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825 N.E. Multnomah  
Portland, Oregon 97232  
(503) 813-5000

2002 OCT 18 PM 5:56

IDAHO PUBLIC  
UTILITIES COMMISSION



October 18, 2002

Idaho Public Utilities Commission  
472 West Washington  
Boise, ID 83702-5983

*PAC-E-02-07*

Attn: Jean D. Jewell  
Commission Secretary

Re: Compact Fluorescent Light Bulb Program Application

1 PacifiCorp (d.b.a. Utah Power & Light Company) hereby submits for filing an original and ~~nine~~ *SEVEN* ~~(9)~~ conformed copies of the following application. The Company seeks an effective date of November 19, 2002. An electronic version of this filing will also be provided to Jean Jewell's attention.

Original Sheet No. 20      Schedule 20      Residential Energy Efficiency Program -  
Compact Fluorescent Light Bulb Program

Overview

PacifiCorp proposes to initiate a Residential Energy Efficiency Rider, Schedule 20, to include a compact fluorescent light bulb (CFL) program. This program will promote the use of compact fluorescent light bulbs by providing two bulbs to each Company customer at no direct cost. The offer will be available to all residential customers - approximately 44,000 households in the Company's Idaho service territory. The bulbs used in this program will be Energy Star certified and will carry the Energy Star label.

Program Design

All residential PacifiCorp customers in Idaho will receive two compact fluorescent bulbs in a package sent directly to their mailing address. The package will include written information on the benefits of the bulbs, suggestions as to the most energy efficient use of compact fluorescent bulbs, the importance of shopping for Energy Star certified bulbs and details on their two-year warranty.

Summary

A cost effectiveness analysis was performed assuming 44,000 participants and \$456,000 total program costs. The expected savings and installation rates utilized in the analysis are included in Attachment A of the Application.

The company views this offering as a means to educate customers as to the benefits of compact fluorescent bulbs and will further the acceptance of these bulbs in the market place.

It is respectfully requested that all formal correspondence and staff requests regarding this filing be addressed to:

By e-mail (preferred) to:                      datarequest@pacificorp.com

By regular mail to:                              Data Request Response Center  
PacifiCorp  
825 NE Multnomah, Suite 800  
Portland, Oregon, 97232

By fax to:    (503) 813-6060

Any informal questions concerning this filing should be directed to Bob Lively, at (801) 220-4052.

Sincerely,

A handwritten signature in cursive script that reads "Doug Larson" followed by a stylized flourish.

Doug Larson,  
Vice President

Enclosures

Mary S. Hobson (ISB # 2142)  
STOEL RIVES LLP  
101 S. Capitol Blvd., Suite 1900  
Boise, Idaho 83702-5958  
Telephone: (208) 389-9000  
Facsimile: (208) 389-9040

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John M. Eriksson (Utah Bar #4827)  
STOEL RIVES LLP  
201 South Main Street, #1100  
Salt Lake City, Utah 84111-4904  
Telephone: (801) 328-3131  
Facsimile: (801) 578-6999

Attorneys for PacifiCorp

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**In the Matter of the Application of PacifiCorp ) APPLICATION OF PACIFICORP  
for Approval of Idaho Compact Fluorescent )  
Light Bulb Program and for Approval of )  
Deferred Accounting Treatment )**

Case No. PAC-E-02-07

Pursuant to Idaho Code §61-524 and Idaho Public Utilities Commission Rule of Procedure 52, I.D.A.P.A. 31.01.01.052, PacifiCorp, doing business as Utah Power & Light Company ("PacifiCorp" or "the Company") applies to the Idaho Public Utilities Commission (Commission) for approval of a new tariff offering energy conserving light bulbs to Idaho residential customers. PacifiCorp also seeks an accounting order allowing deferral of the costs of said program including carrying charges. In support of this Application, PacifiCorp states as follows:

1. PacifiCorp is an electrical corporation and public utility in the state of Idaho and is subject to the jurisdiction of the Commission with regard to its public utility operations. PacifiCorp also provides retail electricity service in the states of California, Oregon, Utah, Washington and Wyoming.

2. This Application is filed pursuant to Idaho Code §61-524, which authorizes the Commission to prescribe the accounting to be used by public utilities subject to its jurisdiction.

