WELDON B. STUTZMAN
DEPUTY ATTORNEY GENERAL
IDAHO PUBLIC UTILITIES COMMISSION
PO BOX 83720
BOISE, IDAHO 83720-0074
(208) 334-0318
IDAHO BAR NO. 3283

Street Address for Express Mail:

472 W. WASHINGTON
BOISE, IDAHO 83702-5918

Attorney for the Commission Staff

RECEIVED
2010 MAR 19 AM 9:23
IDAHO PUBLIC
UTILITIES COMMISSION

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF IDAHO POWER COMPANY FOR A PRUDENCY DETERMINATION OF ENERGY EFFICIENCY RIDER FUNDS SPENT IN 2002-2007	)))))	**CASE NO. IPC-E-09-09** **REPLY COMMENTS OF COMMISSION STAFF**

The Staff of the Idaho Public Utilities Commission, by and through its Attorney of Record, Weldon B. Stutzman, Deputy Attorney General, submits the following reply comments.

Staff appreciates the thoughtful comments filed by the Snake River Alliance, the Northwest Energy Coalition, the Industrial Customers of Idaho Power (ICIP), and the Idaho Conservation League. Staff believes the Stipulation, its attached Memorandum of Understanding (MOU), and the filed testimony of Lynn Anderson sufficiently present Staff's perspective on the issues in this case and that it is generally unnecessary to restate Staff's positions. Staff nonetheless will briefly address ICIP's mistaken assertion that Staff is recommending the Commission ". . . unconditionally approve the [MOU]. . ." and that Staff believes that compliance with the MOU is sufficient showing of demand-side management (DSM) prudency.

In the opening paragraph of ICIP's March 1 filed comments, it ". . . urges the Commission not to unconditionally approve the [MOU]." In support of its request, at the bottom of page 3, it states that ". . . the [MOU] only contains weak requirements for the analysis of the prudency of [DSM] expenditures. . . ." At the bottom of page 3 and top of page 4, ICIP states

that Staff expectations include cost-effectiveness evaluations from different perspectives, but does not require that DSM programs be cost-effective to receive Staff's support for prudency.

First, Staff does not request that the Commission approve the MOU. Second, the MOU is not intended to serve as a prudency sufficiency tool. In other words, utility compliance with the specific but limited requirements in the MOU will not, by itself, result in a Staff recommendation of a DSM prudency finding. Instead, Staff will continue to examine the prudency of all DSM expenditures including those for planning, implementing and evaluating measures and programs. It is true that Staff does not require that all measures and programs actually prove to be cost-effective after they are implemented in order for Staff to recommend that they be found prudent. Instead, Staff requires that all measures and programs have a goal and reasonable expectation of cost-effectiveness from each of three perspectives, i.e., total resource, utility and participant. Staff recognizes that due to unforeseeable and constantly changing circumstances not all prudently planned and implemented DSM programs will work as cost-effectively as originally expected.

Respectfully submitted this 19th day of March 2010.

Weldon B. Stutzman
Deputy Attorney General

N:IPC-E-09-09_Reply Comments_ws_la

CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 19TH DAY OF MARCH 2010, SERVED THE FOREGOING **REPLY COMMENTS OF COMMISSION STAFF,** IN CASE NO. IPC-E-09-09, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:

LISA D NORDSTROM
BARTON L KLINE
IDAHO POWER COMPANY
PO BOX 70
BOISE ID 83707-0070
E-MAIL: lnordstrom@idahopower.com
bkline@idahopower.com

DARLENE NEMNICH
JOHN R GALE
IDAHO POWER COMPANY
PO BOX 70
BOISE ID 83707-0070
E-MAIL: dnemnich@idahopower.com
rgale@idahopower.com

Brenda Jarrell
SECRETARY