

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	
OF IDAHO POWER COMPANY FOR)	CASE NO. IPC-E-12-29
AUTHORITY TO TEMPORARILY SUSPEND)	
ITS A/C COOL CREDIT AND IRRIGATION)	NOTICE OF APPLICATION
PEAK REWARDS DEMAND RESPONSE)	
PROGRAMS)	NOTICE OF
)	INTERVENTION DEADLINE
)	
)	NOTICE OF
)	PREHEARING CONFERENCE
)	
)	ORDER NO. 32713

On December 21, 2012, Idaho Power filed an Application seeking Commission authorization to “temporarily suspend” its A/C Cool Credit and Irrigation Peak Rewards demand response programs. The A/C Cool program allows the utility to periodically “cycle” the central air conditioning units of participating residential customers during the summer months of June, July, and August. See tariff Sch. 81. The Peak Rewards program allows the utility to turnoff the irrigation pumps of participating irrigation customers for a limited number of hours during the three summer months. See tariff Sch. 23. These two voluntary programs are designed to reduce loads during summertime peak-hour demand. Customers participating in these two programs are compensated with billing credits. Idaho Power instituted these programs when it determined it was “more cost-effective to utilize demand response programs rather than build a simply-cycle peaking resource” to meet summertime peak-hour demand. Application at 3.

NOTICE OF APPLICATION***A. The Need for Demand Response Programs***

YOU ARE HEREBY NOTIFIED that in its Application, the Company reports that its 2013 Integrated Resource Plan (IRP) shows that the peak-hour projected loads for the summer months does not exceed the Company’s generation resources. More specifically, the Company maintains that its current IRP does not show “a peak-hour deficit until July 2016 and therefore [there is] no need for near-term peak-hour resources like” the A/C Cool and Irrigation Peak

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Reward programs. *Id.* at 2-3. Consequently, the Company requests that it be allowed to temporarily suspend these two demand response programs for the 2013 season (including the billing credits)¹ while the Company works with stakeholders to re-assess the programs so they can become effective prior to the 2014 summer season. *Id.* at 5.

YOU ARE FURTHER NOTIFIED that the Company envisions using a collaborative approach with interested stakeholders to review changes to the two programs during calendar year 2013. The Company would file an application with the Commission to reactivate the programs prior to the summer of 2014. Application at 6. “However, should the Commission deny the Company’s request to suspend the two programs through an Order issued by March 1, 2013, the Company stands ready to operate the programs in the summer of 2013.” *Id.* If the Commission approves the temporary suspensions, the Company would adjust its tariff Schedule 23 (Peak Rewards) and Schedule 81 (A/C Cool) to show that the customer incentive payments would be reduced to zero, no new program participants would be accepted in 2013, and that Idaho Power would not institute any load control events for either program in 2013. *Id.* at 6-7.

B. Costs and Savings

YOU ARE FURTHER NOTIFIED that the Company has included prefiled direct testimony in support of its Application. In 2012, Idaho Power states that it spent approximately \$5.5 million on the A/C Cool program and approximately \$12.3 million on the Irrigation Peak Rewards program. Drake at 13, 19. Company witness Theresa Drake asserts that temporary suspension of the A/C Cool program would allow the Company to save approximately \$749,000 in payments to participating customers. Drake at 16. The Company does not anticipate removing any of the A/C load control devices but recognizes that customers may elect to no longer participate in the program. In such cases, the Company calculates that approximately 15% of customers may elect to have their devices removed at a cost of approximately \$85 per device. Consequently, the Company calculates removal costs in 2013 may be about \$425,000. *Id.* at 14-15.

YOU ARE FURTHER NOTIFIED that despite the savings, the Company also anticipates spending approximately \$650,000 on the A/C Cool program in 2013 for customer

¹ In the A/C Cool program, customers receive a monthly billing credit of \$7.00 for each of the three summer months.

service inquiries, maintenance on the devices, customer service for program participants, and maintaining access to the data bases. *Id.* at 14. Additionally, the Company will be responsible for “software and license fees for the AMI switches.” *Id.*

YOU ARE FURTHER NOTIFIED that if the Irrigation Peak Reward program is suspended, the Company estimates it would spend between \$600,000 and \$900,000 in program-related expenses to keep the load control devices operational. Drake at 19. By suspending the two programs for 2013, the Company estimates a savings of about \$11.75 million which will “result in a direct customer benefit recognized in the 2013-2014 PCA.” Drake at 22.