3. Communications regarding this Application should be addressed to:

Robert Lively  
PacifiCorp  
201 South Main Street, Suite 2300  
Salt Lake City, Utah 84111  
Telephone: (801) 220-4052

Mary S. Hobson  
STOEL RIVES LLP  
101 S. Capitol Blvd., Suite 1900  
Boise, Idaho 83702-5958  
Telephone: (208) 389-9000  
Facsimile: (208) 389-9040

Please send data requests regarding this matter to:

By E-mail (preferred): [datarequest@pacificorp.com](mailto:datarequest@pacificorp.com)

By facsimile: (503) 813-6060

By mail: Data Request Response Center  
PacifiCorp  
825 NE Multnomah, Suite 800  
Portland, OR 97232

4. Attached to this Application as Exhibit A is PacifiCorp's proposed new Tariff Schedule 20, Residential Energy Efficiency Program - Compact Fluorescent Light Bulb Program, with a proposed effective date of November 19, 2002.

5. With this proposed tariff PacifiCorp seeks to introduce a compact fluorescent light bulb (CFL) offering to its Idaho residential customers. The proposed CFL program would provide two CFLs, at no direct cost, to the approximately 44,000 residential customers in Idaho. The bulbs would be mailed directly to customers in packages that

include the bulbs, information on the benefits of CFLs and advice on the most energy efficient use of the bulbs. An order form for the purchase of additional CFLs from Energy Technology Laboratories (ETL), the firm that provides fulfillment services for the program will also be included. All bulbs carry a two-year warranty through ETL, are Energy Star certified and carry the Energy Star label. Energy Star is a certification process sponsored by the U.S. Department of Energy. Products meeting Energy Star requirements are built beyond energy efficiency codes and standards.

6. Customers will benefit from the proposed program by experiencing the positive qualities of CFLs, including reduced energy usage and extended bulb lives. The two-year warranty will allow for any defective bulbs to be replaced easily. PacifiCorp is hopeful that the program will trigger customers' interest in energy efficient products and appliances.

7. The proposed CFL program is estimated to save 5,720,000 kWhs annually; fifty per cent of which will occur during peak load periods. The cost effectiveness of the program is addressed in Attachment A, Idaho Compact Fluorescent Cost and Savings Analysis. PacifiCorp intends to complete distribution of the bulbs by January 1, 2003.

8. The CFL program is consistent with PacifiCorp's Integrated Resource Plan as reflected in the Company's RAMPP-6 Report, and specifically with Chapter 4 dealing with its Demand Side Management (DSM) planning. The CFL program is one of several measures planned to help the Company achieve its DSM target for fiscal year 2003.

9. Similar CFL programs have been successfully offered by the Company to residential customers in Oregon, Utah and Washington. Results from these programs indicate that customers are satisfied with the offering. Evaluations have shown that the

program savings have out-performed initial estimates. This Idaho program will have the advantage of re-using many materials developed for the prior CFL programs, allowing for significant cost reductions.

10. PacifiCorp estimates that the project will cost \$456,000.00, including the costs of the CFLs, shipping and handling, and customer education. PacifiCorp proposes to defer, in accordance with this requested authorization, the costs of this program until a future rate proceeding.

11. Deferred accounting treatment is requested including accrued carrying charges at a rate equal to the weighted average cost of capital most recently recommended by Commission Staff in its audit of PacifiCorp's Results of Operations. This treatment is an appropriate, just and reasonable means of providing the Company an opportunity to seek recovery of its DSM program costs. PacifiCorp does not request a determination of ratemaking treatment of the program costs and related carrying charges at this time. Such determination will be made in a future rate proceeding.

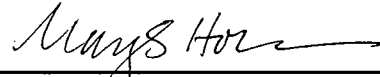
12. In accordance with Idaho Code § 61-307, copies of this Application are available for public inspection at the Company's offices in Rexburg, Preston, Shelley and Montpelier, Idaho.

WHEREFORE, PacifiCorp respectfully requests that the Commission consider this matter under modified procedure and enter its Order approving the proposed new Tariff

Schedule 20 and authorizing the deferral of the Company's program costs as requested herein.

DATED this 18<sup>th</sup> day of October, 2002.

STOEL RIVES LLP

A handwritten signature in cursive script, appearing to read "Mary S. Hobson", is written over a horizontal line.

Mary S. Hobson

John M. Eriksson

Attorneys for Defendant PacifiCorp



I.P.U.C. No. 28

Original Sheet No. 20

**UTAH POWER & LIGHT COMPANY**  
**ELECTRIC SERVICE SCHEDULE NO. 20**  
**STATE OF IDAHO**

**Residential Energy Efficiency Program**  
**Compact Fluorescent Lightbulb Program**

**PURPOSE:**

Service under this tariff is intended to maximize the efficient utilization of the electricity requirements of existing residential dwellings through the use of compact fluorescent bulbs, and to influence their future light bulb buying decisions.

