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

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| IN THE MATTER OF IDAHO POWER COMPANY’S 1997 INTEGRATED RESOURCE PLAN UPDATE. | )  )  )  ) | CASE NO. IPC-E-97-8  ORDER NO.  27064 |

On June 2, 1997, the Idaho Power Company (Idaho Power; Company) filed its 1997 Integrated Resource Plan (IRP) with the Commission pursuant to Commission Order No. 22299 issued in Case No. U-1500-165.  On June 12, 1997, the Commission issued a Notice of Modified Procedure soliciting comments in response to the Company’s Application.  The only party to file comments was the Commission Staff whose comments are summarized below.

Commission Staff

Staff notes that Idaho Power has designed its 1997 IRP as a “transition plan” because of the changing electric utility environment in which the Company is currently operating.  The goal of the plan, as stated by the Company, is to maintain Idaho Power’s ability to serve the growing service territory demand for electricity for whatever period its role as an exclusive supplier of electricity continues, while also ensuring that any resources acquired for service territory loads will also be cost effective in the competitive market.

Idaho Power reduced the planning period for the 1997 IRP from 20 years to 10 years.  Order No. 22299, the Order requiring integrated resource planning for electric utilities, still requires a 20-year planning period.  Staff notes that the Commission has not formally changed the requirements contained in that Order.  Staff agrees, however, that a 10-year planning period is appropriate given the current level of uncertainty about the future of the electric industry.

Staff believes that the load forecasts made by the Company in its 1997 IRP are reasonable.  The resource alternatives evaluated are the ones most likely to prove cost effective in meeting expected load at least cost.  Staff also believes that the analysis used to plan future resource acquisitions was fair and thorough and that the Company has appropriately assessed uncertainties.

Staff believes that the Company’s future activities, as laid out in the two year action plan, are reasonable and appropriate.  Staff notes, however, that any proposal to either significantly change or eliminate existing DSM programs is subject to review by the Commission.  Staff points out that the Company has recently terminated several DSM programs and states its intent to participate in the Northwest Energy Efficiency Alliance (NEEA) in the future.  Whether existing or recently eliminated programs will be replaced with new Company sponsored programs, or whether the Company will only pursue DSM through regional efforts, has not been addressed in the IRP.  The Company’s conservation plan (Appendix C of the IRP) does show a level of annual spending for DSM in future years of $3.5 million.  Of that amount, only a portion would be spent on NEEA participation, Staff notes.  Most of the remainder, however, is not identified as earmarked for any specific program.  Staff believes that Idaho Power should continue to assess conservation opportunities and solidify its future DSM plans.

Finally, Idaho Power has indicated its intent to file limited annual updates to the 1997 IRP.  Although Staff supports the Company’s proposal, it notes that any decisions to change current IRP requirements rests with the Commission.

In summary, Staff recommends that the Commission acknowledge Idaho Power’s 1997 Integrated Resource Plan as properly filed and accept the Company’s use of a 10-year planning period.

F I N D I N G S

We hereby acknowledge and accept Idaho Power’s 1997 IRP update for filing.  We find that the IRP contains the necessary information and is in the appropriate format as directed by this Commission in Order No. 22299.  Given the rapid changes occurring in the electric industry and the fact that planning horizons are being shortened for almost every application, we find that the Company’s adoption of a 10-year planning period as opposed to the 20-year period previously approved by this Commission in Order No. 22299 is reasonable and is accepted.

O R D E R

IT IS HEREBY ORDERED that Idaho Power’s 1997 IRP update is acknowledged and accepted for filing.

THIS IS A FINAL ORDER.  Any person interested in this Order (or in issues finally decided by this Order) or in interlocutory Orders previously issued in this Case No. IPC-E-97-8 may petition for reconsideration within twenty-one (21) days of the service date of this Order with regard to any matter decided in this Order or in interlocutory Orders previously issued in this Case No. IPC-E-97-8.  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                  day of July 1997.

                                                                                                                                      DENNIS S. HANSEN, PRESIDENT

                                                                                           RALPH NELSON, COMMISSIONER

MARSHA H. SMITH, COMMISSIONER

ATTEST:

Myrna J. Walters

Commission Secretary

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**COMMENTS AND ANNOTATIONS**

Text Box 1:

**TEXT BOXES**

Office of the Secretary

Service Date

July 29, 1997