Office of the Secretary
Service Date
August 28, 2015

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF IDAHO POWER COMPANY FOR A DETERMINATION OF 2014 DEMAND-SIDE MANAGEMENT EXPENDITURES AS PRUDENTLY INCURRED	)))))	**CASE NO. IPC-E-15-06** **ORDER NO. 33365**

On March 13, 2015, Idaho Power Company (the Company) applied to the Commission for an Order establishing that the Company prudently incurred $33,495,385 in demand-side management (DSM) expenses in 2014. The Commission subsequently issued a Notice of Application, and set deadlines for persons to intervene as parties and file comments in the case. *See* Order No. 33273 and related Errata, and Order 33326. The Industrial Customers of Idaho Power (ICIP) and Idaho Conservation League (ICL) intervened as parties, and they, Commission Staff, and the Snake River Alliance (SRA) filed comments. The Company also filed a reply. No other comments were received.

Having reviewed the record, we issue this Order approving the Company's prudency request as more specifically discussed below.

THE APPLICATION

The Company's Application is broken into sections addressing: (A) DSM Savings; (B) DSM Expenditures; (C) DSM Cost-Effectiveness and Evaluations; (D) Stakeholder Input; and (E) Compliance with Order No. 33161. Each section is summarized below.

A. DSM Savings

The Company reported that its 2014 DSM efforts included Northwest Energy Efficiency Alliance (NEEA) market transformation activities, 18 energy efficiency (EE) programs (16 in Idaho, 2 in Oregon), 3 demand response (DR) programs, and several educational initiatives. These efforts increased the Company's annual energy savings by 33%, to 138,670 megawatt hours (MWh), which exceeds the savings target in the Company's 2013 Integrated Resource Plan (IRP). The savings included 118,670 MWh from EE programs and 20,000 MWh from market transformation initiatives. The savings primarily arose from the industrial sector and, to a lesser extent, the residential sector. In addition, the Company enrolled enough participants in DR programs to provide 390 MW of load shedding capacity. These DR programs ultimately reduced demand by 378 MW and saved customers about $6.5 million.[1]

B. DSM Expenditures

The Company offers DSM programs including EE programs and DR programs. The Company funds its EE programs through the Energy Efficiency Rider, base rates, and the annual Power Cost Adjustment (PCA). It funds its DR programs through base rates and the PCA. The Company asked the Commission to find that it prudently spent $33,495,385 to develop and run its DSM programs in 2014. These expenses included $25,554,688 in Rider expenses, and $7,940,697 in DR program incentive payments. The Company noted that its prudency request excludes: (1) $338,707 in labor-related expenses; (2) $248 in Home Energy Audit program labor expenses; and (3) $1,153 in Energy House Calls Program incentives that were inadvertently charged to the Idaho Energy Efficiency Rider when they should have been charged to the Oregon Rider.

C. DSM Cost-Effectiveness and Evaluations

The Company noted that independent, third-party consultants completed impact evaluations on five programs and process evaluations on three programs to verify that program specifications were met, recommended improvements, and validated program-related energy savings. The Company also conducted its own cost-effectiveness analyses on each program.

The Company analyzed whether its EE programs and measures were cost-effective under: (1) the total resource cost test (TRC); (2) the utility cost test (UCT); (3) the participant cost test (PCT); and (4) the ratepayer impact measure test (RIM).[2] The Company ultimately concluded that its overall EE was cost-effective under the TRC and UCT; of the Company's 16 Idaho-based EE programs, 11 programs passed the TRC and UCT, 2 programs failed the TRC

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[1] Besides these efforts, which resulted in savings in 2014, the Company also reports that it helped NEEA create a new market transformation plan that should save 145 average MW from 2015 to 2019 and costs the Company's customers $3 million less than they paid under NEEA's prior plan.

[2] The four tests examine a program's cost-effectiveness from different perspectives. In summary, the TRC compares program administrator costs and customer costs to utility resource savings, and assesses whether the total cost of energy in a utility's service territory will decrease. The UCT compares program administrator costs to supply-side resource costs, and assesses whether utility bills will increase. The PCT compares the costs and benefits of the customer installing the measure, and assesses whether program participants will benefit over the measure's life. The RIM measures the impact to customer rates due to changes in utility revenues and operating costs caused by an energy efficiency program. Under these tests, a program or measure is deemed cost-effective if it has a benefit/cost ratio above 1.0.

but passed the UCT, and 3 programs failed both the TRC and UCT. Further, all of the EE programs with customer costs passed the PCT.