**APPLICABLE:**

To existing residential customers in all territory served by the Company in the state of Idaho. This tariff will expire June 30, 2003.

**DESCRIPTION:**

Service under this program is available to improve the energy efficiency of applicable residential dwellings. The Company will provide, at no direct cost to the Customer, two compact fluorescent bulbs. The compact fluorescent bulbs will be shipped directly to Customers.

**VERIFICATION:**

All equipment provided under this program is intended to be installed in the Company's service territory.

**RULES AND REGULATIONS:**

Service under this Schedule is subject to the General Rules and Regulations contained in the tariff of which this Schedule is a part, and to those prescribed by regulatory authorities.

**ISSUED:** October 18, 2002

**EFFECTIVE:** November 19, 2002

(N)

(N)





I.P.U.C. No. 28

Eleventh Revised Sheet No. B.1  
Cancels Tenth Revised Sheet No. B.1

**UTAH POWER & LIGHT COMPANY**

**ELECTRIC SERVICE SCHEDULES**

**STATE OF IDAHO**

<b>Schedule No.</b>	<b>Class of Service</b>	<b>Sheet No.</b>
1	Residential Service	1.1 & 1.2
6	General Service - Large Power	6.1 - 6.3
6A	General Service - Large Power (Residential and Farm)	6A.1 - 6A.4
7	Security Area Lighting	7.1 - 7.4
7A	Security Area Lighting (Residential and Farm)	7A.1 - 7A.5
8	General Service - Medium Voltage	8.1 & 8.2
9	General Service - High Voltage	9.1 & 9.2
10	Irrigation and Soil Drainage Pumping Power Service	10.1 - 10.4
11	Street Lighting - Company-Owned Overhead System	11.1 - 11.3
12	Street Lighting - Customer-Owned System	12.1 - 12.5
14	Temporary Service Connection Facilities	14
17	Standby Service	17.1 - 17.3
19	Commercial and Industrial Space Heating	19.1 - 19.5
20	Residential Energy Efficiency Program - Compact Fluorescent Lightbulb Program	20 (N)
21	Residential Energy Efficiency Rider	21.1 - 21.5

(Continued)

**ISSUED:** October 18, 2002

**EFFECTIVE:** November 19, 2002



I.P.U.C. No. 28

Original Sheet No. 20

**UTAH POWER & LIGHT COMPANY**  
**ELECTRIC SERVICE SCHEDULE NO. 20**  
**STATE OF IDAHO**

(N)

**Residential Energy Efficiency Program**  
**Compact Fluorescent Lightbulb Program**

**PURPOSE:**

Service under this tariff is intended to maximize the efficient utilization of the electricity requirements of existing residential dwellings through the use of compact fluorescent bulbs, and to influence their future light bulb buying decisions.

**APPLICABLE:**

To existing residential customers in all territory served by the Company in the state of Idaho. This tariff will expire January 31, 2003.

**DESCRIPTION:**

Service under this program is available to improve the energy efficiency of applicable residential dwellings. The Company will provide, at no direct cost to the Customer, two compact fluorescent bulbs. The compact fluorescent bulbs will be shipped directly to Customers.

**VERIFICATION:**

All equipment provided under this program is intended to be installed in the Company's service territory.

**RULES AND REGULATIONS:**

Service under this Schedule is subject to the General Rules and Regulations contained in the tariff of which this Schedule is a part, and to those prescribed by regulatory authorities.

(N)

**ISSUED:** October 18, 2002

**EFFECTIVE:** November 19, 2002



**To:** Rebecca Eberle  
**From:** M. Sami Khawaja  
**Re:** Idaho Compact Fluorescent Cost and Savings Analysis  
**Date:** October 8, 2002

Table 1 summarizes the assumptions used in conducting the cost and savings analysis for the proposed Idaho Compact Fluorescent Lightbulb (CFL) Program. PacifiCorp provided the figures for the program budget and participation. The assumptions used for the analysis are provided in Table 1.

