



An IDACORP Company

IDAHO POWER COMPANY
P.O. BOX 70
BOISE, IDAHO 83707

Monica B. Moen
Attorney II

September 18, 2006

RECEIVED
2006 SEP 18 PM 4:54
IDAHO PUBLIC
UTILITIES COMMISSION

Jean D. Jewell, Secretary
Idaho Public Utilities Commission
472 West Washington Street
P. O. Box 83720
Boise, Idaho 83720-0074

Re: Case No. IPC-E-06-*22*
In the Matter of the Application of Idaho Power Company Requesting
Approval of Revisions to the Irrigation Peak Rewards Program,
Schedule 23

Dear Ms. Jewell:

Please find enclosed for filing an original and seven (7) copies of Idaho Power Company's Application for the above-referenced matter.

I would appreciate it if you would return a stamped copy of this transmittal letter in the enclosed self-addressed, stamped envelope.

Very truly yours,

A handwritten signature in black ink that reads "Monica B. Moen".

Monica B. Moen

MBM:sh
Enclosures

RECEIVED

2006 SEP 18 PM 4: 54

IDAHO PUBLIC
UTILITIES COMMISSION

BARTON L. KLINE, ISB # 1526
MONICA B. MOEN, ISB # 5734
Idaho Power Company
1221 West Idaho Street
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Boise, Idaho 83707
Telephone: (208) 388-2682
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Attorneys for Idaho Power Company

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION) CASE NO. IPC-E-06-~~22~~
OF IDAHO POWER COMPANY)
REQUESTING APPROVAL OF) **APPLICATION**
REVISIONS TO THE IRRIGATION PEAK)
REWARDS PROGRAM, SCHEDULE 23)

COMES NOW, Idaho Power Company ("Idaho Power" or the "Company") and, in accordance with RP 052 and RP 201, *et. seq.*, hereby applies to the Commission for authority to revise Schedule 23. In support of this Application, the Company submits the following:

I.

Background

As part of the Settlement Stipulation in Case No. IPC-E-05-28 approved by the Idaho Public Utilities Commission ("IPUC" or the "Commission") on May 12, 2006 through Order No. 30035, all parties to that matter agreed that, prior to November 1, 2006, the Company would convene a working group ("Workshop") that would include the Idaho Irrigation Pumpers Association ("IIPA"). The purpose of the Workshop would be to review the current Irrigation Peak Rewards Program ("Program") results and explore possible modifications to the Program.

Schedule 23, Irrigation Peak Rewards Program, is a voluntary load control program currently available to agricultural irrigation customers with irrigation pumps having a cumulative horsepower rating of 100 or greater. The purpose of the Program is to produce a decrease in the Company's system summer peak by turning off specified irrigation equipment between the hours of 4:00 p.m. and 8:00 p.m. on either one, two or three days per week ("Interruption Option") during the months of June, July and August.

Under the Program, the Company turns off specified irrigation equipment behind a Customer's metered service point ("Metered Service Point") during summer weekdays with the use of an electronic switch ("Timer"). In exchange for allowing the Company to turn off the specified irrigation equipment, participating Customers receive a monthly monetary incentive ("Demand Credit") paid on the basis of the kilowatt ("kW") reduction as measured by the Customer's monthly Billing Demand.

Consistent with the Commission's Order, on June 14, 2006, the Company hosted the Workshop at its Mini-Cassia office in Heyburn, Idaho to explore potential modifications to the Program. Attendees of the Workshop included representatives of IIPA, Idaho Power agricultural irrigation customers, Commission Staff and Company representatives.

The Company began the Workshop by providing a brief review of the Program's fundamental purpose and described the current provisions of the Program to establish a basis of understanding among the attendees. The Company also presented the 2005 operational results of the Program along with some potential modifications to the Program for consideration. After the Company completed its presentation, IIPA

presented its overview of the current program along with its recommended modifications for consideration by the Workshop attendees.

Following the presentations by the Company and IIPA, attendees of the Workshop openly discussed possible Program modifications and ultimately came to agreement on a set of recommended modifications to be researched and analyzed by the Company. Three primary Program modifications emerged from the Workshop process with a general focus on overall Program enhancement through the maximization of the cost-effective load reduction and increasing customer satisfaction.

The first modification proposed for further analysis was an increase in the incentive amounts offered under Interruption Options 2 and 3. The group agreed that the Demand Credit of \$2.01 per kW of Billing Demand offered under Interruption Option 1 for a single day of interruption weekly was appropriate given the Program's cost-effectiveness constraints detailed in Section II of this Application. However, IIPA and other irrigation participants indicated that the Demand Credits offered under Interruption Options 2 and 3, \$2.51 per kW for two days of interruption weekly and \$2.76 per kW for three days of interruption weekly respectively, should increase proportionately in relation to the increase in load reduction provided under the Interruption Options.

Secondly, while a number of irrigation customers in attendance expressed indifference toward adjusting the horsepower limit under the Program, IIPA encouraged the Company to explore scenarios that would make the Program available to customers with lower horsepower pumps without creating any unnecessary cost subsidies among participants.

