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IDAHO PUBLIC
UTILITIES COMMISSION

R. Walters

WWP-E-96-7
WWP-G-96-4

WWP
Washington Water Power

October 23, 1996

Idaho Public Utilities Commission
Statehouse Mail
W. 472 Washington Street
Boise, Idaho 83720

Attention: Ms. Myrna Walters, Secretary

Tariff I.P.U.C. No. 25, Electric Service
Tariff I.P.U.C. No. 26, Natural Gas Service

Enclosed for filing with the Commission are an original and seven copies of the Company's petition requesting approval of tariff revisions related to energy efficiency programs and funding. Changes are proposed to the following sheets:

Nineteenth Revision Sheet B Cancelling Eighteenth Revision Sheet B (IPUC No. 25)
Fifth Revision Sheet 90 Cancelling Fourth Revision
Fifth Revision Sheet 90A Cancelling Fourth Revision
Fourth Revision Sheet 90B Cancelling Third Revision
Second Revision Sheet 90C Cancelling First Revision
Second Revision Sheet 90D Cancelling First Revision
Third Revision Sheet 90E Cancelling Second Revision
Third Revision Sheet 90F Cancelling Second Revision
Second Revision Sheet 90G Cancelling First Revision
Third Revision Sheet 90H Cancelling Second Revision
Third Revision Sheet 90I Cancelling Second Revision
Fourth Revision Sheet 90J Cancelling Third Revision
Second Revision Sheet 90K Cancelling First Revision
Second Revision Sheet 90L Cancelling First Revision
Original Sheet 91M
Original Sheet 91N
Original Sheet 91O
Original Sheet 91P
Original Sheet 91Q
First Revision Sheet 91 Cancelling Original Revision
Twelfth Revision Sheet B Cancelling Eleventh Revision Sheet B (IPUC No. 26)
First Revision Sheet 191 Cancelling Original Revision

Additionally, the Company proposes withdrawing the following sheets:

Third Revision Sheet 190 Cancelling Second Revision
Second Revision Sheet 190A Cancelling First Revision
First Revision Sheet 190B Cancelling Original Revision

First Revision Sheet 190C Cancelling Original Revision
Second Revision Sheet 190D Cancelling First Revision
Second Revision Sheet 190E Cancelling First Revision
First Revision Sheet 190F Cancelling Original Revision
First Revision Sheet 190G Cancelling Original Revision

This filing proposes to continue the Company's successful electric energy programs at the current level. The energy efficiency tariff rider, Schedule 91, at the current 1.50% of base rates. The resulting revenue of approximately $5 million per year, on a system basis, is dedicated exclusively to electric energy efficiency programs. The tariff rider for natural gas programs, Schedule 191, is proposed to be decreased from a surcharge of 0.52% to 0.

The proposed changes to existing electric programs are, for the most part, "housekeeping" modifications. A significant change is proposed for the Company's market transformation programs. WWP is proposing to re-orient its market transformation efforts through participation, starting in 1997, in a coordinated regional approach under the auspices of the Northwest Energy Efficiency Partnership. Specific changes to and support for the electric energy efficiency programs, Schedule 90, are discussed in the enclosed application.

The proposed withdrawal of Schedule 190 results from the avoided cost of natural gas having decreased to a level which significantly reduces the cost-effectiveness of natural gas energy efficiency programs. The Company intends to make available information on financing and installation options for interested customers. Additionally, to avoid lost opportunities, natural gas efficiency improvements may be examined when Company representatives are reviewing customers' potential electricity improvements. Because the cost of this service is expected to be minimal, the Company is not proposing cost recovery at this time. WWP will continue to monitor the weighted average cost of gas to determine if there are any substantive changes in the gas commodity that would improve the cost-effectiveness of gas energy efficiency programs.

Within an overall guideline of providing energy efficiency on a cost-effective basis, this filing is based on the following planning objectives.

1. Emphasize customer satisfaction as a key measure
2. Recognize that energy efficiency provides...
   ...new resources and long-term resource diversity
   ...customer service
   ...public policy responsiveness
   ...social benefits
3. Focus on market transformation and leveraging opportunities
4. Build on previous field experience and market research
5. Participants pay major percentage when possible
6. Provide stable funding for energy efficiency programs compatible with WWP financial criteria and the changing industry environment

The enclosed application also describes the results of the 1995-1996 energy efficiency programs, including the pilot programs and experimental DSM Tariff Rider. Washington Water Power believes that the Tariff Rider remains a good response for the continuation of energy efficiency as the industry continues to experience change to a more competitive environment. Likewise, WWP continues to gain experience regarding provision of energy efficiency at low costs to benefit participating and nonparticipating customers.

In the course of the 1997-1999 energy efficiency planning, eight organizations participated in two meetings to discuss and critique the Company's proposed programs. The DSM Opportunities Group ("DOG") offered helpful suggestions many of which have been incorporated in this filing. The Company appreciates the time and effort provided by members of the DOG.

There is no change in revenue associated with Schedules 90 and 91. Due to load growth on a system basis, the electric rider is 1.50% compared to the 1.55% level during the 1995-1996 period. Because of differences in load growth between classes, there is a very slight change (i.e., up to 0.013 cents/kwh) in the effective rate of some schedules. The proposed revisions to Schedules 190 and 191 result in a revenue decrease of approximately $450,000 per year on a system basis.

The Company requests that the Commission approve the proposed DSM tariff changes included in this filing to be effective January 1, 1997 for a three year period ending December 31, 1999. The Company respectfully requests that the Commission approve the proposed tariffs at a regularly scheduled business meeting; however, if the proposed revisions require greater review, the Company suggests that the Modified Procedure be followed for this filing.

Also enclosed is a "Notice of Tariff Change" which will be posted in all company offices coincident with the date of this filing.

Questions regarding this letter should be directed to Bruce Folsom at (509) 482-8706.

Sincerely,

Thomas D. Dukich

Thomas D. Dukich
Manager, Rates and Tariff Administration

Enclosures

cc: See attached service list

BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE PETITION OF	)
THE WASHINGTON WATER POWER COMPANY	)
FOR APPROVAL OF REVISED GAS AND	)
ELECTRIC TARIFFS FOR IMPLEMENTATION	)
OF ENERGY EFFICIENCY PROGRAMS FOR	)
RESIDENTIAL, COMMERCIAL AND	)
INDUSTRIAL CUSTOMERS	)

ATTACHMENT A

SUMMARY AND DESCRIPTIONS OF PROPOSED PROGRAMS

THE WASHINGTON WATER POWER COMPANY

NOTICE OF TARIFF CHANGE
(Electric and Natural Gas Service)

Notice is hereby given that the "Sheets" listed below of Tariff I.P.U.C. No. 25, covering, electric service, and Tariff I.P.U.C. No. 26, covering natural gas service, have been filed with the Idaho Public Utilities Commission in Boise, Idaho:

Nineteenth Revision Sheet B Cancelling Eighteenth Revision Sheet B (IPUC No. 25)
Fifth Revision Sheet 90 Cancelling Fourth Revision
Fifth Revision Sheet 90A Cancelling Fourth Revision
Fourth Revision Sheet 90B Cancelling Third Revision
Second Revision Sheet 90C Cancelling First Revision
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Original Sheet 91M
Original Sheet 91N
Original Sheet 91O
Original Sheet 91P
Original Sheet 91Q
First Revision Sheet 91 Cancelling Original Revision
Twelfth Revision Sheet B Cancelling Eleventh Revision Sheet B (IPUC No. 26)
First Revision Sheet 191 Cancelling Original Revision

Additionally, the Company proposes withdrawing the following sheets:

Third Revision Sheet 190 Cancelling Second Revision
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Second Revision Sheet 190D Cancelling First Revision
Second Revision Sheet 190E Cancelling First Revision
First Revision Sheet 190F Cancelling Original Revision
First Revision Sheet 190G Cancelling Original Revision

This filing proposes to continue the Company's electric energy programs, Schedule 90, and the tariff rider, Schedule 91, at a level of 1.50. The resulting revenue of approximately $5 million per year, on a system basis, is dedicated exclusively to electric energy efficiency programs. The tariff rider for natural gas programs, Schedule 191, is proposed to be decreased from a surcharge of 0.52% to 0. The proposed withdrawal of Schedule 190 results from the avoided cost of natural gas having decreased to a level which significantly reduces the cost-effectiveness of natural gas energy efficiency programs.

There is no change in revenue associated with Schedules 90 and 91. The proposed revisions to Schedules 190 and 191 result in a revenue decrease of approximately $450,000 per year on a system basis.

October 23, 1996

Proposed effective date: January 1, 1997
Tariffs available for review

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have served the Energy Efficiency Filing of The Washington Water Power Company by mailing a copy thereof, postage prepaid to the following:

Ms. Stephanie Miller
Idaho Public Utilities Commission
Statehouse Mail
472 West Washington
Boise, ID 83270

Mr. William Nicholson, Manager
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Potlatch Forest Industries
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NW Power Planning Council
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Boise, ID 83720

Mr. Andrew C. Thoman, Esq.
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Weatherization Manager
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Mr. Tom Sawyer
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925 Plum St. SE, Bldg 4
PO Box 43173
Olympia, WA 98504-3173

Dated at Spokane, Washington this 23rd day of October 1996.

Chalon Mauro
Administrative Rate Assistant

Thomas D. Dukich
Manager, Rates and Tariff Administration
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IDAHO PUBLIC
UTILITIES COMMISSION

BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION

WWP-E-96-7
WWP-G-96-4

IN THE MATTER OF THE PETITION OF	)
THE WASHINGTON WATER POWER COMPANY	)
FOR APPROVAL OF REVISED GAS AND	)
ELECTRIC TARIFFS FOR IMPLEMENTATION	)
OF ENERGY EFFICIENCY PROGRAMS FOR	)
RESIDENTIAL, COMMERCIAL AND	)
INDUSTRIAL CUSTOMERS	)

Contents of the Company's Petition

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Contents of the Company's Petition (CONTINUED)

Attachment	Description
A.	Summary and Descriptions of Proposed Programs
B.	Proposed Energy Efficiency Tariffs
C.	Analysis of Experiments (Pilots)
	1. Resource Conservation Manager
	2. Trade Allies
	3. Building Commissioning
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	1. Quantitative Results
	2. M&E
E	Cost-Effectiveness Summary
F.	Tariff Rider Regulatory Guidelines
G	Public Involvement
H.	Results Center Report
I.	Proposed '97-'99 M&E

I. Executive Summary

The Washington Water Power Company ("Applicant", "WWP" or "Company" herein) respectfully petitions the Commission for approval of tariff revisions related to its energy efficiency programs.

Background

In 1995, the WUTC approved a two year experimental demand-side management (DSM) funding mechanism called the DSM Tariff Rider. The Commission also approved three pilot DSM programs as well as a menu of other programs which the Company classified as either 'market transformation' or 'direct funding'.

Based on the success of the funding mechanism and the performance of the DSM programs, WWP proposes the continuation of the Electric DSM Tariff Rider, renamed as the Energy Efficiency Tariff Rider. This new title is responsive to customer feedback and is more explanatory and "user-friendly".

The Tariff Rider has received national recognition and is being cloned in many states across the country. In August 1996, The Results Center published a profile on the Tariff Rider and stated that:

> "Washington Water Power's Distribution Charge, formally known by its regulators as 'the DSM Tariff Rider', is the most sophisticated model of its kind and a powerful harbinger of what may well become the future predominant energy efficiency services funding mechanism in a competitive utility environment." -- Profile #126: Distribution Charge and Market Transformation Programs, page 2.

The Company is proposing that the majority of its existing energy efficiency programs be continued with minor modifications. Due to recent changes in the economics of natural gas, the Company is proposing major changes to its existing gas tariff rider and programs.

Results of 1995-1996 Programs

WWP's 1995-1996 programs are expected to produce system savings of 89,720,591 kwh and 953,157 therms at a cost of $8,016,619 and $738,857, respectively. This 10.24 aMW represents 94% of projected electric savings and the therm total equals 345% of natural gas savings. These savings were achieved at a cost of 90% of budget projections.

WWP has received several accolades from regional and national organizations for the design, implementation and results of the 1995 and 1996 programs. The Results Center terms WWP's programs and tariff rider as one of the top ten energy services programs in North America. The Northwest Power Planning Council and Natural Resources Defense Council have stated that WWP's efforts have successfully balanced energy efficiency provisioning with industry restructuring.

Three "lessons learned" are applied in this filing. First, flexible tariff language enabled management to adapt to customer needs in energy efficiency implementation. This allowed WWP to meet customer needs by working within stated guidelines rather than telling customers that existing tariffs do not allow the requested service. Second, the steady source of funding and multi-year approval by the Commission provided stability to the program staff and supporting industries (vendors, engineers, contractors, etc.). Third, clear regulatory accountability focused implementation on savings targets within prescribed budgets.

WWP's Energy Efficiency Planning Objectives

Washington Water Power has sought to apply six planning objectives during the development of this filing. These objectives capture the intent and guidelines of WWP's energy efficiency programs. The following

objectives fall within an overall guideline of providing energy efficiency on a cost-effective basis.

1. Emphasize customer satisfaction as a key measure
2. Recognize that energy efficiency provides...
   ...new resources and long-term resource diversity
   ...customer service
   ...public policy responsiveness
   ...social benefits
3. Focus on market transformation and leveraging opportunities
4. Build on previous field experience and market research
5. Participants pay major percentage when possible
6. Provide stable funding for energy efficiency programs compatible with WWP financial criteria and the changing industry environment

In the course of the 1997-1999 energy efficiency planning, eight organizations participated in two meetings to discuss and critique the Company's proposed programs. The DSM Opportunities Group ("DOG") offered helpful suggestions many of which have been incorporated in this filing. The Company appreciates the time and effort provided by members of the DOG.

Proposed Energy Efficiency Programs and Tariff Rider

Through the proposed energy efficiency programs contained in this filing, WWP expects to save 113,896,000 kwh or 13 aMW over three years in Washington and Idaho at a cost of $13,689,000. WWP proposes to offer three residential programs, seven commercial and industrial programs, and two programs with an emphasis on regional efforts.

WWP's electric tariff revisions represent minor modifications to existing program offerings which have worked well in the last two years. The Company is continuing a mix of direct funded programs and market transformation programs. The latter is intended to steer customers to

energy efficient choices through removing market barriers such as perception of high risk (e.g., expected savings not materializing as planned), limited access to capital, and limited information on technology and financial payback.

Washington Water Power proposes to continue the Electric Energy Efficiency Tariff Rider to provide the same level of program funding as in 1995 and 1996. Due to load growth on a system basis, the electric rider is 1.50% compared to the 1.55% level in the previous period. Because of differences in load growth between classes, there is a very slight change (i.e., up to 0.013 cents/kwh) in the effective rate by schedule.

The Natural Gas Tariff Rider is reduced from 0.52% to 0%. The avoided cost of natural gas has fallen by 35% since the time of the Company's previous energy efficiency filing. This significantly decreases the cost-effectiveness of natural gas energy efficiency at this time. WWP proposes to maintain Schedule 191, Tariff Rider, at $0.00 per therm as a placeholder. WWP will continually monitor the weighted average cost of gas to determine if there are any substantial changes in the gas commodity market that would improve the cost-effectiveness of gas energy efficiency programs.

II. Procedural Information

The name of the Applicant is The Washington Water Power Company, a Washington corporation, whose principal business office is East 1411 Mission Avenue, Spokane, Washington. The Applicant maintains business offices in Spokane, Colville, Othello, and Pullman, Washington, as well as Lewiston and Couer d'Alene, Idaho. Business offices supporting natural

gas operations are also located in Medford, Oregon and South Lake Tahoe, California.

The Applicant is an investor-owned utility engaged in the generation, transmission, and distribution of electricity in certain portions of eastern Washington and in northern Idaho. The Applicant also provides natural gas service in certain portions of eastern Washington, northern Idaho, California, and Oregon. The Applicant provides electric and natural gas service to its customers at prices among the lowest in the United States. The Applicant promotes the efficient and safe use of energy.

The Applicant is subject to the jurisdiction of the Washington Utilities and Transportation Commission, the Idaho Public Utilities Commission, the Montana Public Service Commission, the Oregon Public Utilities Commission, the California Public Utilities Commission, and the Federal Energy Regulatory Commission. Communication in reference to this Application should be addressed to:

Thomas D. Dukich
Manager, Rates and Tariff Administration
The Washington Water Power Company
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P.O. Box 3727
Spokane, Washington 99220
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David J. Meyer
Paine, Hamblen, Coffin, Brooke, & Miller
717 W. Sprague, Suite 1200
Spokane, Washington 99204
Phone: (509) 455-6000 Fax: (509) 838-4626

III. Review of '95 - '96 Programs

A. Quantitative Results

WWP's 1995-1996 programs gained national attention in several respects. The Results Center, an independent research and analysis firm, named WWP's programs as "among the top ten energy service programs in North America" and published a commending 27 page "Profile". This Profile is included as Attachment H. E-Source, an information dissemination service, highlighted WWP's programs in a "strategic memo" format. Several organizations including the Northwest Power Planning Council and the Natural Resources Defense Council have cited WWP's programs as models which should be considered for adoption by other utilities.

Over the two year period ending in December 1996, the Company's programs are projected to have achieved system savings of 10.24 aMW and 953,157 therms. This compares favorably to WWP's projections contained in its 1994 application of 11.04 MW and 432,500 therms. Attachment D provides a program by program summary.

These savings were achieved at a cost of $8,016,619 for electric and $820,246 for natural gas. By the end of 1996, the Company expects energy efficiency expenses to be slightly under the two year rider revenue by $100,000 for electric and $50,000 for natural gas. Any excess revenues will immediately be rolled into ongoing energy efficiency programs.

The Company's achievements in energy efficiency have been accomplished due to a focus by the Implementation Team on savings targets. The Team transformed their role from grant dispensers--under the '92 - '94 direct funding programs--to marketing and technical

consulting specialists. In essence, the Team was given two targets, kwh and therms, and was asked to bring in those savings under a set budget.

B. 1995-96 Program Analysis

The Company's 1995-96 DSM programs included three pilot energy efficiency programs and the DSM Tariff Rider. A full analysis of the pilot programs is provided in Attachment C.

Resource Conservation Manager ("RCM") Program

The RCM program has been a strong and unqualified success. Two Resource Conservation Managers--one for Eastern Washington and one for Northern Idaho--were hired by three school districts to acquire savings of electricity, natural gas, water, sewer, and solid waste primarily through improved energy management. The RCMs work closely with students, teachers, school administrators and the janitorial staff to promote energy and resource conservation.

The costs of the RCM program are paid by the participating school districts out of the savings from each of the five cost-saving categories. This program includes a salary guarantee by WWP. Together, the two RCMs generated $253,861 in savings at a cost of $100,000, thus WWP's salary guarantee was not triggered.

The salaried RCMs at the participating school districts is a two year effort after which the school district is expected to "institutionalize" the policies and conservation practices of all types including waste recycling and water conservation. All of the school districts participating in WWP's RCM program have adopted these policies.

Based on the success of this program, WWP will continue the public school RCM program. In addition, WWP proposes to apply the basic formula, under the name of Resource Management Partnership Program

("RMPP"), to non-profit agencies, colleges, governmental agencies, and private companies (e.g., banks and real estate offices) for which approximately 40 buildings under common management can have energy consumption and conservation practices monitored and analyzed by one RCM.

Trade Ally Program

The Trade Ally Program provides a means for WWP to bring together third party HVAC dealers, architectural and engineering firms, and building management companies with customers having energy management needs. This program offers technical and marketing assistance to improve the Trade Allies' ability to secure customers for energy efficiency projects. Specifically, WWP offers independent assessment of potential energy savings and assistance in arranging financing from banks or other sources.

Under the protocol for establishing energy savings, WWP takes credit for those projects in which one of three identifiable market barriers were removed: perceptions of high risk, limited access to capital, and limited information on available technology. To date, this program has resulted in five such projects with savings of 377,436 kwh and 646 therms with an additional 41 projects totaling 2,098,195 kwh and 2,509 therms currently in progress.

