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IDAHO PUBLIC
UTILITIES COMMISSION

7/8/2008

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, Case No. IPC-E-06-32

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 half 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
Pete Pengilly
Theresa Drake
Becky Arte-Howell
P&RS/Legal Files

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Idaho Power Company
Performance-Based Demand-Side Management Incentive Pilot
Quarterly Progress Update
Year-To-Date June 30, 2008

Market Share Estimate

ENERGY STAR® Homes Completed[1]	130
Estimated Total New Single-Family Homes[2]	1,837
1st Half Market Share Estimate	7.1%

Notes:
(1) The number of ENERGY STAR Homes completed is based on the number of incentive payments Idaho Power has issued year-to-date, June 30, 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 April 2008 and Idaho Power's records of new residential service points added during the period.

Quarterly Incentive/Penalty Assessment. Under the Performance-Based Demand-Side Management Incentive pilot approved by the Commission on March 12, 2007 (Order No. 30268), Idaho Power is eligible to receive an incentive payment if the market share of homes constructed under the ENERGY STAR Homes Northwest program in 2008 exceeds 9.8 percent of new single-family homes completed in Idaho Power's service area in that year. Also under the pilot, a financial penalty would be levied if Idaho Power's ENERGY STAR Homes Northwest program fails to reach its 2006 market share achievement of five percent. An annual market share achievement between five percent and 9.8 percent is considered to be within the "market share dead-band" under the pilot where Idaho Power is neither eligible for an incentive nor subject to a penalty. As can be seen in the table above, the market share estimate for the first half of 2008 is 7.1 percent. Idaho Power is taking measures to maximize its market share achievement for ENERGY STAR homes in 2008. However, based upon the program's performance during the first half of 2008, it is expected that the program will achieve an annual market share level within the market share dead-band under the pilot. Therefore, the ENERGY STAR Homes Northwest program is not currently expected to have a financial impact to the Company for 2008.

Preliminary Program Costs

Expense Category	Year-To-Date June 30, 2008
Incentives	$ 96,450
Evaluation	3,976
Labor	41,698
Marketing	25,698
Other Expense	(13,673)
Training	(1,113)
Staff Expense	1,550
Total	$ 154,585