Finally, the Workshop group recommended that the Company investigate the viability of changing the weekday interruption hours from 4:00 p.m. to 8:00 p.m. to 3:00 p.m. to 7:00 p.m. daily. Several irrigation customers agreed that under the current interruption time period, it becomes increasingly more difficult to restart their irrigation pumps during the month of August as it becomes dark earlier.

Overall, the Workshop attendees agreed that the Program as currently operated has many positive attributes. In particular, irrigation customers voiced support for the current four-hour interruption period and recommended the period not be expanded. At the conclusion of the Workshop, the Company agreed to research and analyze the set of recommended Program modifications to verify viability and continued Program cost-effectiveness. Furthermore, the Company agreed to discuss with IIPA its findings and recommendations upon completion of such research and analysis prior to making a filing with the Commission.

II.

Proposed Program Modifications

In the weeks following the Workshop, the Company engaged in an iterative research and analysis process involving IIPA and the Commission Staff to identify and agree upon a preferred set of proposed modifications to the Program. The Company shared plans for a revised Program with the Energy Efficiency Advisory Group ("EEAG") in July 2006 and received comments and general support for the recommendations from the EEAG. The proposed modifications that emerged from this cooperative approach will serve to increase both the cost-effective load reduction and customer satisfaction with the Program.

The first recommended Program modification is a revision to the Demand Credits offered through the Program according to the following schedule:

<u>Interruption Option</u>	<u>Current Demand Credit per kW</u>	<u>Proposed Demand Credit per kW</u>
Option 1 (1 Day per Week)	\$2.01	\$2.01
Option 2 (2 Days per Week)	\$2.51	\$3.36
Option 3 (3 Days per Week)	\$2.76	\$4.36

The revised Demand Credits were developed based upon input received through the Workshop process and the Company's cost-effectiveness analysis. The goal in the development of the new Demand Credit amounts was to adjust the relationship between the Demand Credits offered under the three Interruption Options in order to more accurately represent the value of the increase in load reduction achieved as the number of days of interruption increases.

The new Demand Credit amounts were derived under two critical constraints. The first constraint is the maximum cost-effective Demand Credit amount for a single day, four-hour interruption. Based on the Company's cost-effective analysis that amount is \$1.68 per kW of Billing Demand. The second constraint in the Demand Credit derivation is the Demand Charge under Schedule 24, Agricultural Irrigation Service, which is \$4.36 per kW. If the Demand Credit offered under the Program were to exceed the Demand Charge, customers would likely have an incentive to turn on their pumps when they otherwise would not have, simply to earn an incentive payment.

The current Demand Credit for Interruption Option 1 is \$2.01 per kW of Billing Demand, \$0.33 higher than the cost-effective limit. Due to the arid climate in parts of Idaho Power's service area, many qualified agricultural irrigation customers have a limited number of hours that their pumps can be off. As a result, these customers are

not able to participate in Interruption Options 2 and 3 and are, in some cases, hesitant to participate at all. The Company originally set the Demand Credit amount for Interruption Option 1 higher than the cost-effective limit in an effort to encourage Program participation by those who would not otherwise participate under a lower Demand Credit for Interruption Option 1. The Program remains cost-effective under the current incentive structure since the Demand Credits for Interruption Options 2 and 3 are equal to or lower than the respective cost-effective limits.

The proposed Demand Credit for Interruption Option 2 was derived by simply doubling the maximum cost-effective Demand Credit amount for a single day four-hour interruption of \$1.68 ($\$1.68 \times 2 = \3.36). With the Demand Credit for Interruption Option 2 set at the cost-effective limit and the Demand Credit for Interruption Option 1 set higher than the cost-effective limit, the Demand Credit for Option 3 had to be lower than the cost-effect limit for three days of interruption for the Program to remain cost-effective. In addition, the Demand Credit for Interruption Option 3 had to remain equal to or below the stated constraint of the Demand Charge for Schedule 24. With those constraints in mind, the Demand Credit for Interruption Option 3 was set at \$4.36 per kW of Billing Demand, equal to the current Demand Charge under Schedule 24. The proposed Demand Credit structure cost-effectively achieves all of the goals set forth in the Workshop while remaining within the constraints described above.

In order to effectively administer the recommended Demand Credit structure, a new provision is proposed to help cover the costs associated with reprogramming the Timer should a customer decide to change Interruption Options. Under the proposed provision, a customer requesting to change Interruption Options to reduce the number

of days of interruption between June 1 and August 31 will be assessed a \$100.00 fee applied to his or her monthly bill. This proposed provision will allow those customers who discover that a multi-day interruption schedule does not align with their watering requirements to reduce the number of days of interruption without creating additional costs for the Program. Furthermore, customer requests to change Interruption Options to increase the number of days of interruption received after June 1 of each calendar year will not be accepted in an effort to eliminate the opportunity for customers to earn a higher Demand Credit for little or no additional load reduction.

