DECISION MEMORANDUM

TO:COMMISSIONER NELSON

COMMISSIONER SMITH

COMMISSIONER HANSEN

MYRNA WALTERS

TONYA CLARK

DON HOWELL

STEPHANIE MILLER

DAVE SCHUNKE

RANDY LOBB

GARY RICHARDSON

WORKING FILE

FROM:SCOTT WOODBURY

DATE:JANUARY 24, 1996

RE:CASE NO.  WWP-E-96-1

TERMINATION OF ENERGY EFFICIENCY GRANT PROGRAM

On January 19, 1996, The Washington Water Power Company (Water Power; Company) filed an Application with the Idaho Public Utilities Commission (Commission) requesting approval of a revision to its electric tariff Schedule 67—Energy Efficiency Service for New Residential Buildings—Idaho.  As proposed the revision would end direct grants for the installation of weatherization materials and energy efficiency measures in residential buildings, effective for buildings permitted on or after March 1, 1996.  Under the Company’s present tariff grants are available for up to $720 for single-family houses and up to $255 for multi-family units.  There is no rate change or revenue impact associated with the Company’s filing.

The grant program, the Company states, was started in 1989 in an effort to move Pacific Northwest building standards to a greater energy efficiency level.  In support of its Application the Company maintains that current residential construction practices conform to the specifications for which the grants were intended to promote.  Homebuilders, the Company contends, now expect, and builders routinely provide as standard practice, such features as 2x6 exterior wall framing with R-19 insulation, increased roof insulation, double glazed windows, etc.  It is therefore not necessary, the Company contends, to continue the program.  Additionally, the Company states that almost all of the jurisdictions in Water Power’s service territory that originally supported the Northwest Energy Code (NWEC) plan to continue to support either the NWEC or the Model Energy Code (MEC) for residential construction.  The Company contends, that this continued support by building code officials is the most critical element in maintaining energy efficient building practices.

The Company has requested an effective date of March 1, 1996, for the proposed tariff change.

Staff Recommendation

Staff recommends that the Company’s Application be processed under Modified Procedure.  This will provide Staff and north Idaho homebuilders the opportunity to submit comments.

Commission Decision

How does the Commission wish to process the Company’s Application?  Is Modified Procedure appropriate?  If not, what is the Commission’s preference?

Scott Woodbury

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