

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE INVESTIGATION OF FINANCIAL DISINCENTIVES TO INVESTMENT IN ENERGY EFFICIENCY BY IDAHO POWER COMPANY.))))))))))	CASE NO. IPC-E-04-15 NOTICE OF INVESTIGATION NOTICE OF SCHEDULING ORDER NO. 29558
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YOU ARE HEREBY NOTIFIED that on May 25, 2004, the Idaho Public Utilities Commission (Commission) in Order No. 29505 (Idaho Power Company general rate case No. IPC-E-03-13) determined that a separate “proceeding to assess financial disincentives inherent in Company-sponsored conservation programs is appropriate and should proceed by informal workshops.” The Commission’s Order provided in relevant part as follows:

The Commission specifically directs the parties (Idaho Power, NW Energy Coalition, Industrial Customers of Idaho Power (ICIP) and Commission Staff) to address possible revenue adjustment when annual energy consumption is both above and below normal. The parties should also consider how much adjustment is necessary to remove DSM investment disincentives and whether (and to what extent) performance-based incentives such as revenue sharing could or should be incorporated into the resolution of this issue. The Commission is interested in proposals that could provide Idaho Power the opportunity to share and retain benefits gained from efficiencies, especially where efficiencies are derived from innovation and the use of new technologies.... In short, the Commission believes opportunities exist for improvements in operating efficiency that would benefit the Company shareholders and its customers, and we encourage the parties to creatively consider the options for a performance-based mechanism to present to the Commission. *The parties to the agreement are directed to propose a workshop schedule and initiate a proceeding.* (emphasis added.)

Order No. 29505 at pp. 68, 69.

As a follow up to the Commission’s Order, the NW Energy Coalition on June 18, 2004 formally requested that a proceeding be initiated and that a workshop schedule be established. The Commission in this Order establishes a docket to investigate the financial

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disincentives which hinder Idaho Power's investment in cost-effective energy efficiency resources.

YOU ARE FURTHER NOTIFIED that the Northwest Energy Coalition, Commission Staff, Idaho Power, and the Industrial Customers of Idaho Power (ICIP) have proposed and the Commission has agreed to the following procedure and schedule for workshops:

A series of three (3) informal workshops is anticipated, to be concluded by December 15, 2004. **The first workshop will be held starting at 9:30 a.m. until approximately 12:30 p.m. on August 24, 2004, at Idaho Power Company, 1221 West Idaho Street, Boise, Idaho.** Dates and locations for further workshops will be determined at this initial meeting.

The Commission notes that Idaho Power has agreed to underwrite the costs of a facilitator for the workshops. In order to advance discussions, Idaho Power has also agreed to circulate a "white paper" analysis of the issues identified by the Commission in Order No. 29505 to Staff, NW Energy Coalition, and ICIP (and other parties that may request the analysis).

COMMISSION FINDINGS

The Commission has reviewed its Order No. 29505 in Case No. IPC-E-03-13 and finds it reasonable to initiate an investigation of financial disincentives to investment in energy efficiency by Idaho Power and to approve the foregoing procedure and schedule for initial workshop. The Commission believes that the scope of the investigation should be focused on decoupling and performance based ratemaking.

ORDER

In consideration of the foregoing and as more particularly described above, IT IS HEREBY ORDERED and the Commission by this Order does hereby establish Docket No. IPC-E-04-15 for investigation of financial disincentives to investment in energy efficiency by Idaho Power Company.

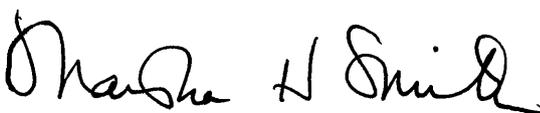
IT IS FURTHER ORDERED and the Commission does hereby approve the foregoing schedule for initial workshop in Case No. IPC-E-04-15. Additional workshops will be pursuant to agreement of the participating parties and without further notice by the Commission.

IT IS FURTHER ORDERED the Commission directs the participating parties to provide a written report to the Commission no later than December 15, 2004 to update the Commission on the status of the investigative workshops.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 10th day of August 2004.



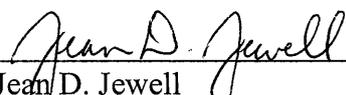
PAUL KJELLANDER, PRESIDENT



MARSHA H. SMITH, COMMISSIONER

Out of the Office on this Date
DENNIS S. HANSEN, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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