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2009 FEB 18 AM 10:34  
IDAHO PUBLIC UTILITIES COMMISSION

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION )  
OF IDAHO POWER COMPANY FOR ) CASE NO. IPC-E-08-10  
AUTHORITY TO INCREASE ITS RATES )  
AND CHARGES FOR ELECTRIC ) STIPULATION  
SERVICE. )  
\_\_\_\_\_ )

This Stipulation ("Stipulation") is entered into by and among Idaho Power Company ("Idaho Power") and the Staff of the Idaho Public Utilities Commission ("Staff"). These entities are collectively referred to as the "Parties."

**I. BACKGROUND**

1. In testimony<sup>1</sup> spread throughout the technical hearing record on December 16-19, 2008, Idaho Power requested the Commission explicitly find that its expenditures funded by 2002-2007 Energy Efficiency Rider ("Rider") amounts were

<sup>1</sup> See hearing testimony of Company witnesses John R. Gale and Theresa Drake.

prudent. The Commission Staff presented testimony<sup>2</sup> recommending that the Commission defer a determination of the prudence of Idaho Power's Rider expenses until the Company was able to provide a comprehensive evaluation package of its programs and efforts. Idaho Power contended that information sufficient to make the prudence determination existed and had been provided or made available for Staff review.

2. On January 9, 2009, Idaho Power and the Staff filed a Joint Motion to Defer Energy Efficiency Rider Prudence Determination for funds spent between 2002-2007 and requested the Commission issue a Final Order in Idaho Power's rate case, Case No. IPC-E-08-10, without a prudence determination. On January 30, 2009, the Commission granted the Joint Motion to defer a prudence determination on energy efficiency rider expenditures in rate case Order No. 30722.

## II. AGREEMENT

3. A complete list of Idaho Power's 2002-2007 energy efficiency programs and associated expenses is included as Attachment No. 1 to this Stipulation. Idaho Power and the Commission Staff have reached agreement regarding the prudence of a portion of the \$28,961,716 in Rider funds Idaho Power spent between 2002 and 2007. More specifically, Staff and the Company agree that funds expended for the following programs are prudent:

- Northwest Energy Efficiency Alliance ("NEEA")
- Custom Efficiency
- Irrigation Peak Rewards

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<sup>2</sup> See hearing testimony of Staff witnesses Randy Lobb and Lynn Anderson.

- Energy Star<sup>®</sup> Homes
- Energy House Calls
- Rebate Advantage
- Local Energy Efficiency Funds
- Commercial Education Initiative
- Air Care Plus Pilot
- Window Air Conditioner Trade-Up Pilot
- Distribution Efficiency Initiative
- DSM Direct Program Overheads

These programs have \$14,303,745 in associated rider-funded expenditures, and the Parties agree that these expenses are prudently incurred.

4. With regard to NEEA, Idaho Power directly paid NEEA \$2,160,878 out of the Rider during the years 2005-2007. In 2003 and 2004, Idaho Power paid NEEA \$2,406,364 using revenue sharing funds pursuant to Order No. 28333. NEEA also credited Idaho Power with previous funding cycle balances and interest in a total amount of \$1,620,796 for funds remaining from the previous funding cycle. The sum of the NEEA-related Rider expenses, the revenue sharing expenses, and the NEEA credit and interest is \$6,188,038, and comprises Idaho's jurisdictional share of Idaho Power's contractual commitment to NEEA. If NEEA expenses from earlier regulatory accounts and the NEEA credit are added to the \$14,303,745 in prudently incurred 2002-2007 expenditures, the total amount agreed to be prudent is \$18,330,905.

5. To date, no Party has suggested that any energy efficiency program or associated expenditure made since 2002 and collected under rate Schedule 91 is

imprudent. The Company and Staff will continue to exchange information and discuss settlement with regard to the remaining \$14,657,971 over the next several months. Idaho Power will provide Staff with an expense justification statement and associated workpapers to enable Staff to review the remaining \$14,657,971 in 2002-2007 program expenditures that have not been resolved by this Stipulation.

6. On or before April 1, 2009, Idaho Power will file a pleading with the Commission seeking a prudence determination of the balance of the Rider funds spent during 2002-2007. If resolution of the remaining 2002-2007 Rider expenditures cannot be reached in the proceedings stemming from Idaho Power's April 1, 2009, filing, Staff and Idaho Power will recommend additional procedure to allow the Commission to make such a determination.

7. The Parties agree that this Stipulation represents a settlement and compromise of the positions of the Parties in this case. As provided in RP 272 of the Commission's Rules of Practice and Procedure concerning settlements (IDAPA 31.01.01.272-276), other than any testimony filed in support of the approval of this Stipulation, and except to the extent necessary for a Party to explain before the Commission its own statements and positions with respect to the Stipulation, all statements made and positions taken in negotiations relating to this Stipulation shall be confidential and will not be admissible as evidence in this or any other proceeding.

8. The Parties submit this Stipulation to the Commission and recommend its approval, without material change or condition, in its entirety pursuant to RP 274. Parties shall support this Stipulation before the Commission, and no Party shall appeal a Commission Order approving the Stipulation or an issue resolved by the Stipulation.

If this Stipulation is challenged by any person not a party to the Stipulation, the Parties to this Stipulation reserve the right to file testimony, cross-examine witnesses, and put on such case as they deem appropriate to respond fully to the issues presented, including the right to raise issues that are incorporated in the settlements embodied in this Stipulation. Notwithstanding this reservation of rights, the Parties to this Stipulation agree that they will continue to support the Commission's adoption of the terms of this Stipulation.

