(text box: 1)BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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| IN THE MATTER OF THE APPLICATION OF IDAHO POWER COMPANY FOR AUTHORITY TO DISCONTINUE ITS INDUSTRIAL CONSERVATION PROGRAM FOR SCHEDULE 19 CUSTOMERS AND SPECIAL CONTRACT CUSTOMERS. | )  )  )  )  )  )  )  )  ) | CASE NO. IPC-E-96-22  NOTICE OF APPLICATION  NOTICE OF MODIFIED           PROCEDURE |

YOU ARE HEREBY NOTIFIED that on November 1, 1996, the Idaho Power Company (Idaho Power; Company) filed an Application for authority to discontinue its Partners in Industrial Efficiency (PIE) conservation program.  The PIE program was implemented on June 6, 1991, when the Commission issued Order No. 23724 approving Idaho Power’s Application.  Originally, the program was available only to customers taking service under Schedules 18 and 19.  It was subsequently amended to include the Company’s special contract customers.

According to Idaho Power’s Application in this case, some of the Company’s large industrial and non industrial customers have commented that programs of this type should be discontinued because they add to deferred costs and, therefore, increase the cost of power over time.  The Company contends that its industrial customers are primarily interested in the lowest possible rates and that any costs included in those rates should be examined in light of the events which are occurring on a national level, i.e., an increasingly competitive electric industry.

According to the Company, its current PIE program involves the payment of grants to partially cover the costs of installing energy efficient equipment with recovery of the costs occurring over an extended period of time.  These payments are deferred for future recovery and classified as regulatory assets.  The Company argues that they are included in the category of potentially stranded assets if deregulation of the generation function of regulated electric utilities were to occur.

Idaho Power further contends that changes are occurring in the market place that lessen the need for the PIE program.  Several of the technologies funded through PIE, Idaho Power contends, are now becoming commonly used by the Company’s industrial customers including efficient lighting measures, variable speed drives and more efficient refrigeration technologies.

Idaho Power concludes that in light of comments from the Company’s large customers and to avoid issues of future recovery of DSM expenditures, and based upon changing market conditions, it is in the public interest for the Commission to allow the Company to discontinue the PIE program.  Idaho Power requests that this matter be handled under Modified Procedure.

YOU ARE FURTHER NOTIFIED that the Application together with supporting workpapers, testimonies and exhibits, have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices.

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.

YOU ARE FURTHER NOTIFIED that the Commission has reviewed the filings of record in Case No. IPC-E-96-22.  The Commission has preliminarily determined that the public interest may not require a hearing to consider the issues presented and that the issues raised by the Application may be processed under Modified Procedure, i.e., by written submission rather than by hearing.  Reference Commission Rules of Procedure, IDAPA 31.01.01.201-.204.

YOU ARE FURTHER NOTIFIED that the Commission may not hold a hearing in this proceeding unless it receives written protests or comments opposing the use of Modified Procedure and stating why Modified Procedure should not be used.  Reference IDAPA 31.01.01.203.

YOU ARE FURTHER NOTIFIED that any person desiring to state a position on this Application may file a written comment in support or opposition with the Commission within twenty-one (21) days from the date of this Notice.  The comment must contain a statement of reasons supporting the comment.  Persons desiring a hearing must specifically request a hearing in their written comments.

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the deadline, the Commission will consider the matter on its merits and enter its Order without a formal hearing.  If comments or protests are filed within the deadline, the Commission will consider them and in its discretion may set the matter for hearing or may decide the matter and issue its Order on the basis of the written positions before it.  Reference IDAPA 31.01.01.204.

YOU ARE FURTHER NOTIFIED that written comments concerning Case No.  IPC-E-96-22 should be mailed to the Commission and the Company at the addresses reflected below:

COMMISSION SECRETARYLARRY D.  RIPLEY

IDAHO PUBLIC UTILITIES COMMISSIONSENIOR ATTORNEY

PO BOX 83720IDAHO POWER COMPANY

BOISE, IDAHO  83720-0074PO BOX 70

BOISE, ID 83707

Street Address for Express Mail:

JOHN R.  GALE, MANAGER

PRICING & REGULATORY SERVICES

472 W WASHINGTON STIDAHO POWER COMPANY

BOISE, IDAHO  83702-5983PO BOX 70

BOISE, ID 83707

All comments should contain the case caption and case number shown on the first page of this document.

YOU ARE FURTHER NOTIFIED that the Application in Case No. IPC-E-96-22 can be reviewed at the Commission’s office and at the Idaho offices of Idaho Power during regular business hours.

DATED at Boise, Idaho this                  day of November 1996.

Myrna J. Walters

Commission Secretary

vld/N:IPC-E-96-22.bp

**COMMENTS AND ANNOTATIONS**

Text Box 1:

**TEXT BOXES**

Office of the Secretary

Service Date

November 14, 1996