The second revision proposed for the Program is a reduction in the horsepower limit for Program eligibility. A reduction in the cumulative horsepower limit per Metered Service Point from 100 horsepower to 75 horsepower is proposed to allow more customers to become eligible for participation in the Program. In order to make this revision and maintain the cost-effectiveness of the program, an Installation Fee of \$250.00 must be assessed to those customers with irrigation pumps between 75 and 99 cumulative horsepower per Metered Service Point. The Installation Fee will cover the portion of the installation costs of the Timer that cannot be completely offset by the financial benefit of the load reduction provided. It will be charged only in those situations where a Timer is not currently installed.

Finally, based on input received during the Workshop, the Company conducted a non-scientific survey of 2006 Program participants. Approximately 67% of current Program participants were successfully contacted. Through the survey, the Company gathered sufficient customer input to conclude that a revision to the current interruption period could potentially result in a decrease in Program participation. Therefore, the

Company recommends no change to the current interruption period of 4:00 p.m. to 8:00 p.m.

III.

Expected Impact of Program Modifications

The proposed Program modifications are expected to result in an additional 4.5 MW (including losses) of cost-effective load reduction during the Company's summer peak. Under the revised Demand Credit structure, it is expected that approximately 13% of the customers currently participating under Interruption Option 1 will shift to Interruption Options 2 and 3. The shift in customers from a single day interruption schedule to a multi-day interruption schedule is expected to produce an additional 3 MW (including losses) of summer peak load reduction. The reduction in the horsepower limit is expected to increase participation in the Program by approximately 140 Metered Service Points. The additional Metered Service Points resulting from the reduced horsepower limits are expected to produce an additional 1.5 MW (including losses) of summer peak load reduction.

The revised Demand Credit structure and the reduced horsepower limit are also expected to improve customer satisfaction among Program participants. In the Company's survey of 2005 Program participants, the most frequently recommended improvement to the Program was an increase in the Demand Credits amounts. Improvements in customer satisfaction is also anticipated among those customers with cumulative horsepower between 75 and 99 who have wanted to participate in the Program in past years, but were not eligible.

IV.

Conclusion

Overall, the proposed Program modifications are reflective of the collaborative Workshop process. The revised Program, as proposed, is expected to achieve an increase in cost-effective load reduction and a higher level of customer satisfaction among participants. The Company will continue to monitor the Program's performance and report on Program results each year through the Demand-Side Management Annual Report.

The Company respectfully requests that the Commission approve revised Schedule 23, Irrigation Peak Rewards Program. Should the Commission approve the Company's request, an Order issued by December 15, 2006 would allow adequate time for the marketing and communication of the revised Program prior to the 2007 irrigation season.

DATED at Boise, Idaho, this 15th day of September, 2006.



MONICA B. MOEN
Attorney for Idaho Power Company

IDAHO POWER COMPANY

CASE NO. IPC-E-06-22

ATTACHMENT NO. 1

SCHEDULE 23
IRRIGATION PEAK REWARDS
PROGRAM
(OPTIONAL)

PURPOSE

The Irrigation Peak Rewards Program (the Program) is an optional, supplemental service that permits participating agricultural irrigation Customers taking service under Schedule 24 to allow the Company to turn off specific irrigation equipment on a regular, pre-scheduled basis with the use of an electronic timer switch (Timer). In exchange for allowing the Company to turn off specified irrigation equipment, participating Customers will receive a monthly Demand Credit paid on the basis of the Customer's monthly Billing Demand, at the Customer's metered service point (Metered Service Point).

AVAILABILITY

Service under this schedule is available on an optional basis to Customers with a Metered Service Point or Points receiving service under Schedule 24 where the Metered Service Point serves a water pumping or water delivery system used to irrigate agricultural crops or pasturage. To be eligible for participation in this Program a Metered Service Point must provide electric service to irrigation pumps with at least 75 cumulative horsepower. If a Metered Service Point provides electricity to more than one irrigation pump, each pump will be scheduled for service interruption on the same weekday cycle.

The Company shall have the right to select and reject Program participants at its sole discretion based on criteria the Company considers necessary to ensure the effective operation of the Program. Selection criteria may include, but will not be limited to, Billing Demand, location, pump horsepower, pumping system configuration, or electric system configuration. Past program participation does not ensure selection into the Program in future years. Participation may be limited based upon the availability of Program equipment and funding.

Each eligible Customer who chooses to take service under this optional schedule is required to enter into a Uniform Irrigation Peak Rewards Service Application/Agreement (Agreement) with the Company prior to being served under this schedule. The Agreement will grant the Company or its representative permission, on reasonable notice, to enter the Customer's property to install a Timer or Timers on the electrical panel servicing the irrigation equipment associated with the Metered Service Points that are enrolled in this Program and to allow the Company or its representative reasonable access to the Timer following its installation.

TERM OF AGREEMENT AND TERMINATION

Customers shall be required to execute a new Agreement annually. The term of the Agreement, as it applies to each Metered Service Point accepted for participation, shall commence on the date the Agreement is signed by both the Customer and the Company and shall terminate on December 31 of each calendar year unless otherwise terminated as follows:

1. A Customer may terminate the participation of a Metered Service Point without penalty by notifying the Company or its representative before the Timer has been installed on the Metered Service Point (Early Termination).