**Table 1**  
**Program Assumptions**

Costs			
Lightbulbs (88,000 bulbs)	\$434,000	First Year kWh Savings	65
Marketing/Education	\$7,000	Discount Rate	0.091
Program Management	\$5,000	Measure Life	7
Evaluation	\$10,000	Retail Rate	0.063
Total	\$456,000		

### **Costs and Savings Assumptions**

The program distributes two CFLs to each customer in the Idaho service territory. The cost per two bulb package of CFLs is \$9.86. We used an average CFL savings of 65 kWh per bulb per year based on an average of two recent studies: "Measure Incentives and Cost-Effectiveness for the California Residential Contractor Program," Robert Mowris & Associates, September 15, 1999; and "Process and Impact Evaluation of New England Power Service Company's Appliance Management Program," July 1, 1999, Research Into Action and Quantec. These estimates are also in line with the Northwest Energy Efficiency Alliance assumptions. Two recent studies conducted for the Company by Quantec in Oregon and Washington found average savings of approximately 82 kWh.

### **Results**

The cost-effectiveness of the CFLs was calculated using Quantec's DICE (Demand Impact and Cost Effectiveness) model. The model takes the first year kWh savings and

Rebecca Eberle  
October 8, 2002  
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allocates it over all the 8,760 hours in a year based on load shapes appropriate for each of the end-uses. The achieved hourly kWh savings are then multiplied by the appropriate avoided cost based on the time of day and season during which they occur (summer peak, summer off-peak, winter peak, etc.). The value of the savings is calculated for each year of the measure life and then discounted back to the present.

Avoided costs are based on both a low and high set of PacifiCorp's August 2002 Palo Verde and Mid-Columbia forward price curves.

The proposed program is cost effective under both sets of forward price assumptions.

**Table 2a**  
**50% Palo Verde/50% Mid Columbia**  
**Low Scenario**

ID
2002
ID CFL LOW

Perspective	Levelized Mills/kWh	Total Discounted Costs (\$)	Total Discounted Benefits (\$)	Benefit/Cost Ratio
TRC	11.21	455,840	1,098,991	2.41
UTC	11.21	455,840	999,083	2.19
RIM	NA	2,446,719	999,083	0.41
PART	NA	-	1,990,879	NA
<b>Detailed Results</b>				
Benefits	TRC	TRC	UTC	PART
Avoided Costs	\$ 1,098,991	\$ 1,098,991	\$ 999,083	\$ 1,990,879
Bill Reduction				
Non-Energy Benefits				
Gas Savings				
BETC				
Tax Savings				
<b>Total Benefits</b>	<b>\$ 1,098,991</b>	<b>\$ 1,098,991</b>	<b>\$ 999,083</b>	<b>\$ 1,990,879</b>
Costs	TRC	TRC	UTC	PART
Other Parties' contribution	\$ -	\$ -		\$ -
Energy Service Charge				
Deferred Cost				
Other Deferred				
Expenses	\$ 455,840	\$ 455,840	\$ 455,840	
Lost Revenues				
<b>Total Costs</b>	<b>\$ 455,840</b>	<b>\$ 455,840</b>	<b>\$ 455,840</b>	<b>\$ -</b>

Rebecca Eberle  
October 8, 2002  
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**Table 2b**  
**50% Palo Verde/50% Mid Columbia**  
**High Scenario**

ID
2002
ID CFL HIGH

Perspective	Levelized Mills/kWh	Total Discounted Costs (\$)	Total Discounted Benefits (\$)	Benefit/Cost Ratio
TRC	11.21	455,840	1,669,895	3.66
UTC	11.21	455,840	1,518,086	3.33
RIM	NA	2,446,719	1,518,086	0.62
PART	NA	-	1,990,879	NA

Detailed Results				
Benefits	TRC	TRC	UTC	PART
Avoided Costs	\$ 1,098,991	\$ 1,669,895	\$ 1,518,086	\$ 1,990,879
Bill Reduction				
Non-Energy Benefits				
Gas Savings				
BETC				
Tax Savings				
<b>Total Benefits</b>	<b>\$ 1,098,991</b>	<b>\$ 1,669,895</b>	<b>\$ 1,518,086</b>	<b>\$ 1,990,879</b>
Costs	TRC	TRC	UTC	PART
Other Parties' contribution	\$ -	\$ -		\$ -
Energy Service Charge				
Deferred Cost				
Other Deferred				
Expenses	\$ 455,840	\$ 455,840	\$ 455,840	
Lost Revenues				
<b>Total Costs</b>	<b>\$ 455,840</b>	<b>\$ 455,840</b>	<b>\$ 455,840</b>	<b>\$ -</b>