

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	
OF IDAHO POWER COMPANY FOR A)	CASE NO. IPC-E-11-05
PRUDENCY DETERMINATION OF 2010)	
ENERGY EFFICIENCY RIDER)	NOTICE OF APPLICATION
EXPENDITURES)	
)	NOTICE OF
)	MODIFIED PROCEDURE
)	
)	ORDER NO. 32232

YOU ARE HEREBY NOTIFIED that on March 15, 2011, Idaho Power Company filed an Application requesting a Commission Order establishing that its expenditures of \$42,479,692 in Energy Efficiency Rider funds in 2010 were prudently incurred expenses. Consistent with the Commission's instructions that Idaho Power should pursue demand-side management programs, Idaho Power has implemented or manages a wide range of opportunities for all customer classes to participate in demand-side management (DSM) and energy efficiency programs. The Company's Application states its objectives are to (1) achieve all prudent cost-effective energy efficiency and demand response resources to meet its electrical system's energy and demand needs and (2) provide customers with programs and information to help them manage their energy usage. Application, p. 2. Idaho Power consults with an Energy Efficiency Advisory Group, formed in May 2002 that provides a broad range of recommendations, including input on new program proposals, modifications to existing programs, and overall expenditures of Rider funds.

YOU ARE FURTHER NOTIFIED that the Company states its expenditures on DSM-related activities in 2010 increased to \$45.8 million, compared to expenses of approximately \$35 million in 2009 and \$21 million in 2008. Of the total amount, approximately \$42.5 million were Rider funded expenses. Application, p. 4.

YOU ARE FURTHER NOTIFIED that since the Energy Efficiency Rider was implemented in 2002, Idaho Power has steadily increased the breadth of its DSM and energy efficiency programs, as well as the level of funding for the programs. Between 2002 and 2007, the Commission found that the Company had prudently incurred cost-effective DSM-related Rider expenses of \$29 million. Application, p. 2 *citing* Order Nos. 30740 and 31039. In 2008

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and 2009, the Commission approved DSM-related Rider expenses of \$50.7 million. Order No. 32113.

YOU ARE FURTHER NOTIFIED that the Application states that the Company in 2010 continued to expand its DSM programs to increase participation and energy savings. The Company currently offers 16 energy efficiency programs, 3 demand response programs, several educational initiatives, and offers savings to customers through market transformation programs. Application, p. 3. Overall, energy savings from the total efficiency activities in 2010 totaled 187,626 MWh, an increase of 31% over the energy savings achieved in 2009. The demand response programs resulted in a total load reduction of 336 MW in 2010, compared with a reduction of 218 MW in 2009 and 61 MW in 2008. Application, p. 3.

YOU ARE FURTHER NOTIFIED that the Company attached its 2010 DSM Annual Report to the Application. The Report provides detailed cost-effectiveness information by program and energy savings measures as well as detailed financial information separated by expense category and jurisdiction. The Company uses four analyses to determine cost-effectiveness of the programs: the total resource cost perspective, the utility cost perspective, the participant cost perspective, and the ratepayer impact measure. The Report also contains an evaluation section that includes the Company's evaluation plans, copies of completed program evaluation reports, research reports, and reports completed by the Company or third parties. The Report contains specific information for each program, including its 2010 activities, a section on customer satisfaction and evaluations providing an overview of process, impact, and market effect evaluations.

YOU ARE FURTHER NOTIFIED that the Application states that independent, third party consultants are used to provide impact and process evaluations to verify that program specifications are met, provide viable recommendations for program improvement and validate energy savings achieved through the programs. During 2010, third party consultants provided evaluations on nine programs, including the heating and cooling efficiency, energy house calls, home improvement program, building efficiency, custom efficiency, and irrigation efficiency programs. Based on the information provided with its Application, Idaho Power requests that the Commission issue an Order designating the Company's expenditure of \$42,479,692 in Energy Efficiency Rider funds in 2010 to be prudently incurred expenses.

YOU ARE FURTHER NOTIFIED that the Commission has determined that the public interest may not require a formal hearing in this matter and will proceed under Modified Procedure pursuant to Rules 201 through 204 of the Idaho Public Utilities Commission's Rules of Procedure, IDAPA 31.01.01.201-204. The Commission notes that Modified Procedure and written comments have proven to be an effective means for obtaining public input and participation.

YOU ARE FURTHER NOTIFIED that any person desiring to state a position on this Application may file a written comment in support or in opposition with the Commission within sixty (60) days from the service date of this Notice. The comment must contain a statement of reasons supporting the comment.

YOU ARE FURTHER NOTIFIED that the Company and other interested parties have fourteen (14) days after the initial comment period to file reply comments.

YOU ARE FURTHER NOTIFIED that persons desiring a hearing must specifically request a hearing in their written comments. Written comments concerning this Application may be mailed to the Commission and Idaho Power at the addresses reflected below:

Commission Secretary
Idaho Public Utilities Commission
PO Box 83720
Boise, Idaho 83720-0074

Street Address for Express Mail:

472 W. Washington Street
Boise, ID 83702-5918

Jason B. Williams
Lisa D. Nordstrom
Idaho Power Company
PO Box 70
Boise, ID 83707-0070
E-Mail: jwilliams@idahopower.com
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Greg W. Said
Idaho Power Company
PO Box 70
Boise, ID 83707-0070
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These comments should contain the case caption and case number shown on the first page of this document. Persons desiring to submit comments via e-mail may do so by accessing the Commission's home page located at www.puc.idaho.gov. Click the "Comments and Questions" icon, and complete the comment form, using the case number as it appears on the front of this

document. These comments must also be sent to Idaho Power at the e-mail addresses listed above.

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the time limit set, the Commission will consider this matter on its merits and enter its Order without a formal hearing. If written comments are received within the time limit set, the Commission will consider them and, in its discretion, may set the same for formal hearing.

YOU ARE FURTHER NOTIFIED that the Application and supporting workpapers have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices or on the Commission's web site at 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 that 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.

ORDER

IT IS HEREBY ORDERED that Idaho Power Company's Application for a prudence determination of 2010 Energy Efficiency Rider expenditures be processed by Modified Procedure, IDAPA 31.01.01.201-.204. Persons interested in submitting written comments in this matter must do so within 60 days from the service date of this Notice, and may file reply comments within 14 days after the initial comment period.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 26th
day of April 2011.



PAUL KJELLANDER, PRESIDENT




MACK A. REDFORD, COMMISSIONER



MARSHA H. SMITH, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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