

**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 )**  
**SERVICE TO ITS CUSTOMERS IN THE ) ORDER NO. 30740**  
**STATE OF IDAHO )**

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In the Idaho Power rate Case No. IPC-E-08-10, the Company requested a Commission determination that its expenditures for demand-side management (DSM) programs funded by the Energy Efficiency Rider from 2002-2007 were prudent. Staff presented testimony recommending the Commission defer determination on the prudence of all DSM expenses. On January 9, 2009, Idaho Power and Staff filed a Joint Motion to defer Energy Efficiency Rider Prudence Determination and requested the Commission issue a final Order in this case without such a determination. The Commission granted the Joint Motion and issued final Order No. 30722 without reviewing Idaho Power's DSM expenditures.

On February 18, 2009, Idaho Power and Staff filed a Joint Motion for Approval of Energy Efficiency Rider Prudence Stipulation and the Stipulation itself. The Stipulation states that the parties have agreed that \$14.3 million of nearly \$29 million in Rider funds expended during 2002-2007 were for expenses that were prudently incurred. In addition, the Stipulation provides that an additional amount Idaho Power paid to the Northwest Energy Efficiency Alliance (NEEA) during the period was prudently incurred, bringing total expenditures identified as prudent to \$18.3 million. Finally, the Stipulation states the Company and Staff will continue to discuss possible settlement regarding the remaining \$14.6 million of Energy Efficiency Rider funds. By April 1, 2009, Idaho Power will file a new case seeking a prudence determination of the balance of the Rider funds spent during 2002-2007. The Joint Motion requests and recommends the Commission approve the Stipulation regarding the prudence of a portion of the Energy Efficiency Rider funds used during 2002-2007.

When a stipulation is presented to the Commission, it will independently review it "to determine whether the settlement is just, fair and reasonable, in the public interest, or otherwise in accordance with law or regulatory policy." IPUC Rule of Procedure 276; IDAPA

31.01.01.276. The Commission may accept the settlement, reject the settlement, or state additional conditions under which the settlement will be accepted. *Id.*

Although review of Idaho Power's DSM expenditures for 2002-2007 was part of this rate case, approval of the energy efficiency expenditures as identified in the Stipulation will not affect the Company's rates. We note that no other party in the rate case prepared testimony regarding the prudence of these past expenditures, nor did any party object or comment on the Joint Motion and Stipulation filed by Staff and the Company. A determination that these past expenditures by Idaho Power during 2002-2007 were prudent only precludes any further dispute regarding these particular expenses.

The Commission finds the Stipulation identifying approximately \$18.3 million in energy efficiency expenditures for 2002-2007 as prudent to be just, reasonable and in the public interest. Attachment 1 to the Stipulation identifies the DSM programs and energy efficiency expenditures during this period, and identifies the programs and expenditures the Staff and Company agreed were prudently incurred. This document is also Attachment 1 to this Order.

#### **ORDER**


IT IS HEREBY ORDERED that the Stipulation regarding the prudence of certain Energy Efficiency Rider expenditures during 2002-2007 is approved. By approving the Stipulation, the Commission finds that approximately \$18.3 million of energy efficiency expenditures during 2002-2007, as set forth in the Stipulation, were prudently incurred.

THIS IS A FINAL ORDER ON IDAHO POWER'S DSM PROGRAM EXPENDITURES FOR 2002-2007. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order. 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 6<sup>th</sup>  
day of March 2009.



MACK A. REDFORD, PRESIDENT

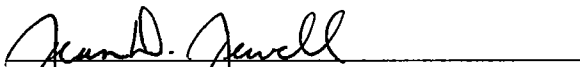


MARSHA H. SMITH, COMMISSIONER



JIM D. KEMPTON, COMMISSIONER

ATTEST:

  
Jean D. Jewell  
Commission Secretary

bls/O:IPC-E-08-10\_ws3



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

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