Building Commissioning Program

The purpose of the Building Commissioning Program was to introduce the concept of building commissioning into WWP's service territory by conducting a limited test program. The small test program would help train local firms as commissioning agents and provide a valuable service to customers participating in the program. These two

outcomes were intended to help stimulate a demand and supply for further commissioning activities in WWP's service territory. Potential agents indicated as part of their submittal of qualifications that commissioning was not a common practice but that they perceived it to be valuable.

Several of the program projects were older buildings that did not contain many automated control systems or energy efficiency features. Building commissioning procedures that have been established in other regional programs did not lend themselves well to these older structures. Also, projects did not include buildings which had installed a significant amount of more sophisticated energy efficiency features, another circumstance which is well suited to building commissioning.

Given the pilot program experience and other regional developments, WWP has decided not to continue its existing building commissioning program. There are several regional efforts underway to develop market moving programs to promote building commissioning that WWP could participate in as a more effective mechanism to further building commissioning in our service territory. One of these programs is building operator certification to help train building operators in energy efficient building operating and maintenance practices. A building commissioning effort closely tied in with new construction under the non-residential energy code may be more effective by targeting facilities that are most likely to benefit by building commissioning.

Energy Efficiency Tariff Rider

The Energy Efficiency Tariff Rider is a "per kwh" and "per therm" charge on all energy transmitted on WWP's distribution system. Revenue generated is dedicated exclusively to energy efficiency programs. The 1.55% electric charge and 0.52% natural gas charge is expected to

generate $8,745,506 and $842,739, respectively, in the two year period ending December 31, 1996 in Washington and Idaho.

Washington Water Power believes that the Tariff Rider accomplished the following primary objectives for which it was designed.

--Promotion and support of energy efficiency was continued.
--A stable, funding source was established.
--Delivery of energy efficiency was more cost-effective with no earnings or tax effect from energy efficiency investment.
--Customer service and expectations for energy efficiency continued.
--Regulatory assets were not accrued.
--Internal energy efficiency capital budgeting concerns were erased.
--Earnings impacts of energy efficiency were neutral.

Each of the above points were successfully achieved by the Tariff Rider. This is explained starting on page 16 under "'Value' of Tariff Rider".

C. Key Influences on '97 - '99 Programs

During the operation of the 1995-1996 programs, several features or benefits stood out as key "lessons learned". Of major note was the adaptive management or flexibility afforded to the Implementation Team to pursue energy savings unencumbered by tariff language. Previous energy efficiency tariffs have been very specific which did not allow for innovation unless accompanied by tariff revisions. The 1995-1996 tariffs for the commercial and industrial site-specific programs were target-based with broad guidelines including the use of the utility cost test to determine funding amounts. This allowed WWP to meet customer needs by working within stated guidelines rather than telling customers that existing tariffs do not allow the requested energy efficiency service.

The steady source of funding and multi-year approval by the Commission has provided stability to the energy efficiency programs.

This stability allowed programs to be "rolled out" and supported in a consistent manner. Stability for staffing purposes, with appropriate training, was particularly important during the 1995 to 1996 period given the changes occurring in the industry and within the Company.

Clear regulatory accountability focused implementation on savings targets within prescribed budgets. The regulatory focus on savings led to the design of measurement and evaluation which was administered in a cost-effective manner.

Lastly, WWP continues to benefit from involvement by its stakeholders. In the energy efficiency arena, there is an "expert" public which continues to advise the Company on noteworthy efforts and provide positive critiques. During the course of the 1995-1996 program, WWP convened an "update" meeting with interested parties to examine the mid-term status of WWP's programs. Thereafter, the DSM Opportunities Group (DOG) met on two occasions in the development of this filing to share observations on best practices for successful energy efficiency programs. The Company appreciates the time and interest devoted by the eight organizations comprising the DOG. Washington Water Power has made a good faith effort to address and incorporate suggested revisions.

Several Washington industrial gas transportation customers (Schedule 146) expressed concern that they should be excluded from Tariff Rider charges. With the subsequent decrease in natural gas avoided costs and the reduction of the natural gas rider to "0", there is no rider charge to any natural gas customer. However, the Tariff Rider is intended to be a distribution charge and, as such, would be applied to all customers if Schedule 191 were to be increased in the future.

IV. Basis for this Filing

A. Energy Efficiency Objectives

Washington Water Power has applied six planning objectives to the programs proposed in this filing. These objectives are the foundation for WWP's proposed programs. These objectives also guide the planning and administration of the Company's programs.

1. Emphasize customer satisfaction as key measure
2. Recognize that energy efficiency provides...
   ...new resources and long-term resource diversity
   ...customer service
   ...public policy responsiveness
   ...social benefits
3. Focus on market transformation and leveraging opportunities
4. Build on previous field experience and market research
5. Participants pay major percentage when possible
6. Provide stable funding for energy efficiency compatible with WWP financial criteria and the changing industry environment

All of the above objectives fit within the premise that WWP's programs are cost-effective. This documentation is included in Attachment E.

Customer responsiveness and satisfaction as the first objective speaks to Washington Water Power's emphasis on meeting consumer needs. WWP's customers continue to tell the Company that energy efficiency should continue to be a priority. For participating customers, post-installation surveys indicate a "very satisfied" rating of 90% with WWP's performance in energy efficiency implementation.

The second objective notes that energy efficiency has several purposes. The multi-faceted benefits of energy efficiency makes it a unique service in the electric industry. As the industry moves toward

greater competition, the distribution or "line" service is expected to remain a natural monopoly for the foreseeable future.

WWP continues to believe that the future of successful energy efficiency is in promoting customer choice towards energy efficiency decisions. This market transformation allows customers, given accurate and complete information on the benefits and economic payback of programs, to pursue efficiency improvements with minimal utility cash contribution. WWP's role is to assist in removing market barriers such as the interpretation of technical information, access to financing, confirmation of savings, etc. Additionally, WWP can assist in leveraging energy efficiency opportunities through codes and a mix of cost-effective regional programs and services. Washington Water Power will be participating in the Northwest Energy Efficiency Partnership ("NEEP") as a primary means of implementing market transformation.

Building on previous field experience and market research, as the fourth objective, emphasizes providing customers with valued services. WWP's programs have evolved based on experience with program delivery, customer acceptance, and program improvements.

Washington Water Power's programs steer participants toward paying the majority of energy efficiency costs with the exception of limited income customers. As the fifth planning objective, this recognizes that participants who benefit from energy efficiency should pay a corresponding share. The utility contribution, however, does serve non-participating customers in the form of low cost energy savings and maintaining the capability to access greater energy efficiency savings in the future as needed and appropriate.

The sixth objective is to provide stable funding for energy efficiency compatible with WWP financial criteria and the changing industry environment. This is further discussed in the next section.

B. "Value" of Tariff Rider

At the current juncture in the electric industry, WWP believes that its programs and funding mechanism provide benefits to all and the Tariff Rider experiment has been successful. The measure of success is based on the Tariff Rider serving several disparate stakeholders: customers, financial community, energy efficiency dealers ("infrastructure"), energy efficiency advocates, and the Company.

The Tariff Rider meets customer needs by providing access to energy efficiency. WWP's surveys continue to show that energy efficiency remains a strong concern. Washington Water Power's 1996 Corporate Social Responsibility Survey asks respondents to rank thirty-four issues in order of importance for Company attention in the next five years. Energy efficiency ranked at the top of the list. This is consistent with WWP's other survey instruments including the Voice of the Customer, periodic focus groups, and field experience in the community.

The Tariff Rider has provided funding stability to energy efficiency at a time when utilities across the region are determining if and how to fund conservation during this period of industry transition. Through this funding stability, WWP has been able to continue the promotion of energy efficiency and support of the dealers in WWP's service territory.

Financially, utility analysts have been concerned about regulatory assets, or utility investment which cannot be sold at market rates for energy or capacity. The Tariff Rider has been responsive to this concern by expensing DSM costs in one year rather than accruing a more costly

long-lived asset on the utility's books. Additionally, the Tariff Rider removes energy efficiency from the internal capital budgeting process. As WWP's capital budget has decreased in the past few years, internal competition for funding revenue producing or system maintenance projects has increased.

V. Proposal

A.1 Programs. Electric

WWP proposes to offer three residential and seven commercial and industrial electric programs. In addition, the Company will offer two combination programs with a focus on regional and market transformation efforts.

Through these programs, WWP expects to save 113,896,000 kwh or 13 aMW over three years at a cost of $13,689,000.

Washington Water Power proposes the following residential programs.

Manufactured Home Acquisition Program
Limited Income Residential Energy Efficiency
HVAC System Efficiency

These programs are a continuation of existing offerings plus the addition of the HVAC System Efficiency Program. Each program is described in Attachment A, with supporting tariffs included in Attachment B.

WWP's energy efficiency programs for commercial and industrial (C/I) customers include:

Site Specific
Prescriptive Variable Frequency Drives for HVAC
Prescriptive Variable Frequency Drives for dry kilns
Prescriptive Lighting Program

Prescriptive Fuel Switching Program
Trade Ally
Resource Management Partnership Program

Each of these commercial and industrial programs have been offered in some form by WWP in the past. The fuel switching programs and lighting rebates, last offered in 1994, are included so that WWP's small commercial customers can have access to energy efficiency programs.

Two market transformations programs are proposed.

Energy 2000
Northwest Energy Efficiency Partnership ("NEEP")

These programs continue WWP's commitment to regional and market transformation efforts. The Energy 2000 Program continues local promotion of new energy efficiency services and new technologies that provide customer benefits. The NEEP is a non-profit organization established to pursue a regional approach to gaining permanent changes in markets for selected energy efficiency products and services. WWP's participation in NEEP is intended to leverage the Company's market transformation activities with coordinated regional efforts. The Company's share is $1.04 million each year in 1998 and 1999. WWP, together with other regional investor-owned utilities, participated in the planning phase of NEEP to address key concerns such as cost-effectiveness, administration, and local participation. Attachment A includes more explanation of NEEP.

All of the above programs are cost-effective by WWP's planning standards. If any of these programs appear to not be producing the desired results, WWP will make necessary adjustments. As an example, the Company did not implement the Natural Gas High Efficiency Appliance

Education Program approved in WWP's 1994 filing. This is because, during initial implementation, appliance dealers advised WWP that such a program would not have the desired effect and would not be cost-effective.

A.2 Programs, Natural Gas

No tariffed natural gas programs are proposed for 1997 through 1999. The cost-effectiveness of natural gas energy efficiency decreased significantly due to a decline of 35% in natural gas avoided costs. Natural gas programs that remain cost-effective under the new avoided costs are those which are information-based. These types of programs, in turn, have relatively small budgets at a level not justifying a stand-alone cost recovery mechanism.

WWP intends to respond to customer inquiries about natural gas energy efficiency with a series of informational brochures on market rate financing options, available technology, and suggestions on arranging for installation.

Because the Company is a combination utility with electric energy efficiency programs, WWP will continue to have minimum viable programs which can be activated should natural gas avoided costs increase. Likewise, the Company is maintaining promotion of energy efficiency and the trade ally infrastructure through the electric side of the business. WWP will be able to achieve a majority of the energy efficiency objectives for natural gas as a consequence of implementing the array of electric efficiency programs contained in this filing. Most, if not all, of the electric efficiency programs will offer the additional benefit of maintaining the trade ally relationships and staff experience that can be

employed to more actively promote gas efficiency should the need arise. Additionally, WWP will offer gas efficiency education and promotion to our customers when it can be obtained for minimal incremental cost.

B. Tariff Rider

Washington Water Power proposes to continue the Electric Energy Efficiency Tariff Rider to provide the same level of program funding as in 1995 and 1996. Due to load growth on a system basis, the electric rider is 1.50% compared to the 1.55% level in the previous period. Because of differences in load growth between classes, there is a very slight change (i.e., up to 0.013 cents/kwh) in the effective rate by schedule. As explained in the previous section, no tariffed natural gas energy efficiency programs are proposed. The Tariff Rider for natural gas is proposed to be $0.00 per therm on Schedule 191. Preservation of the Tariff would allow the rate to be increased if the avoided costs of natural gas rise and natural gas programs once again become cost-effective.

In the time period since the Commission's prior authorization of the Tariff Rider, a new retail tariff has been approved by the Commission, Schedule 26. This Tariff Rider, as a non-bypassable distribution charge, is applicable to Schedule 26.

VI. Request

Attachment B contains the Company's proposed energy efficiency tariff revisions, Schedules 90 and 190. The Tariff Rider is included as Schedules 91 and 191. Washington Water Power requests that these tariffs remain in place for three years through December 31, 1999, and no longer be considered "experimental".

The Company intends to make adjustments to Schedules 90, 91, 190, and 191 as necessary during the next three years to respond to industry changes. Such instances requiring modifications may include legislation, Commission policy statements, changing cost-effective criteria, or regional agreements.

Approval of the proposed energy efficiency tariff revisions will allow the Washington Water Power Company to continue to offer its menu of market transformation, direct funding, and customer assistance programs.

The Company respectfully requests that the Commission approve WWP's proposed tariff revisions to become effective January 1, 1997.

DATED this 23 day of October, 1996.
The Washington Water Power Company

By: Thomas D. Dukich
Thomas D. Dukich
Manager, Rates and Tariff Administration

VERIFICATION

STATE OF WASHINGTON)
:ss.
County of Spokane)

I, Thomas D. Duckich, being first duly sworn on oath, deposes and says: That he is the Manager - Rates and Tariff Administration of The Washington Water Power Company and makes this verification for and on its behalf of said corporation, being thereto duly authorized;

That he has read the foregoing application, knows the contents thereof, and believes the same to be true.

SIGNED AND SWORN to before me this 23rd day of October, 1996, by Thomas D. Dukich.

SHERRI M. LEMON
NOTARY PUBLIC
12-18-97
STATE OF WASHINGTON

Sherri M. Lemon
NOTARY PUBLIC in and for the State of Washington, residing at Spokane.
Commission Expires: 12/18/97

1997-1999 DSM Program Budget

WWP Electric Programs	1997 Units	1997 mWh Savings	1997 Utility Cost $k	1998 Units	1998 amW Savings	1998 Utility Cost $k	1999 Units	1999 amW Savings	1999 Utility Cost $k	'97 - '99 Units	'97 - '99 amW Savings	'97 - '99 Utility Cost $k
MAP	965	0.2280	$2,272	0	0.0000	$0	0	0.0000	$0	965	0.2280	$2,272
LI Energy Efficiency	275	0.2315	$584	275	0.2315	$590	275	0.2315	$592	825	0.6945	$1,767
HVAC System Efficiency	160	0.0731	$111	160	0.0731	$114	160	0.0731	$117	480	0.2192	$342
Trade Ally Education	0	0.0000	$56	0	*****	$58	0	*****	$59	0	*****	$173
Natural Gas Awareness	1	1.5982	$0	1	1.5982	$0	1	1.5982	$0	3	4.7945	$0
RMPP	0	0.2854	$141	0	0.2854	$149	0	0.2854	$157	0	0.8562	$447
Prescriptive Lighting	140	0.1142	$131	140	0.1144	$135	140	0.1146	$138	420	0.3432	$404
Presc. Fuel Switching	115	0.2275	$130	115	0.2275	$134	115	0.2275	$137	345	0.6826	$401
Trade Ally	50	0.4338	$189	50	0.4338	$199	50	0.4338	$208	150	1.3014	$596
C/I Site Specific	180	1.0357	$940	180	1.1905	$1,060	180	1.1905	$1,077	540	3.4167	$3,076
Energy 2000	0	0.0000	$366	0	0.0571	$366	0	0.2854	$262	0	0.3425	$993
Trade Ally Tool Lending	0	0.0000	$36	0	*****	$36	0	*****	$38	0	*****	$110
Regional Programs	1	0.5500	$669	1	0.5500	$1,215	1	0.5500	$1,224	3	1.6500	$3,108
Total WWP Electric	**1,887**	**4.78**	**$5,624**	**922**	**4.76**	**$4,056**	**922**	**4.99**	**$4,009**	**3,731**	**14.53**	**$13,689**

Program: **Manufactured Home Acquisition Program (MAP)**

Availability. To manufacturers of new HUD-Code manufactured (mobile) housing which also meets the Bonneville Power Administrations regional MAP specifications and receives electric service from the Company under tariff Schedule 01 for space heating. Determinations of qualification for MAP are made by state energy offices.

Measures. Company approved measures eligible for installation under this program are all components and construction of the manufactured housing meeting regional specifications. The measure life is estimated at 30 years.

Funding. The Company will pay $1,500 to the manufacturer of each qualifying MAP home (constructed on or after October 25, 1994) and $2,500 for MAP homes constructed on or after April 1, 1992, but prior to October 25, 1994 in addition to a $150 per home administrative payment to the Bonneville Power Administration. In order to receive payment, homes must be manufactured prior to July 26, 1995 and sited on or before January 26, 1997. Total utility cost for the three year period is estimated at $2.27 million dollars

Program: **Natural Gas Awareness Program**

Description. The purpose of this program is to make residential electric space and water heat Customers aware of the benefits of converting to natural gas space and water heating.

Availability. To any residential Customer interested in converting electrical appliances to natural gas service.

Measures. The program provides educational materials to Customers about the efficient use of natural gas space heating and water heating appliances.

Funding. Tariff rider dollars will not be applied to this program.

Savings. Projected savings for the 3 year period is 42 million kWh.

Program: **Limited Income Residential Energy Efficiency**

Description: The purpose of this program is to assist the Customer in funding a portion of weatherization insulation measures. The program would operate through the limited income agencies.

Availability: To any Owner of a residential dwelling in which a Limited Income Customer receives electric service from the Company under tariff Schedule 01. The dwelling must utilize electric space heating equipment as the primary source of space conditioning. The Limited Income Customer must also use at least 4,000 kWh's per year for space conditioning in order to qualify for this program. The Agency will qualify customers for assistance under this program using the federal low income guidelines.

Measures. Company-approved measures eligible for installation under this program are as follows:

Measure	Measure Life
Ceiling insulation	30 years
Wall Insulation	30 years
Floor insulation	30 years
Infiltration Control	10 years
Electric space heat to natural gas	25 years
Electric water heat to natural gas	25 years
Set-Back Thermostat	10 years
Water Heater Wrap	10 years

Whenever possible, the replaced electric equipment, for which the Customer is receiving funding, shall be removed and destroyed. If the equipment cannot be removed, then the heating function will be disabled.

Funding. Upon completion of the installation of measures, the Company will reimburse the Agency as follows:

Measure	Funding Level
Weatherization	$0.40 cents/kWh
Space Heat Conversion	$0.23 cents/kWh
Water Heat Conversion	$650.00 per tank

Funding for no more than $1,767,000 over the 3 year period will be provided under this and previous tariffs in the Company's combined Washington and Idaho service areas. Total utility cost estimated for the 3 year period is $1.76 million dollars. Designated program funding will expire on December 3, 1999. Projects must be completed and all invoices and verification necessary to process Customer grants should be received by the Company on or before December 3, 1999.

Savings: Projected savings for the 3 year period is 6 million kWh.

Program: **HVAC System Efficiency Program**

Description: This program is designed to improve residential HVAC system efficiency by reducing energy losses associated with leaky duct systems and poor furnace filter maintenance.

The duct sealing program will include two components; one for new homes and one for retrofits. The new home component will allow builders of new homes with ducts in unconditioned areas to voluntarily submit the home to a duct blaster test. Homes that meet a minimum performance criteria will earn the right to advertise their home as a "Energy Efficiency Duct Home". There will be no direct incentives provided under this component of the program.

The retrofit component will be open to any existing home with ducts in unconditioned areas. The program will provide the homeowner with a $50 direct incentive for pressure panning their home. For homes not meeting pressure pan specifications, an additional incentive of up to $200, not to exceed 50% of total job cost, will be awarded for duct sealing.