SCHEDULE 23
IRRIGATION PEAK REWARDS
PROGRAM
(OPTIONAL)
(Continued)

TERM OF AGREEMENT AND TERMINATION (Continued)

2. A Customer who terminates the participation of a Metered Service Point anytime between June 1 and August 31 of each calendar year and who does not satisfy the provisions of item 1 above, shall pay the Company the sum of \$100.00, which sum will be included on the Customer's monthly bill following termination of participation. The Customer's Demand Credit shall be prorated for the number of days in that month the Customer satisfactorily participated in the Program.

3. If there is evidence of alteration, tampering, or otherwise interfering with the Company's ability to initiate a load reduction event at a Metered Service Point, the Agreement as it applies to that Metered Service Point will be automatically terminated. In addition, the Customer will be subject to each of the following:

a. The Customer will be required to reimburse the Company for the cost of replacement or repair of the Timer, including labor and other related costs.

b. A termination fee in the sum of \$100.00 will be applied to the Customer's monthly bill following the termination of participation.

c. The Company will reverse any and all Demand Credits applied to the Customer's monthly bill(s) for the Metered Service Point as a result of the Customer's participation in the Program during the current year.

Note: A service disconnection for any reason does not terminate the Agreement.

PROGRAM DESCRIPTION

Timer Installation and Service. The Company or its representative will install a Timer or Timers on the Customer's electrical panel controlling the irrigation equipment at the Metered Service Point enrolled in the Program. The Company or its representative will set the Timer or Timers to interrupt specified irrigation equipment on a designated weekday or designated weekdays according to the Option selected by the Customer. Each Timer will be set to interrupt electric service over a four-hour period between 4:00 P.M. and 8:00 P.M. on the designated weekday or weekdays during the months of June, July and August in accordance with the Option selected by the Customer.

	<u>Option</u>	<u>Demand Credit</u>
1.	One weekday, 4:00 P.M. to 8:00 P.M.	\$2.01 per kW of Demand
2.	Two weekdays, 4:00 P.M. to 8:00 P.M.	\$3.36 per kW of Demand
3.	Three weekdays, 4:00 P.M. to 8:00 P.M.	\$4.36 per kW of Demand

SCHEDULE 23
IRRIGATION PEAK REWARDS
PROGRAM
(OPTIONAL)
(Continued)

PROGRAM DESCRIPTION (Continued)

Demand Credit. The Demand Credit is based upon the monthly Billing Demand at a Metered Service Point enrolled in the Program. The monthly Billing Demand will be multiplied by the corresponding Demand Credit for the Option selected by the Customer. This amount will then be prorated for the number of days during the months of June, July or August that fall in the Customer's billing cycle. The Demand Credit will be included on the Customer's monthly bill. The Demand Credit applies to the Billing Demand for the calendar months of June, July and August of each calendar year.

Interruption Schedule. The Company will set each Timer to interrupt service during the weekday hours of 4:00 P.M. to 8:00 P.M. Mountain Daylight Savings Time. Each Metered Service Point's Timer will be set to interrupt service on one, two or three regularly scheduled weekdays per week for each week of the months of June, July and August in accordance with the Option selected by the Customer. The Company retains the sole right to select the load reduction weekday(s) for each Metered Service Point. Mass memory meters will be installed on a sample of the participants' Metered Service Points for Program monitoring and evaluation purposes. The sample of Metered Service Points selected for monitoring and evaluation will be chosen at the Company's sole discretion.

Request to Change Options. A Customer who elects to change Options to reduce the number of days of interruption of a Metered Service Point on or after June 1 of each calendar year shall pay the Company the sum of \$100.00, which sum will be included on the Customer's monthly bill following the implementation of the requested change. The Customer's Demand Credit shall be prorated for each Program Option based upon the number of days in that month the Customer participated under each Option. The Company will not accept any requests to change Options to increase the number of days of interruption on or after June 1 of each calendar year.

Notification of Program Acceptance. An interested Customer must sign and return to the Company an Agreement specifying the Metered Service Point(s) to be included in the Program. If a Customer is selected for participation in the Program, the Company will return a signed Agreement to the Customer specifying which Metered Service Point(s) are accepted into the Program. Notification of acceptance into the Program will be mailed to participants.

Installation Fee. A Customer will be assessed an Installation Fee of \$250.00 each time a Timer is installed on an eligible Metered Service Point that provides electric service to irrigation pumps with between 75 and 99 cumulative horsepower. The Installation Fee is non-refundable except when a Customer elects for Early Termination of the Program. An Installation Fee will not be assessed when a Timer is installed on an eligible Metered Service Point that provides electric service to irrigation pumps with 100 cumulative horsepower and greater.

SCHEDULE 23
IRRIGATION PEAK REWARDS
PROGRAM
(OPTIONAL)
(Continued)

SPECIAL CONDITIONS

The provisions of this schedule do not apply for any time period that the Company interrupts the Customer's load for a system emergency or any other time that a Customer's service is interrupted by events outside the control of the Company. The provisions of this schedule will not affect the calculation or rate of the regular Service, Energy or Demand Charges associated with a Customer's standard service schedule.