9. If the Commission rejects any part or all of this Stipulation, or imposes any additional material conditions on approval of this Stipulation, each Party reserves the right, upon written notice to the Commission and the other Parties to this proceeding, within fourteen (14) days of the date of such action by the Commission, to withdraw from this Stipulation. In such case, no Party shall be bound or prejudiced by the terms of this Stipulation, and each Party shall be entitled to seek reconsideration of the Commission's order, file testimony as it chooses, cross-examine witnesses, and do all other things necessary to put on such case as it deems appropriate.

10. The Parties agree that this Stipulation is in the public interest and that all of its terms and conditions are fair, just, and reasonable.

11. No Party shall be bound, benefited, or prejudiced by any position asserted in the negotiation of this Stipulation, except to the extent expressly stated herein, nor shall this Stipulation be construed as a waiver of the rights of any Party unless such rights are expressly waived herein. Execution of this Stipulation shall not be deemed to constitute an acknowledgment by any Party of the validity or invalidity of any particular method, theory, or principle of determining prudence of funds spent through the Energy

Efficiency Rider. No Party shall be deemed to have agreed that any method, theory, or principle of determining prudence of energy efficiency expenditures in arriving at this Stipulation is appropriate in any other proceeding in the future. No findings of fact or conclusions of law other than those stated herein shall be deemed to be implicit in this Stipulation.

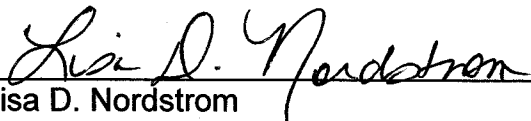
12. The obligations of the Parties under this Stipulation are subject to the Commission's approval of this Stipulation in accordance with its terms and conditions and upon such approval being upheld on appeal, if any, by a court of competent jurisdiction.


13. This Stipulation may be executed in counterparts and each signed counterpart shall constitute an original document.

DATED this 18<sup>th</sup> day of February 2009.

Idaho Power Company

Idaho Public Utilities Commission Staff

By   
Lisa D. Nordstrom  
Attorney for Idaho Power Company

By   
Weldon Stutzman  
Deputy Attorney General

**BEFORE THE**  
**IDAHO PUBLIC UTILITIES COMMISSION**

**CASE NO. IPC-E-08-10**

**IDAHO POWER COMPANY**

**ATTACHMENT NO. 1**



AN IDACORP COMPANY

Idaho Power Annual Demand-Side Management Rider Expenses

2002	2003	2004	2005	2006	2007	TOTAL
\$ 240,576	\$ 707,380	\$ 1,147,509	\$ 4,533,878	\$ 8,844,913	\$ 13,487,460	\$ 28,961,716

ID	DSM Descriptions 2002-2007	Category	Duration	Idaho Rider Expenses 2007	Other Regulatory Account 2003-2004	NEEA Credit & Interest 2003-2007	Total
<b>Staff's List of Prudent DSM Programs from 2002-2007</b>							
1	NEEA	Energy Efficiency	2003-Present				6,188,038
2	Custom Efficiency	Energy Efficiency	2003-Present	2,160,878	2,406,364	1,620,796	5,850,106
3	Irrigation Peak Rewards	Demand Response	2004-Present	4,496,611			4,496,611
5	ENERGY STAR® Homes	Energy Efficiency	2003-Present	1,303,583			1,303,583
6	Energy House Calls	Energy Efficiency	2007-Present	251,743			251,743
7	Rebate Advantage	Energy Efficiency	2007-Present	58,854			58,854
8	Local Energy Efficiency Funds	Research	2003-2007	54,318			54,318
9	Staff's Small Projects (most edu. & research)	Education	2007-Present	25,427			25,427
10	Air Care Plus Pilot	Research	2003-2004	3,436			3,436
11	Window A/C Trade-up Pilot	Research	2003	6,687			6,687
12	Distribution Efficiency Initiative	Research	2005-Present	37,763			37,763
13	DSM Direct Program Overhead	Administration	2007-Present	54,339			54,339
			<b>Subtotal \$</b>	<b>14,303,745 \$</b>	<b>2,406,364 \$</b>	<b>1,620,796 \$</b>	<b>\$ 18,330,905</b>

ID	DSM Descriptions 2002-2007	Category	Duration	Idaho Rider Expenses 2007	Other Regulatory Account 2003-2004	NEEA Credit & Interest 2003-2007	Total
<b>Staff List of 2002-2007 DSM Programs/Overheads Needing More "Prudence" Information</b>							
14	Irrigation Efficiency	Energy Efficiency	2003-Present	4,758,294			4,758,294
15	ENERGY STAR® Lighting	Energy Efficiency	2002-Present	1,247,368			1,247,368
16	Building Efficiency	Energy Efficiency	2004-Present	1,232,815			1,232,815
17	Easy Upgrades	Energy Efficiency	2006-Present	710,613			710,613
18	A/C Cool Credit	Demand Response	2003-Present	4,878,578			4,878,578
19	Heating & Cooling Efficiency	Energy Efficiency	2006-Present	497,698			497,698
20	Appliance Program	Energy Efficiency	2007-Present	8,746			8,746
21	Building Operator Training	Education	2003-2005	94,572			94,572
22	Indirect Program Expenses DSM Overhead and Other in Administration	Education	2002-Present	1,229,287			1,229,287
			<b>Subtotal \$</b>	<b>14,657,971</b>			<b>\$ 14,657,971</b>
			<b>Total \$</b>	<b>28,961,716</b>			<b>\$ 32,988,876</b>