The furnace filter component of the HVAC System Efficiency Program will focus on increasing the energy efficiency of HVAC systems through the proper maintenance of furnace filters. The program will include an educational component to disseminate information concerning the energy, health and comfort benefits of proper furnace filter replacements and the different kinds of furnace filters. This component will also include the distribution of filter change reminder aids which may include calendar markers and refrigerator magnets that include the scheduled date for the next change. Designated program funding will expire on December 3, 1999.

Availability: Available to any residential customer with a ducted system who receives electric service under tariff Schedule 01.

Funding: Total utility cost estimated for the 3 year period is $342,000

Savings: Projected savings over the 3 year period is 1.9 million kWh for the two program components.

Program: **Commercial/Industrial Site Specific Program**

Description: Company approved measures eligible for installation under this program are as follows:

Measure	Measure Life
Energy Management Systems	10 years
Direct Digital Control Systems	10 years
Lighting Control Systems	10 years
SCADA Systems	10 years
Process and other Miscellaneous Control Systems	10 years
HVAC and Refrigeration - Unitary	10 years
HVAC and Refrigeration - Central	15 years
Heat Recovery Systems	15 years
Variable Frequency Drives	15 years
Fan, Compressor and Pump systems	15 years
Process Fuel Switching	15 years
Other Motor and Drive Systems	15 years
Other Process Efficiency Improvements	15 years
Chillers	20 years

Additional measures may qualify for funding under this program. Such determination shall be at the discretion of the Company. All measures approved for funding shall exceed local energy efficiency codes or where no such code exists, shall meet or exceed "standard industry practices" and/or the American Society of Heating, Refrigerating and Air Conditioning Engineers Inc. (ASHRAE)/Illuminating Engineering Society of North America (IES) standard 90.1 as determined by the Company.

Availability: Commercial or industrial customers receiving electric service under tariff Schedule 21, 25, 26, 31 or special contract for electric service which includes demand side management system rates, or any Owner developing a new commercial or industrial facility that will receive service under Schedule 21, 25, 26, 31 or special contract for electric service which includes demand side management rates.

Funding: To qualify for funding under this tariff, the Applicant must do one of the following prior to December 3, 1999: 1) begin development of a Company approved engineering analysis in accordance with a Company approved scope of work; or 2) receive formal acceptance from the Company of an engineering analyses of savings potential performed at Applicant's direction and expense; or 3) match savings measures with Company approved prescriptive measures and return applications/forms to the Company. Projects must be completed, all invoices requested by the Company submitted and all verifications necessary to process the incentive should be received by the Company on or before December 4, 2000.

The Company will provide funding to the Customer on a Site Specific basis equal to the lesser of a) 50% of the incremental measure cost or b) an amount equal to Company approved estimated first year kWh savings times $.05 cents per kWh.

Commercial/Industrial Site Specific Program (continued)

Funding from the Company will also include up to 100% of the cost of any Site Specific Studies or services performed at the Company's direction by the Company or a qualified Engineer or Contractor on the Applicant's behalf for projects which are ultimately completed. Such studies or services costs shall not exceed $0.12 times the square footage of the facility under study, as determined by the Company.

For projects that are not ultimately completed, the Company funding for Such Site Specific studies or services shall not exceed 50% of cost of such studies or services. The Applicant shall remain responsible for the remaining costs of such studies or services.

Funding: Total utility cost estimated for the 3 year period is $3 million dollars.

Savings: Projected savings for the 3 year period is 29.9 million kWh.

Program: **Commercial/Industrial Site Specific - PRESCRIPTIVE**
Variable Frequency Drives for Heating, Ventilating and Air Conditioning

Availability. To any commercial or industrial Customer receiving electric service under tariff Schedule 21, 25, 26 or special contract for electric service which includes demand side management system rates, or any Owner or Developer developing a new commercial or industrial facility that will receive service under tariff Schedule 21, 25, 26 or special contract for electric service which includes demand side management system rates.

Measures. Measures qualifying are new Variable Frequency Drives (VFDs) for new electric motors or existing electric motors where no such Drive previously existed, used to drive heating, ventilating and air conditioning fans, heating pumps, cooling pumps or combined heating and cooling pumps.

Analysis. Savings for VFDs are determined Prescriptively by size and end use of the electric motor driven by the VFD using standard engineering practices and methods.

Funding. To qualify for funding under this tariff, the Applicant must return applications/ forms to the Company no later than December 3, 1999. Projects must be completed, all invoices requested by the Company submitted and all verifications necessary to process the incentive should be received by the Company on or before December 4, 2000.

The Company will provide Funding to the Customer on a Prescriptive basis as follows not to exceed 50% of the actual installed cost of the Variable Frequency Drive:

Commercial/Industrial Site Specific - PRESCRIPTIVE
HVAC-VFD Program (continued)

HVAC Equipment driven by VFD		Maximum $ Per Horsepower of electric motor driven by VFD
a)	HVAC Fan Motors	$50.00
b)	HVAC Cooling Pump Motors	$55.00
c)	HVAC Heating Pump Only or Combined Heating and Cooling Pump Motors	$85.00

Funding amounts are subject to change as determined by the Company's energy savings evaluations and market changes affecting the costs of Variable Frequency Drives. *Funding for this program is provided as part of the Commercial / Industrial Site Specific program.*

Prescriptive: **Commercial / Industrial Site Specific - PRESCRIPTIVE**
Variable Frequency Drives for Lumber Dry Kilns Fan Motors

Availability. To any commercial or industrial Customer receiving electric service under tariff Schedule 21, 25, 26 or special contract for electric service which includes demand side management system rates, or any Owner or Developer developing a new commercial or industrial facility that will receive service under tariff Schedule 21, 25, 26 or special contract for electric service which includes demand side management system rates.

Measures. Measures qualifying are new Variable Frequency Drives (VFDs) for new electric motors or existing electric motors where no such Drive previously existed, used to drive Lumber Dry Kiln Fans.

Funding. To qualify for funding under this tariff, the Applicant must return applications/forms to the Company no later than December 3, 1999. In addition, projects must be completed and all invoices requested by the Company from the Customer and all verifications necessary to process Customer grants should be received by the Company on or before December 4, 2000.

The Company will provide Funding to the Customer on a Prescriptive basis not to exceed 50% of the actual installed cost of the Variable Frequency Drive or $120.00 per kilowatt (kW) saved.

Funding amounts are subject to change as determined by the Company's energy savings evaluations and market changes affecting the costs of Variable Frequency Drives for Lumber Dry Kiln applications. *Funding for this program is provided as part of the Commercial / Industrial Site Specific program.*

Program: **Commercial Prescriptive Lighting Rebate Program**

Description: This program will provide direct incentives to Customers who perform lighting retrofit projects. Funding will only be available for the above measures on existing facilities and where installation is not required by local energy efficiency codes or where no such code exists, lighting measures approved for funding must meet or exceed "standard industry practices" as determined by the Company.

Availability: To any commercial customer receiving electric service under tariff Schedule 011.

Funding: Company funding under this program is limited to $3,000 per site, per year. Minimum funding shall be $200.00 per project to qualify. The Company will not fund the cost of Site Specific studies or analyses under this program. To qualify for funding under this tariff, all applications must be returned to the Company no later than December 3, 1999. Projects must be completed, all invoices requested by the Company submitted and all verifications necessary to process the incentive should be received by the Company on or before December 4, 2000. Total utility cost over the period 1997 through 1999 is $404,000 and will be provided under this tariff in WWP's combined Washington and Idaho service areas. The Company will rebate to customers at the following levels:

Measure	Measure Life	Rebate/unit
Compact Fluorescent		
Hardwired Ballast	10 years	$10
Lamp w/locking ballast	10 years	$10
4 foot T-8 Lamps & Electronic Ballast		
1 lamp	12 years	$5
2 lamp	12 years	$5
3 lamp	12 years	$10
4 lamp	12 years	$10
8 foot T-8 & Electronic Ballast		
1 lamp	12 years	$5
2 lamp	12 years	$10
Reflector/Delamp (retrofit only)		
4 foot (per lamp removed)	12 years	$5
8 foot (per lamp removed)	12 years	$10
Interior HID (excludes mercury vapor)		
0 to 100 watts	12 years	$30
101 to 175 watts	12 years	$30
176 watts or greater	12 years	$30
Exterior HID (excludes mercury vapor)		
0 to 100 watts	12 years	$15
Up to 175 watts	12 years	$15
176 watts or greater	12 years	$15
Exit Sign (must be Energy Star compliance)	12 years	$15
Occupancy Sensor		
72-350 watts connected load	10 years	$20
351-1000 watts connected load	10 years	$35
1001 watts or more connected load	10 years	$50

Commercial Prescriptive Lighting Rebate Program (continued)

Daylight Sensor/Controls		
72-350 watts connected load	10 years	$10
351-1000 watts connected load	10 years	$20
1001 watts or more connected load	10 years	$30

Savings. Projected savings for the 3 years period is 3 million kWh.

Program: **Commercial Prescriptive Fuel Switching Rebate Program**

Description: This program will provide low interest loans to customers for capital expenditure associated with switching from electric to natural gas as the primary fuel for space heating. The program will work in partnership with local financial institutions to provide market rate loans to credit worthy customers. The Company will purchase the loans interest liability from the lending financial institution. The Company approved measures eligible for installation under this program must have end use efficiencies of at least 90% (and must meet current state or federal minimum efficiency requirements).

Availability: To any commercial customer receiving electric service under tariff Schedule 011.

Funding: The company will provide funding to purchase loan interest liability from the lending financial institution. This funding will be provided as follows:

Electric Heating System Maximum Input Capacity (BTU/hr)	**North Region Funding**	**South Region Funding**
45,000 to 59,999	$279.00	$210.00
60,000 to 74,999	$370.00	$275.00
75,000 to 99,999	$460.00	$345.00
100,000 to 124,999	$620.00	$460.00
125,000 to 149,999	$775.00	$575.00
150,000 to 199,999	$930.00	$690.00
200,000 and greater	$1,240.00	$920.00

To qualify for funding under this tariff, the Applicant must return applications/forms to the Company by no later than December 3, 1999. Projects must be completed and all invoices requested by the Company submitted and all verifications performed should be received by the Company on or before December 4, 2000. Funding will only be available for the above measures on existing facilities and where installation is not required by local energy efficiency codes or where no such code exists, measures approved for funding must meet or exceed "standard industry practices" as determined by the Company. Total utility cost over the 3 year period is $401,000. Designated program funding will expire on December 3, 1999.

Savings. Projected savings for the 3 year period is 5.9 million kWh.

Program: **Trade Ally**

Description: The Company will work with Customers and Trade Allies to identify energy savings projects that in the Company's opinion are not occurring due to identifiable market barriers. To qualify for assistance under this tariff, the Applicant must have done the following: a) identified or be actively working with a contractor to identify an energy efficiency project b) selected a contractor(s) that will perform services or provide equipment for the energy efficiency project. The Company, at its discretion will provide assistance to overcome market barriers that may include any of the following:

The Trade Ally Program is divided into three components that customers may choose to utilize. They are outlined as follows:

Technical-Link will provide the customer with a third-party review of their project and may include the following services:

* Lending of diagnostic tools to customers to monitor how energy is used and consumed in their place of business
* Comprehensive design review
* Verification of estimated energy savings
* Pre- and Post-metering to verify energy savings

Financial-Link will offer a lending program for businesses in order to provide capital funding for energy-efficiency projects. The Financial-Link benefits may include:

* Low cost financing
* Engineering and financial reviews
* Reduced loan costs and collateral requirements
* Information about other funding opportunities (i.e.: governmental agencies)

Educational-Link will offer seminars and other materials about the changing industry, new technologies and pertinent issues. Other services may include but are not limited to:

* "How To" information
* On-line energy savings models for energy efficient equipment selection
* Do-it-yourself energy audits

Availability: All commercial customers receiving electric service under tariff Schedule 011, 021, 25, 26, 31 or special contract for electric service.

Funding: Various funding alternatives are available. Customers may benefit from one or more of the following options:

* Design review services up to $1,500.
* Loan fees of up to $500

The maximum amount of funding a customer may acquire per site, per year is $2,000. Total utility cost estimated for the 3 year period is $879,000. Designated program funding will expire on December 3, 1999.

Savings: Projected savings for the 3 year period is 11.4 million kWh.

Program: **Resource Management Partnership Program (RMPP)**

Description: The RMPP will promote resource savings and demonstrate the cost effectiveness of improved operations and maintenance within existing facilities. Participating customers must agree to continue operations and monitoring efforts upon the expiration of the RMPP position through the adoption of resource policy guidelines incorporating the guidelines into "standard practice" building operations. The Company will provide customers with the option of selecting a shared savings approach with a guarantee that program savings cover the costs associated with the program. Customers may also choose to have WWP provide services to implement the program and on-going support without the guarantee.

Availability: Commercial and industrial customers receiving electric service under tariff Schedule 11, 21, 25, 26 or special contract for electric service which includes demand side management system rates. Customers choosing the guarantee option will be required to have a combination of buildings with $1 million dollars worth of resource expenses and at least 2 million square feet of building space. Customers not choosing the guarantee option will be evaluated on a site-by-site basis. Non-profit agencies, school districts, office buildings, universities, hotels and restaurant chains may be the primary focus; with consideration to be given to all who apply. A special effort will be made to generate program participation interest with non-profit agencies.

Funding: Total utility cost estimated for the 3 year program is $447,000. The funding amount includes an estimated amount to cover a portion of the guaranteed salary and expenses not covered by the reduction in resource costs. Designated program funding will expire on December 3, 1999.

Savings: Projected savings for the 3 year period is 7.5 million kWh. Program results will be based on measured savings compared to established baseline resource usage levels.

Program: **Energy 2000**

Description: This market transformation program combines new energy efficiency products and opportunities for both residential and commercial and industrial customers to explore. The program is divided into two parts: Home Automation and New Technologies.

Home Automation

This program will attempt to demonstrate the potential of "Home Automation" to benefit residential customers. The purpose is to explore the use of Home Automation technology that will enhance energy efficiency and comfort in the home.

Availability: Due to the experimental basis of this program, the Company will work in conjunction with regional home shows and area developers to select new construction and existing home sites that receive service under tariff Schedule 01. The company will select 7 test sites over Washington and Idaho service territories, in both new and existing homes, in price ranges from under $100,000 to $250,000.

The automation system may include some or all of the following: monitoring and control of furnaces, cooling systems, indoor and outdoor lighting, hot water heater, link to existing security system, a phone dial-in monitoring and control capability, and an energy meter to indicate the energy cost in a visual display on the premises. The processing unit of the automation system should be re-programmable for system upgrades. The display would be either on a TV or a LCD unit.

Funding: The budget for the each home automation project will be based on a 10 year simple payback at 30% energy savings. For example, if a home consumes an estimated average energy costs of $200 a month, the home automation budget will be $200 x 30% x 12 months x 10 Years = $7,200. This $7,200 will be the total budget for installation and material for the automation system. Designated program funding will expire on December 3, 1999.

Savings: Projected savings for the 3 year period is 50,400 kWh.

Program: **Energy 2000 (continued)**

New Technologies

This program will provide an alternative funding mechanism to promote and encourage the implementation of new product and technologies to the WWP service area. The goal is to shorten adaptation time of these products into the customer's site. The technology should be proven, provide energy savings, be environmentally friendly and create regional economic stimulation. Technologies currently available in the marketplace include LED traffic lights, T-5 lighting systems, and Microwave industrial dryers.

Due to the unique weather, economy and environmental conditions in the Inland Northwest, many technologies that are developed are not proven to operate well in this part of the country as in others. Another program component for New Technologies to provide research funds to local institutions, schools, consulting firms, manufacturers, or individuals to do energy related research project to benefit WWP customers and regional programs. Samples of topics already under consideration include renewable resources applications, electric vehicles and Optimized Energy Management Systems with an Outside Air Control algorithm for Inland Northwest weather condition.

Availability: Commercial and industrial customers receiving electric service under tariff Schedule 011, 021, 025 and 026 or special contract which include demand side management system rates. Customers may apply for participation through the same application process as the Site Specific Program.

Funding: Customers will receive $0.10 per kWh or 50% of the total cost, whichever is lower with a cap of $75,000 per site for the installation of new products or technologies. Designated program funding will expire on December 3, 1999. Projects must be completed, all invoices requested by the Company submitted and all verifications necessary to process the incentive should be received by the Company on or before December 4, 2000.

Total utility cost estimated for the 3 year period for both components is $993,000.

Savings: Projected savings for the 3 year period is 3 million kWh.

Program: **Northwest Energy Efficiency Partnership**

Description: This regional market transformation program will focus on supplying products, services or technologies that will assist residential and commercial customers in improving the use of electric resources. WWP along with other participating utilities and organizations will make the customers aware of product information and availability.

Existing Regional Programs **
Compact Fluorescent Manufacturers Rebate - residential
High Efficiency MAP Inspection Support - residential
Technical Assistance Support (TAS) - residential/commercial
Energy Ideas Clearinghouse - residential/commercial
Seattle Lighting Design Lab - residential/commercial & industrial
Utility Code Group Support - commercial
*** The Company currently contributes to the sponsorship of these programs.*

Potential Regional Programs
Compact Fluorescent Fixture Rebate - residential
Cleaner Northwest High Efficiency Clothes Washer Program - residential
Motor Transformation - commercial/industrial
Home Energy Rating System - residential
Building Operator Certification - commercial
Energy Products Catalog - residential/commercial & industrial

Availability: All residential, commercial or industrial customers receiving electric service.

Funding: Total utility cost estimated for electric costs over the 3 year period is $3.1 million dollars. Designated program funding will expire on December 3, 1999.

Savings: Projected savings for the 3 year period is 14.4 million kWh.

BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE PETITION OF	)
THE WASHINGTON WATER POWER COMPANY	)
FOR APPROVAL OF REVISED GAS AND	)
ELECTRIC TARIFFS FOR IMPLEMENTATION	)
OF ENERGY EFFICIENCY PROGRAMS FOR	)
RESIDENTIAL, COMMERCIAL AND	)
INDUSTRIAL CUSTOMERS	)

ATTACHMENT B

PROPOSED ENERGY EFFICIENCY TARIFFS

THE WASHINGTON WATER POWER COMPANY

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Issued October 24, 1996 Effective January 1, 1997

Issued by The Washington Water Power Company
By Thomas D. Durkich, Manager, Rates & Tariff Administration

THE WASHINGTON WATER POWER COMPANY

SCHEDULE 90

ELECTRIC ENERGY EFFICIENCY PROGRAMS
IDAHO

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PURPOSE

To promote efficient use of energy by providing partial funding for the installation of energy efficiency measures and by providing other services to Customers for the purpose of identification and implementation of cost-effective energy efficiency measures. The acquisition of resources is cost-effective as defined by a Total Resource Cost test (TRC) and is consistent with the Company's most recently filed Integrated Resource Plan.

THE WASHINGTON WATER POWER COMPANY

SCHEDULE 90 - continued

AVAILABILITY

The programs described herein are available to specified residential, commercial, and industrial Customers. The programs are available to Owners of these facilities, and also may be provided to tenants who have obtained appropriate Owner consent.

Funding provided under this schedule is limited to end uses where electricity is the energy source and to measures which increase the efficient use of electricity. Customer participation under this schedule shall be based on eligibility requirements contained herein.

DEFINITIONS

The following terms, when used in this schedule, shall have the meanings given below:

Agency. A non-profit group authorized by state authorities to receive funds for installation of weatherization materials in dwellings occupied by Limited Income Customers.

Contractor. A party other than the Company or the Customer who is retained to evaluate the energy efficiency savings opportunities at the Customer's facility or to install measures under a specific program.

Customer. Any individual, partnership, corporation, association, governmental agency, political subdivision, municipality, or other entity who has applied for, been accepted, and is currently receiving firm retail electric service from the Company. The Customer may or may not be the Owner of the dwelling or facility receiving electric service, but nonetheless has a legal right to occupy the dwelling or facility either through ownership, or a lease or rental agreement.

Direct Administrative Costs. The Company's direct costs of administering programs, including, but not limited to, costs associated with audits, analysis, Customer proposals, oversight & inspections, management and supervision, training, and promotion specific to the measure or Program.

