

BARTON L. KLINE ISB #1526
Idaho Power Company
P. O. Box 70
Boise, Idaho 83707
Telephone No. (208) 388-2682
FAX Telephone No. (208) 388-6936

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IDAHO PUBLIC
UTILITIES COMMISSION

Attorney for Idaho Power Company

Street Address for Express Mail:

1221 West Idaho Street
Boise, Idaho 83702

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE)	CASE NO. IPC-E-04-29
APPLICATION OF IDAHO POWER)	
COMPANY FOR AUTHORITY TO)	REPLY OF IDAHO POWER
REVISE THE ENERGY EFFICIENCY)	COMPANY TO THE COMMENTS
RIDER, TARIFF SCHEUDLE 91)	OF THE COMMISSION STAFF AND
_____)	THE NW ENERGY COALITION

Idaho Power Company ("Idaho Power" or "the Company") hereby submits the following comments replying to the comments offered in this matter by the Staff of the Idaho Public Utilities Commission ("Commission Staff") and by the NW Energy Coalition ("Coalition") on February 16, 2005.

The Company appreciates the support of its request to increase the Energy Efficiency Rider ("Rider") expressed in the comments of both Commission Staff and the Coalition. Although the Company does not concur with the parties on all of the issues raised in their comments, it is notable that there is universal agreement among

the commenters that the Rider should be increased to 1.5% effective June 1, 2005, in order to provide funding for expanded demand-side management (“DSM”) programs.

That being said, the Company believes a few comments are needed to correct some inaccuracies and clarify statements made in Commission Staff and Coalition comments in order to ensure that the record in this case is complete and accurate.

Commission Staff

In describing Company witness Brilz’s Exhibit 2, Commission Staff commented that the effect of the Company’s credit balance with the Northwest Energy Efficiency Alliance (“Alliance”) is only partially included in the cash flow analysis (Commission Staff comments, page 3). This statement is not correct. Although the Company and Commission Staff took different approaches to incorporate the benefit of the Alliance balance into their analyses, both analyses fully include the effect of the credit balance. The different approaches used by the Company and Commission Staff result in cash flow timing differences. However, the Company believes Commission Staff’s methodology produces reasonable results.

NW Energy Coalition

In their comments the Coalition refers to a study performed by Quantum Consulting for Idaho Power in which both the peak and base load energy efficiency potential within the Company’s residential and commercial customer classes were assessed. The Coalition’s comments imply that the Company used the “low-level scenario” from this study in its 2004 Integrated Resource Plan (“IRP”). The Company actually used a “moderate-level scenario” in its 2004 IRP process. Quantum

Consulting performed two assessments for Idaho Power during 2003 and 2004. The first assessment, referred to as the Phase I study, focused on summer peak demand reduction potential within the Company's residential and commercial sectors. The findings from the Phase I study were presented to the Company and the Energy Efficiency Advisory Group ("EEAG") in January 2004. The Company used the results of the Phase I study in its 2004 IRP and targeted the "moderate-level scenario" detailed in the study in identifying the level of peak-related DSM to be targeted. The second assessment, referred to as the Phase II study, was initiated as a result of a request from members of the Company's Integrated Resource Plan Advisory Council ("IRPAC") and focused on overall energy efficiency potential within the Company's residential and commercial sectors. The findings from both the Phase I and Phase II studies were combined into a single document and presented in draft final version form to the Company and the EEAG in October 2004. The draft final version of the study performed by Quantum Consulting was also provided to members of the IRPAC. The final version of the study, dated November 2004, was filed with the Commission as a supplement to the 2004 IRP filing (Case No. IPC-E-04-18) on December 15, 2004. The details of the "moderate-level scenario" resulting from the Phase I assessment and used in the 2004 IRP can be found on page 4-16 of the final version of the study.

The Company believes that the final report provided by Quantum Consulting provides useful information on the potential DSM opportunities within the residential and commercial sectors and concurs with the Coalition that the results of the study should be considered as part of the 2006 IRP process.

Respectfully submitted this 4th day of March, 2005.

A handwritten signature in black ink, appearing to read "B L Kline", written over a horizontal line.

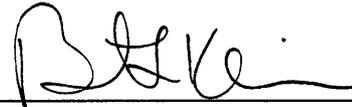
BARTON L. KLINE
Attorney for Idaho Power Company

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 4th day of March, 2005, I served a true and correct copy of the within and foregoing REPLY COMMENTS OF IDAHO POWER COMPANY upon the following named parties by the method indicated below, and addressed to the following:

Donovan Walker	<u> x </u>	Hand Delivered
Deputy Attorney General	<u> </u>	U.S. Mail
Idaho Public Utilities Commission	<u> </u>	Overnight Mail
P. O. Box 83720	<u> </u>	FAX
472 W. Washington Street		
Boise, Idaho 83720-0074		

Nancy Hirsh	<u> </u>	Hand Delivered
NW Energy Coalition	<u> x </u>	U.S. Mail
219 1st Avenue South, Suite 100	<u> </u>	Overnight Mail
Seattle, Washington 98104	<u> </u>	FAX



BARTON L. KLINE