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IPC-E-06-32

Ms. Jean D. Jewell, Secretary
Idaho Public Utilities Commission
P.O. Box 83720
Boise, ID 83720-0074

RE: Performance-Based Demand-Side Management Incentive Pilot Quarterly Progress Update

Dear Ms. Jewell:

Pursuant to Order No. 30268, please find the attached Performance-Based Demand-Side Management Incentive Pilot Quarterly Progress Update for the first quarter of 2008.

If you have any questions regarding this update, please feel free to contact me at 388-5515.

Sincerely,

Tim Tatum
Pricing Analyst

cc: Ric Gale
Greg Said
Pete Pengilly
P&RS/Legal Files

Idaho Power Company
Performance-Based DSM Incentive Pilot
Quarterly Progress Update
Year-To-Date March 31, 2008

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Market Share Estimate

ENERGY STAR® Homes Completed ¹	81
Estimated Total New Single-Family Homes ²	621
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1st Quarter Market Share Estimate	13.0%

Notes:

- (1) The number of ENERGY STAR Homes completed is based on the number of incentive payments Idaho Power has issued year-to-date, March 31, 2008.
- (2) The estimate of total new homes is based on a combination of data from the most recent Wells Fargo Idaho Construction Report dated December 2007 and Idaho Power's records of new residential service points added during the period.

Quarterly Incentive/Penalty Assessment. Idaho Power will be eligible for an incentive payment under the pilot in 2008 if the ENERGY STAR Homes Northwest program achieves an annual market share above 9.8 percent of total new single-family homes built in the company's service area. As can be see in the table above, the market share estimate for the first quarter of 2008 is 13 percent. The first quarter market share level should not be viewed as an indicator of the expected annual market share achievement under the pilot. The first quarter market share level is likely artificially high due to the seasonality of new home construction combined with the lag time between the recording of new residential homes in Idaho Power's customer database and the associated requests for incentive payments under the program. On an annual basis, these factors should be far less impactful to the market share calculation. While Idaho Power intends to maximize its market share achievement for ENERGY STAR homes in 2008, it is likely that the program will achieve an annual market share level for 2008 that is lower than the first quarter market share estimate.

Preliminary Program Costs

<u>Expense Category</u>	<u>1st Quarter 2008</u>
Incentives	\$ 61,500
Labor	22,399
Marketing	14,421
Other Expense	(14,143)
Training	71
<u>Staff Expense</u>	<u>397</u>
Total	\$ 84,645