In addition to its EE portfolio, the Company also has a $16.7 million DR portfolio. The Company estimates that all DR programs would have remained cost-effective if fully dispatched.

D. Stakeholder Input

To assist with the development of DSM activities, the Company consults with its Energy Efficiency Advisory Group (EEAG) and other stakeholders. The Company noted that stakeholder input in 2014 led the Company to increase its incentive payments to participants in its commercial and industrial DSM programs, to change its commercial/industrial lighting measures, and to start (or plan to start) two new EE programs.

E. Compliance with Order No. 33161

In the Company's last prudence filing, Case No. IPC-E-14-04, Staff and other parties questioned the Company's declining DSM marketing efforts and expenditures. After noting that the Company had defended its actions, the Commission directed the parties to further explore these issues in the context of the Company's next IRP filing. *See* Errata to Order No. 33161. The Company explained that it responded to this Order by organizing an Energy Efficiency Working Group and investigating the extent to which EE programs and measures may yield transmission and distribution (T&D) benefits. The Company continues to evaluate program delivery issues, and stakeholders can use the EEAG to advise the Company on DSM issues.

THE COMMENTS AND REPLY

Commission Staff, ICL, SRA, and ICIP filed timely written comments, and the Company filed a timely reply. The parties' comments and the Company's reply are summarized by issue below and are followed by a "Commission Finding" where pertinent.

A. Prudency of DSM Expenditures

The Company asked the Commission to find that it prudently incurred $33,495,385 in 2014 DSM-related expenses consisting of $25,554,688 in EE Rider expenses, and $7,940,697 in DR program expenses that have been included for recovery in the 2015 PCA. Staff, ICL, and SRA support this request and recommended the Commission find the Company prudently incurred its 2014 DSM expenses. Staff Comments at 3, 12; ICL Comments at 1, 10; SRA Comments at 1. ICIP neither opposed nor supported the Company's request, but simply recommended the Commission allow the Company to recover its prudently incurred expenses, and not allow the Company to recover those that were imprudently incurred. ICIP Comments at 1-2.

Commission Findings: Based on our review of the record, we find that the Company prudently incurred $33,495,385 in 2014 DSM-related expenses consisting of $25,554,688 in expenses that were booked to the DSM Rider account, and $7,940,697 in DR program expenses that have been included for recovery in the 2015 PCA. We note that this issue was undisputed.

B. Energy Efficiency Rider Balance and Surplus

Staff, ICIP, and SRA commented on the Energy Efficiency Rider balance. Staff and the Company would record the Rider account's 2014 ending balance at slightly different amounts. ICIP and SRA, on the other hand, offered comments on the propriety of a Rider balance surplus.

1. Rider Balance Difference

Staff calculated the Rider account's balance as of December 31, 2014, as follows:

2014 Beginning Rider Balance	$ 6,685,745
2014 Funding plus Accrued Interest	38,088,113
Total 2014 Funds	44,773,858
2014 Booked Expenses and Activity	(25,556,089)
2015 Accounting Adjustment	1,153
Rider Transfer to PCA	(20,000,000)
2014 Ending Rider Balance per Report	$ (781,078)

See Staff Comments at 4.

In its reply, the Company clarified that the 2014 Rider ending balance should be ($782,231), and not ($781,078) as stated by Staff. The $1,153 difference arises from the two incentives that the Company inadvertently charged to the Idaho Energy Efficiency Rider in 2014 instead of to the Oregon Rider. The Company recorded this accounting adjustment on its books in 2015. Accordingly, the Company will reflect the accounting adjustment in the Company's 2015 Rider ending balance, not in the 2014 ending Rider balance. *See* Company Reply at 2.

Commission Findings: From our review of the record, it appears that the $1,153 difference in the 2014 ending Rider balance arises because Staff and the Company used different accounting methods to record when the Company should have reflected the inadvertent charge to the Idaho Rider on the Company's books. Staff used an accrual-basis method (record income/expense when the activity from which it arises occurred, i.e., in 2014). The Company used a cash-basis method (record income/expense when Company receives or makes the payment, i.e., 2015). We find it reasonable to defer to the Company's business judgment in selecting its accounting method, and thus approve the Company's proposed Rider balance of ($782,231).