Full Avoided Cost. The cost the Company would incur to acquire power from a source other than energy efficiency measures, adjusted for credits for line loss savings and other benefits.

Identifiable Market Barriers. Any condition or constraint that prevents a Customer from implementing a cost-effective energy efficiency option

THE WASHINGTON WATER POWER COMPANY

SCHEDULE 90 - continued

including short pay back requirement, lack of capital, perceived risk of energy savings, or other barriers that might be removed or lessened by utility intervention.

Incremental Measure Cost. The incremental cost of a energy efficiency measure in excess of the cost of a measure and/or design required to satisfy existing codes or conforming with existing construction or equipment replacement standard practices.

Limited Income. Single-family residential households in which the combined annual income of the Occupants is not greater than 125% of the federally-established poverty level. Limited Income also means households in duplexes and triplexes where at least 50% of the households meet this limited income guideline, and fourplexes and other multi-family dwellings where at least 50% of the households meet this limited income guideline.

Measure Cost. The known and measurable costs to all parties of purchasing and installing the measure at the facility site, including the costs of audits and engineering studies performed to assess the opportunities for energy efficiency measures.

Measure Life. The maximum term (in years) that the Company will assume savings can be expected to occur from the measure. The value of Measure Life may be lower than the average life expectancy of the equipment/materials related to the measure, due to uncertainty of continuing savings over that period.

Measurement and Evaluation Costs. Costs incurred for each program to study, survey, and otherwise analytically assess the impacts of the program by determining energy savings achieved from the program and estimating the cost-effectiveness of those savings.

Net Avoided Cost. The Full Avoided cost reduced by the Direct Administrative Costs and the Measurement and Evaluation Costs associated with the program.

Owner. The person who has legal title to the dwelling or facility, is the mortgagor under a duly recorded mortgage of real property, is the trustor under a duly recorded deed of trust, is a purchaser under a duly recorded contract for the purchase of real property, or has legal title to a mobile home.

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SCHEDULE 90 - continued

Prescriptive. A pre-established funding or energy savings amount for a measure that is not individually or differently computed for each participant in a program.
Site. A geographically contiguous facility or group of facilities owned or operated by the Customer, served by the Company with one or more electric meters.
Site Specific. Funding for each participant in a program that is determined using an estimate of savings determined for each site.
Three year period. January 1, 1997 through December 31, 1999.
Trade Ally. A third-party vendor, energy service company, distributor, engineer, architect, consultant, or other business that recommends, designs, supplies, or installs energy-saving equipment or provides energy related services.

PROGRAM: MANUFACTURED HOUSING ACQUISITION PROGRAM (MAP)

1. **Availability**. To manufacturers of new HUD-Code manufactured (mobile) housing which also meets the Bonneville Power Administrations regional MAP specifications and receives electric service from the Company under tariff Schedule 01 for space heating. Determinations of qualification for MAP are made by state energy offices.
2. **Measures**. Company approved measures eligible for installation under this program are as follows:

Measure	Measure Life
All components and construction of the manufactured housing meeting MAP regional specifications	30 years

3. **Analysis**. Savings for MAP homes are determined Prescriptively based upon calculations performed during development of this regional program.
4. **Funding.** The Company will pay $1,500 to the manufacturer of each qualifying map home (constructed on or after October 25, 1994) and $2,500 for MAP homes constructed or on after April 1, 1992 but prior to October 25, 1994 in addition to a $150 per home administrative payment to the Bonneville Power Administration. In order to receive payment, homes must be manufactured by July 26, 1995 and sited on or before January 26, 1997. Total utility cost for the three-year period is estimated at $2.27 million.

THE WASHINGTON WATER POWER COMPANY

SCHEDULE 90 - continued

PROGRAM: LIMITED INCOME RESIDENTIAL ENERGY EFFICIENCY

1. **Availability**. To any Owner of a residential dwelling in which a Limited Income Customer receives electric service from the Company under tariff Schedule 01. The dwelling must utilize electric space heating equipment as the primary source of space conditioning. The Limited Income Customer must also use at least 4,000 kWh's per year for space conditioning in order to qualify for this program. The Agency will qualify Customers for assistance under this program using the federal limited income guidelines.
2. **Measures.** Company-approved measures eligible for installation under this program are as follows:

Measure	Measure Life
Infiltration control	10 years
Set-Back Thermostat	10 years
Water Heater Wrap	10 years
Electric space heat to natural gas	25 years
Electric water heat to natural gas	25 years
Ceiling insulation	30 years
Wall insulation	30 years
Floor insulation	30 years

Whenever possible, the replaced electric equipment, for which the Customer is receiving funding, shall be removed and destroyed. If the equipment cannot be removed, then the heating function will be disabled.

3. **Analysis.** A Site Specific or Prescriptive analysis will be performed to estimate energy savings levels of measures prior to installation. For qualifying Limited Income Customers, the Agency will perform the analysis.
4. **Funding.** Upon completion of the installation of measures, the Company will reimburse the Agency as follows:

Measure	Funding Level
Weatherization	$0.40 cents/kWh
Space Heat Conversion	$0.23 cents/kWh
Water Heat Conversion	$650.00

Total utility cost estimated for the 3-year period is $1,767,000. Designated program funding will expire on December 3, 1999. Projects must be completed and all invoices and verification necessary to process Customer grants should be received by the Company on or before December 3, 1999.

THE WASHINGTON WATER POWER COMPANY

SCHEDULE 90 - continued

PROGRAM: HVAC SYSTEM EFFICIENCY

1. **Availability.** Available to any residential Customer with a ducted HVAC system who receives electric service under tariff Schedule 01.
2. **Description.** This program is designed to improve residential HVAC system efficiency by reducing energy losses associated with leaky duct systems and poor furnace filter maintenance.

   The duct sealing program will include two components; one for new homes and one for retrofits. The new home component will allow builders of new homes with ducts in unconditioned areas to voluntarily submit the home to a duct blaster test. Homes that meet a minimum performance criteria will earn the right to advertise their home as a "Energy Efficiency Duct Home". There will be no direct incentives provided under this component of the program.

   The retrofit component will be open to any existing home with ducts in unconditioned areas. The program will provide the homeowner with a $50 direct incentive for pressure panning their home. For homes not meeting pressure pan specifications, an additional $200 incentive up to a maximum of 50% of job cost, will be awarded for duct sealing.

   The furnace filter component of the HVAC System Efficiency Program will focus on increasing the energy efficiency of HVAC systems through the proper maintenance of furnace filters. The program will include an educational component to disseminate information concerning the energy, health and comfort benefits of proper furnace filter replacements and the different kinds of furnace filters. This component will also include the distribution of filter change reminder aids which may include calendar markers and refrigerator magnets that include the scheduled date for the next change.
3. **Funding**. Total utility cost for the 3-year period is $342,000. Designated program funding will expire on December 3, 1999.

THE WASHINGTON WATER POWER COMPANY

SCHEDULE 90 - continued

PROGRAM: ENERGY 2000
Home Automation

1. **Availability**. Due to the experimental basis of this program, the Company will work in conjunction with regional home shows and area developers to select new construction and existing home sites that receive service under tariff Schedule 01. The company will select 7 test sites over Washington and Idaho service territories, in both new and existing homes, in price ranges from under $100,000 to $250,000.

   The automation system may include some or all of the following: monitoring and control of furnaces, cooling systems, indoor and outdoor lighting, hot water heaters, links to existing security systems, phone dial-in monitoring and control capabilities, and energy metering to indicate the energy costs on visual displays on the premises. The processing units of the automation systems should be re-programmable for system upgrades. The displays would be either on TVs or LCD units.
2. **Description.** This program will attempt to demonstrate the potential of "Home Automation" to benefit residential Customers. The purpose is to explore the use of Home Automation technologies that will enhance energy efficiency and comfort in the home.
3. **Funding**. The budget for each home automation project will be based on a 10-year simple payback at 30% energy savings. For example, if a home consumes an estimated average energy cost of $200 a month, the home automation budget will be $200 x 30% x 12 months x 10 Years = $7200. Designated program funding will expire on December 3, 1999.

New Technologies

1. **Availability**. To any commercial or industrial Customer receiving electric service under tariff Schedule 011, 021, 025 and 026 or special contract which include energy efficiency system rates or any Owner or Developer developing a new commercial or industrial facility that will receive service under tariff Schedule 011, 021, 025 and 026 or special contract which include energy efficiency system rates. Customers may apply for participation through the same application process as the Site Specific Program.

THE WASHINGTON WATER POWER COMPANY

SCHEDULE 90 - continued

2. **Description**. This program will provide an alternative funding mechanism to promote and encourage the implementation of new products and technologies to the WWP service area. The goal is to shorten adaptation time of these products into the Customer's site. The technologies should be proven, provide energy savings, be environmentally friendly and create regional economic stimulation. Technologies currently available in the marketplace include LED traffic lights, T-5 lighting systems, and Microwave industrial dryers.

   Due to the unique weather, economy and environmental conditions in the Inland Northwest, many technologies that are developed are not proven to operate well in this part of the country as in others. Another program component for new technologies to provide research funds to local institutions, schools, consulting firms, manufacturers, or individuals to do energy related research project to benefit WWP customers and regional programs. Samples of topics already under consideration include renewable resources applications, electric vehicles and optimized energy management systems with an outside air control algorithm for Inland Northwest weather condition.
3. **Funding**. Customers will receive $0.10 per kWh or 50% of the total cost, whichever is lower with a cap of $75,000 per site for the installation of new products or technologies. Designated program funding will expire on December 3, 1999. Projects must be completed, all invoices requested by the Company submitted and all verifications necessary to process the incentive should be received by the Company on or before December 4, 2000. Total utility cost estimated for Home Automation and New Technologies combined for the 3-year period is $993,000.

PROGRAM: COMMERCIAL/INDUSTRIAL SITE SPECIFIC

1. **Availability**. To any commercial or industrial Customer receiving electric service under tariff Schedule 21, 25, 26, 31, or special contract for electric service which includes energy efficiency system rates, or any Owner or Developer developing a new commercial or industrial facility that will receive service under tariff Schedule 21, 25, 26, 31, or special contract for electric service which includes energy efficiency rates.

THE WASHINGTON WATER POWER COMPANY

SCHEDULE 90 - continued

2. **Measures**. Company approved measures eligible for installation under this program are as follows:

Measure	Measure Life
HVAC and Refrigeration	
HVAC and Refrigeration - Unitary	10 years
HVAC and Refrigeration - Central	15 years
Heat Recovery	15 years
Chillers	20 years
Controls	
Energy Management Systems	10 years
Direct Digital Control Systems	10 years
Lighting Control Systems	10 years
SCADA Systems	10 years
Process and Other Miscellaneous Control Systems	10 years
Motors and Drives	
Variable Frequency Drives	15 years
Fan, Compressor and Pump Systems	15 years
Process Fuel Switching	15 years
Other Motor and Drive Systems	15 years
Other Process	
Other Process Efficiency Improvements	15 years

Additional Measures may qualify for funding under this program. Such determination shall be at the discretion of the Company. All measures approved for funding shall exceed local energy efficiency codes or, where no such code exits, shall meet or exceed "standard industry practices" as determined by the Company.

3. **Funding**. To qualify for funding under this tariff, the Applicant must do one of the following prior to December 3, 1999: 1) begin development of a Company approved engineering analysis in accordance with a Company approved scope of work; or 2) receive formal acceptance from the Company of an engineering analysis of savings potential performed at the Applicant's direction and expense; or 3) match savings measures with

THE WASHINGTON WATER POWER COMPANY

SCHEDULE 90 - continued

Company approved prescriptive measures and return applications/forms to the Company. In addition, projects must be completed and all invoices requested by the Company from the Customer and all verifications necessary to process Customer grants should be received by the Company on or before December 4, 2000.

The Company will provide Funding to the Customer on a Site Specific basis equal to the lesser of 1) 50% of the Incremental Measure cost or 2) an amount equal to Company approved estimated first-year kWh savings times $0.05 per kWh.

Funding from the Company will also include up to 100% of the cost of any Site Specific studies or services performed at the Company's direction by the Company or a qualified Engineer or Contractor on the Applicant's behalf for projects which are ultimately completed. Such studies or services costs shall not exceed $0.12 times the square footage of the facility under study, as determined by the Company.

For projects that are not ultimately completed, the Company funding for such Site Specific studies or services shall not exceed 50% of cost of such studies or services. The Applicant shall remain responsible for the remaining costs of such studies or services.

Total utility cost for the 3-year period is $3,076,000 dollars.

PROGRAM: COMMERCIAL/INDUSTRIAL SITE SPECIFIC PRESCRIPTIVE VARIABLE FREQUENCY DRIVES FOR HEATING, VENTILATING AND AIR CONDITIONING

1. **Availability**. To any commercial or industrial Customer receiving electric service under tariff Schedule 21, 25, 26, or special contract for electric service which includes energy efficiency system rates, or any Owner or Developer developing a new commercial or industrial facility that will receive service under tariff Schedule 21, 25, 26, or special contract for electric service which includes energy efficiency system rates.
2. **Measures.** Measures qualifying are new Variable Frequency Drives (VFDs) for new electric motors or existing electric motors where no such Drive previously existed, used to drive heating, ventilating and air conditioning fans, heating pumps, cooling pumps or combined heating and cooling pumps.

THE WASHINGTON WATER POWER COMPANY

SCHEDULE 90 - continued

3. **Analysis**. Savings for VFDs are determined Prescriptively by size and end use of the electric motor driven by the VFD using standard engineering practices and methods.
4. **Funding**. To qualify for funding under this tariff, the Applicant must match savings with Company approved prescriptive measures and return applications/forms to the Company by no later than December 3, 1999. In addition, projects must be completed and all invoices requested by the Company from the Customer and all verifications necessary to process Customer grants should be received by the Company on or before December 4, 2000.

   The Company will provide Funding to the Customer on a Prescriptive basis as follows not to exceed 50% of the actual installed cost of the Variable Frequency Drive:

Maximum $ Per Horsepower of HVAC Equipment Driven by VFD	
HVAC Fan Motors	$50.00
HVAC Cooling Pump Motors	$55.00
HVAC Heating Pump Only or Combined Heating and Cooling Pump Motors	$85.00

   Funding amounts are subject to change as determined by the Company's energy savings evaluations and market changes affecting the costs of Variable Frequency Drives. *Funding for this program is provided as a portion of the Commercial/Industrial Site Specific (Electric Efficiency) program.*

PROGRAM: COMMERCIAL/INDUSTRIAL SITE SPECIFIC - PRESCRIPTIVE VARIABLE FREQUENCY DRIVES FOR LUMBER DRY KILNS FAN MOTORS

1. **Availability**. To any commercial or industrial Customer receiving electric service under tariff Schedule 21, 25, 26, or special contract for electric service which includes energy efficiency system rates, or any Owner or Developer developing a new commercial or industrial facility that will receive service under tariff Schedule 21, 25, 26, or special contract for electric service which includes energy efficiency system rates.
2. **Measures.** Measures qualifying are new Variable Frequency Drives (VFDs) for new electric motors or existing electric motors where no such Drive previously existed, used to drive Lumber Dry Kiln Fans.

THE WASHINGTON WATER POWER COMPANY

SCHEDULE 90 - continued

3. **Funding**. To qualify for funding under this tariff, the Applicant must match savings with Company approved prescriptive measures and return applications/forms to the Company no later than December 3, 1999. In addition, projects must be completed and all invoices requested by the Company from the Customer and all verifications necessary to process Customer grants should be received by the Company on or before December 4, 2000.

   The Company will provide Funding to the Customer on a Prescriptive basis not to exceed 50% of the actual installed cost of the Variable Frequency Drive or $120.00 per kilowatt (kW) saved as determined by the Company.

   Funding amounts are subject to change as determined by the Company's energy savings evaluations and market changes affecting the costs of Variable Frequency Drives for Lumber Dry Kiln applications. *Funding for this program is provided as a portion of the Commercial/ Industrial Site Specific (Electric Efficiency) program.*

PROGRAM: COMMERCIAL PRESCRIPTIVE LIGHTING REBATE PROGRAM

1. **Availability**. To any commercial Customer receiving electric service under tariff Schedule 11.
2. **Description**. This program will provide direct incentives to Customers who perform lighting retrofit projects. Funding will only be available for lighting retrofit projects on existing facilities and where installation is not required by local energy efficiency codes or, where no such code exists, lighting measures approved for funding must meet or exceed "standard industry practices" as determined by the Company.
3. **Funding**. Company funding under this program is limited to $3,000 per site, per year. Minimum funding shall be $200.00 per project to qualify. The Company will not fund the cost of Site Specific studies or analyses under this program. To qualify for funding under this tariff, all applications to this program must be fully completed and returned to the Company by the due date stated on the application. Total utility cost over the period 1997 through 1999 is $404,000 and will be provided under this tariff in WWP's combined Washington and Idaho service areas. The Company will rebate to Customers at the following levels:

THE WASHINGTON WATER POWER COMPANY

SCHEDULE 90 - continued

Measure	Measure Life	Rebate/ unit
Compact Fluorescent:		
Hardwired Ballast	10 years	$10
Lamp w/Locking Ballast	10 years	$10
4 Foot T-8 Lamps & Electronic Ballast:		
1 Lamp	12 years	$5
2 Lamp	12 years	$5
3 Lamp	12 years	$10
4 Lamp	12 years	$10
8 Foot T-8 Lamps & Electronic Ballast:		
1 Lamp	12 years	$5
2 Lamp	12 years	$10
Reflector/Delamp (retrofit only):		
4 Foot (per lamp removed)	12 years	$5
8 Foot (per lamp removed)	12 years	$10
Interior HID (excludes mercury vapor):		
0 to 100 watts	12 years	$30
Up to 175 watts	12 years	$30
176 watts or greater	12 years	$30
Exterior HID (excludes mercury vapor):		
0 to 100 watts	12 years	$15
Up to 175 watts	12 years	$15
176 watts or greater	12 years	$15
Exit Sign (must be Energy Star compliant)	12 years	$15
Occupancy Sensor:		
72 - 350 watts connected load	10 years	$20
351 - 1000 watts connected load	10 years	$35
1001 watts or more connected load	10 years	$50
Daylight Sensor/Controls		
72 - 350 watts connected load	10 years	$10
351-1000 watts connected load	10 years	$20
1001 watts or more connected load	10 years	$30

SCHEDULE 90 - continued

PROGRAM: COMMERCIAL PRESCRIPTIVE FUEL SWITCHING REBATE

1. **Availability.** To any commercial Customer receiving electric service under tariff Schedule 11.
2. **Description.** This program will facilitate acquisition of low interest loans to Customers for capital expenditure associated with switching from electric to natural gas as the primary fuel for space heating. The program will work in partnership with local financial institutions to provide market rate loans to credit worthy Customers. The Company will purchase the loan interest liability from the lending financial institution. The Company-approved measures eligible for installation under this program must have end use efficiencies of at least 80% and must meet current state or federal minimum efficiency requirements.
3. **Funding.** The Company will provide funding to purchase loan interest liability from the lending financial institution. This funding will be provided as follows:

Electric Heating System Input Capacity (BTU/hr)	Maximum Funding
45,000 to 59,999	$279.00
60,000 to 74,999	$370.00
75,000 to 99,999	$460.00
100,000 to 124,999	$620.00
125,000 to 149,999	$775.00
150,000 to 199,999	$930.00
200,000 and greater	$1,240.00

To qualify for funding under this tariff, the Applicant must return applications/forms to the Company by no later than December 3, 1999. Projects must be completed and all invoices requested by the Company submitted and all verifications performed should be received by the Company on or before December 4, 2000. Funding will only be available for the above measures on existing facilities and where installation is not required by local energy efficiency codes or, where no such code exists, measures approved for funding must meet or exceed "standard industry practices" as determined by the Company. Total utility cost over the three-year period is $401,000.

