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Attorney for the Commission Staff

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-96-22SUPPLEMENTAL COMMENTS OF THE COMMISSION STAFF |

On December 17, 1996, the Idaho Power Company (Idaho Power; Company) filed a Response to all of the comments submitted by the various parties to this case.  Idaho Power’s Response contains new information and/or raises additional issues to which the Commission Staff wishes to respond.

First, the Company now takes the position that although it retains the right to offer “customized” DSM services to its large industrial customers, it really has no intention of doing so.  Response of Idaho Power at pp. 10-11.  Although in its original comments Staff supported the Company’s proposal to terminate the PIE program (with grandfathered status offered to those customers who had filed applications with the Company) Staff’s position was premised on the assumption that Idaho Power still considered DSM a potentially viable resource for its large industrial customers.  The Company’s Response indicates that this is not the case.  Staff is not comfortable with a total abandonment of DSM for large industrial customers and believes that the Company’s PIE program should not be terminated without a more detailed discussion of this issue.

Staff’s discomfort with the total abandonment of industrial class DSM is particularly keen in light of the movement in the Pacific Northwest for a regional implementation of DSM.  Staff urges the Commission not to allow a total abandonment of DSM until a regional policy has been formulated in greater detail.

It also appears, based upon Idaho Power’s Response, that the Company intends to seek Commission approval through an of yet unidentified mechanism for the funding of DSM.  Staff has long encouraged the Company to consider an alternative mechanism for the funding of DSM such as through a surcharge.  Staff believes that it would be premature to completely abandon DSM before receiving and reviewing the Company’s proposal for a funding of such measures.

Based upon the Company’s Response, Staff recommends that the Commission deny the Company’s Application for termination of the PIE program until the issues outlined above can be more fully addressed.

DATED at Boise, Idaho this day of December 1996.

Brad Purdy

Deputy Attorney General

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