SCHEDULE 23
IRRIGATION PEAK REWARDS
PROGRAM
(OPTIONAL)
(Continued)

Uniform Irrigation Peak Rewards Service
Application/Agreement

THIS AGREEMENT Made this ____ day of _____, _____
between _____ hereinafter called
Customer, whose billing address is _____,
and IDAHO POWER COMPANY, a corporation with its principal office located at 1221 West Idaho
Street, Boise, Idaho, hereinafter called Company. This Agreement shall expire without notice on
December 31, _____. This Agreement is for the Metered Service Point(s) identified on the attached
worksheet (Worksheet):

The Customer designates the following person as the Customer's authorized contact:

Authorized Contact: _____
Phone: _____ Cell Phone: _____
Fax: _____
Email: _____

NOW, THEREFORE, The Parties agree as follows:

1. The Uniform Irrigation Peak Rewards Service Application/Agreement must be signed by the Customer and the Customer must be the person who is responsible for paying bills for retail electric service provided by the Company at the Metered Service Point(s) identified on the Worksheet.
2. The Customer understands that the information concerning the Metered Service Point(s) on the Worksheet is based on the best information currently available to the Company. The Demand Credit amounts are estimates based on the previous year's Billing Demands for the Metered Service Point(s) specified on the Worksheet. Customers without sufficient usage history will be provided an estimated Demand Credit based on the stated cumulative horsepower at the Metered Service Point. The Demand Credit estimates are provided for illustration purposes. The Customer agrees to specify which Metered Service Point(s) listed on the Worksheet the Customer wishes to enroll in the Program and the interruption Option selected for each specified Metered Service Point.
3. From time to time during the term of this Agreement and with prior reasonable notice from the Company, the Customer shall permit the Company or its representative to enter the Customer's property on which the enrolled Metered Service Point(s) are located to permit the Company or its representative to install, service, maintain and/or remove Timer(s) on the electrical panel that services the Customer's irrigation equipment. The Timer(s) may remain in place on the Customer's property upon termination of the Agreement unless the Customer specifically requests removal.

SCHEDULE 23
IRRIGATION PEAK REWARDS
PROGRAM
(OPTIONAL)
(Continued)

Uniform Irrigation Peak Rewards Service
Application/Agreement
(Continued)

4. The Customer understands and acknowledges that by participating in the Program, the Company shall, at its sole discretion, have the ability to interrupt the specified irrigation equipment at the Metered Service Point(s) enrolled in the Program on the regularly scheduled weekday or weekdays, for the hours of 4:00 P.M. to 8:00 P.M. Mountain Daylight Savings Time. The Company retains the sole right to select the load reduction weekday(s) for each Metered Service Point. The Customer also understands and acknowledges that if a Metered Service Point provides electricity to more than one irrigation pump, each pump will be scheduled for service interruption on the same weekday cycle.

5. The Customer shall be required to pay an Installation Fee of \$250.00 when a Timer is installed on an eligible Metered Service Point providing electric service to irrigation pumps with between 75 and 99 cumulative horsepower. The Installation Fee is non-refundable except when a Customer elects for Early Termination of the Program.

6. For the Customer's satisfactory participation in the Program, the Company agrees to pay the Customer the Demand Credit corresponding to the Option selected by the Customer. The Demand Credit is based upon the Billing Demand for the Metered Service Point(s) specified on the Worksheet, for the three calendar months of June, July and August of each year. The Demand Credit will be paid in the form of a credit on the Customer's monthly bill. The Demand Credit may be prorated for the months of June, July and August depending on the Customer's billing cycle.

7. If the Customer terminates this Agreement anytime between June 1 and August 31 of the current calendar year while the Metered Service Point(s) are still connected for service and has not elected Early Termination of the Program, the Customer agrees to pay the Company the sum of \$100.00, which sum will be included on the Customer's monthly bill. The Customer's Demand Credit for the month of termination shall be prorated for the number of days in that month that the Customer is a participant in good standing in the Program.

8. If the Customer elects to change Options to reduce the number of days of interruption of a Metered Service Point on or after June 1 of each calendar year, the Customer agrees to pay the Company the sum of \$100.00, which sum will be included on the Customer's monthly bill following the implementation of the requested change. The Customer's Demand Credit shall be prorated for each Program Option based upon the number of days in that month the Customer participated under each Option. The Company will not accept any requests to change Options to increase the number of days of interruption on or after June 1 of each calendar year.

SCHEDULE 23
IRRIGATION PEAK REWARDS
PROGRAM
(OPTIONAL)
(Continued)

Uniform Irrigation Peak Rewards Service
Application/Agreement
(Continued)

9. If there is evidence of alteration, tampering, or otherwise interfering with the Company's ability to initiate a load reduction event at a Metered Service Point(s), the Agreement as it applies to that Metered Service Point will be automatically terminated. The Customer will also be required to reimburse the Company for all costs of replacement or repair of the Timer, including labor and other related costs, pay the Company the sum of \$100.00 which sum will be included on the Customer's monthly bill and the Company will reverse any Demand Credits applied to the Customer's monthly bill(s) for the Metered Service Point as a result of the Customer's participation in the Program during the current year.

