

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

<b>IN THE MATTER OF IDAHO POWER</b>	)	
<b>COMPANY'S APPLICATION FOR AN</b>	)	<b>CASE NO. IPC-E-10-09</b>
<b>ORDER DESIGNATING THE ENERGY</b>	)	
<b>EFFICIENCY RIDER FUNDS SPENT BY</b>	)	<b>NOTICE OF APPLICATION</b>
<b>THE COMPANY DURING 2008-2009 AS</b>	)	
<b>PRUDENTLY INCURRED EXPENSES</b>	)	<b>NOTICE OF</b>
	)	<b>INTERVENTION DEADLINE</b>
	)	
	)	<b>ORDER NO. 32019</b>

---

**NOTICE OF APPLICATION**

YOU ARE HEREBY NOTIFIED that on March 16, 2010, Idaho Power Company ("Idaho Power" or "Company") filed an Application with the Commission seeking an Order designating Idaho Power's expenditures of \$50,701,740 in Energy Efficiency Rider ("Rider") funds in 2008 and 2009 as prudently incurred expenses. Idaho Power does not believe that a technical hearing is necessary in this case and has requested that its Application be processed under Modified Procedure.

YOU ARE FURTHER NOTIFIED that Idaho Power states that it currently offers 16 energy efficiency programs, 3 demand response programs and several educational initiatives to its Idaho customers.

YOU ARE FURTHER NOTIFIED that the Application states that annual energy savings from the Company's energy efficiency activities increased by 62% from 2007 to 2009, posting 140 Gigawatt hour ("GWh") savings in 2008 and an additional 148 GWh savings in 2009. Demand-side management ("DSM") programs reduced load by 48 MW in 2007, 61 MW in 2008, and 218 MW in 2009.

YOU ARE FURTHER NOTIFIED that Idaho Power claims that it has invested approximately \$21 million in DSM resources in 2008, \$18.8 million of which was from the Idaho Rider. In 2009, Idaho Power spent \$35 million on DSM-related activities, with \$31.8 million being funded by the Idaho Rider. Idaho Power believes that the results of these programs demonstrate that they are a cost-effective resource for customers.

YOU ARE FURTHER NOTIFIED that Idaho Power asserts that nearly all of its energy efficiency programs produced savings at a benefit/cost ratio greater than 1.0 when evaluated at a total resource cost perspective, a utility cost perspective and a participant cost perspective. The lone exception was the Holiday Lighting program which, due mostly to its relatively small size and the incremental costs of LED bulbs, was not cost-effective from the total resource perspective.

YOU ARE FURTHER NOTIFIED that Idaho Power has attached its 2008 and 2009 DSM Annual Reports to its Application. Idaho Power filed its 2008 DSM Annual Report with the Commission on March 13, 2009, pursuant to Order No. 29419 issued in Case No. IPC-E-03-19 and in accordance with certain agreed-upon guidelines set forth in the Memorandum of Understanding for Prudency Determination of DSM Expenditures ("DSM MOU") filed with the Commission on January 25, 2010. Idaho Power states that the 2009 DSM Annual Report is intended to satisfy the DSM reporting obligation set forth in Order No. 29419.

YOU ARE FURTHER NOTIFIED that Idaho Power's 2009 DSM Annual Report includes the following:

- a. A template building upon past DSM Annual Reports and expanding the main document to include two new supplements pertaining to cost-effectiveness and evaluation;
- b. A detailed table of contents;
- c. An introduction section;
- d. A section on cost-effectiveness which describes the relationship between the Company's DSM Annual Report and the Northwest Power and Conservation Council's 6<sup>th</sup> Power Plan, data inputs, assumptions and sources;
- e. An evaluation section;
- f. A program-specific section with detailed information of all of the Company's programs and initiatives; and
- g. A section titled "Other Programs and Activities" that do not produce actual savings but nevertheless support the Company's overall DSM agenda.

YOU ARE FURTHER NOTIFIED that Idaho Power calculated cost effectiveness from the utility and total resource perspectives at the program level across the life of the programs (2008 DSM Annual Report) and from the participant, utility and total resource perspectives at the program level (2009 DSM Annual Report), except for those programs with no customer costs.

YOU ARE FURTHER NOTIFIED that Idaho Power states that in future DSM annual reports it will include the ratepayer impact cost-effective test.

YOU ARE FURTHER NOTIFIED that Idaho Power used net-to-gross adjustments for the 2009 DSM Annual Report and third-party evaluators when appropriate for the specific study or evaluation.

YOU ARE FURTHER NOTIFIED that in the future Idaho Power plans to report the total cost of evaluating its programs and provide the names of primary outside evaluators and the titles of internal evaluators for each evaluation listed.

YOU ARE FURTHER NOTIFIED that the Application has been filed with the Commission and is available for public inspection during regular business hours at the Commission offices. The Application is also available on the Commission's web site at [www.puc.idaho.gov](http://www.puc.idaho.gov) by clicking on "File Room" and then "Electric Cases."

YOU ARE FURTHER NOTIFIED that all proceedings in this case will be held pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code and specifically *Idaho Code* §§ 61-524. The Commission may enter any final Order consistent with its authority under Title 61.

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

#### **NOTICE OF INTERVENTION DEADLINE**

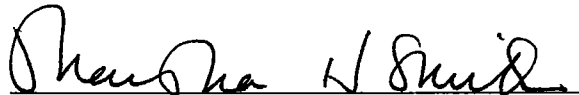
YOU ARE FURTHER NOTIFIED that persons desiring to intervene in this case for the purpose of presenting evidence or cross-examination at hearing shall file a Petition to Intervene with the Commission no later than fourteen (14) days from the effective date of this Order.


## ORDER

IT IS HEREBY ORDERED that interested parties shall file a Petition to Intervene with the Commission no later than fourteen (14) days from the effective date of this Order.

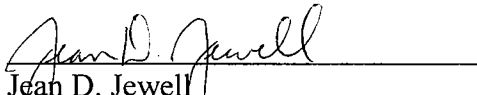
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 25<sup>th</sup> day of June 2010.

  
J.M.D. KEMPTON, PRESIDENT

  
MARSHA H. SMITH, COMMISSIONER

  
MACK A. REDFORD, COMMISSIONER

ATTEST:

  
Jean D. Jewell  
Commission Secretary

O:IPC-E-10-09-np