

DECISION MEMORANDUM

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

**FROM: WELDON STUTZMAN
DEPUTY ATTORNEY GENERAL**

DATE: NOVEMBER 19, 2008

**SUBJECT: IDAHO POWER'S PETITION REQUESTING APPROVAL OF
MODIFICATION OF IRRIGATION PEAK REWARDS PROGRAM,
CASE NO. IPC-E-08-23**

On November 7, 2008, Idaho Power Company filed a Petition requesting authorization to modify its Irrigation Peak Rewards Program consistent with the terms of a Settlement Stipulation signed by the Company, the Idaho Irrigation Pumpers Association, Inc. and Staff. The Stipulation calls for a new dispatchable interruption option to be added to the Peak Rewards Program. This option will enable Idaho Power to dispatch service interruptions remotely to specified irrigation pumps between the hours of 2 p.m. and 8 p.m. any weekday during the irrigation season. The Stipulation also maintains the currently available timer program as an option. Under this option, the Company installs a timer-based load control device on the customer's electrical panel controlling the irrigation pumps at the metered service point. The timer is set to interrupt specified irrigation pumps on a designated weekday or days selected by the customer. The Stipulation also calls for installation fees depending upon the size of the irrigation system associated with a participating metered service point.

Not part of the Stipulation, the Company also filed direct testimony of its witness to recommend recovering peak reward program expenses in the Company's Power Cost Adjustment (PCA) mechanism. The testimony suggests that in promoting cost-effective demand side management (DSM) resources, the Commission should consider funding sources in addition to the DSM rider funding approach. Apart from the terms of the Stipulation, the Company

proposes that all of the peak reward program incentive related expenses be included in PCA rates.

Idaho Power requests that its Petition be processed by Modified Procedure. Staff recommends that the Company's Petition to modify the Irrigation Peak Rewards Program and to allow the Company to recover the costs of the program in its PCA be processed by Modified Procedure with a 45-day comment period.

COMMISSION DECISION

Should Idaho Power's Petition for authorization to modify the Irrigation Peak Rewards Program and to allow the Company to recover the cost of the program in its PCA be processed by Modified Procedure with a 45-day comment period?



Weldon B. Stutzman
Deputy Attorney General

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