SCHEDULE 90 - continued

PROGRAM: TRADE ALLY

1. **Availability**. To any commercial or industrial Customer receiving electric service under tariff Schedule 11, 21, 25, 26, 31 or special contract for electric service which includes energy efficiency system rates or any Owner or Developer developing a new commercial or industrial facility that will receive service under tariff Schedule 11, 21, 25, 26, 31 or special contract which include energy efficiency system rates.
2. **Description.** The Company will work with Customers and Trade Allies to identify energy efficiency projects that in the Company's opinion are not occurring due to identifiable market barriers. To qualify for assistance under this tariff, the Applicant must have done the following: a) identified or be actively working with a contractor to identify an energy efficiency project b) selected a contractor(s) that will perform services or provide equipment for the energy efficiency project. The Company, at its discretion will provide assistance to overcome market barriers that may include any of the following:

   Technical-Link will provide the Customer with a third-party review of their project and may include the following services:

   * Comprehensive design review
   * Verification of estimated energy savings
   * Pre- and Post-metering to verify energy savings
   * Lending of diagnostic tools to Customers to monitor how energy is used and consumed in their place of business

   Financial-Link will offer a lending program for businesses in order to provide capital funding for energy-efficiency projects. The Financial-Link benefits may include:

   * Low cost financing
   * Engineering and financial reviews
   * Reduced loan costs and collateral requirements

   Educational-Link will offer seminars and other materials about the changing industry, new technologies and pertinent issues. Other services may include but are not limited to:

   * "How To" information
   * On-line energy savings models for energy efficient equipment selection
   * Do-it-yourself energy audits

SCHEDULE 90 - continued

3. **Funding.** Various funding alternatives are available. Customers may benefit from one or more of the following options:
   * Design review services up to $1,500.
   * Loan fees of up to $500.

   The maximum amount of funding a Customer may acquire per site, per year is $2,000. Total utility cost for the 3-year period is $879,000.

PROGRAM: RESOURCE MANAGEMENT PARTNERSHIP PROGRAM (RMPP)

1. **Availability.** To any commercial or industrial Customer receiving electric service under tariff Schedule 11, 21, 25, 26 or special contract for electric service or any Owner or Developer developing a new commercial or industrial facility that will receive service under tariff Schedule 11, 21, 25, 26, or special contract for electric service which includes energy efficiency system rates with a combination of buildings with $1 million dollars worth of resource expenses and at least 2 million square feet of building space. Non-profit agencies, school districts, office buildings, universities, hotels and restaurant chains may be the primary focus; with consideration to be given to all who apply. A special effort will be made to generate the interest of multiple non-profit agencies in participating in the program.
2. **Description.** The RMPP will promote resource savings and demonstrate the cost effectiveness of improved operations and maintenance within existing facilities. Participating Customers must agree to continue operations and monitoring efforts upon the expiration of the RMPP position through the adoption of resource policy guidelines incorporating the guidelines into "standard practice" building operations. The Company will provide Customers with the option of selecting a shared savings approach with a guarantee that program savings cover the costs associated with the program. Customers may also choose to have WWP provide services to implement the program and on-going support without the guarantee.
3. **Funding.** Total utility cost estimated for the 3-year program is $447,000. The funding amount includes an estimated amount to cover a portion of the guaranteed salary and expenses not covered by the reduction in resource costs.

SCHEDULE 90 - continued

PROGRAM: NORTHWEST ENERGY EFFICIENCY PARTNERSHIP

1. **Availability.** To any residential, commercial or industrial Customer receiving electric service.
2. **Description.** This regional program focuses on supplying products, services or technologies that will assist residential and commercial customers in improving the use of electric resources. WWP along with other participating utilities and organizations will make the customers aware of product information and availability.

   Existing Regional Programs **

   Compact Fluorescent Manufacturers Rebate - residential
   High Efficiency MAP Inspection Support - residential
   Technical Assistance Support (TAS) - residential/commercial
   Energy Ideas Clearinghouse - residential/commercial
   Seattle Lighting Design Lab - residential/commercial & industrial
   Utility Code Group Support - commercial

   *** The Company currently contributes to the sponsorship of these programs.*

   Potential Regional Programs

   Compact Fluorescent Fixture Rebate - residential
   Cleaner Northwest High Efficiency Clothes Washer Program - residential
   Motor Transformation - commercial/industrial
   Home Energy Rating System - residential
   Building Operator Certification - commercial
   Energy Products Catalog - residential/commercial & industrial
3. **Funding.** Total utility cost estimated for electric costs over the 3-year period is $3,108,000. Designated program funding will expire on December 3, 1999.

SCHEDULE 90 - continued

GENERAL RULES AND PROVISIONS

Service under this schedule is subject to the General Rules and Provisions contained in this tariff and is limited to facilities receiving electric service from the Company.

All installations and equipment must comply with all local code and permit requirements applicable and be properly inspected, if required, by appropriate agencies.

The Company may establish specifications regarding any energy efficiency measures and modifications to be effected under this schedule and may conduct inspections to insure that such specifications are met.

In addition to other funding limits that may exist in specific programs under this tariff, commercial and industrial Customers participating in any commercial/industrial programs in this tariff shall be limited to receiving $100,000 per calendar year per Site for funding per qualifying projects by the Company. Excess funding amounts not paid can be carried over into the following calendar year for payment by the Company, but will be subject to this funding limitation. In no event will the Company pay more than $200,000 per individual project.

THE WASHINGTON WATER POWER COMPANY

SCHEDULE 91

ENERGY EFFICIENCY RIDER ADJUSTMENT - IDAHO

APPLICABLE:

To Customers in the State of Idaho where the Company has electric service available except for Sandpoint, Priest River, Hope, East Hope, Old Town and immediately surrounding areas. This Energy Efficiency Rider or Rate Adjustment shall be applicable to all retail customers for charges for electric energy sold and to the flat rate charges for Company-owned or Customer-owned Street Lighting and Area Lighting Service. This Rate Adjustment is designed to recover costs incurred by the Company associated with providing energy efficiency services and programs to customers.

MONTHLY RATE:

The energy charges of the individual rate schedules are to be increased by the following amounts:

Schedule 1	- .068¢ per kWh	Schedule 25	- .042¢ per kWh
Schedule 11 & 12	- .103¢ per kWh	Schedule 26	- .042¢ per kWh
Schedule 21 & 22	- .072¢ per kWh	Schedule 31 & 32	- .063¢ per kWh

Flat rate charges for Company-owned or Customer-owned Street Lighting and Area Lighting Service are to be increased by 1.503%.

SPECIAL TERMS AND CONDITIONS:

Service under this schedule is subject to the Rules and Regulations contained in this tariff.

The above Rate is subject to increases as set forth in Tax Adjustment Schedule 58.

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Issued by The Washington Water Power Company
By Thomas D. Durkich, Manager, Rates & Tariff Administration

THE WASHINGTON WATER POWER COMPANY

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By Thomas D. Durick, Manager, Rates & Tariff Administration

THE WASHINGTON WATER POWER COMPANY

SCHEDULE 191

ENERGY EFFICIENCY RIDER ADJUSTMENT - IDAHO

APPLICABLE:

To Customers in the State of Idaho where the Company has natural gas service available. This Energy Efficiency Rider or Rate Adjustment shall be applicable to all retail customers taking service under Schedules 101, 111, 112, 121, 122, 131, 132, and 146. This Rate Adjustment is designed to recover costs incurred by the Company associated with providing energy efficiency services and programs to customers.

MONTHLY RATE:

The energy charges of the individual rate schedules are to be increased by the following amounts:

Schedule 101	-.0¢ per Therm
Schedule 111 & 112	- .0¢ per Therm
Schedule 121 & 122	- .0¢ per Therm
Schedule 131 & 132	- .0¢ per Therm
Schedule 146	- .0¢ per Therm

SPECIAL TERMS AND CONDITIONS:

Service under this schedule is subject to the Rules and Regulations contained in this tariff.

The above Rate is subject to increases as set forth in Tax Adjustment Schedule 158.

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By Thomas D. Durkich, Manager, Rates & Tariff Administration

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By Thomas D. Dukich, Manager, Rates & Tariff Administration

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SCHEDULE 90

ELECTRIC ENERGY EFFICIENCY PROGRAMS
IDAHO

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PURPOSE

To promote efficient use of energy by providing partial funding for the installation of energy efficiency measures and by providing other services to Customers for the purpose of identification and implementation of cost-effective energy efficiency measures. The acquisition of resources is cost-effective as defined by a Total Resource Cost test (TRC) and is consistent with the Company's most recently filed Integrated Resource Plan.

THE WASHINGTON WATER POWER COMPANY

SCHEDULE 90 - continued

AVAILABILITY

The programs described herein are available to specified residential, commercial, and industrial Customers. The programs are available to Owners of these facilities, and also may be provided to tenants who have obtained appropriate Owner consent.

Funding provided under this schedule is limited to end uses where electricity is the energy source and to measures which increase the efficient use of electricity. Customer participation under this schedule shall be based on eligibility requirements contained herein.

DEFINITIONS

The following terms, when used in this schedule, shall have the meanings given below:

Agency. A non-profit group authorized by state authorities to receive funds for installation of weatherization materials in dwellings occupied by Limited Income Customers.

Contractor. A party other than the Company or the Customer who is retained to evaluate the energy efficiency savings opportunities at the Customer's facility or to install measures under a specific program.

Customer. Any individual, partnership, corporation, association, governmental agency, political subdivision, municipality, or other entity who has applied for, been accepted, and is currently receiving firm retail electric service from the Company. The Customer may or may not be the Owner of the dwelling or facility receiving electric service, but nonetheless has a legal right to occupy the dwelling or facility either through ownership, or a lease or rental agreement.

Direct Administrative Costs. The Company's direct costs of administering programs, including, but not limited to, costs associated with audits, analysis, Customer proposals, oversight & inspections, management and supervision, training, and promotion specific to the measure or Program.

Full Avoided Cost. The cost the Company would incur to acquire power from a source other than energy efficiency measures, adjusted for credits for line loss savings and other benefits.

Identifiable Market Barriers. Any condition or constraint that prevents a Customer from implementing a cost-effective energy efficiency option

THE WASHINGTON WATER POWER COMPANY

SCHEDULE 90 - continued

including short pay back requirement, lack of capital, perceived risk of energy savings, or other barriers that might be removed or lessened by utility intervention.

Incremental Measure Cost. The incremental cost of a energy efficiency measure in excess of the cost of a measure and/or design required to satisfy existing codes or conforming with existing construction or equipment replacement standard practices.

Limited Income. Single-family residential households in which the combined annual income of the Occupants is not greater than 125% of the federally-established poverty level. Limited Income also means households in duplexes and triplexes where at least 50% of the households meet this limited income guideline, and fourplexes and other multi-family dwellings where at least 50% of the households meet this limited income guideline.

Measure Cost. The known and measurable costs to all parties of purchasing and installing the measure at the facility site, including the costs of audits and engineering studies performed to assess the opportunities for energy efficiency measures.

Measure Life. The maximum term (in years) that the Company will assume savings can be expected to occur from the measure. The value of Measure Life may be lower than the average life expectancy of the equipment/materials related to the measure, due to uncertainty of continuing savings over that period.

Measurement and Evaluation Costs. Costs incurred for each program to study, survey, and otherwise analytically assess the impacts of the program by determining energy savings achieved from the program and estimating the cost-effectiveness of those savings.

Net Avoided Cost. The Full Avoided cost reduced by the Direct Administrative Costs and the Measurement and Evaluation Costs associated with the program.

Owner. The person who has legal title to the dwelling or facility, is the mortgagor under a duly recorded mortgage of real property, is the trustor under a duly recorded deed of trust, is a purchaser under a duly recorded contract for the purchase of real property, or has legal title to a mobile home.

THE WASHINGTON WATER POWER COMPANY

SCHEDULE 90 - continued

Prescriptive. A pre-established funding or energy savings amount for a measure that is not individually or differently computed for each participant in a program.

Site. A geographically contiguous facility or group of facilities owned or operated by the Customer, served by the Company with one or more electric meters.

Site Specific. Funding for each participant in a program that is determined using an estimate of savings determined for each site.

Three year period. January 1, 1997 through December 31, 1999.

Trade Ally. A third-party vendor, energy service company, distributor, engineer, architect, consultant, or other business that recommends, designs, supplies, or installs energy-saving equipment or provides energy related services.

PROGRAM: MANUFACTURED HOUSING ACQUISITION PROGRAM (MAP)

1. **Availability**. To manufacturers of new HUD-Code manufactured (mobile) housing which also meets the Bonneville Power Administrations regional MAP specifications and receives electric service from the Company under tariff Schedule 01 for space heating. Determinations of qualification for MAP are made by state energy offices.
2. **Measures**. Company approved measures eligible for installation under this program are as follows:

Measure	Measure Life
All components and construction of the manufactured housing meeting MAP regional specifications	30 years

3. **Analysis**. Savings for MAP homes are determined Prescriptively based upon calculations performed during development of this regional program.
4. **Funding.** The Company will pay $1,500 to the manufacturer of each qualifying map home (constructed on or after October 25, 1994) and $2,500 for MAP homes constructed or on after April 1, 1992 but prior to October 25, 1994 in addition to a $150 per home administrative payment to the Bonneville Power Administration. In order to receive payment, homes must be manufactured by July 26, 1995 and sited on or before January 26, 1997. Total utility cost for the three-year period is estimated at $2.27 million.

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SCHEDULE 90 - continued

PROGRAM: LIMITED INCOME RESIDENTIAL ENERGY EFFICIENCY

1. **Availability**. To any Owner of a residential dwelling in which a Limited Income Customer receives electric service from the Company under tariff Schedule 01. The dwelling must utilize electric space heating equipment as the primary source of space conditioning. The Limited Income Customer must also use at least 4,000 kWh's per year for space conditioning in order to qualify for this program. The Agency will qualify Customers for assistance under this program using the federal limited income guidelines.
2. **Measures.** Company-approved measures eligible for installation under this program are as follows:

Measure	Measure Life
Infiltration control	10 years
~~Set-Back Thermostat~~	~~10 years~~
~~Water Heater Wrap~~	~~10 years~~
Electric space heat to natural gas	25 years
Electric water heat to natural gas	25 years
Ceiling insulation	30 years
Wall insulation	30 years
Floor insulation	30 years

Whenever possible, the replaced electric equipment, for which the Customer is receiving funding, shall be removed and destroyed. If the equipment cannot be removed, then the heating function will be disabled.

3. **Analysis.** A Site Specific or Prescriptive analysis will be performed to estimate energy savings levels of measures prior to installation. For qualifying Limited Income Customers, the Agency will perform the analysis.
4. **Funding.** Upon completion of the installation of measures, the Company will reimburse the Agency as follows:

Measure	Funding Level
Weatherization	$0.40 cents/kWh
Space Heat Conversion	$0.23 cents/kWh
Water Heat Conversion	$650.00

Total utility cost estimated for the 3-year period is $1,767,000. Designated program funding will expire on December 3, 1999. Projects must be completed and all invoices and verification necessary to process Customer grants should be received by the Company on or before December 3, 1999.

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THE WASHINGTON WATER POWER COMPANY

SCHEDULE 90 - continued

PROGRAM: HVAC SYSTEM EFFICIENCY

1. **Availability.** Available to any residential Customer with a ducted HVAC system who receives electric service under tariff Schedule 01.
2. **Description.** This program is designed to improve residential HVAC system efficiency by reducing energy losses associated with leaky duct systems and poor furnace filter maintenance.

   The duct sealing program will include two components; one for new homes and one for retrofits. The new home component will allow builders of new homes with ducts in unconditioned areas to voluntarily submit the home to a duct blaster test. Homes that meet a minimum performance criteria will earn the right to advertise their home as a "Energy Efficiency Duct Home". There will be no direct incentives provided under this component of the program.

   The retrofit component will be open to any existing home with ducts in unconditioned areas. The program will provide the homeowner with a $50 direct incentive for pressure panning their home. For homes not meeting pressure pan specifications, an additional $200 incentive up to a maximum of 50% of job cost, will be awarded for duct sealing.

   The furnace filter component of the HVAC System Efficiency Program will focus on increasing the energy efficiency of HVAC systems through the proper maintenance of furnace filters. The program will include an educational component to disseminate information concerning the energy, health and comfort benefits of proper furnace filter replacements and the different kinds of furnace filters. This component will also include the distribution of filter change reminder aids which may include calendar markers and refrigerator magnets that include the scheduled date for the next change.
3. **Funding**. Total utility cost for the 3-year period is $342,000. Designated program funding will expire on December 3, 1999.

THE WASHINGTON WATER POWER COMPANY

SCHEDULE 90 - continued

PROGRAM: ENERGY 2000

Home Automation

1. **Availability**. Due to the experimental basis of this program, the Company will work in conjunction with regional home shows and area developers to select new construction and existing home sites that receive service under tariff Schedule 01. The company will select 7 test sites over Washington and Idaho service territories, in both new and existing homes, in price ranges from under $100,000 to $250,000.

   The automation system may include some or all of the following: monitoring and control of furnaces, cooling systems, indoor and outdoor lighting, hot water heaters, links to existing security systems, phone dial-in monitoring and control capabilities, and energy metering to indicate the energy costs on visual displays on the premises. The processing units of the automation systems should be re-programmable for system upgrades. The displays would be either on TVs or LCD units.
2. **Description.** This program will attempt to demonstrate the potential of "Home Automation" to benefit residential Customers. The purpose is to explore the use of Home Automation technologies that will enhance energy efficiency and comfort in the home.
3. **Funding**. The budget for each home automation project will be based on a 10-year simple payback at 30% energy savings. For example, if a home consumes an estimated average energy cost of $200 a month, the home automation budget will be $200 x 30% x 12 months x 10 Years = $7200. Designated program funding will expire on December 3, 1999.

New Technologies

1. **Availability**. To any commercial or industrial Customer receiving electric service under tariff Schedule 011, 021, 025 and 026 or special contract which include energy efficiency system rates or any Owner or Developer developing a new commercial or industrial facility that will receive service under tariff Schedule 011, 021, 025 and 026 or special contract which include energy efficiency system rates. Customers may apply for participation through the same application process as the Site Specific Program.

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SCHEDULE 90 - continued

2. **Description**. This program will provide an alternative funding mechanism to promote and encourage the implementation of new products and technologies to the WWP service area. The goal is to shorten adaptation time of these products into the Customer's site. The technologies should be proven, provide energy savings, be environmentally friendly and create regional economic stimulation. Technologies currently available in the marketplace include LED traffic lights, T-5 lighting systems, and Microwave industrial dryers.

   Due to the unique weather, economy and environmental conditions in the Inland Northwest, many technologies that are developed are not proven to operate well in this part of the country as in others. Another program component for new technologies to provide research funds to local institutions, schools, consulting firms, manufacturers, or individuals to do energy related research project to benefit WWP customers and regional programs. Samples of topics already under consideration include renewable resources applications, electric vehicles and optimized energy management systems with an outside air control algorithm for Inland Northwest weather condition.
3. **Funding**. Customers will receive $0.10 per kWh or 50% of the total cost, whichever is lower with a cap of $75,000 per site for the installation of new products or technologies. Designated program funding will expire on December 3, 1999. Projects must be completed, all invoices requested by the Company submitted and all verifications necessary to process the incentive should be received by the Company on or before December 4, 2000. Total utility cost estimated for Home Automation and New Technologies combined for the 3-year period is $993,000.

PROGRAM: COMMERCIAL/INDUSTRIAL SITE SPECIFIC

1. **Availability**. To any commercial or industrial Customer receiving electric service under tariff Schedule 21, 25, 26, 31, or special contract for electric service which includes energy efficiency system rates, or any Owner or Developer developing a new commercial or industrial facility that will receive service under tariff Schedule 21, 25, 26, 31, or special contract for electric service which includes energy efficiency rates.

