

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE JOINT)	
APPLICATION OF COMMUNITY ACTION)	CASE NO. IPC-E-07-09
PARTNERSHIP ASSOCIATION OF IDAHO,)	
INC. AND IDAHO POWER COMPANY FOR)	
AUTHORITY TO CONTINUE THE)	
PRESENT FUNDING LEVEL FOR)	ORDER NO. 30350
WEATHERIZATION ASSISTANCE AS)	
AUTHORIZED BY ORDER NO. 29505)	

On April 9, 2007, Idaho Power Company and the Community Action Partnership Association of Idaho (CAPAI) filed a Joint Application seeking Commission authorization for Idaho Power to continue its Weatherization Assistance Program previously authorized in the Company's 2004 general rate case. Order No. 29505 at 32. CAPAI represents the Community Action agencies that administer weatherization programs for electric utilities in Idaho. The Commission set Idaho Power's weatherization funding at \$1.2 million per year and required CAPAI to file an application with the Commission if it desired to extend the funding beyond June 1, 2007. *Id.* at 33.

On April 26, 2007, the Commission issued a Notice of Application and Modified Procedure. In its Notice, the Commission invited interested persons to file written comments regarding the parties' Joint Application. The Commission received comments from the American Association of Retired Persons (AARP-Idaho), the Idaho Community Action Network (ICAN), the Commission Staff and four members of the public. After reviewing the Joint Application and the comments, the Commission approves the continuation of weatherization funding.

THE APPLICATION

Idaho Power provides funding to designated community agencies to weatherize electrically-heated homes occupied by eligible low-income customers and buildings occupied by non-profit organizations. Application at 2. Idaho Power's program, called Weatherization Assistance for Qualified Customers (WAQC), is administered through five Idaho and three Oregon community agencies. *Id.* The WAQC program enables low-income families to permanently reduce their energy bills by making their homes more energy efficient. For

example, energy conservation measures may include insulation, caulking, efficient windows, timed thermostats, CFL bulbs, and repairs.

The Applicants report that 655 homes were weatherized in 2004 and 2005 with an estimated energy savings of more than 3 million kWh. According to the Company's 2006 Weatherization Report, Idaho Power funded 540 weatherization projects (538 residences and 2 non-profit units). The average cost of installing conservation measures per residence was \$2,205. Report at 3. Idaho Power's total expenditures for calendar year 2006 were \$1.344 million. Application at 3. Idaho Power reported that it saved 2.958 MWh in 2006.

Idaho Power's weatherization program includes all eligible conservation measures approved by the U.S. Department of Energy. To ensure that each project is cost-effective, Idaho Power requires that each job have a "savings-to-investment ratio" (SIR) of 1.0 or better. For its 2006 projects, the average SIR value per residence was 2.45. Report at 7. During the last three years, Idaho Power has funded nearly 1,400 weatherization projects.

CAPAI and Idaho Power assert that continuation of the weatherization program is in the public interest and will enable "additional low-income families to permanently reduce their energy bills by making their homes more energy efficient." Application at 4. The Applicants further state that continued annual funding of the \$1.2 million will benefit all of Idaho Power's customers by reducing the overall demand for energy.

THE COMMENTS

1. AARP. AARP-Idaho supported the extension of the weatherization program because "there is a clear need for weatherization programs which help reduce energy usage, and thus energy bills, for qualified households." Comments at 1. Using data from the 2000 Census, the Association estimated that more than 2,100 Idaho households have incomes of less than 50% of the poverty rate. *Id.* Based upon 2006 energy prices, AARP calculated that these Idaho households pay nearly 40% of their income on energy bills. AARP also noted that other sources of energy assistance such as the Low Income Home Energy Assistance Program (LIHEAP) fall short of serving all the eligible households in Idaho. AARP concluded that the weatherization program has saved "more than 7 million kWh, at a savings-to-investment ratio far in excess of the standard set by the Commission in the [2004] rate case." *Id.* at 2. For these reasons, the Association supported the continued funding of the WAQC program.

2. ICAN. ICAN also supported continued funding of the program. ICAN stated that the weatherization program works well with LIHEAP in that weatherizing low-income residences stretches the available LIHEAP revenues. ICAN recommended that the funding for Idaho Power's weatherization program be increased to \$2 million per year so that more eligible households may participate in the weatherization program. Comments at 1. Increasing the funding would allow Idaho Power to "clear the back log of applicants waiting for assistance, and . . . open the program to more people who need it." *Id.*

3. Commission Staff. The Staff recommended that the Commission approve the parties' request to continue operation of the WAQC program at the existing annual funding level of \$1.2 million. During the last three years, Staff estimated that the weatherization program has saved more than 6 million kWh. During this time, Staff determined that the savings-to-investment ratio per home (including the cost of health and safety measures) is approximately 2.5 with a median value of more than 2.0. Comments at 3.

