

DECISION MEMORANDUM

TO: COMMISSIONER KJELLANDER
COMMISSIONER SMITH
COMMISSIONER HANSEN
COMMISSION SECRETARY
COMMISSION STAFF
LEGAL

FROM: SCOTT WOODBURY

DATE: SEPTEMBER 21, 2005

SUBJECT: CASE NO. PAC-E-05-10 (PacifiCorp)
DSM PROGRAM CHANGES AND ADDITIONS
DSM COST RECOVERY

On September 6, 2005, PacifiCorp dba Utah Power & Light Company (PacifiCorp) filed an Application with the Idaho Public Utilities Commission requesting approval and authorization of a new DSM cost recovery mechanism, deferred accounting and enhanced energy efficiency programs for its commercial, industrial, agricultural, and residential customers in the State of Idaho. While PacifiCorp requests a January 1, 2006 effective date for a cost recovery mechanism Schedule 191, the Company asks that the deferred accounting and programs requested become effective November 15, 2005 or coincident with the service date of the Commission's Order approving the Application, whichever is later.

The Company asks for a 1.5% DSM tariff rider to begin appearing on bills January 1, 2006, which is estimated to collect \$1.8 million annually. (Avista currently collects 1.25% and Idaho Power 1.5% but with caps.) Reciprocal carrying charges are proposed at the AFUDC rate. The Application proposes an annual review of the sufficiency of the rider's collection rate. Customer notification of the proposal was to have begun with bills starting the week of September 5 and continuing for approximately 30 days.

The Application states that all customer classes will have an opportunity to participate in programs. The new programs are: irrigation efficiency to complement the existing irrigation load control program, FinAnswer Express for commercial and industrial lighting, motors, etc., and residential refrigerator recycling. Existing program changes are:

revamping/increasing Low Income Weatherization, and discontinuing loans to business customers in Energy FinAnswer and instead paying incentives for energy and demand savings. The proposed enhanced energy efficiency programs offer a combination of information and cash incentives to help customers install energy efficient equipment or make permanent operational changes to reduce energy consumption and save money.

COMMISSION DECISION

The Commission Staff recommends that PacifiCorp's Application in Case No. PAC-E-05-10 be processed pursuant to Modified Procedure, i.e., by written submission rather than by hearing. Reference Commission Rules of Procedure, IDAPA 31.01.01.201-204. Staff also proposes to hold public workshops in the Company's service area (Rigby and Preston) to explain the program offerings and to answer customer questions. Does the Commission agree with Staff's recommended procedure?

Scott D. Woodbury

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