THE WASHINGTON WATER POWER COMPANY

SCHEDULE 90 - continued

2. **Measures**. Company approved measures eligible for installation under this program are as follows:

Measure	Measure Life
HVAC and Refrigeration	
HVAC and Refrigeration - Unitary	10 years
HVAC and Refrigeration - Central	15 years
Heat Recovery	15 years
Chillers	20 years
Controls	
Energy Management Systems	10 years
Direct Digital Control Systems	10 years
Lighting Control Systems	10 years
SCADA Systems	10 years
Process and Other Miscellaneous Control Systems	10 years
Motors and Drives	
Variable Frequency Drives	15 years
Fan, Compressor and Pump Systems	15 years
Process Fuel Switching	15 years
Other Motor and Drive Systems	15 years
Other Process	
Other Process Efficiency Improvements	15 years

Additional Measures may qualify for funding under this program. Such determination shall be at the discretion of the Company. All measures approved for funding shall exceed local energy efficiency codes or, where no such code exits, shall meet or exceed "standard industry practices" as determined by the Company.

3. **Funding**. To qualify for funding under this tariff, the Applicant must do one of the following prior to December 3, 1999: 1) begin development of a Company approved engineering analysis in accordance with a Company approved scope of work; or 2) receive formal acceptance from the Company of an engineering analysis of savings potential performed at the Applicant's direction and expense; or 3) match savings measures with

THE WASHINGTON WATER POWER COMPANY

SCHEDULE 90 - continued

Company approved prescriptive measures and return applications/forms to the Company. In addition, projects must be completed and all invoices requested by the Company from the Customer and all verifications necessary to process Customer grants should be received by the Company on or before December 4, 2000.

The Company will provide Funding to the Customer on a Site Specific basis equal to the lesser of 1) 50% of the Incremental Measure cost or 2) an amount equal to Company approved estimated first-year kWh savings times $0.05 per kWh.

Funding from the Company will also include up to 100% of the cost of any Site Specific studies or services performed at the Company's direction by the Company or a qualified Engineer or Contractor on the Applicant's behalf for projects which are ultimately completed. Such studies or services costs shall not exceed $0.12 times the square footage of the facility under study, as determined by the Company.

For projects that are not ultimately completed, the Company funding for such Site Specific studies or services shall not exceed 50% of cost of such studies or services. The Applicant shall remain responsible for the remaining costs of such studies or services.

Total utility cost for the 3-year period is $3,076,000 dollars.

PROGRAM: COMMERCIAL/INDUSTRIAL SITE SPECIFIC PRESCRIPTIVE VARIABLE FREQUENCY DRIVES FOR HEATING, VENTILATING AND AIR CONDITIONING

1. **Availability**. To any commercial or industrial Customer receiving electric service under tariff Schedule 21, 25, 26, or special contract for electric service which includes energy efficiency system rates, or any Owner or Developer developing a new commercial or industrial facility that will receive service under tariff Schedule 21, 25, 26, or special contract for electric service which includes energy efficiency system rates.
2. **Measures.** Measures qualifying are new Variable Frequency Drives (VFDs) for new electric motors or existing electric motors where no such Drive previously existed, used to drive heating, ventilating and air conditioning fans, heating pumps, cooling pumps or combined heating and cooling pumps.

THE WASHINGTON WATER POWER COMPANY

SCHEDULE 90 - continued

3. **Analysis.** Savings for VFDs are determined Prescriptively by size and end use of the electric motor driven by the VFD using standard engineering practices and methods.
4. **Funding.** To qualify for funding under this tariff, the Applicant must match savings with Company approved prescriptive measures and return applications/forms to the Company by no later than December 3, 1999. In addition, projects must be completed and all invoices requested by the Company from the Customer and all verifications necessary to process Customer grants should be received by the Company on or before December 4, 2000.

   The Company will provide Funding to the Customer on a Prescriptive basis as follows not to exceed 50% of the actual installed cost of the Variable Frequency Drive:

	Maximum $ Per Horsepower of HVAC Equipment Driven by VFD
HVAC Fan Motors	$50.00
HVAC Cooling Pump Motors	$55.00
HVAC Heating Pump Only or Combined Heating and Cooling Pump Motors	$85.00

Funding amounts are subject to change as determined by the Company's energy savings evaluations and market changes affecting the costs of Variable Frequency Drives. *Funding for this program is provided as a portion of the Commercial/Industrial Site Specific (Electric Efficiency) program.*

PROGRAM: COMMERCIAL/INDUSTRIAL SITE SPECIFIC - PRESCRIPTIVE VARIABLE FREQUENCY DRIVES FOR LUMBER DRY KILNS FAN MOTORS

1. **Availability**. To any commercial or industrial Customer receiving electric service under tariff Schedule 21, 25, 26, or special contract for electric service which includes energy efficiency system rates, or any Owner or Developer developing a new commercial or industrial facility that will receive service under tariff Schedule 21, 25, 26, or special contract for electric service which includes energy efficiency system rates.
2. **Measures.** Measures qualifying are new Variable Frequency Drives (VFDs) for new electric motors or existing electric motors where no such Drive previously existed, used to drive Lumber Dry Kiln Fans.

THE WASHINGTON WATER POWER COMPANY

SCHEDULE 90 - continued

3. **Funding**. To qualify for funding under this tariff, the Applicant must match savings with Company approved prescriptive measures and return applications/forms to the Company no later than December 3, 1999. In addition, projects must be completed and all invoices requested by the Company from the Customer and all verifications necessary to process Customer grants should be received by the Company on or before December 4, 2000.

   The Company will provide Funding to the Customer on a Prescriptive basis not to exceed 50% of the actual installed cost of the Variable Frequency Drive or $120.00 per kilowatt (kW) saved as determined by the Company.

   Funding amounts are subject to change as determined by the Company's energy savings evaluations and market changes affecting the costs of Variable Frequency Drives for Lumber Dry Kiln applications. *Funding for this program is provided as a portion of the Commercial/ Industrial Site Specific (Electric Efficiency) program.*

PROGRAM: COMMERCIAL PRESCRIPTIVE LIGHTING REBATE PROGRAM

1. **Availability**. To any commercial Customer receiving electric service under tariff Schedule 11.
2. **Description**. This program will provide direct incentives to Customers who perform lighting retrofit projects. Funding will only be available for lighting retrofit projects on existing facilities and where installation is not required by local energy efficiency codes or, where no such code exists, lighting measures approved for funding must meet or exceed "standard industry practices" as determined by the Company.
3. **Funding**. Company funding under this program is limited to $3,000 per site, per year. Minimum funding shall be $200.00 per project to qualify. The Company will not fund the cost of Site Specific studies or analyses under this program. To qualify for funding under this tariff, all applications to this program must be fully completed and returned to the Company by the due date stated on the application. Total utility cost over the period 1997 through 1999 is $404,000 and will be provided under this tariff in WWP's combined Washington and Idaho service areas. The Company will rebate to Customers at the following levels:

THE WASHINGTON WATER POWER COMPANY

SCHEDULE 90 - continued

Measure	Measure Life	Rebate/ unit
Compact Fluorescent:		
Hardwired Ballast	10 years	$10
Lamp w/Locking Ballast	10 years	$10
4 Foot T-8 Lamps & Electronic Ballast:		
1 Lamp	12 years	$5
2 Lamp	12 years	$5
3 Lamp	12 years	$10
4 Lamp	12 years	$10
8 Foot T-8 Lamps & Electronic Ballast:		
1 Lamp	12 years	$5
2 Lamp	12 years	$10
Reflector/Delamp (retrofit only):		
4 Foot (per lamp removed)	12 years	$5
8 Foot (per lamp removed)	12 years	$10
Interior HID (excludes mercury vapor):		
0 to 100 watts	12 years	$30
Up to 175 watts	12 years	$30
176 watts or greater	12 years	$30
Exterior HID (excludes mercury vapor):		
0 to 100 watts	12 years	$15
Up to 175 watts	12 years	$15
176 watts or greater	12 years	$15
Exit Sign (must be Energy Star compliant)	12 years	$15
Occupancy Sensor:		
72 - 350 watts connected load	10 years	$20
351 - 1000 watts connected load	10 years	$35
1001 watts or more connected load	10 years	$50
Daylight Sensor/Controls		
72 - 350 watts connected load	10 years	$10
351-1000 watts connected load	10 years	$20
1001 watts or more connected load	10 years	$30

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SCHEDULE 90 - continued

PROGRAM: COMMERCIAL PRESCRIPTIVE FUEL SWITCHING REBATE

1. **Availability.** To any commercial Customer receiving electric service under tariff Schedule 11.
2. **Description.** This program will facilitate acquisition of low interest loans to Customers for capital expenditure associated with switching from electric to natural gas as the primary fuel for space heating. The program will work in partnership with local financial institutions to provide market rate loans to credit worthy Customers. The Company will purchase the loan interest liability from the lending financial institution. The Company-approved measures eligible for installation under this program must have end use efficiencies of at least 80% and must meet current state or federal minimum efficiency requirements.
3. **Funding.** The Company will provide funding to purchase loan interest liability from the lending financial institution. This funding will be provided as follows:

Electric Heating System Input Capacity (BTU/hr)	Maximum Funding
45,000 to 59,999	$279.00
60,000 to 74,999	$370.00
75,000 to 99,999	$460.00
100,000 to 124,999	$620.00
125,000 to 149,999	$775.00
150,000 to 199,999	$930.00
200,000 and greater	$1,240.00

To qualify for funding under this tariff, the Applicant must return applications/forms to the Company by no later than December 3, 1999. Projects must be completed and all invoices requested by the Company submitted and all verifications performed should be received by the Company on or before December 4, 2000. Funding will only be available for the above measures on existing facilities and where installation is not required by local energy efficiency codes or, where no such code exists, measures approved for funding must meet or exceed "standard industry practices" as determined by the Company. Total utility cost over the three-year period is $401,000.

SCHEDULE 90 - continued

PROGRAM: TRADE ALLY

1. **Availability**. To any commercial or industrial Customer receiving electric service under tariff Schedule 11, 21, 25, 26, 31 or special contract for electric service which includes energy efficiency system rates or any Owner or Developer developing a new commercial or industrial facility that will receive service under tariff Schedule 11, 21, 25, 26, 31 or special contract which include energy efficiency system rates.
2. **Description.** The Company will work with Customers and Trade Allies to identify energy efficiency projects that in the Company's opinion are not occurring due to identifiable market barriers. To qualify for assistance under this tariff, the Applicant must have done the following: a) identified or be actively working with a contractor to identify an energy efficiency project b) selected a contractor(s) that will perform services or provide equipment for the energy efficiency project. The Company, at its discretion will provide assistance to overcome market barriers that may include any of the following:

Technical-Link will provide the Customer with a third-party review of their project and may include the following services:

* Comprehensive design review
* Verification of estimated energy savings
* Pre- and Post-metering to verify energy savings
* Lending of diagnostic tools to Customers to monitor how energy is used and consumed in their place of business

Financial-Link will offer a lending program for businesses in order to provide capital funding for energy-efficiency projects. The Financial-Link benefits may include:

* Low cost financing
* Engineering and financial reviews
* Reduced loan costs and collateral requirements

Educational-Link will offer seminars and other materials about the changing industry, new technologies and pertinent issues. Other services may include but are not limited to:

* "How To" information
* On-line energy savings models for energy efficient equipment selection
* Do-it-yourself energy audits

SCHEDULE 90 - continued

3. **Funding.** Various funding alternatives are available. Customers may benefit from one or more of the following options:
   * Design review services up to $1,500.
   * Loan fees of up to $500.

   The maximum amount of funding a Customer may acquire per site, per year is $2,000. Total utility cost for the 3-year period is $879,000.

PROGRAM: RESOURCE MANAGEMENT PARTNERSHIP PROGRAM (RMPP)

1. **Availability.** To any commercial or industrial Customer receiving electric service under tariff Schedule 11, 21, 25, 26 or special contract for electric service or any Owner or Developer developing a new commercial or industrial facility that will receive service under tariff Schedule 11, 21, 25, 26, or special contract for electric service which includes energy efficiency system rates with a combination of buildings with $1 million dollars worth of resource expenses and at least 2 million square feet of building space. Non-profit agencies, school districts, office buildings, universities, hotels and restaurant chains may be the primary focus; with consideration to be given to all who apply. A special effort will be made to generate the interest of multiple non-profit agencies in participating in the program.
2. **Description.** The RMPP will promote resource savings and demonstrate the cost effectiveness of improved operations and maintenance within existing facilities. Participating Customers must agree to continue operations and monitoring efforts upon the expiration of the RMPP position through the adoption of resource policy guidelines incorporating the guidelines into "standard practice" building operations. The Company will provide Customers with the option of selecting a shared savings approach with a guarantee that program savings cover the costs associated with the program. Customers may also choose to have WWP provide services to implement the program and on-going support without the guarantee.
3. **Funding.** Total utility cost estimated for the 3-year program is $447,000. The funding amount includes an estimated amount to cover a portion of the guaranteed salary and expenses not covered by the reduction in resource costs.

SCHEDULE 90 - continued

PROGRAM: NORTHWEST ENERGY EFFICIENCY PARTNERSHIP

1. **Availability.** To any residential, commercial or industrial Customer receiving electric service.
2. **Description.** This regional program focuses on supplying products, services or technologies that will assist residential and commercial customers in improving the use of electric resources. WWP along with other participating utilities and organizations will make the customers aware of product information and availability.

   Existing Regional Programs **

   Compact Fluorescent Manufacturers Rebate - residential
   High Efficiency MAP Inspection Support - residential
   Technical Assistance Support (TAS) - residential/commercial
   Energy Ideas Clearinghouse - residential/commercial
   Seattle Lighting Design Lab - residential/commercial & industrial
   Utility Code Group Support - commercial

   *** The Company currently contributes to the sponsorship of these programs.*

   Potential Regional Programs

   Compact Fluorescent Fixture Rebate - residential
   Cleaner Northwest High Efficiency Clothes Washer Program - residential
   Motor Transformation - commercial/industrial
   Home Energy Rating System - residential
   Building Operator Certification - commercial
   Energy Products Catalog - residential/commercial & industrial
3. **Funding.** Total utility cost estimated for electric costs over the 3-year period is $3,108,000. Designated program funding will expire on December 3, 1999.

SCHEDULE 90 - continued

GENERAL RULES AND PROVISIONS

Service under this schedule is subject to the General Rules and Provisions contained in this tariff and is limited to facilities receiving electric service from the Company.

All installations and equipment must comply with all local code and permit requirements applicable and be properly inspected, if required, by appropriate agencies.

The Company may establish specifications regarding any energy efficiency measures and modifications to be effected under this schedule and may conduct inspections to insure that such specifications are met.

In addition to other funding limits that may exist in specific programs under this tariff, commercial and industrial Customers participating in any commercial/industrial programs in this tariff shall be limited to receiving $100,000 per calendar year per Site for funding per qualifying projects by the Company. Excess funding amounts not paid can be carried over into the following calendar year for payment by the Company, but will be subject to this funding limitation. In no event will the Company pay more than $200,000 per individual project.

THE WASHINGTON WATER POWER COMPANY

SCHEDULE 91

ENERGY EFFICIENCY RIDER ADJUSTMENT - IDAHO

APPLICABLE:

To Customers in the State of Idaho where the Company has electric service available except for Sandpoint, Priest River, Hope, East Hope, Old Town and immediately surrounding areas. This Energy Efficiency Rider or Rate Adjustment shall be applicable to all retail customers for charges for electric energy sold and to the flat rate charges for Company-owned or Customer-owned Street Lighting and Area Lighting Service. This Rate Adjustment is designed to recover costs incurred by the Company associated with providing energy efficiency services and programs to customers.

MONTHLY RATE:

The energy charges of the individual rate schedules are to be increased by the following amounts:

Schedule 1	- .068¢ per kWh	Schedule 25	- .042¢ per kWh
Schedule 11 & 12	- .103¢ per kWh	Schedule 26	- .042¢ per kWh
Schedule 21 & 22	- .072¢ per kWh	Schedule 31 & 32	- .063¢ per kWh

Flat rate charges for Company-owned or Customer-owned Street Lighting and Area Lighting Service are to be increased by 1.503%.

SPECIAL TERMS AND CONDITIONS:

Service under this schedule is subject to the Rules and Regulations contained in this tariff.

The above Rate is subject to increases as set forth in Tax Adjustment Schedule 58.

Issued October 24, 1996 Effective January 1, 1997

Issued by The Washington Water Power Company
By Thomas D. Dukich, Manager, Rates & Tariff Administration

THE WASHINGTON WATER POWER COMPANY

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By Thomas D. Dukich, Manager, Rates & Tariff Administration

THE WASHINGTON WATER POWER COMPANY

SCHEDULE 191

ENERGY EFFICIENCY RIDER ADJUSTMENT - IDAHO

APPLICABLE:

To Customers in the State of Idaho where the Company has natural gas service available. This Energy Efficiency Rider or Rate Adjustment shall be applicable to all retail customers taking service under Schedules 101, 111, 112, 121, 122, 131, 132, and 146. This Rate Adjustment is designed to recover costs incurred by the Company associated with providing energy efficiency services and programs to customers.

MONTHLY RATE:

The energy charges of the individual rate schedules are to be increased by the following amounts:

Schedule 101	-.0¢ per Therm
Schedule 111 & 112	- .0¢ per Therm
Schedule 121 & 122	- .0¢ per Therm
Schedule 131 & 132	- .0¢ per Therm
Schedule 146	- .0¢ per Therm

SPECIAL TERMS AND CONDITIONS:

Service under this schedule is subject to the Rules and Regulations contained in this tariff.

The above Rate is subject to increases as set forth in Tax Adjustment Schedule 158.

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By Thomas D. Durkich, Manager, Rates & Tariff Administration

THE WASHINGTON WATER POWER COMPANY

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By Thomas D. Dukich, Manager, Rates & Tariff Administration

THE WASHINGTON WATER POWER COMPANY

SCHEDULE 90

ELECTRIC ~~DEMAND SIDE MANAGEMENT~~ PROGRAMS
IDAHO

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PURPOSE

To promote efficient use of energy by providing partial ~~or full funding~~ for the installation of energy conservation measures and by providing other services to customers for the purpose of identification and implementation of cost-effective conservation. The acquisition of resources is cost-effective as defined by a Total Resource Cost test (TRC) and is consistent with the Company's most recently filed Integrated Resource Plan.

AVAILABILITY

The programs described herein are available to specified residential, commercial, and industrial customers. The programs are available to Owners of these facilities, and also may be provided to tenants who have obtained appropriate Owner consent.

THE WASHINGTON WATER POWER COMPANY

SCHEDULE 90 - continued

Funding provided under this schedule is limited to end uses where electricity is the energy source and to measures which increase the efficient use of electricity. Customer participation under this schedule shall be based on eligibility requirements contained herein.

DEFINITIONS

The following terms, when used in this schedule, shall have the meanings given below:

Agency. A non-profit group authorized by state authorities to receive funds for installation of weatherization materials in dwellings occupied by Limited Income Customers.

Contractor. A party other than the Company or the Customer who is retained to evaluate the demand side management savings opportunities at the Customer's facility or to install measures under a specific program.

Customer. Any individual, partnership, corporation, association, governmental agency, political subdivision, municipality, or other entity who has applied for, been accepted, and is currently receiving firm retail electric service from the Company. The Customer may or may not be the Owner of the dwelling or facility receiving electric service, but nonetheless has a legal right to occupy the dwelling or facility either through ownership, or a lease or rental agreement.

Direct Administrative Costs. The Company's direct costs of administering programs, including, but not limited to, costs associated with audits, analysis, customer proposals, oversight & inspections, management and supervision, training, and promotion specific to the measure or Program.

Full Avoided Cost. The cost the Company would incur to acquire power from a source other than ~~demand side management resources~~, adjusted for credits for line loss savings and other benefits.

Identifiable Market Barriers. Any condition or constraint that prevents a customer from implementing a cost-effective energy efficiency option including short pay back requirement, lack of capital, perceived risk of energy savings, or other barriers that might be removed or lessened by utility intervention.

THE WASHINGTON WATER POWER COMPANY

SCHEDULE 90 - continued

Incremental Measure Cost. The incremental cost of a ~~demand side management~~ measure in excess of the cost of a measure and/or design required to satisfy existing codes or conforming with existing construction or equipment replacement standard practices.

