

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
PEAK REWARDS DEMAND RESPONSE)	SETTLEMENT WORKSHOP
PROGRAMS)	
)	ORDER NO. 32732

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 for 2013. The A/C 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 Irrigation 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 in the three summer months. 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. The Company initially requested that the Commission issue its Order approving the suspension no later than March 1, 2013. Application at 1, 8.

On January 10, 2013, the Commission issued a Notice of Intervention and Notice of Prehearing Conference. Timely Petitions to Intervene were filed by the Idaho Irrigation Pumpers Association, Inc. (the Irrigators); Idaho Conservation League (ICL); and Snake River Alliance (SRA). The Commission granted these Petitions to Intervene. See Order Nos. 32725, 32718, 32713. On January 28, 2013, the Commission issued its Notice of Parties. On January 29, 2013, the Commission convened a prehearing conference in this matter.

BACKGROUND***A. The Application***

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 [to employ] peak-hour [load reduction] resources like" the A/C and Irrigation programs in 2013. *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 develop and review changes to the two programs during calendar year 2013. "However, should the Commission deny the Company's request to suspend the two programs . . . , the Company stands ready to operate the programs in the summer of 2013." Application at 6. If the Commission approves the temporary suspensions, the Company would adjust its tariff Schedule 23 (Irrigation) and Schedule 81 (A/C) 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 initiate any load control events for either program in 2013. *Id.* at 6-7.

B. Projected Costs and Savings

YOU ARE FURTHER NOTIFIED that the Company has included prefiled direct testimony in support of its Application. In 2012, Idaho Power witness Theresa Drake states that the Company spent approximately \$5.5 million on the A/C program and approximately \$12.3 million on the Irrigation program. Drake at 13, 19. She asserts that temporary suspension of the A/C program would allow the Company to save approximately \$749,000 in payments to participating customers. Drake at 16. At the prehearing conference, the Company disclosed that temporary suspension of the Irrigation program would save about \$10.9 million in 2013. The Company does not anticipate removing any of the customer load control devices but recognizes that customers may elect to no longer participate in the program. The Company calculates that 15% of customers may elect to have their devices removed which would result in removal costs to the Company.

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

YOU ARE FURTHER NOTIFIED that the Company also anticipates spending approximately \$650,000 on the A/C program in 2013 for customer 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.* Likewise, if the Irrigation 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.

THE PREHEARING CONFERENCE

The Commission convened its prehearing conference on January 29, 2013. Idaho Power, the three intervenors, and Commission Staff participated in the hearing. The purpose of the prehearing conference was so the parties could advise the Commission on the appropriate manner to process this case. Order No. 32713 at 4. Despite the Irrigators’ initial request that the Commission schedule a technical hearing to consider the suspensions, all the parties agreed at the prehearing conference that this Application could be processed without a technical hearing. The parties further agreed that a settlement workshop be held on February 6, 2013, so that the parties can discuss the short-term suspension issues (for 2013) and establish a schedule to address the longer term issues (2014 and beyond) of the two demand reduction programs. In addition, Idaho Power conceded that the Commission’s suspension decision could be made no later than April 1, 2013.

Given the proposal of the parties, we direct that the parties attend a settlement workshop to address the issues and conditions of whether the A/C and Irrigation programs should be suspended for 2013. Based upon the agreement of the parties, the Commission finds there is good cause to schedule a public workshop on less than 14 days’ notice for February 6, 2013. IDAPA 31.01.01.241.

NOTICE OF PUBLIC WORKSHOP

YOU ARE FURTHER NOTIFIED that the Commission will convene a settlement workshop for the parties and interested persons to commence at **9:00 A.M. ON WEDNESDAY, FEBRUARY 6, 2013 AT THE COMMISSION HEARING ROOM, 472 WEST WASHINGTON STREET, BOISE, IDAHO (208) 334-0338.** The purpose of this settlement workshop is to allow the participants to discuss the merits and conditions of Idaho Power’s request to suspend customer payments under the A/C and Irrigation programs for 2013.

Participants at the workshop may also discuss issues related to refining the two programs for continued operation in 2014 and beyond.

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.*

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.

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:

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PO BOX 83720
BOISE, IDAHO 83720-0074
(208) 334-0338 (Telephone)
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ORDER

IT IS HEREBY ORDERED that a settlement workshop is scheduled for February 6, 2013 to discuss the issues of suspending the A/C Cool Credit and Irrigation Peak Rewards programs for 2013. The parties are reminded that any agreement regarding the suspension of the programs during 2013 should be submitted for our review well before the proposed effective date of April 1, 2013. Participants may also schedule further workshops to address longer term issues of the two programs for 2014 and beyond.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 31st
day of January 2013.



PAUL KJELLANDER, PRESIDENT

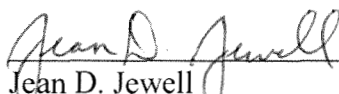


MACK A. REDFORD, COMMISSIONER



MARSHA H. SMITH, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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