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

|  |  |  |
| --- | --- | --- |
| IN THE MATTER OF THE APPLICATION OF IDAHO POWER COMPANY FOR AUTHORITY TO DISCONTINUE ITS IRRIGATION CONSERVATION PROGRAM. | )))))))) | CASE NO. IPC-E-98-4NOTICE OF APPLICATIONNOTICE OF MODIFIED         PROCEDUREORDER NO.  27495 |

YOU ARE HEREBY NOTIFIED that on March 27, 1998, the Idaho Power Company (Idaho Power; Company) filed an Application for authority to discontinue its Irrigation Conservation Program, also known as “Agricultural Choices Program” (“ACP”).

The purpose of the program is to promote energy conservation among the Company’s irrigation customers through the installation and modification of more efficient irrigation systems.  The program is composed of four components covering large, medium, small and new irrigation systems.  According to its Application, Idaho Power states that 89 customers participated in the program during 1997.  The Company asserts that regional conservation programs, as opposed to a local program such as the ACP, represent the most appropriate and cost effective approach to conservation particularly in light of the potential that payments made for the conservation of energy to a present Idaho Power customer might not result in an energy savings to Idaho Power if that customer were to obtain energy from another supplier in the future.  Idaho Power contends that the Northwest Energy Efficiency Alliance (NEEA) has recently approved funding for a specific irrigation program: “regional market transformation venture on Scientific Irrigation Scheduling” (SIS).  SIS, the Company contends, enables irrigators to meet crop moisture requirements by supplying the right amount of moisture at the right time.  Implementation of SIS will improve the efficiency of farm systems and improve crop yield and can reduce overall water use as well as reduce the use of agricultural chemicals.  NEEA funded a three year program with budgeted expenditures for the Snake River Plain Aquifer in the amount of $774,200.  The Idaho Department of Water Resources will implement this program in the Snake River Plain Aquifer in Idaho.  In addition, NEEA is promoting programs for increasing the efficiency of motors used in the Pacific Northwest.  Idaho Power contends that discontinuance of the ACP is consistent with the goal of concluding other demand side management programs that were based upon the deferral of expenditures for recovery at a later date.  The Company notes that prior Commission Orders discontinuing DSM programs have provided for a phase-out of those programs to permit customers who have expended time and money in anticipation of participating, an opportunity to participate before the program is concluded.  Idaho Power states that it has followed a similar procedure for the conclusion of the Irrigation Program.  Due to the nature of this program, however, the Company states that it implemented the notification process prior to actually filing for discontinuance.  Idaho Power has been advising customers that it intended to end the ACP for some time.  The Company argues that this early notification was necessary because of the seasonal nature of irrigators ability to construct or make changes to an irrigation system.  In addition, it takes a considerable period of time, the Company contends, to design a system and obtain approval for participation from Idaho Power.  The Company says it believed that it was advisable to provide advance warning to customers and to cease accepting prospective participants in all four of the ACP’s components during the summer, rather than stretching the process out for another year.  Consequently, Idaho Power has been declining new participants since the summer of 1997.  Because of this, Idaho Power proposes the following procedures for processing a request for funding under the ACP during the remaining phase-out of the program.

Large System Program

If a large system request for funding is presented on or before May 1, 1998, with a demonstration that payments to a third party or out of pocket costs had been incurred by the customer with approval of the Company prior to the Company’s Application for discontinuance, Idaho Power will, following a full review, fund the proposed conservation measures if the measures qualify under the program.  The Company states that it is aware of the potential of one customer in this situation.

Medium System Program

Since this program provides for an audit by Idaho Power personnel, the Company is fully aware of those customers that may be participants.  Idaho Power has advised customers that it is not conducting any new audits due to the proposed discontinuance of the ACP.  If a medium system request for funding is presented on or before May 1, 1998, with a demonstration that payments to a third party or out of pocket costs have been incurred by the customer with approval of the Company prior to the Company’s Application for discontinuance, Idaho Power will, following a full review, fund the proposed conservation measures if the measures qualify under program.  The Company states that it is aware of a potential of 13 customers in this situation.

Small System Program

If a small system request for funding is presented on or before May 1, 1998, with a demonstration that payments to a third party or out of pocket costs have been incurred by the customer with approval of the Company prior to the Company’s Application for discontinuance, Idaho Power will, following a full review, fund the proposed conservation measures if the measures qualify under the program.  Idaho Power states that it is not aware of any customers in this situation.

New System Program

If a new system request for funding is presented on or before May 1, 1998,  with a demonstration that payments to a third party or out of pocket costs have been incurred by the customer with approval of the Company prior to the Company’s Application for discontinuance, Idaho Power will, following a full review, fund the proposed conservation measures if the measures qualify under the program.  The Company states that it is aware of 10 potential customers in this situation.

YOU ARE HEREBY NOTIFIED that the Commission will not be able to resolve Idaho Power’s Application prior to the proposed termination of May 1, 1998.  Consequently, by the Order below, the Commission is suspending the proposed effective date until such time as it issues a final Order in this matter resolving Idaho Power’s Application.

YOU ARE FURTHER NOTIFIED that the Commission has determined that the public interest may not require a formal hearing in this matter and will proceed under Modified Procedure pursuant to Rules 201 through 204 of the Idaho Public Utilities Commission's Rules of Procedure, IDAPA 31.01.01.201 through -.204.

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.  Written comments concerning this application shall be mailed to the Commission and the Applicant at the addresses reflected below:

COMMISSION SECRETARYLARRY D. RIPLEY

IDAHO PUBLIC UTILITIES COMMISSIONIDAHO POWER COMPANY

PO BOX 83720PO BOX 70

BOISE, IDAHO  83720-0074BOISE ID 83707-0070

Street Address for Express Mail:

472 W WASHINGTON ST

BOISE, IDAHO  83702-5983

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

YOU ARE FURTHER NOTIFIED that if no written comments are received within the time limit set, the Commission will consider this matter on its merits and enter its Order without a formal hearing.  If written comments are received within the time limit set, the Commission will consider them and, in its discretion, may set the same for formal hearing.

O R D E R

Due to other constraints on the Commission’s time, we will not be able to resolve Idaho Power Company’s Application in this case prior to the proposed termination date of May 1, 1998.  We find that Idaho Power unilaterally terminated the ACP without the necessary Commission approval.  Consequently, the Company is ordered to maintain the entire ACP in full operation and to continue accepting new applications until otherwise ordered by this Commission.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this                  day of April 1998.

                                                                                                                                       DENNIS S. HANSEN, PRESIDENT

                                                                                            RALPH NELSON, COMMISSIONER

MARSHA H. SMITH, COMMISSIONER

ATTEST:

Myrna J. Walters

Commission Secretary

cm\O:ipce984.bp

**COMMENTS AND ANNOTATIONS**

Text Box 1:

**TEXT BOXES**

Office of the Secretary

Service Date

April 30, 1998