Limited Income. Single-family residential households in which the combined annual income of the Occupants is not greater than 125% of the federally-established poverty level. Limited Income also means households in duplexes and triplexes where at least 50% of the households meet this low income guideline, and fourplexes and other multi-family dwellings where at least 50% of the households meet this low income guideline. ~~Limited Income also means non-MAP manufactured housing.~~

Measure Cost. The known and measurable costs to all parties of purchasing and installing the measure at the facility site, including the costs of audits and engineering studies performed to assess the opportunities for demand side measures.

Measure Life. The maximum term (in years) that the Company will assume savings can be expected to occur from the measure. The value of Measure Life may be lower than the average life expectancy of the equipment/materials related to the measure, due to uncertainty of continuing savings over that period.

Measurement and Evaluation Costs. Costs incurred for each program to study, survey, and otherwise analytically assess the impacts of the program by determining energy savings achieved from the program and estimating the cost-effectiveness of those savings.

Net Avoided Cost. The Full Avoided cost reduced by the Direct Administrative Costs and the Measurement and Evaluation Costs associated with the program.

Owner. The person who has legal title to the dwelling or facility, is the mortgagor under a duly recorded mortgage of real property, is the trustor under a duly recorded deed of trust, is a purchaser under a duly recorded contract for the purchase of real property, or has legal title to a mobile home.

Prescriptive. A pre-established funding or energy savings amount for a measure that is not individually or differently computed for each participant in a program.

THE WASHINGTON WATER POWER COMPANY

SCHEDULE 90 - continued

Site. A geographically contiguous facility or group of facilities owned or operated by the Customer, served by the Company with one or more electric meters.

Site Specific. Funding for each participant in a program that is determined using an estimate of savings determined for each site.

Trade Ally. A third-party vendor, energy service company, distributor, engineer, architect, consultant, or other business that recommends, designs, supplies, or installs energy-saving equipment or provides energy conservation services.

~~**PROGRAM: WEATHERIZATION**~~

~~1. **Availability**. To any Owner of a residential dwelling in which the Customer receives electric service from the Company under tariff Schedule 1. The dwelling must having permanently installed electric heat, and the Customer must use at least 4,000 kWh per year for space heating. Dwellings must be either a single family home, duplex, triplex, or fourplex. Funding for no more than $125,000 per year will be provided under this tariff in WWP's combined Washington and Idaho service areas.~~

~~2. **Measures**. Company approved measures eligible for installation under this program are as follows:~~

~~Measure~~	~~Measure Life~~
~~Building thermal measures:~~	
~~Ceiling insulation~~	~~30 years~~
~~Wall insulation~~	~~30 years~~
~~Floor insulation~~	~~30 years~~
~~Water heater insulation blankets~~	~~5 years~~

~~3. **Analysis**. A Site Specific analysis will be performed to estimate the energy savings levels of measures prior to installation. The Company or a Contractor will perform the analysis.~~

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By Thomas D. Durkin, Manager, Rates & Tariff Administration

THE WASHINGTON WATER POWER COMPANY

SCHEDULE 90 - continued

~~4. **Funding**. Upon completion of the installation of measures, the Company will reimburse Contractors the following amounts:~~

~~Measure~~	~~Funding Level~~
~~Insulation measures~~	~~$0.25/kWh times estimated first year savings, up to 50% of Measure Cost~~
~~Water heater insulation blankets~~	~~$25.00 per water heater~~

~~5. **Expiration**. This program will expire on December 2, 1996. Projects must be completed and all invoices and verification necessary to process Customer grants should be received by the Company on or before December 2, 1996.~~

~~**PROGRAM: COMPACT FLUORESCENT LIGHT BULBS**~~

~~1. **Availability**. To any residential Customer receiving electric service from the Company under tariff Schedule 1.~~

~~2. **Measures**. Company approved measures eligible for installation under this program are as follows:~~

~~Measure~~	~~Measure Life~~
~~Integrated compact fluorescent bulb (ballast and bulb are one unit)~~	~~7 years~~
~~Modular compact fluorescent bulb (both ballast and bulb required)~~	~~7 years~~

~~3. **Analysis**. Savings from compact fluorescents are determined Prescriptively.~~

~~4. **Funding**. The Company will provide rebates to customers of $5.00 per bulb. Customers shall be limited to 5 bulbs per household.~~

~~5. **Expiration**. This program will expire on November 30, 1995.~~

PROGRAM: MANUFACTURED HOUSING ACQUISITION PROGRAM (MAP)

1. **Availability**. To manufacturers of new HUD-Code manufactured (mobile) housing which also meets the Bonneville Power Administrations regional MAP specifications and receives electric service from the Company under tariff Schedule 1 for space heating. Determinations of qualification for MAP are made by state energy offices.

THE WASHINGTON WATER POWER COMPANY

SCHEDULE 90 - continued

2. **Measures**. Company approved measures eligible for installation under this program are as follows:

Measure	Measure Life
All components and construction of the manufactured housing meeting MAP regional specifications	30 years

3. **Analysis**. Savings for MAP homes are determined Prescriptively based upon calculations performed during development of this regional program.
4. **Funding**. The Company will pay $1,500 to the manufacturer of each qualifying MAP home (constructed on or after October 25, 1994) and $2,500 for MAP homes constructed or on after April 1, 1992 but prior to October 25, 1994 in addition to a $150 per home administrative payment to the Bonneville Power Administration. ~~Funding may be reduced or eliminated if the Bonneville Power Administration reduces or eliminates funding to manufacturers.~~
5. ~~**Expiration**. This program will include homes manufactured through March 31, 1996. All invoices must be received by March 31, 1997 in order to qualify for funding.~~

~~**PROGRAM: NATURAL GAS ALTERNATIVE TO MAP**~~

1. ~~**Availability**. To purchasers of new (10/25/94) HUD-Code manufactured (mobile) housing who receive or will receive electric service from the Company's Schedule 1 with reasonable access to natural gas.~~
2. ~~**Measures**. Company-approved measures eligible for installation under program are as follows:~~

~~Measure~~	~~Measure Life~~
~~Natural Gas Furnace~~	~~25 years~~
~~Natural Gas Water Heater~~	~~12 years~~

3. ~~**Analysis**. Savings are determined Prescriptively based on the electricity consumption of a MAP home, which is estimated to be 7,245 kWh/yr for space heat and 4,350 kWh/yr for water heat, for a total of 11,595 kWh/yr/unit.~~

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By Thomas D. Durkin, Manager, Rates & Tariff Administration

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SCHEDULE 90 - continued

~~4. **Funding.** The Company will pay the cost of upgrading to a natural gas furnace and natural gas water heater, up to $500, in newly constructed manufactured homes. This funding may be reduced or eliminated if the Bonneville Power Administration reduces or eliminates funding to manufacturers for homes that meet the MAP specifications.~~

~~5. **Expiration.** This program will include homes manufactured on or before March 31, 1996. All invoices must be received by December 1, 1996.~~

PROGRAM: LIMITED INCOME RESIDENTIAL ENERGY EFFICIENCY

1. **Availability**. To any Owner of a residential dwelling in which a Limited Income Customer receives electric service from the Company under tariff Schedule 1. The dwelling must ~~have permanently installed~~ electric heat, ~~and~~ the Limited Income Customer must use at least 4,000 kWh per year for space ~~heating~~ in order to qualify for ~~weatherization funding~~. The Agency will qualify customers for assistance under this program using the federal low income guidelines.
2. **Measures.** Company-approved measures eligible for installation under this program are as follows:

Measure	Measure Life
~~Building thermal measures:~~	
Ceiling insulation	30 years
Wall insulation	30 years
Floor insulation	30 years
Infiltration control	10 years
~~Water heating measures~~	
Water heater ~~insulation blankets~~	5 years
~~Changeout of~~ electric space heat to natural gas space heat	25 years
~~Changeout of~~ electric water heat to natural gas water heater	25 years

Whenever possible, the replaced electric equipment, for which the Customer is receiving funding, shall be removed and destroyed. If the equipment cannot be removed, then the heating function will be disabled.

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By Thomas D. Durkin, Manager, Rates & Tariff Administration

SCHEDULE 90 - continued

3. **Analysis.** A Site Specific or Prescriptive analysis will be performed to estimate energy savings levels of measures prior to installation. For qualifying Limited Income Customers, the Agency will perform the analysis.
4. **Funding.** Upon completion of the installation of measures, the Company will reimburse the Agency as follows. ~~Funding for no more than $1,050,000 over the period 1995 to 1996 will be provided under this and previous tariffs in WWP's combined Washington and Idaho service areas.~~

Measure	Funding Level
Weatherization	40¢/kWh ~~up to $1,600 per dwelling unit~~
Space Heat Conversion	23¢/kWh ~~up to $2,050 per furnace~~
Water Heat Conversion	$650.00

~~5. **Expiration.** This program will expire on December 31, 1996. Projects must be completed and all invoices and verification necessary to process Customer grants should be received by the Company on or before December 2, 1996.~~

PROGRAM: COMMERCIAL/INDUSTRIAL SITE SPECIFIC

1. **Availability**. To any commercial or industrial Customer receiving electric service under Schedule 21, 25, or 31 or special contract for firm electric service, or any Owner developing a new commercial or industrial facility that will receive service under Schedule 21, 25, or 31 or special contract for firm electric service.

THE WASHINGTON WATER POWER COMPANY

SCHEDULE 90 - continued

2. **Measures**. Company approved measures eligible for installation under this program are as follows:

Measure	Measure Life
HVAC and Refrigeration	
HVAC and Refrigeration - Unitary	10 years
HVAC and Refrigeration - Central	15 years
Heat Recovery	15 years
Chillers	20 years
Controls	
Energy Management Systems	10 years
Motors and Drives	
Motor and Drive Systems	15 years
Fan, Compressor and Pump Systems	15 years
Other Process	
Other Process Modifications	15 years

Additional measures may qualify for funding under this program. Such determination shall be at the discretion of the Company.

~~3. **Analysis**. The Company or a qualified Contractor performs Site Specific or Prescriptive determinations of the electric demand side management potential using standard engineering practices and methods.~~

4. **Funding**. To qualify for funding under this tariff, the Applicant must do one of the following prior to December ~~2, 1996:~~ 1) begin development of a Company-approved engineering analysis in accordance with a Company-approved scope of work; or 2) receive formal acceptance from the Company of an engineering analysis of savings performed at Applicant's direction and expense; or 3) match project savings measures with Company-approved prescriptive measures and return applications/forms to the Company. In addition, projects must be completed and all invoices and verification necessary to process customer grants should be received by the Company on or before December ~~2, 1997.~~ The Company will provide funding to the Customer on a Site Specific basis equal to the lesser of 1) 50% of the Incremental Measure Cost or 2) an amount equal to Company-approved estimated first-year kWh savings times 5¢ per kWh. Funding will include the Company's ~~share~~ of the cost of Site Specific studies or services performed by the Company or Contractors on the Applicant's behalf. ~~Funding for no more than $1,800,000 over the period~~

THE WASHINGTON WATER POWER COMPANY

SCHEDULE 90 - continued

~~1995 through 1997 will be provided under this tariff in WWP's combined Washington and Idaho service areas.~~

~~5. **Expiration.** This program will expire on December 2, 1996. Projects must be completed and all invoices and verification necessary to process Customer grants should be received by the Company on or before December 2, 1997.~~

~~**PROGRAM: PILOT COMMERCIAL/INDUSTRIAL BUILDING COMMISSIONING**~~

~~1. **Availability.** To any commercial or industrial customer receiving electric service under Schedule 21 or 25 or special contract for firm electric service, or any Owner developing a new commercial or industrial facility that will receive service under Schedule 21 or 25 or special contract for firm electric service, subject to the following: 1) Building size must be 14,000 sq. ft.; 2) Annual energy consumption must be at least 18.70 kWh/sq. ft./year for WWP electric only customers and 14.38 kWh/sq. ft./year for WWP electric customers with gas space heat; 3) Due to the experimental basis of this program to gain experience with a broad range of commercial facilities, the Company will select consistent with the above minimum requirements, in the order of written requests received, up to two office buildings, two schools, two retail establishments, two health care buildings, and four facilities in other sectors.~~

~~2. **Description.** Commissioning is a systematic process of assuring that all building facility systems perform interactively in accordance with the design documentation and intent, and in accordance with the owner's operational needs, including preparation of operation personnel. Under this program, the Company will conduct a pilot program to evaluate the applicability of building commissioning as a DSM program. The pilot program will consist of building commissioning design and implementation for a limited (6 to 10) number of customers. These services will be provided subject to funding requirements below.~~

THE WASHINGTON WATER POWER COMPANY

SCHEDULE 90 - continued

~~3. **Funding.** The Company will provide funding to the Customer on a Site Specific basis up to the lesser of 1) $20,000 per building, 2) actual commissioning costs accrued; or 3) an amount equal to the estimated Company'approved first year kWh savings times 5¢ per kWh. Funding will include the Company's share of the cost of any Site Specific studies or services performed by the Company or Contractors on the Customer's behalf. Total electric plus natural gas funding for this pilot program is limited to $200,000 over the period 1995 through 1997 in WWP's combined Washington and Idaho service areas.~~

~~4. **Expiration.** This program is offered for 1995 and 1996 on a pilot basis, and will expire on December 2, 1996. Customers must have a signed agreement in place on or before December 2, 1996 in order to qualify. Projects must be completed and all invoices and verification necessary to process Customer grants should be received by the Company on or before December 2, 1997.~~

PROGRAM: ~~PILOT COMMERCIAL/INDUSTRIAL~~ TRADE ALLY

1. **Availability**. To any commercial or industrial Customer receiving electric service under Schedule 11, 21, 25, or 31 or special contract for ~~firm~~ electric service, or any Owner developing a new commercial or industrial facility that will receive service under Schedule 11, 21, 25, or 31 or special contract for firm electric service.
2. **Description.** The Company will work with Customers and Trade Allies to identify energy ~~savings~~ projects that in the Company's opinion are not occurring due to identifiable market barriers. To qualify for assistance under this tariff, the Applicant must have done the following: 1) identified or be actively working with a contractor to identify an energy efficiency project, 2) selected a contractor(s) that will perform services or provide equipment for the energy efficiency project. The Company will provide assistance to overcome market barriers that may include any of the following: ~~1) independent evaluation of project, 2) customer education regarding potential savings, 3) measurement and evaluation of project savings, 4) guarantee of project savings, or 5) any other service that may be agreed to by the Customer and the Company. Qualifying measures to be evaluated include energy management system and controls, variable speed drive systems, ventilation air controls, lighting, and other measures subject to funding requirements below.~~

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By Thomas D. Dunsing, Manager, Rates & Tariff Administration

THE WASHINGTON WATER POWER COMPANY

SCHEDULE 90 - continued

~~3. **Funding.** The Company will provide funding to the Customer on a Site-Specific basis an amount not to exceed the lesser of 1) 50% of the Incremental Measure Cost, or 2) an amount equal to first year estimated Company'approved kWh savings times 5¢ per kWh. Funding will include the Company's share of the cost of any Site-Specific studies, assistance or services performed by the Company or Contractors on the Customer's behalf. Total electric plus natural gas funding for this pilot program is limited to $200,000 over the period 1995 through 1997 in WWP's combined Washington and Idaho service areas.~~

~~4. **Expiration.** This program is offered for 1995 and 1996 on a pilot basis, and will expire on December 2, 1996. Customers must have a signed agreement in place on or before December 2, 1996 in order to qualify. Projects must be completed and the verification should be received by the Company on or before December 2, 1997.~~

PROGRAM: ~~PILOT~~ RESOURCE ~~CONSERVATION MANAGER~~

1. **Availability.** To ~~public school districts or private schools in the Company's service territory subject to the following: 1) Funding for no more than a total of one Resource Conservation Manager (RCM) will be provided under this tariff; 2) To qualify for eligibility, the school district or participating individual schools must provide a minimum of 25 schools for implementation of this program; 3) Participating public school districts or private schools must agree through adoption of policy guidelines based on RCM results to continue operations and monitoring efforts upon the expiration of the RCM position; and 4) Participants will be determined by order of eligible requests, in writing, received by the Company.~~
2. **Description.** ~~WWP will guarantee the salary of a full-time Resource Conservation Manager (RCM) to be hired by school district(s) to reduce the consumption of energy through operations and maintenance improvements. The RCM will develop and implement with collaboration by principals, teachers, and students an "energy and resource conservation plan" to include lighting, heating, and reporting guidelines for facilities operations.~~

   ~~This is a market transformation program designed to~~ promote energy savings and demonstrate the cost-effectiveness of improved operations and maintenance within existing facilities. ~~WWP will fund tracking computer acquisition, training, and associated travel. Program~~

THE WASHINGTON WATER POWER COMPANY

SCHEDULE 90 - continued

~~results will be based on measured savings as specified by the RCM Accounting software provided by the Washington State Energy Office (WSEO). Program coordination will be supplemented by the WSEO in conjunction with other RCM programs in Washington. Participating school districts~~ must agree to continue operations and monitoring efforts upon the expiration of the ~~RCM~~ position through adoption of policy guidelines ~~based on RCM results.~~

3. **Funding.** Total ~~electric plus natural gas funding for this pilot program is limited to $60,000 over the period 1995 through 1996, not including $200,000 in salary guarantee in WWP's combined Washington and Idaho service areas~~.

~~4. **Expiration.** This program is offered for 1995 and 1996 on a pilot basis, and will expire on December 31, 1996.~~

GENERAL RULES AND PROVISIONS

Service under this schedule is subject to the General Rules and Provisions contained in this tariff and is limited to facilities receiving electric service from the Company.

All installations and equipment must comply with all codes and permit requirements applicable in the state of Washington and be properly inspected, if required, by appropriate agencies.

The Company may establish specifications regarding any ~~demand side management~~ measures and modifications to be effected under this schedule and may conduct inspections to insure that such specifications are met.

In addition to other funding limits that may exist in specific programs under this tariff, commercial and industrial Customers participating in any commercial/industrial programs in this tariff shall be limited to receiving $100,000 per calendar year per Site for funding of qualifying projects by the Company. Excess funding amounts not paid can be carried over into the following calendar year for payment by the Company, but will be subject to this funding limitation. In no event will the Company pay more than $200,000 per individual project.

THE WASHINGTON WATER POWER COMPANY

SCHEDULE 91

~~EXPERIMENTAL DSM~~ RIDER ADJUSTMENT - IDAHO

APPLICABLE:

To Customers in the State of Idaho where the Company has electric service available except for Sandpoint, Priest River, Hope, East Hope, Old Town and immediately surrounding areas. This ~~DSM~~ Rider or Rate Adjustment shall be applicable to all retail customers for charges for electric energy sold and to the flat rate charges for Company-owned or Customer-owned Street Lighting and Area Lighting Service. This Rate Adjustment is designed to recover costs incurred by the Company associated with providing ~~Demand Side Management~~ services and programs to customers.

MONTHLY RATE:

The energy charges of the individual rate schedules are to be increased by the following amounts:

Schedule 1	- ~~.070¢~~ per kWh	Schedule 25	- ~~.046¢~~ per kWh
Schedule 11 & 12	- ~~.108¢~~ per kWh	Schedule 31 & 32	- ~~.076¢~~ per kWh
Schedule 21 & 22	- ~~.071¢~~ per kWh		

Flat rate charges for Company-owned or Customer-owned Street Lighting and Area Lighting Service are to be increased by ~~1.55~~%.

SPECIAL TERMS AND CONDITIONS:

Service under this schedule is subject to the Rules and Regulations contained in this tariff.

The above Rate is subject to increases as set forth in Tax Adjustment Schedule 58.

Issued March 3, 1995

Effective March 10, 1995*
*Per IPUC Order No. 25917

Issued by The Washington Water Power Company
By Thomas D. Durkich, Manager, Rates & Tariff Administration

THE WASHINGTON WATER POWER COMPANY

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Issued October 26, 1994

Effective March 10, 1995*
*Per IPUC Order No. 25917

Issued by The Washington Water Power Company
By Thomas D. Durkich, Manager, Rates & Tariff Administration

THE WASHINGTON WATER POWER COMPANY

SCHEDULE 191

~~EXPERIMENTAL DSM~~ RIDER ADJUSTMENT - IDAHO

APPLICABLE:

To Customers in the State of Idaho where the Company has natural gas service available. This ~~DSM~~ Rider or Rate Adjustment shall be applicable to all retail customers taking service under Schedules 101, 111, 112, 121, 122, 131, and 132. This Rate Adjustment is designed to recover costs incurred by the Company associated with providing ~~Demand Side Management~~ services and programs to customers.