10. The Company's Schedule 23, any revisions to that schedule and/or any successor schedule are to be considered part of this Agreement.

11. This Agreement and the rates, terms and conditions of service set forth or incorporated herein and the respective rights and obligations of the Parties hereunder shall be subject to valid laws and to the regulatory authority and orders, rules and regulations of the Idaho Public Utilities Commission and such other administrative bodies having jurisdiction.

12. Nothing herein shall be construed as limiting the Idaho Public Utilities Commission from changing any terms, rates, charges, classification of service or any rules, regulations or conditions relating to service under this Agreement, or construed as affecting the right of the Company or the Customer to unilaterally make application to the Commission for any such change.

13. In any action at law or equity under this Agreement and upon which judgment is rendered, the prevailing Party, as part of such judgment, shall be entitled to recover all costs, including reasonable attorneys fees, incurred on account of such action.

14. The Company retains the sole right to select and reject the participants to receive service under Schedule 23. The Company retains the sole right for its employees and its representatives to install or not install Timers on the Customer's electrical panel at the time of installation depending on, but not limited to, safety, reliability, or other issues that may not be in the best interest of the Company, its employees or its representatives.

15. Under no circumstances shall the Company or any subsidiary, affiliates or parent Company be held liable to the Customer or any other party for damages or for any loss, whether direct, indirect, consequential, incidental, punitive or exemplary resulting from the Program or from the Customer's participation in the Program. The Customer assumes all liability and agrees to indemnify and hold harmless the Company and its subsidiaries, affiliates and parent company for personal injury, including death, and for property damage caused by the Customer's decision to participate in the Program and to reduce loads.

SCHEDULE 23
IRRIGATION PEAK REWARDS
PROGRAM
(OPTIONAL)
(Continued)

Uniform Irrigation Peak Rewards Service
Application/Agreement
(Continued)

The Company makes no warranty of merchantability or fitness for a particular purpose with respect to the Timer and any and all implied warranties are disclaimed.

(Appropriate Signatures)

IDAHO POWER COMPANY

CASE NO. IPC-E-06-22

ATTACHMENT NO. 2

SCHEDULE 23
IRRIGATION PEAK REWARDS
PROGRAM
(OPTIONAL)

PURPOSE

The Irrigation Peak Rewards Program (the Program) is an optional, supplemental service that permits participating agricultural irrigation Customers taking service under Schedule 24 to allow the Company to turn off the power to specific irrigation equipment on a regular, pre-scheduled basis with the use of an electronic timer switch (Timer). In exchange for allowing the Company to turn off power to specified irrigation equipment, participating Customers will receive a monthly Demand Credit paid on the basis of the Customer's monthly Billing Demand, at the Customer's metered service point (Metered Service Point).

AVAILABILITY

Service under this schedule is available on an optional basis to Customers with a Metered Service Point or Points receiving service under Schedule 24 where the Metered Service Point serves a water pumping or water delivery system used to irrigate agricultural crops or pasturage. To be eligible for participation in this Program a Metered Service Point must provide electric service to irrigation pumps with at least ~~100~~ 75 cumulative horsepower. If a Metered Service Point provides electricity to more than one irrigation pump, each pump will be scheduled for service interruption on the same weekday cycle.

The Company shall have the right to select and reject Program participants at its sole discretion based on criteria the Company considers necessary to ensure the effective operation of the Program. Selection criteria may include, but will not be limited to, Billing Demand, location, pump horsepower, pumping system configuration, or electric system configuration. Past program participation does not ensure selection into the Program in future years. Participation may be limited based upon the availability of Program equipment and funding.

Each eligible Customer who chooses to take service under this optional schedule is required to enter into a Uniform Irrigation Peak Rewards Service Application/Agreement (Agreement) with the Company prior to being served under this schedule. The Agreement will grant the Company or its representative permission, on reasonable notice, to enter the Customer's property to install a Timer or Timers on the electrical panel servicing the irrigation equipment associated with the Metered Service Points that are enrolled in this Program and to allow the Company or its representative reasonable access to the Timer following its installation.

TERM OF AGREEMENT AND TERMINATION

Customers shall be required to execute a new Agreement annually. The term of the Agreement, as it applies to each Metered Service Point accepted for participation, shall commence on the date the Agreement is signed by both the Customer and the Company and shall terminate on December 31 of each calendar year unless otherwise terminated as follows:

1. A Customer may terminate the participation of a Metered Service Point without penalty by notifying the Company or its representative before the Timer has been installed on the Metered Service Point (Early Termination).

SCHEDULE 23
IRRIGATION PEAK REWARDS
PROGRAM
(OPTIONAL)
(Continued)

TERM OF AGREEMENT AND TERMINATION (Continued)

2. A Customer who terminates the participation of a Metered Service Point ~~prior to satisfactorily participating in the Program through any time between June 1 and August 31~~ of each calendar year and who does not satisfy the provisions of item 1 above, shall pay the Company the sum of \$100.00, which sum will be included on the Customer's monthly bill following termination of participation. The Customer's Demand Credit shall be prorated for the number of days in that month the Customer satisfactorily participated in the Program.