2. Rider Balance Surplus

ICIP expressed concern that the Company projected a $9.8 million surplus for May 31, 2015, and that the surplus for the end of 2015 is about $12 million. ICIP argued that the "surplus in the account is becoming an ongoing pattern" that suggested the Company may be mismanaging Rider funds. ICIP thus stated that it is willing to work with the Company, Staff, and other stakeholders to address this issue and help the Company use surplus funds to acquire additional cost-effective DSM opportunities that may exist. ICIP Comments at 3-4.

SRA asked the Commission to reject any suggestion that the Rider balance should be reduced. SRA maintained that reducing the Rider would be premature because room exists to improve and expand the Company's DSM programs. SRA noted that maintaining a positive Rider balance improves the Company's opportunity to increase EE and decrease the need to rely on fossil fuels. SRA noted that pending federal environmental regulations may significantly impact the Company's operations, and that the Company's DSM programs can reduce that risk. SRA Comments at 1-2.

In its reply, the Company disagreed that the Rider surplus suggests that the Company is mismanaging DSM Rider funds. The Company noted that the Rider balance has fluctuated between surplus and deficit since the Rider's inception in 2002. The Company stated the Rider balance does not influence the Company's pursuit of cost-effective EE or suggest the Company is mismanaging customer funds. Company Reply at 7-8.

Commission Findings: No one asked us to reduce the Rider in this case. While we appreciate ICIP's comments, we decline to associate a surplus with mismanagement of Rider funds. However, we encourage the Company, Staff, and other stakeholders to continue to monitor the Rider balance and to apprise us of any positive or negative trends.

C. Control over Energy Efficiency Resource Targets

The Company's energy savings rebounded significantly in 2014; the Company's total savings increased by 33% from the prior year, and exceeded the 2013 IRP target. Further, the Company's DSM 2014 Annual Report (DSM Report) documents dramatic improvement to the

Company's program marketing and delivery, and several new DSM programs in the Company's portfolio. In its comments, Staff stated this "improvement demonstrates that the Company's ability to achieve [EE] resource targets is largely within its control and is not determined by outside factors." *See* Staff Comments at 5.

In its reply, the Company clarified that it does not "entirely" control EE achievement. The Company noted that factors beyond its control—such as changes in codes, standards, market transformation, and the economy that influence customers' energy efficiency project decisions—can directly affect program savings, applicability, or cost-effectiveness. *See* Company Reply at 2-3.

Commission Findings: We appreciate that the Company may not "entirely" control whether it achieves its EE resource targets. However, while factors beyond the Company's control may exist, we believe the Company can adjust for many factors which could be reflected in its IRP. We acknowledge that the Company exceeded those targets here, and likely influenced that outcome.

D. DSM Program Delivery

Staff noted that the Company has improved its DSM program delivery methods to make it easier for customers to participate in the Company's programs. However, the Company also stressed that it is focusing on reducing program costs. While Staff supports prudent cost-management efforts, Staff cautioned the Company not to impose "overly burdensome documentation" requirements that may discourage customers from participating in the programs. Staff Comments at 7-8. Staff's concern arises, in part, from the Company's efforts to increase the accuracy and thoroughness of paperwork submitted by DSM program participants. As specified in the Company's DSM Report:

> Program personnel communicated the importance of being accurate on project submittals with trade allies at its annual program update workshops, as well as during communications with trade allies throughout the year. Program staff commended trade allies on submitting accurate and thorough paperwork as well as provided feedback and encouragement to trade allies whose paperwork would benefit from increased accuracy. The new trade ally support person began meeting with trade allies on a more frequent basis to provide ongoing education on program processes, paperwork submittal, and program requirements. In addition, the new outreach support person met with contractors who were new to the program to help them gain a thorough understanding of the program and requirements.

DSM Report at 119. According to Staff, commercial and industrial EEAG members have stated that these documentation requirements create a time consuming back-and-forth dynamic that discourages participation in DSM programs. Staff Comments at 7-8.

In its reply, the Company clarified that it did not add documentation requirements. Rather, the Company merely attempted to increase the accuracy and thoroughness of existing paperwork. The Company stated that it only requires documentation that is necessary to: (1) demonstrate proof of purchase and equipment specification; (2) have documentation available for auditing and evaluation purposes; (3) support internal quality control purposes; and (4) demonstrate prudent use of customer funds. Company Reply at 3-4.

Commission Findings: The Commission is mindful of the Company's need to guard against the potential for waste, fraud, and abuse in its DSM programs. The Commission thus appreciates the Company's efforts to improve the accuracy and thoroughness of its DSM program documentation. However, in light of concerns expressed by some EEAG members, we find it reasonable to direct the Company to review the documentation process and communicate with commercial and industrial EEAG members as to whether any opportunity for efficiencies exist. If through this process the utility discovers opportunities to improve the documentation program, the Commission encourages the utility to implement those changes.

