

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF IDAHO POWER COMPANY FOR A) CASE NO. IPC-E-12-15
DETERMINATION OF 2011 DEMAND-SIDE)
MANAGEMENT EXPENDITURES AS) NOTICE OF APPLICATION
PRUDENTLY INCURRED)
)
) NOTICE OF
) MODIFIED PROCEDURE
)
) ORDER NO. 32512

On March 15, 2012, Idaho Power Company applied for an Order establishing that it prudently incurred \$42,641,706 in demand-side management (“DSM”) expenses in 2011. Application at 1. The Company asks the Commission to process the Application under Modified Procedure. *Id.* at 7.

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that the Company says it has implemented or manages a wide range of opportunities for all customer classes to participate in DSM activities, consistent with the Commission’s direction that the Company pursue DSM programs to promote energy efficiency. The Company says it uses DSM programs to (1) provide customers with programs and information to help them manage their energy usage, and (2) achieve prudent cost-effective energy efficiency and demand response resources to meet the Company’s electrical system’s energy and demand needs. Idaho Power consults with an Energy Efficiency Advisory Group that provides a broad range of recommendations, including input on new program proposals, modifications to existing programs, and overall expenditures of DSM funds. *Id.* at 2.

YOU ARE FURTHER NOTIFIED that in this case, Idaho Power seeks a determination that it prudently incurred \$35,623,321 in Idaho Energy Efficiency Rider expenses and \$7,018,385 in custom efficiency incentive expenses, for a total of \$42,641,706 in DSM-related expenses. The Company notes that since the Energy Efficiency Rider was implemented in 2002, Idaho Power has steadily increased the breadth and funding level of its DSM activities. The Commission found the Company had prudently incurred cost-effective DSM-related Rider expenses of \$29 million from 2002 and 2007. *Id.*, *citing* Order Nos. 30740 and 31039. Additionally, the Commission approved DSM-related Rider expenses of \$50.7 million from

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2008 and 2009. *Id.*, citing Order No. 32113. Further, the Commission found the Company prudently incurred cost-effective DSM-related Rider expenses of \$41.9 million in 2010. *Id.*, citing Order No. 32331.

YOU ARE FURTHER NOTIFIED that the Application says that in 2011, the Company continued its DSM programs to increase participation and facilitate energy savings. The Company currently offers 17 energy efficiency programs (16 of which are cost-effective; the Home Improvement Program is not), 3 demand response programs (all of which are cost-effective from a long-term perspective; the A/C Cool Credit program was not cost-effective for 2011, however), and several educational initiatives. It also offers savings to customers through market transformation programs. *Id.* at 3-4. The Company notes that overall, energy savings from Idaho Power's efficiency activities in 2011 totaled 179,424 MWh. *Id.* at 3.

YOU ARE FURTHER NOTIFIED that the Application attaches the Company's 2011 DSM Annual Report. 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. *Id.* at 5. The Company uses four cost/benefit 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. *Id.* 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. *Id.* The Report contains specific information for each program, including its 2011 activities, a section on customer satisfaction and evaluations providing an overview of process, impact, and market effect evaluations. *Id.* at 6.

YOU ARE FURTHER NOTIFIED that the Application says that independent, third-party consultants provide impact and process evaluations to verify that program specifications are met, recommend improvements to the programs, and validate program-related energy savings. *Id.* at 7. During 2011, impact evaluations were completed on eight programs and process evaluations were completed on two programs. Third-party consultants conducted eight of the evaluations. *Id.*

YOU ARE FURTHER NOTIFIED that, based on the information provided with its Application, Idaho Power requests that the Commission issue an Order designating the Company's expenditure of \$42,641,706 in 2011 as prudently incurred DSM expenses. *Id.* at 8.

NOTICE OF MODIFIED PROCEDURE

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

Julia A. Hilton
Lisa D. Nordstrom
Idaho Power Company
PO Box 70
Boise, ID 83707
E-Mail: jhilton@idahopower.com
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Greg Said
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gsaid@idahopower.com

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.

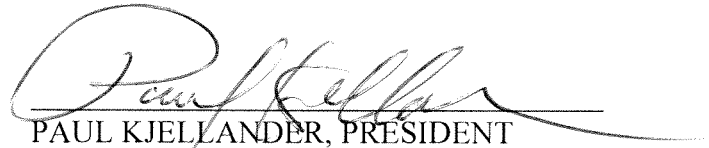
YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000 et seq.

ORDER

IT IS HEREBY ORDERED that this matter 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.

IT IS FURTHER ORDERED that Idaho Power may file reply comments (if necessary) within 14 days after the initial comment period.

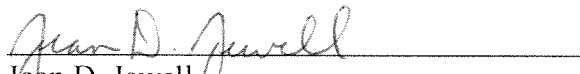
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 10th
day of April 2012.


PAUL KJELLANDER, PRESIDENT


MACK A. REDFORD, COMMISSIONER


MARSHA H. SMITH, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

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