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4/10/2009

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 quarter of 2009.

On March 11, 2009, Idaho Power Company filed a request to terminate the Performance-Based Demand-Side Management Incentive Pilot effective January 1, 2009 (Case No. IPC-E-09-04). However, Idaho Power will continue to submit quarterly progress reports in conformance with Order No. 30268 until the Commission terminates the pilot program or until the pilot program expires on December 31, 2009.

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

Sincerely,

Tim Tatum

cc: Ric Gale  
Pete Pengilly  
Theresa Drake  
Becky Arte-Howell  
P&RS/Legal Files

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Idaho Power Company  
Performance-Based DSM Incentive Pilot  
Quarterly Progress Update  
Year-To-Date March 31, 2009

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**Market Share Estimate**

ENERGY STAR <sup>®</sup> Homes Completed <sup>1</sup>	81
Estimated Total New Single-Family Homes <sup>2</sup>	311
<hr/>	
1st Quarter Market Share Estimate	26.0%

**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, 2009.
- (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 2008 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 2009 if the ENERGY STAR Homes Northwest program achieves an annual market share above 11.7 percent of total new single-family homes built in the company's service area. As can be seen in the table above, the market share estimate for the first quarter of 2009 is 26 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 2009, it is likely that the program will achieve an annual market share level for 2009 that is lower than the first quarter market share estimate.

**Preliminary Program Costs**

<u>Expense Category</u>	<u>1<sup>st</sup> Quarter 2009</u>
Incentives	\$ 49,450
Labor	18,926
Marketing	4,966
Other Expense	3,960
Training	-
<u>Staff Expense</u>	<u>1,353</u>
Total	\$ 78,655