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Idaho Public Utilities Commission
Office of the Secretary
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Boise, Idaho

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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE)	
APPLICATION OF IDAHO POWER)	CASE NO. IPC-E-04-29
COMPANY FOR AUTHORITY TO)	
REVISE THE ENERGY EFFICIENCY)	APPLICATION
RIDER, TARIFF SCHEDULE 91)	
_____)	

Application is hereby made to the Idaho Public Utilities Commission (the "Commission") by Idaho Power Company ("Idaho Power" or "the Company") for an order approving an increase to the Energy Efficiency Rider, Tariff Schedule 91, and effective June 1, 2005 with a subsequent increase to the Energy Efficiency Rider effective June 1, 2007. This Application also describes the Schedule 19 conservation program developed in compliance with Commission Order No. 29505 issued in the Company's recent general rate case.

In support of this Application, Idaho Power represents as follows:

I.

Idaho Power is an Idaho Corporation, whose principal place of business is 1221 West Idaho Street, Boise, Idaho, 83702.

II.

Idaho Power operates a public utility supplying electric service in Southern Idaho and Eastern Oregon. Idaho Power is subject to the jurisdiction of this Commission in Idaho and to the jurisdiction of the Oregon Public Utility Commission in Oregon. Idaho Power is also subject to the jurisdiction of the Federal Energy Regulatory Commission (the "FERC").

III.

On May 13, 2002, in Order No. 29026 issued in Case Nos. IPC-E-02-2 and IPC-E-02-3, the Commission authorized the Company to collect a charge known as the Energy Efficiency Rider (the "Rider") as a means to fund the implementation of Demand-Side Management ("DSM") programs in the Company's Idaho service territory. As a result of Order N. 29026, a Rider equivalent to .5 percent of the base revenue became effective on May 16, 2002, for all customers taking retail service from the Company. On an annual basis, the Rider generates approximately \$2.6 million of DSM funds.

IV.

Since the implementation of the Rider in May 2002, numerous DSM programs, energy efficiency training seminars, research studies, educational workshops, and pilot programs have been funded by the Rider. The Energy Efficiency Advisory Group ("EEAG"), formed in May 2002 to provide input to the Company on

DSM program design and implementation strategies, has been instrumental in the implementation of the various DSM programs and studies.

V.

The Company's 2004 Integrated Resource Plan (the "IRP"), filed with the Commission on August 27, 2004, selected six Demand-Side Management programs as part of the preferred portfolio of resources to meet the Company's resource needs over the ten-year IRP planning horizon. Each of these six programs is designed to be fully implemented by the end of 2009. The expected cost for these six programs over the 2005 – 2009 time period increases from \$5,503,040 in 2005 to \$10,843,547 in 2009 for a total five-year cost of \$44,180,445.

VI.

In addition to the DSM programs selected through the IRP process, the Company plans: 1) to continue making available to its customers other customer-focused programs; 2) to undertake additional DSM-related research and studies; 3) to continue its involvement in the Distribution Efficiency Initiative; and, 4) to launch limited programs targeting energy efficiency for existing residential and commercial buildings. The Company also expects to incur ongoing administrative costs for managing incremental DSM efforts. The expected cost for these various programs and expenditures over the 2005 – 2009 time period totals \$4,375,000 for the five-year period.

VII.

As a part of its DSM efforts, Idaho Power joined the Northwest Energy Efficiency Alliance (the "Alliance") in 1996 to support regional energy efficiency market

transformation. The Company's existing contract with the Alliance expires December 31, 2004. Idaho Power has entered into a new agreement with the Alliance for the period January 1, 2005 through December 31, 2009 in order to continue Idaho Power's support of energy efficiency market transformation. The expected cost for the Idaho jurisdiction's share of the Alliance funding over the five-year contract period is \$4,392,800.

VIII.

In Order No. 29505 issued in Case No. IPC-E-03-13, the Commission directed the Company to work with its Schedule 19 customers and Commission Staff to develop a conservation program targeted specifically to Schedule 19 customers. As a result of working with Schedule 19 customers and Commission Staff, the Company has developed and is hereby requesting authorization to provide a "self-directed" option to Schedule 19 customers whereby funds assessed through the Energy Efficiency Rider would be tracked by customer with 100 percent of the funds made available to the customer for implementation of DSM programs and projects. This same "self-directed" option would also be made available to the Company's special contract customers. The self-directed option is more fully described in the testimony of Maggie Brilz, which is filed herewith.

IX.

In order to provide the funding necessary to support the above described DSM program expenditures, the Company is requesting through this Application that the Commission approve an increase in the Rider to allow the Company to collect additional funds equivalent to 1.5 percent of base revenues effective June 1, 2005 and an

additional increase in the Rider to 2.4 percent of base revenues effective June 1, 2007. The Company is also requesting authority to change the method through which the Rider is assessed on customers' bills from a cents-per-kilowatt-hour charge to a percentage of base revenue charge. The Company is requesting this charge be assessed uniformly for all customers taking retail service from the Company.

X.