E. New Program Implementation

Staff noted that the Company rolled out several new programs in 2014, including an effective Home Energy Audits marketing and education program. The Company also expanded its popular and successful Shade Tree program, and started distributing residential clothes lines. Further, Staff reported that the Company "is committed to moving forward" with several new EE programs or measures, such as a residential smart thermostat program, retro-commissioning for building retrofits and processes, a multi-family program investigation, a residential behavior-based EE program, and a direct install program for small business customers. Staff supports the Company's efforts, and recommended the Company also explore programs that could create additional cost-effective electric savings in gas-heated homes. Staff Comments at 9.

In reply, the Company clarified that it "is committed to moving forward with investigating and/or analyzing these ideas; however, some may be viable and some may not. Regardless of the outcome of its due diligence efforts, the Company intends to keep the EEAG informed of progress on the items." Company Reply at 4.

Commission Findings: The Commission endorses the Company's expressed commitment to investigating and analyzing potentially new EE programs and measures. The Commission also encourages the Company to explore programs that can create additional savings for gas-heated homes.

F. Cost-Effectiveness of DSM Programs

Staff and ICL highlight three main issues about the Company's DSM cost-effectiveness determinations, including: (1) the Company's improved cost-effectiveness assumptions; (2) whether the Company should emphasize the UCT when determining if a DSM program is cost-effective; and (3) whether the Company should include other energy benefits (such as avoided T&D costs) when calculating DSM program cost effectiveness.

1. Improved Cost-Effectiveness Assumptions

Staff and ICL noted that the Company improved its DSM cost-effectiveness calculations to better align them with evolving regional and national practices. For example, the Company's cost-effectiveness calculations now include a 10% Northwest Power Act Credit/Conservation Adder and a 100% Net-to-Gross (NTG) ratio for all programs. Staff and ICL support these improvements, and ICL also asked that the Commission specifically endorse the improvements. Staff Comments at 10; ICL Comments at 3-5 (also supporting the Company's decisions to update its line-loss coefficients, and freeze savings assumptions when budgets are set).

Commission Findings: The Commission acknowledges that the Company has taken steps to improve the assumptions underlying its cost-effectiveness calculations. The Commission encourages the Company to continue those efforts.

2. Emphasizing UCT in Cost-Effectiveness Determinations

Staff stated that the Company could further improve its cost-effectiveness determinations by focusing on the UCT. Staff noted that the UCT reflects the Company's revenue requirement to acquire additional resources. Further, the Company can better control the UCT's outcome because a program's cost-effectiveness under the UCT primarily turns on the Company's incentive payments: the Company can decrease incentives to preserve a program's cost-effectiveness, or increase incentives to acquire more resources. In contrast, TRC cost-effectiveness primarily is driven by customer costs beyond the Company's control. Staff argued the TRC's customer cost focus could discourage a utility from creating or expanding DSM programs due to the risk that a utility's program-related expenses may be disallowed if the program becomes cost-ineffective under the TRC for reasons beyond the utility's control. Staff believes utilities would more likely pursue innovative DSM programs if the Commission emphasized the UCT, and thus the utility's ability to control DSM program cost-effectiveness and associated expense recovery risks. Staff Comments at 10.

ICL shares Staff's view. ICL stated that "[w]hile cost-effectiveness from every perspective is a laudable goal, when determining the prudence of utility decisions [to invest in DSM programs] ICL recommends the Commission primarily focus on the Utility Cost Test"; i.e., on whether, from the utility's perspective, the benefits of investing in the DSM program outweigh the costs. ICL noted that all four tests are complementary, but that the practice in Idaho has been to focus on the TRC. ICL urged the Commission to instead focus on the UCT, because the UCT uses the Company-controlled costs (incentives and administration) and benefits (avoided energy and capacity) that the utility can accurately measure regardless of the individual participant. ICL also noted that the UCT does not rely on tough-to-quantify non-energy benefits. *See* ICL Comments at 1-3.

