

DECISION MEMORANDUM

**TO: COMMISSIONER KJELLANDER
COMMISSIONER SMITH
COMMISSIONER HANSEN
COMMISSION SECRETARY
COMMISSION STAFF
LEGAL**

FROM: JOHN HAMMOND

DATE: FEBRUARY 13, 2004

**SUBJECT: IN THE MATTER OF THE APPLICATION OF IDAHO POWER
COMPANY TO IMPLEMENT AN IRRIGATION PEAK CLIPPING
PILOT PROGRAM. CASE NO. IPC-E-04-3.**

On February 5, 2004, Idaho Power Company filed an Application, pursuant to Commission Rule of Procedure 52, requesting authority to institute a pilot program to permit Idaho Power irrigation customers to participate in the Company's proposed Irrigation Peak Clipping Pilot Program by implementing Tariff Schedule 23.

The Company states the purpose of the proposed Program is turn off power to selected irrigation pumps during peak weekday hours in the summer months in order to produce a decrease in the Company's system summer peak. The proposed Program would be an optional supplemental service that would permit Idaho Power irrigation customers to allow the Company to turn off the power to all pumps behind an Idaho Power metered service point on a regular basis with the use of electric switches. In exchange, participating customers would receive a monthly monetary incentive paid on the basis of the number of kilowatts of load reduction. The Company states the Program would be piloted in the 2004 irrigation season and would expire on October 1, 2004, unless extended by the Company. Idaho Power is making this tariff filing with the Commission because the method under which the Company presently provides electrical service would change for those irrigation customers participating in the Pilot Program.

The Company believes that consideration by the Commission of the proposals contained in this Application does not require an evidentiary proceeding and accordingly the Company requests that it be processed by Modified Procedure, i.e., by written submissions rather

than by an evidentiary hearing. Finally, Idaho Power's Tariff Schedule 23 notes that it will be effective on March 6, 2004, 30 days from the filing date of its Application.

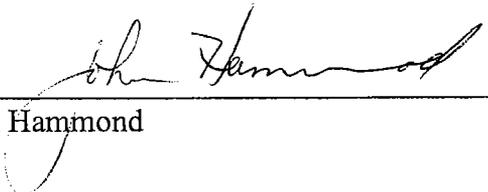
STAFF RECOMMENDATION

Based on its review of the materials and the Application, Staff recommends that Idaho Power's Application be processed by Modified Procedure. In addition, to allow adequate time for written comments and reply comments to be filed, Staff requests that the Commission suspend the effective date of Idaho Power's proposed Tariff Schedule 23 beyond March 6, 2004. Staff recommends the Commission suspend the effective date of the tariff until April 5, 2004 or until the Commission issues an Order approving, modifying or rejecting the Program and associated tariff, whichever is earlier.

COMMISSION DECISION

Does the Commission wish to suspend the effective date of the Company's proposed Tariff Schedule 23 as recommended by Staff?

Does the Commission wish to process this case by Modified Procedure under the Commission's Rules?



John Hammond

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