidoka during the said year 1935 was the sum of Fifty-two thousand three hundred eighty-four dollars and fifty-two cents (\$52,384.52); that the amount of the net collections during the year 1935 from the said sales of power in the Minidoka district and the town of Minidoka, that is the sum of

\$52,384.52 is found to be the reasonable amount to be credited as net profits on the electric power brought into the Minidoka project during the year 1935 from outside sources and delivered to the Idaho Power Company under the attached contract (Exhibit A) in exchange for the Black Canyon power and the other considerations provided in said contract; that \$50,000 is found to be the net profits of the Black Canyon Power Plant and related works in providing power for use on the Minidoka project during the year 1935 and will be credited accordingly in the manner required by the acts of Congress under which the Black Canyon Power Plant and Deadwood Reservoir were constructed; and that the sum of \$2,384.52 is found to be the amount of credit to which the Minidoka district is entitled under the contract of January 1, 1935 (Exhibit B) in consideration for the obligation assumed by that district in guaranteeing the collection of the \$50,000 per year and the efforts of the district in increasing the power sales in that district during the calendar year 1935.

It is further found that the net profits from the Minidoka Power Plant during the year 1935 were the sum of sixty-six thousand seven hundred forty-four dollars and twenty-six cents (\$66,744.26), credit for which will be divided between the Burley Irrigation District and the Minidoka Irrigation District in the proportion of 95.6% to the Burley district and 4.4% to the Minidoka district; that is, \$63,807.51 will be credited to the Burley Irrigation District under the provisions of article 8(a) of the contract of March 15, 1926 between the United States and the Burley Irrigation District to be applied in the manner provided for in that contract, and \$2,936.75 will be credited to the Minidoka Irrigation District out of the said total net profits of \$66,744.26 from the 1935 operation of the Minidoka Power Plant.

Dated this 12<sup>th</sup> day of March, 1936.

(Sgd.) T. A. WALTERS

Acting Secretary of the Interior.