DECISION MEMORANDUM

TO:COMMISSIONER HANSEN

COMMISSIONER NELSON

COMMISSIONER SMITH

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JEAN JEWELL

DAVID SCOTT

WORKING FILE

FROM:BRAD PURDY

DATE:JUNE 15, 1998

RE:SUPPLEMENT TO CASE NO. IPC-E-98-4; APPLICATION OF IDAHO POWER COMPANY FOR AUTHORITY TO DISCONTINUE ITS IRRIGATION CONSERVATION PROGRAM

On June 11, 1998, Idaho Power filed a response to the comments submitted in response to the Company’s Application.  Idaho Power argues that the Ag Choices program should not be continued indefinitely.  The Company contends that its customers did not desire to continue funding system irrigation conservation programs.

Regarding when to terminate the Ag Choices program, Idaho Power believes that allowing irrigators to participate through December 31, 1998, is a considerably longer period of time than was awarded to other customers who participated in other demand side management programs as they have been discontinued.  Nonetheless, due to the unique characteristics of the irrigation class, the Company concedes that there is some merit in the irrigators’ proposal.  Idaho Power believes, however, that the recommendation of both the Commission Staff and Mr. Griff the program be continued well into 1999 is “extreme.”  The Company argues that requiring it to keep the program open until mid-1999 provides a transition to discontinuance beyond what can be justified by any unique characteristics class and exceeds the transition to discontinuance of other DSM programs.  Idaho Power argues that while improvements to an existing irrigation system generally may not be made until the end of the irrigation season, that customer still has late summer and early fall of 1998 to make the actual improvements to the system.  Pursuant to the Commission’s Order No. 27495 issued on April 30, 1998, in this case, the Company has kept the program open for the acceptance of applications.  Idaho Power concludes that for providing for a continued opportunity to participate through December 31, 1998, is more than adequate.

The Company proposes that a customer should be required to have completed the AG Choices program by December 31, 1998.  As noted by the Company in its Application, there is a lag between the time that the irrigation customer notifies Idaho Power that the customer desires to participate in the program and when the expenditures are made as a result of the participation.  Idaho Power claims that it attempted to address this issue by providing notice of its intention to discontinue the program.  While Idaho Power concedes that the notice was issued prior to actual approval of the Company’s Application to terminate the program by the Commission, it nonethe­less should not be totally disregarded.  The Company states that irrigation customers have again been notified Idaho Power’s intention to discontinue the AG Choices program in this proceeding.  Idaho Power reasons that the fact that the Company’s irrigation customers were made aware of this contention should be given consideration when the Commission determines how long the AG Choices program should be kept open.  Idaho Power concludes that customers should be able to complete irrigation program requirements by December 31, 1998; the same time the Company recommends for discontinuance of the program.

Finally, Idaho Power contends that there should be different time periods for participation under the four components of the Ag Choices program.  Specifically, the Company suggests that there be different time periods for the “new” and “large” components of the Ag Choices program.  The new component should have an open enrollment, Idaho Power argues, for only 30 days from the date of the issuance of the Commission’s Order authorizing discontinuance of the Ag Choices program.  Once enrolled, customers would still have until December 31, 1998, to make their system improvements.  For “new” systems, the Company states that there is no requirement to wait until the end of the irrigation season or to wait for any action on the part of Idaho Power personnel before deciding to participate.  Under the new component of the Ag Choices program, all actions except for review and approval of Company payment of an incentive are actions taken by the customer.

With regard to the “large” system component of the Ag Choices program, Idaho Power also recommends a 30-day open enrollment period following issuance of the Commission’s Order authorizing discontinuance of the program.  Large systems require customer provided engineering studies, Idaho Power notes, by stating a customer’s intent to participate during the 30 day open enrollment, adequate time will be provided to ensure that the customer fully understands the study requirements, has adequate time to perform the studies and to hire contractors to perform the necessary work by the end of the year, Idaho Power posits.

Brad Purdy

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