In reply, the Company disagreed that it and the Commission should focus on the UCT. The Company noted that Commission Order No. 28894, Case No. IPC-E-01-13, specifically directs the EEAG to screen potential DSM projects with the TRC, UCT, and PCT as guidelines. *See* Order No. 28894 at 7. The Company believes each test provides value, and that using all the tests is best practice. The Company also noted that it offers similar programs in Oregon, and that the Oregon Commission has directed program administrators to use the TRC. Company Reply at 4-6. However, while the Company believes that no particular test should be emphasized, the Company stated that if the Commission believes a UCT focus is appropriate, then the Commission should specifically direct the Company to continue using the TRC, UCT, and PCT as guidelines, with more emphasis placed on the UCT. Company Reply at 4-6.

Commission Findings: The TRC, UCT, and PCT evaluate EE programs from different perspectives. We believe each perspective can help inform the Commission, the utility, and stakeholders about a particular program's effectiveness. We thus find it reasonable for the Company to continue screening potential programs using each test as a guideline, and to advise us on how the Company's programs fare under each test. When the Company ultimately seeks to recover its prudent investment in such programs, however, we believe the Company may (but need not exclusively) emphasize the UCT—and that test's focus on Company-controlled benefits and costs—to argue whether the programs were cost-effective. As always, the Company ultimately must persuade us that its program investments were prudent under the totality of the circumstances.

3. Including other Energy Benefits in Cost-Effectiveness Calculations

Staff and ICL explained that the Company currently omits certain energy benefits when calculating DSM avoided costs. For example, the Company omits the T&D costs that the Company avoids through EE programs. Both Staff and ICL believe the Company should include T&D avoided costs (which PacifiCorp has calculated to be $54/kW year). *See* Staff Comments at 11-12; ICL Comments at 5-8.[3] ICL also believes the Company should include a risk reduction value reflecting that EE can reduce demand and reliance on volatile gas and wholesale markets. ICL noted that PacifiCorp calculates this risk reduction benefit to be $4.02/MWh. ICL Comments at 8.

In its reply, the Company stated that it continues to investigate the possibility of including avoided T&D costs, but that it has not yet completed its investigation.[4] *See* Company Reply at 7. Staff encouraged the Company to finalize and present the results of this analysis. Staff Comments at 12. ICL, on the other hand, goes further and recommended the Commission order the Company to work with the EEAG: (1) to develop T&D avoided costs using 2015 IRP data and a method that calculates unique values for the five load centers the Company uses in local area transmission planning; and (2) to use PacifiCorp's methodology to calculate a risk reduction value arising from DSM. *See* ICL Comments at 7-8. ICL also recommended the Commission encourage the Company, Staff, and stakeholders to address the avoided cost methodology in a new and separate proceeding. *Id.* at 6. Lastly, ICL recommended the

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[3] ICL acknowledged that each utility, and even specific locations within each utility, will have a unique value for avoided T&D costs. However, ICL submitted that PacifiCorp's $54/kW-year value for avoided T&D costs "is at least in the ballpark because PacifiCorp is in the same region as . . . [the Company] and offers a similar suite of efficiency measures." ICL Comments at 7.

[4] The Company initially planned to present the results of its analysis at the June 2015 IRPAC meeting. The Company had not completed its investigation by that date, and so did not provide the results of its analysis to IRPAC. Staff maintained that the Company has never even updated IRPAC on the investigation's progress. Staff Comments at 11. The Company disagreed, and noted that it did update IRPAC on the investigation's status during a May 2015 IRPAC meeting when it noted that the study of transmission and distribution investment deferment is ongoing. Company Reply at 7.

Commission not adopt a specific avoided cost dollar amount for 2014, but instead just recognize that DSM avoided costs are higher than the Company currently calculates.

Commission Findings: We encourage the Company to complete its investigation into the possibility of including T&D avoided costs in its cost-effectiveness calculations, and to advise stakeholders of the results. We expect the Company to include all reasonably quantifiable benefits when calculating costs avoided through DSM efforts. We appreciate ICL's suggestions, but decline to adopt them at this time.

G. Errata to Order No. 33161

In the final Order in the Company's 2013 DSM case, the Commission stated: "the issues raised by Staff and other parties are significant and warrant a more in-depth review. We direct the parties to do so in the context of the Company's next Integrated Resource Plan." *See* Errata to Order No. 33161. In that case, Staff and parties had raised concerns about DSM program delivery and how the Company calculates DSM avoided costs. *See* Staff Comments at 11; ICL Comments at 5-6.

