

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	
OF IDAHO POWER COMPANY FOR AN)	CASE NO. IPC-E-08-12
ORDER AUTHORIZING AN AIR)	
CONDITIONER CYCLING PROGRAM)	
AGREEMENT FOR MOUNTAIN HOME AIR)	ORDER NO. 30614
FORCE BASE)	

On May 23, 2008, Idaho Power Company filed an Application requesting Commission approval of an Air Conditioner Cycling Program Agreement for Mountain Home Air Force Base. Idaho Power currently operates a residential air conditioning cycling program under tariff Schedule 81. The program is an optional service that allows the Company to cycle participating customers' central air conditioners by use of a direct load control device. During 2007, approximately 13,600 customers participated in the program, and the Company estimates the program reduced demand in July 2007 by an estimated 10.8 MW.

Idaho Power and Mountain Home Air Force Base executed an Agreement to provide for an Air Conditioner Cycling Program for base housing. It would apply only to residential customers who take service pursuant to Schedule 1, although the Air Force Base is a large power service customer taking service from one service point under Schedule 19. Approximately 1,100 individual residences are on base property and are served through the Base's Schedule 19 service meter. The Agreement provides for Base residences to participate in the program much the same way as is currently offered under Schedule 81. The customer would receive a \$7 per month credit for June, July, and August. Because the Air Force Base is a single customer with multiple residences, however, the Agreement provides for a cumulative credit on the Base's September bill at the end of the air conditioning season.

On June 25, 2008, the Commission issued a Notice of Application and Notice of Modified Procedure to establish a period for interested parties to file written comments. Comments were filed by the Mountain Home Air Force Base Energy Manager, who supports the program, and the Commission Staff, who expressed reservations but stated no objection to the program. Staff was critical of an apparent lack of analysis of the program by Idaho Power, and questioned whether the Company had adequately considered a possible reduction in the Base's

demand charges in addition to the \$7 monthly credit to be paid to participating residential customers. Idaho Power filed late comments on July 24, 2008, responding to Staff's concerns.

The Air Conditioning Cycling Program agreed to by Idaho Power and Mountain Home Air Force Base closely mirrors the existing program offered to residential customers under Schedule 81. That program has been demonstrated to be cost-effective and an efficient way to shave demand during peak periods. Idaho Power is confident a similar program for the Air Force Base will yield similar results. The Company plans to install data logger devices at customers' air conditioning units to obtain information needed to evaluate the program after it has operated for a period of time.

The Commission is pleased with this expansion of the existing program. We find it reasonable and appropriate to approve the Agreement submitted by Idaho Power for an Air Conditioning Cycling Program for Mountain Home Air Force Base. Although the differences between the existing Schedule 81 program and the Air Force Base program justify careful analysis of the program results, we anticipate the Base program will be effective in reducing demand during the summer peak periods. The Company and Staff should review the program results and evaluate its overall effectiveness.

ORDER

IT IS HEREBY ORDERED that the Agreement to offer an Air Conditioner Cycling Program on Mountain Home Air Force Base, submitted by Idaho Power Company, is approved.

THIS IS A FINAL ORDER. 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 5th
day of August 2008.

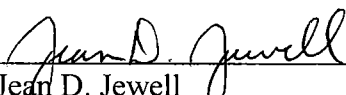


MACK A. REDFORD, PRESIDENT

MARSHA H. SMITH, COMMISSIONER

JIM D. KEMPTON, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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