

DECISION MEMORANDUM

**TO: COMMISSIONER REDFORD
COMMISSIONER SMITH
COMMISSIONER KEMPTON
COMMISSION SECRETARY
COMMISSION STAFF
LEGAL**

**FROM: WELDON STUTZMAN
DEPUTY ATTORNEY GENERAL**

DATE: JULY 22, 2008

**SUBJECT: CASE NO. IPC-E-08-12
IDAHO POWER'S APPLICATION FOR APPROVAL OF AN AIR
CONDITIONER CYCLING PROGRAM AGREEMENT FOR MOUNTAIN
HOME AIR 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 direct load control devices. The Application states that during 2007 approximately 13,600 customers participated in the program and the Company estimates it reduced demand in July 2007 by an estimated 10.8 MW.

Idaho Power and Mountain Home Air Force Base executed the Agreement to provide an air conditioner cycling program on base housing similar to the Schedule 81 program, which is available only to Schedule 1 residential customers. The Air Force Base is a Schedule 19 large power service customer and provides electricity to approximately 1,100 individual residences on base property. The Agreement allows qualified Air Force Base residences' air conditioners to be cycled by Idaho Power much the same way as Schedule 81 currently operates. The Air Force Base would receive a \$7 per month credit for June, July, and August for each residence in the program, but it would be a single, cumulative credit on the Air Force Base's September bill at the end of the air conditioning season.

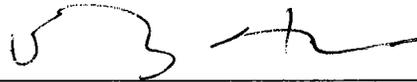
On June 25, 2008, the Commission issued a Notice of Application and Notice of Modified Procedure to establish a period for interested parties to file written comments.

Comments were filed by 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 does not object to implementation of the Air Conditioner Cycling Program at Mountain Home Air Force Base.

COMMISSION DECISION

Should the Application of Idaho Power for approval of an Agreement to offer an Air Conditioner Cycling Program on Mountain Home Air Force Base be approved?



Weldon B. Stutzman
Deputy Attorney General

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