Simultaneously with the filing of this Application, the Company has filed its direct case consisting of the testimony and exhibits of witnesses Maggie Brilz and Timothy Tatum. While the Company believes that this case should be processed under Modified Procedure, RP 201, et seq., Idaho Power stands ready for immediate consideration of this Application, if it is the Commission's determination that a hearing should be held.

XI.

Attachment 1 to this Application is a copy of Idaho Power's First Revised Sheet No. 91-1 which shows the Energy Efficiency Rider percentage charge of 1.5 percent for the period June 1, 2005 through May 31, 2007 and the Energy Efficiency Rider percentage charge of 2.4 percent beginning June 1, 2007.

XII.

While the increased Rider charges would not appear on customers bills until June 1, 2005, the Company requests the Commission consider this Application on a schedule that allows for the issuance of an Order in early spring 2005. Prior to undertaking significant expenditures for DSM programs, particularly the demand response programs which require a significant investment in electronic equipment, the

Company desires to receive assurance from the Commission that the Commission supports the Company's planned DSM programs and additional funding to support the planned DSM programs.

XIII.

Communications with reference to this Application should be sent to the following:

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WHEREFORE, Idaho Power Company respectfully requests that the Commission issue an order: 1) authorizing the implementation of the Energy Efficiency Rider charges as proposed in Paragraph VIII of this Application. As provided in Paragraph VIII, the monthly Energy Efficiency Rider for the period June 1, 2005 through May 31, 2007 is 1.5 percent of total base revenue and for the period beginning June 1, 2007 forward is 2.4 percent of total base revenue; and 2) approving First Revised Sheet No. 91-1; and 3) authorizing the implementation of a "self-directed" option for the Company's Schedule 19 and special contract customers.

DATED this 6th day of December 2004, in Boise, Idaho.



BARTON L. KLINE
Attorney for Idaho Power Company

ATTACHMENT 1

SCHEDULE 91
ENERGY EFFICIENCY RIDER

APPLICABILITY

This schedule is applicable to all retail Customers served under the Company's schedules and special contracts. This Energy Efficiency Rider is designed to fund the Company's expenditures for the analysis and implementation of energy conservation and demand response programs.

MONTHLY CHARGE

The Monthly Charge is equal to the applicable Energy Efficiency Rider percentage times the sum of the monthly billed charges for the base rate components. The Monthly Charge will be separately stated on the Customer's regular billing.

<u>Schedule</u>	<u>Energy Efficiency Rider</u>	
	<u>Effective June 1, 2005</u>	<u>Effective June 1, 2007</u>
Schedule 1	1.5 %	2.4 %
Schedule 7	1.5 %	2.4 %
Schedule 9	1.5 %	2.4 %
Schedule 15	1.5 %	2.4 %
Schedule 19	1.5 %	2.4 %
Schedule 24	1.5 %	2.4 %
Schedule 25	1.5 %	2.4 %
Schedule 40	1.5 %	2.4 %
Schedule 41	1.5 %	2.4 %
Schedule 42	1.5 %	2.4 %
Schedule 26	1.5 %	2.4 %
Schedule 29	1.5 %	2.4 %
Schedule 30	1.5 %	2.4 %

SCHEDULE 91
ENERGY EFFICIENCY RIDER

APPLICABILITY

This schedule is applicable to all retail Customers served under the Company's schedules and special contracts. This Energy Efficiency Rider is designed to fund the Company's expenditures for the analysis and implementation of energy conservation and demand response programs.

MONTHLY CHARGE

The Monthly Charge is a flat per month charge for Customers taking service under Schedule 1 and is a cents per kWh equal to the applicable Energy Efficiency Rider percentage charge equal to the Energy Efficiency Rider amount times the sum of the monthly billed charges for the base rate components which include the Service Charge, Energy Charge, Demand Charge, On-Peak Demand Charge, Basic Charge as applicable, energy consumption for all other Customers. The Monthly Charge will be separately stated on the Customer's regular billing.

<u>Schedule</u>	<u>Energy Efficiency Rider</u>	
	<u>Effective</u> June 1, 2005	<u>Effective</u> June 1, 2007
Schedule 1	\$0.30 per meter per month	1.5 % 2.4%
Schedule 7	\$0.000315 per kWh	1.5 % 2.4%
Schedule 9	\$0.000178 per kWh	1.5 % 2.4%
Schedule 15	\$0.001176 per kWh	1.5 % 2.4%
Schedule 19	\$0.000139 per kWh	1.5 % 2.4%
Schedule 24	\$0.000301 per kWh, but not to exceed \$15.00 per meter per month	1.5 % 2.4%
Schedule 25	\$0.000301 per kWh, but not to exceed \$15.00 per meter per month	1.5 % 2.4%
Schedule 32	\$0.000565 per kWh	
Schedule 40	\$0.000235 per kWh	1.5 % 2.4%
Schedule 41	\$0.000565 per kWh	1.5 % 2.4%
Schedule 42	\$0.000155 per kWh	1.5 % 2.4%
Schedule 26	\$0.000122 per kWh	1.5 % 2.4%
Schedule 28	\$0.000110 per kWh	
Schedule 29	\$0.000123 per kWh	1.5 % 2.4%
Schedule 30	\$0.000112 per kWh	1.5 % 2.4%