3. If there is evidence of alteration, tampering, or otherwise interfering with the Company's ability to initiate a load reduction event at a Metered Service Point, the Agreement as it applies to that Metered Service Point will be automatically terminated. In addition, the Customer will be subject to each of the following:

a. The Customer will be required to reimburse the Company for the cost of replacement or repair of the Timer, including labor and other related costs.

b. ~~An early~~ termination fee in the sum of \$100.00 will be applied to the Customer's monthly bill following the termination of participation.

c. The Company will reverse any and all Demand Credits applied to the Customer's monthly bill(s) for the Metered Service Point as a result of the Customer's participation in the Program during the current year.

Note: A service disconnection for any reason does not terminate the Agreement.

PROGRAM DESCRIPTION

Timer Installation and Service. ~~At the Company's expense,~~ The Company or its representative will install a Timer or Timers on the Customer's electrical panel controlling the irrigation equipment at the Metered Service Point enrolled in the Program. The Company or its representative will set the Timer or Timers to interrupt specified irrigation equipment on a designated weekday or designated weekdays according to the Option selected by the Customer. Each Timer will be set to interrupt electric service over a four-hour period between 4:00 P.M. and 8:00 P.M. on the designated weekday or weekdays during the months of June, July and August in accordance with the Option selected by the Customer.

	<u>Option</u>	<u>Demand Credit</u>
1.	One weekday, 4:00 P.M. to 8:00 P.M.	\$2.01 per kW of Demand
2.	Two weekdays, 4:00 P.M. to 8:00 P.M.	\$2.51 <u>3.36</u> per kW of Demand
3.	Three weekdays, 4:00 P.M. to 8:00 P.M.	\$2.76 <u>4.36</u> per kW of Demand

SCHEDULE 23
IRRIGATION PEAK REWARDS
PROGRAM
(OPTIONAL)
(Continued)

PROGRAM DESCRIPTION (Continued)

Demand Credit. The Demand Credit is based upon the monthly Billing Demand at a Metered Service Point enrolled in the Program. The monthly Billing Demand will be multiplied by the corresponding Demand Credit for the Option selected by the Customer. This amount will then be prorated for the number of days of ~~during~~ the months of June, July or August that fall in ~~at~~ the Customer's billing cycle. The Demand Credit will be included on the Customer's monthly bill. The Demand Credit applies to the Billing Demand for the calendar months of June, July and August of each calendar year.

Interruption Schedule. The Company will set each Timer to interrupt service during the weekday hours of 4:00 P.M. to 8:00 P.M. Mountain Daylight Savings Time. Each Metered Service Point's Timer will be set to interrupt service on one, two or three regularly scheduled weekdays per week for each week of the months of June, July and August in accordance with the Option selected by the Customer. The Company retains the sole right to select the load reduction weekday(s) for each Metered Service Point. Mass memory meters will be installed on a sample of the participants' Metered Service Points for Program monitoring and evaluation purposes. The sample of Metered Service Points selected for monitoring and evaluation will be chosen at the Company's sole discretion.

Request to Change Options. A Customer who elects to change Options to reduce the number of days of interruption of a Metered Service Point on or after June 1 of each calendar year shall pay the Company the sum of \$100.00, which sum will be included on the Customer's monthly bill following the implementation of the requested change. The Customer's Demand Credit shall be prorated for each Program Option based upon the number of days in that month the Customer participated under each Option. The Company will not accept any requests to change Options to increase the number of days of interruption on or after June 1 of each calendar year.

Notification of Program Acceptance. An interested Customer must sign and return to the Company an Agreement specifying the Metered Service Point(s) to be included in the Program. If a Customer is selected for participation in the Program, the Company will return a signed Agreement to the Customer specifying which Metered Service Point(s) are accepted into the Program. Notification of acceptance into the Program will be mailed to participants.

~~Early Termination of the Program. Before a selected participant's Timer has been installed, a Customer may decide not to participate in the Program and may terminate the Agreement without penalty by notifying the Company or its representative.~~

Installation Fee. A Customer will be assessed an Installation Fee of \$250.00 each time a Timer is installed on an eligible Metered Service Point that provides electric service to irrigation pumps with between 75 and 99 cumulative horsepower. The Installation Fee is non-refundable except when a Customer elects for Early Termination of the Program. An Installation Fee will not be assessed when a Timer is installed on an eligible Metered Service Point that provides electric service to irrigation pumps with 100 cumulative horsepower and greater.

SPECIAL CONDITIONS

Idaho Power Company

I.P.U.C. No. 28, Tariff No. 101

Original Sheet No. 23-3

The provisions of this schedule do not apply for any time period that the Company interrupts the Customer's load for a system emergency or any other time that a Customer's service is interrupted by events outside the control of the Company. The provisions of this schedule will not affect the calculation or rate of the regular ~~Customer~~Service, Energy or Demand Charges associated with a Customer's standard service schedule.

