

DECISION MEMORANDUM

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

FROM: WELDON STUTZMAN

DATE: NOVEMBER 15, 2006

SUBJECT: CASE NO. IPC-E-06-22
APPROVAL OF REVISIONS TO IDAHO POWER'S IRRIGATION PEAK
REWARDS PROGRAM

On September 18, 2006, Idaho Power Company filed an Application requesting approval of changes to its Irrigation Peak Rewards Program, Schedule 23. On October 18, 2006, the Commission issued a Notice of Application and Notice of Modified Procedure to process the Application, and establishing a written comment period. Written comments were filed by the Commission Staff and by the Idaho Irrigation Pumpers Association, Inc. (Irrigators). Both the Commission Staff and the Irrigators support approval of the modifications to Idaho Power Company's Peak Rewards Program.

The Irrigation Peak Rewards Program is a voluntary load control program available to agricultural irrigation customers. The program is intended to decrease the Company's summer system peak by interrupting specified irrigation equipment between the hours 4:00 p.m. and 8:00 p.m. on one, two or three days per week during June, July and August. In the Company's last rate case, the Commission encouraged Idaho Power to conduct a workshop to determine whether revisions to the program would be beneficial. Staff and the Irrigators as well as other interested parties participated in the workshop that resulted in the modifications proposed by Idaho Power Company in this case.

As a result of the workshop process, the parties were able to identify and agree upon two substantial changes to the program. First, the demand credit for the two days per week and three days per week interruptions would be increased, as set forth in 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 second revision is to reduce the horsepower limit to make the program available to irrigators using pumps rated at 75 horsepower or higher, rather than 100 horsepower or higher. An installation fee of \$250 would be assessed to new program participants with irrigation pumps between 75 and 99 horsepower if it is necessary to install a timer on the pumps. Staff and the Irrigators support these changes to the program. The Irrigators also recommend that Idaho Power file annual reports summarizing and assessing the results of the program. The Irrigators believe the program is still a work in progress and that annual reviews should be required to ensure that pricing “remains on a level playing field with supply side resources and provides a demand response that is most beneficial to both irrigation and non-irrigation customers.”

COMMISSION DECISION

Should the Application of Idaho Power Company for approval to revise its Irrigation Peak Rewards Program, Schedule 23, be approved? Should Idaho Power Company be required to file annual reports regarding the results of the program?



Weldon B. Stutzman

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