Because the weatherization program costs are specifically included in current rates, Staff recommended that the existing procedures for booking program expenditures and the carryover of unused funds should be continued. *Id.* at 4. Staff noted that the carryover of unexpended funds from one year to another helps ensure that the targeted funds actually get spent on the weatherization program. Staff also recommended that the Company continue to file a separate annual report for the WAQC program.

Staff commented that it expected the Company and CAPAI to continue working together to modify the weatherization program to meet changing needs and conditions. Staff also observed that it may be possible to use the weatherization program as a vehicle for delivering other demand side management programs such as compact fluorescent light (CFL) bulbs and efficient appliances. *Id.* at 4.

Finally, Staff recommended that the Company include the major elements of the weatherization in a tariff so that the Community Action agencies and the public may obtain information about how the program is operated. *Id.* at 5. Unlike Avista and Rocky Mountain Power, Idaho Power does not have a tariff for its weatherization program.

4. Public Comments. The Commission also received two public comments urging continuation of the weatherization program. In particular, one commenter noted that the

weatherization program enhances “the quality of life” for families who do not have the financial resources to make their homes more livable.

Two other comments objected to the \$1.2 million funding for the weatherization program. One commenter urged that tighter controls be placed on how the money is allocated and that the CAP agencies should verify the household income for eligible participants. Given the Company’s request for a rate increase, the other customer recommended that annual funding for the weatherization program should be reduced to its former level of \$200,000.

DISCUSSION

After reviewing the Joint Application and the comments, we find that it is reasonable for Idaho Power to continue funding the weatherization program at \$1.2 million per year. As both AARP and ICAN noted, the weatherization program works hand-in-hand with the annual LIHEAP energy assistance program. With a savings-to-investment ratio of 2.0, the program has demonstrated that it is a cost effective means of implementing conservation measures and promoting energy efficiency. We further find that Idaho Power should continue to carryover any unexpended funds from one year to another and track payments to CAP agencies in a separate balancing subaccount.

We further find that there is merit in Staff’s suggestion that Idaho Power develop a tariff addressing its weatherization program. We direct the Company to develop a weatherization tariff that addresses the major elements of the program including general eligibility, allowable energy conservation measures and program structure.

ORDER

IT IS HEREBY ORDERED that the Joint Application filed by Idaho Power and CAPAI for continued funding of the weatherization program is granted. Idaho Power shall continue its annual funding of this program at \$1.2 million per year.

IT IS FURTHER ORDERED that Idaho Power continue to book payments to CAP agencies in a separate balancing subaccount. Any unused weatherization funds shall be carried over to the following year. Idaho Power shall also continue to file its separate annual report for the WAQC program.

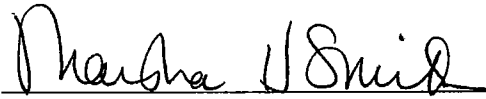
IT IS FURTHER ORDERED that the Company file a weatherization tariff devoted to the WAQC.

THIS IS A FINAL ORDER. Any person interested in this Order (or in issues finally decided by this Order) or in interlocutory Orders previously issued in this Case No. IPC-E-07-09 may petition for reconsideration within twenty-one (21) days of the service date of this Order with regard to any matter decided in this Order or in interlocutory Orders previously issued in this case. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. See *Idaho Code* § 61-626.

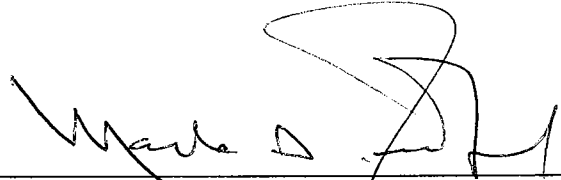
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 25th day of June 2007.



PAUL KJELLANDER, PRESIDENT

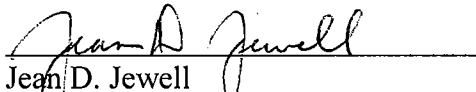


MARSHA H. SMITH, COMMISSIONER



MACK A. REDFORD, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

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