SCHEDULE 23
IRRIGATION PEAK REWARDS
PROGRAM
(OPTIONAL)
(Continued)

Uniform Irrigation Peak Rewards Service
Application/Agreement
(Continued)

4. The Customer understands and acknowledges that by participating in the Program, the Company shall, at its sole discretion, have the ability to interrupt the specified irrigation equipment at the Metered Service Point(s) enrolled in the Program on the regularly scheduled weekday or weekdays, for the hours of 4:00 P.M. to 8:00 P.M. Mountain Daylight Savings Time. The Company retains the sole right to select the load reduction weekday(s) for each Metered Service Point. The Customer also understands and acknowledges that if a Metered Service Point provides electricity to more than one irrigation pump, each pump will be scheduled for service interruption on the same weekday cycle.

5. The Customer shall be required to pay an Installation Fee of \$250.00 when a Timer is installed on an eligible Metered Service Point providing electric service to irrigation pumps with between 75 and 99 cumulative horsepower. The Installation Fee is non-refundable except when a Customer elects for Early Termination of the Program.

56. For the Customer's satisfactory participation in the Program, the Company agrees to pay the Customer the Demand Credit corresponding to the Option selected by the Customer. The Demand Credit is based upon the Billing Demand for the Metered Service Point(s) specified on the Worksheet, for the three calendar months of June, July and August of each year. The Demand Credit will be paid in the form of a credit on the Customer's monthly bill. The Demand Credit may be prorated for the months of June, July and August depending on the Customer's billing cycle.

~~67. If the Customer terminates this Agreement prior to the Customer satisfactorily participating in the Program through anytime between June 1 and August 31 of the current calendar year while the Metered Service Point(s) are still connected for service and has not elected Early Termination of the Program and the Customer remains responsible for paying the bills for electrical service, the Customer agrees to pay the Company the sum of \$100.00, which sum will be included on the Customer's monthly bill. The Customer's Demand Credit for the month of termination shall be prorated for the number of days in that month that the Customer is a participant in good standing in the Program.~~

8. If the Customer elects to change Options to reduce the number of days of interruption of a Metered Service Point on or after June 1 of each calendar year, the Customer agrees to pay the Company the sum of \$100.00, which sum will be included on the Customer's monthly bill following the implementation of the requested change. The Customer's Demand Credit shall be prorated for each Program Option based upon the number of days in that month the Customer participated under each Option. The Company will not accept any requests to change Options to increase the number of days of interruption on or after June 1 of each calendar year.

79. If there is evidence of alteration, tampering, or otherwise interfering with the Company's ability to initiate a load reduction event at a Metered Service Point(s), the Agreement as it applies to that Metered Service Point will be automatically terminated. The Customer will also be required to reimburse the Company for all costs of replacement or repair of the Timer, including labor and other related costs, pay the Company the sum of \$100.00 which sum will be included on the Customer's monthly bill and the

Company will reverse any Demand Credits applied to the Customer's monthly bill(s) for the Metered Service Point as a result of the Customer's participation in the Program during the current year.

| 810. The Company's Schedule 23, any revisions to that schedule and ~~any/or~~ any successor ~~S~~Schedule are to be considered part of this Agreement.

| 911. This Agreement and the rates, terms and conditions of service set forth or incorporated herein and the respective rights and obligations of the Parties hereunder shall be subject to valid laws and to the regulatory authority and orders, rules and regulations of the Idaho Public Utilities Commission and such other administrative bodies having jurisdiction.

SCHEDULE 23
IRRIGATION PEAK REWARDS
PROGRAM
(OPTIONAL)
(Continued)

Uniform Irrigation Peak Rewards Service
Application/Agreement
(Continued)

4012. Nothing herein shall be construed as limiting the Idaho Public Utilities Commission from changing any terms, rates, charges, classification of service or any rules, regulations or conditions relating to service under this Agreement, or construed as affecting the right of the Company or the Customer to unilaterally make application to the Commission for any such change.

4413. In any action at law or equity under this Agreement and upon which judgment is rendered, the prevailing Party, as part of such judgment, shall be entitled to recover all costs, including reasonable attorneys fees, incurred on account of such action.

4214. The Company retains the sole right to select and reject the participants to receive service under Schedule 23. The Company retains the sole right for its employees and its representatives to install or not install Timers on the Customer's electrical panel at the time of installation depending on, but not limited to, safety, reliability, or other issues that may not be in the best interest of ~~Idaho Power~~ the Company, its employees or its representatives.

4315. Under no circumstances shall the Company or any subsidiary, affiliates or parent Company be held liable to the Customer or any other party for damages or for any loss, whether direct, indirect, consequential, incidental, punitive or exemplary resulting from the Program or from the Customer's participation in the Program. The Customer assumes all liability and agrees to indemnify and hold harmless the Company and its subsidiaries, affiliates and parent company for personal injury, including death, and for property damage caused by the Customer's decision to participate in the Program and to reduce loads.

The Company makes no warranty of merchantability or fitness for a particular purpose with respect to the Timer and any and all implied warranties are disclaimed.

(Appropriate Signatures)