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Attorney for the Commission Staff

BEFORE  THE  IDAHO  PUBLIC  UTILITIES  COMMISSION

IN THE MATTER OF THE APPLICATION)

OF IDAHO POWER COMPANY FOR)CASE  NO.  IPC-E-96-4

AUTHORITY TO DISCONTINUE ITS)

HOME CEILING INSULATION FINANCING)COMMENTS OF THE

PROGRAM.)COMMISSION STAFF

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COMES  NOW  the Staff of the Idaho Public Utilities Commission, by and through its Attorney of record, Scott Woodbury, Deputy Attorney General, and submits the following comments for the Commission’s consideration in Case No. IPC-E-96-4.

PROPOSAL

Idaho Power proposes to discontinue their Ceiling Insulation Program on May 31, 1996.  This Program, which was initially begun in 1978, provides below market rate financing for the installation of ceiling insulation to customers of Idaho Power, regardless of whether they heat with electricity or not.  The loans made by Idaho Power were then sold to a bank, resulting in little or no net costs to the utility or ratepayers.

The Company is proposing to terminate the program because activity in the program has declined to only 24 projects in the past year, and because the bank that had purchased the loans in the past has indicated it will no longer do so.  The Company is faced with either financing and administering the program internally, or finding another lender who will purchase these loans.

ANALYSIS

Approximately 3000 Idaho residences had ceiling insulation financed through this program since its beginnings in 1978, with over $1.25 million in financing provided.  Demand for the program was initially very strong, with more than a third of the total number of loans being made in the initial three years.  The outstanding balance as of January 31 of 1995 was only $18,133.43.   Since that time, interest has declined steadily to only 24 projects this past year.

As this program was fuel blind, and most participants did not use electricity to heat their homes, no estimate of energy savings has been made.

Idaho Power will continue to offer financing for ceiling insulation to electrically heated homes, as well as other weatherization measures and other efficiency improvements through its Customer Service Finance Program.  This financing is available at prime plus three percentage points.  Because of the ability to finance storm windows and weatherization measures in addition to ceiling insulation, most customers with electrically heated residences have opted to use this program rather than the ceiling insulation program.

In addition, the Idaho Department of Water Resources also operates a program that provides below market financing for weatherization measures, including ceiling insulation, that is available on a fuel blind basis.  Staff made inquiry to the Energy Division of the Department of Water Resources, and was told that the Department did not object to this application.

No comments were received from the public regarding this application.

STAFF RECOMMENDATION

Because alternatives exist to meet the needs to which this program was targeted, Staff recommends that the application be approved.

DATED  at Boise, Idaho, this            day of May 1996.

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Scott Woodbury

Deputy Attorney General

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Wayne Hart

Consumer Assistance Investigator

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