After the Commission issued its Order in the prior case, the Company formed an Energy Efficiency Working Group that held two workshops on DSM issues in the context of the 2015 IRP. The workshops explored the role of EE in the resource planning process. The workshops did not address DSM program delivery because the Company believed that the EEAG would be a better forum, as the Company's IRP typically does not address DSM program delivery issues. *Id.*

ICL concurred that the IRP is an inappropriate forum to resolve these issues, and it does not criticize the Company for not reaching a conclusion on these issues during the workshops. Staff agreed that the EEAG can effectively address DSM program delivery, as suggested by the Company, but questioned whether the Company complied with the prior Order by not thoroughly discussing those issues during the IRP's Energy Efficiency Working Group's workshops, when the prior Order directed the parties to more thoroughly review those issues "in the context of the Company's next Integrated Resource Plan." *Id.*

In its reply, the Company explained that it interpreted the Order as requiring it to consult with its stakeholders—some of whom advise the Company on both the Integrated Resource Plan Advisory Committee (IRPAC) and EEAG. Because the Errata to the Order was issued late in the IRP process, the Company quickly formed the Energy Efficiency Working

Group for IRPAC members, the public, and the EEAG. The Company noted that its 2015 IRP (Case No. IPC-E-15-19) reports that the Energy Efficiency Working Group held workshops to discuss the EE's role in the planning process, and that the Company recommended that the more expert EEAG address DSM program delivery issues when participants raised those issues at the workshops. The Company believes its actions complied with the "spirit of the [prior Order] and arguably the letter of it as well," because the Company consulted both IRPAC and EEAG members as it developed its 2015 IRP filing. *See* Company Reply at 6-7.

Commission Findings: The Commission's Errata directed the parties to discuss program delivery issues in the context of the next IRP filing. Our goal in issuing the Errata was to ensure the Company and its stakeholders had a forum in which to effectively discuss program delivery issues. Based on the parties' comments, however, it appears the IRP process is not conducive to that discussion. We thus find it was reasonable for the Company to have used the IRP process to broadly discuss EE, and to have deferred DSM program delivery discussions to the EEAG.

H. Informing Customers about DSM Opportunities

Staff commended the Company for significantly improving its DSM marketing efforts through television, radio, Facebook, and Pandora advertising campaigns, on-line display and search-related ads, Boise airport signage, and a significant number of television media appearances. Staff encouraged the Company to further improve its marketing by: (1) creating a branded EE campaign like those used by Avista and Rocky Mountain Power; and (2) training its customer representatives to promote DSM programs, and setting customer contact goals calling for representatives to actively market the programs to customers. *See* Staff Comments at 5-6.

SRA also believes the Company can do more to inform customers about its DSM programs. Overall, however, SRA appreciated the opportunity to endorse the Company's DSM efforts, and noted that the Company's programs are an important part of the Pacific Northwest's efforts to achieve significant energy efficiency goals. SRA Comments at 2-3.

Commission Findings: The evidence in this case establishes that the Company exceeded the energy efficiency resource targets set in its 2013 IRP. It thus appears that the Company's ongoing efforts to market its DSM programs are succeeding. Based on the Company's apparent success through its present efforts, we decline to direct the Company to incur additional costs to market its DSM programs through a branded energy efficiency campaign or other method.

DISCUSSION AND ULTIMATE FINDINGS

The Company is an electrical corporation, and the Commission has jurisdiction over it and the issues in this case under Title 61 of the Idaho Code and the Commission's Rules of Procedure, IDAPA 31.01.01.000, *et seq.* Based on our review of the record and the discussion above, we find that Company prudently incurred $33,495,385 in 2014 DSM-related expenses consisting of $25,554,688 in expenses that were booked to the DSM Rider account, and $7,940,697 in DR program expenses that have been included for recovery in the 2015 PCA. We also find it reasonable to approve the Company's proposed ending Rider balance of ($782,231). We find it fair, just, and reasonable for the Company to take such other actions as referenced in the body of this Order.

O R D E R

IT IS HEREBY ORDERED that Idaho Power's 2014 DSM expenditures are approved as prudently incurred in the amount of $$33,495,385, as described above.

IT IS FURTHER ORDERED that the Company's ending Rider balance of ($782,231) is approved, as described above.

IT IS FURTHER ORDERED that the Company take such actions as directed in the body of this Order.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. See *Idaho Code* § 61-626.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 28th day of August 2015.

Paul Kjellander
PAUL KJELLANDER, PRESIDENT

Marsha H. Smith
MARSHA H. SMITH, COMMISSIONER

Kristine Raper
KRISTINE RAPER, COMMISSIONER

ATTEST:

Jean D. Jewell
Jean D. Jewell
Commission Secretary

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