YOU ARE FURTHER NOTIFIED that the Company requests that its Application be processed under Modified Procedure and that the Commission suspend the two programs no later than March 1, 2013. The Company proposes to individually notify customers participating in the two programs. The customer notice letter also advises customers that the Company has filed an Application with the Commission and that the Application and accompanying documents can be reviewed at the offices of the PUC or Idaho Power or on their respective web sites. See Application, Atch. 2.

YOU ARE FURTHER NOTIFIED that the Company’s Application and supporting testimony are available for public inspection on the Commission’s web site at www.puc.idaho.gov by clicking on “File Room” and then “Electric Cases” and scrolling down to the case number that appears on the first page of this Order.

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* §§ 61-502, 61-503, 61-507, 61-520, 61-523, and 61-622. The Commission may enter any final Order consistent with its authority under Title 61.

NOTICE OF INTERVENTION DEADLINE

YOU ARE FURTHER NOTIFIED that **persons desiring to intervene** in this matter for the purpose of presenting evidence or cross-examining witnesses at hearing **must file a Petition to Intervene** with the Commission pursuant to this Commission’s Rules of Procedure 72 and 73, IDAPA 31.01.01.072 and -.073. Persons intending to participate at the hearing must file a Petition to Intervene **on or before January 22, 2013**. Persons desiring to present their

views without parties' rights of participation and cross-examination are not required to intervene and may present their comments without prior notification to the Commission or the parties.

YOU ARE FURTHER NOTIFIED that the following persons are designated as Idaho Power's representatives in this matter:

Lisa D. Nordstrom
Regulatory Dockets
Idaho Power Company
PO Box 70
Boise, ID 83707-0070

E-mail: lnordstrom@idahopower.com
dockets@idahopower.com

Courtney Waites
Tim Tatum
Idaho Power Company
PO Box 70
Boise, ID 83707-0070

E-mail: cwaites@idahopower.com
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NOTICE OF PREHEARING CONFERENCE

YOU ARE FURTHER NOTIFIED that the Commission will convene a prehearing conference in this matter to commence at **1:30 P.M. ON TUESDAY, JANUARY 29, 2013 AT THE COMMISSION'S HEARING ROOM, 472 WEST WASHINGTON STREET, BOISE, IDAHO (208) 334-0338.** The purpose of the prehearing conference is to allow the parties to advise the Commission on the appropriate manner to process this case and to discuss other procedural issues.

On January 7, 2013, the Idaho Irrigation Pumpers Association, Inc. filed a Petition to Intervene and Protest to Modified Procedure. The Petition states that the Irrigators have a direct and substantial interest in this proceeding and intend to participate as a party. This intervenor is represented by the following for purposes of service:

Eric L. Olsen
Racine, Olson, Nye, Budge &
Bailey, Chartered
PO Box 1391
Pocatello, ID 83204-1391
E-mail: elo@racinelaw.net

Anthony Yankel
29814 Lake Road
Bay Village, OH 44140
E-mail: tony@yankel.net

We find that based upon the Petition, intervention by the Irrigators would serve the purpose of intervention as described by Rule 74 of our Rules of Procedure, IDAPA 31.01.01.074.

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

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YOU ARE FURTHER NOTIFIED that all hearings and prehearing conferences in this matter will be held in facilities meeting the accessibility requirements of the Americans with Disabilities Act (ADA). Persons needing the help of a sign language interpreter or other assistance in order to participate in or to understand testimony and argument at a public hearing may ask the Commission to provide a sign language interpreter or other assistance at the hearing. The request for assistance must be received at least five (5) working days before the hearing by contacting the Commission Secretary at:

IDAHO PUBLIC UTILITIES COMMISSION
PO BOX 83720
BOISE, IDAHO 83720-0074
(208) 334-0338 (Telephone)
(208) 334-3762 (FAX)
E-Mail: secretary@puc.idaho.gov

ORDER

IT IS HEREBY ORDERED that persons desiring to intervene in this matter shall file a Petition to Intervene no later than January 22, 2013.


IT IS FURTHER ORDERED that the Petition to Intervene filed by the Idaho Irrigation Pumpers Association, Inc. is granted.

IT IS FURTHER ORDERED that the Commission shall convene a prehearing conference in this matter on January 29, 2013, to discuss how this matter should be processed and other preliminary matters.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 10th
day of January 2013.



PAUL KJELLANDER, PRESIDENT

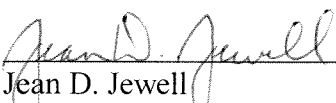


MACK A. REDFORD, COMMISSIONER



MARSHA H. SMITH, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

b1s/O:IPC-E-12-29_dh

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