MONTHLY RATE:

The energy charges of the individual rate schedules are to be increased by the following amounts:

Schedule 101	- ~~.258¢~~ per Therm
Schedule 111 & 112	- ~~.215¢~~ per Therm
Schedule 121 & 122	- ~~.189¢~~ per Therm
Schedule 131 & 132	- ~~.171¢~~ per Therm

SPECIAL TERMS AND CONDITIONS:

Service under this schedule is subject to the Rules and Regulations contained in this tariff.

The above Rate is subject to increases as set forth in Tax Adjustment Schedule 158.

Issued October 26, 1994 Effective January 1, 1995

Issued by The Washington Water Power Company

By Thomas D. Durkich, Manager, Rates & Tariff Administration

BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE PETITION OF	)
THE WASHINGTON WATER POWER COMPANY	)
FOR APPROVAL OF REVISED GAS AND	)
ELECTRIC TARIFFS FOR IMPLEMENTATION	)
OF ENERGY EFFICIENCY PROGRAMS FOR	)
RESIDENTIAL, COMMERCIAL AND	)
INDUSTRIAL CUSTOMERS	)

ATTACHMENT C

ANALYSIS OF EXPERIMENTS

Resource Conservation Manager
1995 - 1996 Pilot Program

The Resource Conservation Manager pilot program has been a highly successful program which WWP proposes to not only continue but to expand in the upcoming years.

The following questions and answers refer to our experience during the 1995 to 1996 pilot program.

Question: How many RCM positions does WWP support?

Answer: The pilot program supports two RCM positions serving five school districts in Eastern Washington and North Idaho.

Question: What is the financial commitment on the part of WWP?

Answer: WWP pledges that the RCM's will be responsible for savings at least equal to their salary or WWP will make up the difference. The maximum amount of this commitment is $200,000.

To a financially conscious school district, this means that there is no down-side financial risk associated with funding the position. There is a certainty that the position will be supported either by quantifiable cost savings or by WWP.

To date the both RCM's have contributed savings far in excess of their salaries.

Question: Against what baseline are the savings measured against?

Answer: The baseline for the savings are the prior academic year.

Question: What 'resource savings' do the RCM's concentrate on?

Answer: The RCM's concentrate on five categories of resources, electricity, natural gas, water, sewage and solid waste. The majority of the savings that the positions have produced have been in the electric and gas categories.

Question: What proportion of the savings realized by the RCM are energy-related?

Answer: At present, approximately three fourths of the dollar savings realized to date by the participating school districts have been electricity or natural gas.

Question: When did the program start?

Answer: The two RCM's were hired at the beginning of the 1995 / 1996 academic year.

Question: What are the backgrounds of the RCM's?

Answer: Both RCM's (Dean Lueck and Warren Bakes) have backgrounds in school administration as well as resource issues.

Question: Are the RCM's involved in the energy-related educational programs as well?

Answer: Yes. The RCM's participate in sponsoring energy efficiency and resource conservation presentations and educational projects in their assigned districts.

Question: Why hasn't this program been extended to other school districts?

Answer: The pilot program was limited to five school districts (three in Washington, two in Idaho). As a result of the success of the program other school districts have expressed an interest in participating in the 1997 to 1999 program. Additionally, the RCM concept is being proposed to expand beyond school districts and into offices as our Green Office program.

Trade Ally Program Pilot
Executive Summary

Introduction:

The Trade Ally Program is a pilot program implemented January 1, 1995 through December 2, 1996. The program is designed to identify energy savings projects that in the Company's opinion are not occurring due to identifiable market barriers. In addition, the Trade Ally Program is intended to explore the potential of customer service DSM (energy services) vs. traditional direct-funding DSM. The concept of the entire program is partnering with area trade professionals to remove the market barriers that keep customers from choosing energy efficiency.

Implementation:

The Trade Ally Program has 4 major components:

1) Trade Professional Network
2) Technical-Link
3) Financial-Link
4) Training-Link

These components work together to remove the three market barriers to implementation of energy efficiency projects that the Company has identified:

1) Perception of risk and inconvenience
2) Limited access to capital
3) Information on available technology

The objective of the Trade Professional Network is to provide a list of qualified trade professionals as a resource for customers when selecting trade professionals to work on proposed energy efficiency projects. Involvement in the network enables trade professionals to be better informed and more effective at meeting customer needs with the Trade Ally Program. The goal is to foster a partnership with the trade professionals which creates a "win-win-win" situation when the customer implements the energy efficiency project, the customer reduces their bill, the trade professional gets work and the Company realizes energy savings.

The Technical-Link works to remove the perception of risk and inconvenience from energy efficiency projects through:

- Verification of Estimated Savings
- Comprehensive Design Reviews
- Pre- and post-metering to verify energy savings

These reviews include an assessment of the energy savings of the project and also assist the customer in determining if the project meets their business needs.

The Financial-Link serves as a clearing house for information on financing energy conservation projects working to provide customers access to capital moneys. The Financial-Link benefits include:

- Low cost financing
- Engineering and financial reviews
- Reduced loan costs and collateral requirements

We have established programs with the following regional financing sources: Sterling Savings Association, North West Business Development Company (NBDC)(an SBA affiliated non-profit development Company) and the Idaho Department of Water Resources (IDWR).
The Training-Link is the educational portion of the Trade Ally Program working to provide information on available efficiency technology and how to utilize it. Over the two year pilot program Training-Link will have hosted two training seminars involving over 90 participants.

Goals:

As a pilot program the Trade Ally Program had the following budget and energy savings targets:

	1995	1996	1995-1996
Budget	$88,000	$112,000	$200,000
Energy Savings (kWh)	321,000	876,000	1,197,200
Cost per kWh	$0.027414	$0.012785	$0.16706

Actual performance of the program is detailed below:

	1995	1996*	1995-1996
Expenditures	$46,000	$100,000	$146,000
Energy Savings (kWh)	0	2,016,508.45	2,016,508.45
Cost per kWh	$ N/A	$0.04959	$0.0724

*1996 performance is estimated based on active projects.

Lessons Learned:
The Trade Ally Program is a dynamic program which does not rely on direct incentives to promote energy efficiency. Instead it relies on the Company's ability to remove customers market barriers with service programs. This requires appropriate staffing levels to manage the requests for assistance and participate in the trade professional's sales process without disrupting it.

Initial start-up and acceptance of the program took a large amount of work and much longer than originally anticipated. Comparison to previous direct incentive programs caused the Company to anticipate rapid acceptance of the new program and much higher initial participation. Savings in 1995 reflect that this was not the case at all, in fact, it has taken all of 1995 and the 1st quarter of 1996 to realize significant participation. Now, as individual trade professionals begin to have success integrating the program into their sales strategy the appeal of the Trade Ally Program and its services are growing rapidly. In fact, rapidly enough to allow the Company to predict exceeding program goals by nearly 100%. This is a testament to the potential long term viability of energy services.

Energy services requires much larger administrative costs per unit than direct funding DSM, but, when compared on a cost per kWh/therm basis performs at par if not better than it's counterpart.

	ENERGY SAVINGS	COSTS	COST/KWH
C/I Site Specific (budget values)	36,704,400	$4,651,000	$0.1272
Trade Ally Program (forecast results)	2,016,508.45	$200,000	$0.0724

Summary:

The Trade Ally Program pilot has been an unqualified success. Continued implementation of the Trade Ally Program is recommended and necessary to maintain consistency and diversity in the Company's DSM portfolio.

1. **What does WWP have to do in order to take credit for the energy savings of a project? Are these involvement's substantial enough to justify taking credit for the savings?**

A For the Trade Ally Program to record the energy savings of a customer's project the customer must have: completed an application to the Trade Ally Program prior to beginning construction and participated in either the Technical-Link or Financial-Link services of the program. WWP has through focus groups consisting of our Trade Professionals (Manufacture's Representatives, Distributors, Energy Service Companies and Contractors) identified three market barriers which if removed make project completion much more likely: 1) perceptions of high risk and inconvenience 2) limited access to capital 3) limited information on technology available. WWP through the Trade Ally program seeks to remove these market barriers, if the customer has participated in either the Technical-Link or Financial-Link portions of the program and subsequently completed their project, we believe that we have been successful and confidently record the associated energy savings.

2. **What if there are cost savings or design assistance to a customer that, inadvertently perhaps, results in higher energy usage? For example, a customer increases ventilation to improve indoor air quality as a result of Trade Ally supported involvement?**

The particular situation described in the question above has arisen only once to date in the Trade Ally Program. The project proposed involved the replacement of the existing baseboard heating system and window shaker cooling system with a air to air heat pump system. In addition to the HVAC system retrofit the restaurant proposed to increase the outside air intake from the existing condition of 0% to 40%. The increase in outside air intake was necessary to correct a negative pressurization in the restaurant caused by a large kitchen exhaust air fan with no provided make-up air.

The end result of the computer analysis performed on the project is that the total proposed system will consume an estimated 14,713 kWh <u>more</u> electricity that the existing system. This additional consumption is due entirely to the 40% outside air being brought in to the restaurant under the heat pump option. The existing system does not bring in outside air. The proposed system offers a much more comfortable environment but it will consume additional energy. The calculated savings for the project were as follows

Baseboard Heating System and Window Shaker Cooling System to Air to Air Heat Pump
kWh Savings: 32,260

Outside Air Intake Increase
kWh Increase: 46,973

Total Project Energy Savings
kWh Savings: (14,713)

Total Project Dollar Savings: ($735.65)

WWP's recommendation to the customer was to implement both the HVAC system conversion and the ventilation improvements. The energy saving and dollar savings of the project were presented to the customer as detailed above. In regards to recording the energy savings of this project, the determination was made that the individual measures in this project could be implemented separately. Therefore, evaluation was completed separately for each of the measures. This project was not completed by the customer but if it had been, the proposed method for recording energy savings would have been to record 32,260 kWh of savings

3. **Isn't much of the lighting end-use funding being done under the Trade Ally simply showing customers how to comply with NREC at the least cost and not necessarily how to achieve the greatest cost-effective savings?**

A No, to be eligible for participation in the Trade Ally Program, lighting projects must not be impacted by the NREC Lighting requirements (i.e. no new construction or over 60% fixture replacement projects) or show that they are in compliance with the NREC and efficiency measures are above and beyond NREC requirements. In projects that participate in the program we encourage maximizing energy saving through application of available technology while balancing the budgetary concerns of the customer.

4. **Is there a "first choice" list of engineering firms that the customer can select from?**

A Yes, if the customer requires the services of an engineering firm beyond those provided with the Technical-Link service, engineering firms are included on our Trade Professional List. Although, this list differs from the traditional "First Choice" list in that any firm who requests listing can be added to the list. The Trade Professional List serves as a resource to our customers and does not include WWP endorsement of services.

5. **What restrictions, if any are imposed on the customers choice of who reviews their project when it is outsourced by WWP for a Comprehensive Design Review (CDR)?**

A The choice to outsource design reviews is an internal WWP decision based on available staff time and expertise. Reports prepared by the outside engineering firms are review by WWP and provided to the customer as a WWP product. The customer has no choice on when or who the projects are outsourced to.

6. **Can this program be used as a means to get WWP to pay $1,500 of the design cost of a project that would normally be borne by the customer?**

A No, to be eligible for participation in the Trade Ally Program, a proposed system must be completely detailed. System design is not included as a service to the customer.

7. **Who does WWP outsource CDR tasks to and why were they selected? How narrowly/widely is WWP outsourcing such projects, are there "favored" firms and if so why?**

A WWP currently uses two mechanical engineering firms, Thomas J. Gerard and Associates and Dumais • Romans, Inc. to handle the majority of the CDRs for the Trade Ally Program. However, we have not made exclusive agreements with these firms and retain the right to select other firms for specific expertise that will benefit specific projects. , Thomas J. Gerard and Associates and Dumais • Romans, Inc. were selected to perform design reviews for the Trade Ally Program based on long standing service arrangements with WWP, knowledge of our programs and a proven ability to deliver quality reviews at cost effective rates.

8. **Are any of the Training-Link expenditures related to energy use increasing programs, such as indoor air quality?**

A No, Training-Link services are targeted at energy efficiency technology and strategy; specifically, end-uses which are eligible for WWP programs.

9. **What sort of educational materials or programs have been offered under Training-Link? Relate each of these to realized energy savings.**

A Over the 1995-1996 program WWP will have offered two training seminars through the Trade Ally Training-Link. The first was a general lighting technology seminar and was attended by 63 participants the second will be a lighting auditing workshop and it will be attended by approximately 32 participants. We have not made an attempt to quantify a direct relationship between training programs and savings achieved through the Trade Ally Program. It is generally assumed that through education an increased awareness of energy efficiency opportunities will be created and this will lead to energy savings which can be both directly and indirectly attributed to the program although, WWP does not track or claim any savings to the Trade Ally program from our Training-Link services.

10. **For the Trade Ally Program, what end-uses have been involved and in what proportion? What end-uses realize the greatest/least savings.**

Measure Code	Measure Description	Total Projects	Distribution	Avg measure Cost	Avg Engineering Cost	Avg kWh Saving	Avg Therm Savings
S10	EE-Lighting	32	62.75%	$10,846.75	$17.19	58,752.20	-
S100	Multiple Measure	6	11.76%	$8,276.85	$139.17	7,208.88	170.13
S92	EE-Misc	2	3.92%	$0.00	$0.00	-	-
	Electric Efficiency Projects	**40**	**78.43%**	**$9,918.93**	**$34.63**	**48,083.09**	**25.52**
S41	EG-Fuel Switch/Furnace	2	3.92%	$15,000.00	$0.00	6,148.63	-
S42	EG-Fuel Switch/H2O	1	1.96%	$30,000.00	$0.00	79,702.50	-
	Electric to Gas Projects	**3**	**5.88%**	**$20,000.00**	**$0.00**	**30,666.59**	**-**
S51	GE-Furnace	7	13.73%	$4,352.50	$62.50	166.43	148.25
S83	GE-Roof Insulation	1	1.96%	$6,165.19	$281.25	-	2,543.25
	Gas Efficiency Projects	**8**	**15.69%**	**$4,579.09**	**$89.84**	**145.63**	**447.63**
	Total Projects/Average	**51**		**$10,755.26**	**$41.25**	**39,539.38**	**90.23**

11. **How much of the cost of the Trade Ally Program funded through the DSM rider is being completed in house.**

A The majority of the work done on the Trade Ally Program is completed "in house", to date program has only incurred costs of $2,103.74 for outsourced CDRs.

12. How many lenders are involved in the Financial-Link?

A The Financial-Link serves as a clearing house for information on financing energy conservation projects, therefore there is no limit to the lenders that can participate in the program. We have established programs with the following regional financing sources: Sterling Savings Association, North West Business Development Company (NBDC)(an SBA affiliated non-profit development Company) and the Idaho Department of Water Resources (IDWR). The characteristics of the loans offered in each program are detailed below.

STERLING SAVINGS:	
Loan Size:	$5,000 to $100,000
Down Payment:	10%
Loan Term:	5 to 7 years
Interest Rate:	Prime plus 1% to 2% (adjusted quarterly)
Estimated Fees:	$150 Application Fee (minimum)
Collateral:	UCC filing on improvements

NORTHWEST BUSINESS DEVELOPMENT COMPANY:	
Loan Size:	$5,000 to $100.000
Down Payment:	From 0%
Loan Term:	1 to 10 years
Interest Rate:	Prime plus 2¾% (adjusted quarterly)
Estimated Fees:	2% SBA Guarantee Fee $250 Packaging Fee $100 Closing Fee
Collateral:	UCC filing on improvements
Funding Institutions	Farmers and Merchants Bank First Interstate Bank Inland Northwest Bank Key Bank Seattle First national Bank Sterling Savings Association United Security Bank U.S> Bank Washington Trust Bank West one Bank

IDAHO DEPARTMENT OF WATER RESOURCES:	
Loan Size:	$0 to $100,000
Down Payment:	From 0%
Loan Term:	1 to5 years
Interest Rate:	4%
Estimated Fees:	Variable
Collateral:	UCC filing on improvements
Funding Institutions:	Boise Neighborhood Housing Boise Valley Credit Union Capital Educators Federal Credit Union Stewart Title of Idaho Superior Federal Credit Union Twin Falls Bank and Trust Company Valley Bank

13. How do the interest rates compare with what the customer could get on their own? If the interest is lower, why are lenders willing to reduce the interest for program participants (i.e. superior project review, ...)?

A The primary barriers to securing financing for energy conservation projects is the lenders credit position in case of a default, usually lenders only utilize a UCC filing on equipment improvements which puts them in a higher risk position, the consequence being higher interest rates. Through the Financial-Link program WWP provides the lenders with a report that details the energy conservation measure, the estimated savings and the economics of the project to help the lender realize the potential cash flows that this type of project initiates.
The Sterling program offers market rate loans to Financial-Link participants. These loans are very similar to what the customer may be eligible for from their current bank, in fact, we suggest that the customers inquire at their current bank to determine what terms they will offer.
The NBDC program offers SBA guaranteed market rate loans to customers whose financial position may not otherwise allow them to obtain financing.
The IDWR program for Idaho customers utilizes a low interest loan program that the IDWR administers for the State of Idaho. WWP helps the applicant to prepare the necessary application materials and includes a report that details the energy conservation measure. the estimated savings and the economics of the project. This satisfies the IDWR savings estimation and economic analysis requirements for the project and speeds the application process.

14. How many projects have completed a Comprehensive Design Review?

A There are currently 9 projects in various phases which are have utilized the services of Comprehensive Design Review.

Total Projects	9
Total Cost	$38,395.73
CDR Cost	$2,103.74
kWh Savings	62,648.55
Therms	3,956

15. How many projects have been financed under Financial-Link

A There are currently 14 projects in various phases which are interested in utilizing the services of the Financial-Link.

Total Projects	14
Total Cost	$168,603.30
kWh Savings	1,036,298
Therms	3,956

16. How many projects have participated in the Technical-Link

A All projects that are involved in the Trade Ally Program are considered as receiving Technical Link services. There are currently a total of 51 active projects in the Trade Ally Program.

Total Projects	51
Total Cost	$312,482.43
kWh Savings	2,016,508.45
Therms	4,601.75

17. How are the projects distributed through the WWP Service Territory?

A Project location distribution is tracked by state between Washington and Idaho.

IDAHO	TOTALS	DISTRIBUTION
Projects	12	23.53%
Measure Cost	$102,876.74	32.90%
CDR Cost	$0.00	0.00%
kWh Savings	662,280.70	32.84%
Therm Savings	645	14.02%

WASHINGTON	TOTALS	DISTRIBUTION
Projects	39	76.47%
Measure Cost	$209,605.69	67.10%
CDR Cost	$2,103.74	100.00%
kWh Savings	1,354,227.75	67.16%
Therm Savings	3,956.25	85.97%

18. How are the projects distributed through the WWP Customer Classes?

A Customer class distribution is tracked by rate schedule.

RATE SCHEDULE	TOTALS	DISTRIBUTION
Electric 11-12	15	29.41%
Electric 21-22	32	62.75%
Electric 72	1	1.96%
Electric 75	3	5.88%

RATE SCHEDULE	TOTALS	DISTRIBUTION
Gas 101t	15	29.41%
Gas 111	22	43.14%
Gas 121	0	0.00%
No Gas Service	14	27.45%

Pilot Building Commissioning Program

Program Purpose

The purpose of the Pilot Building Commissioning program is to introduce the concept of building commissioning into WWP's service territory by conducting a limited test program. The small test program would help train local firms as commissioning agents and provide a valuable service to customers participating in the program. These two outcomes may help stimulate a demand and supply for further commissioning activities in WWP's service territory.

Program Process

Commissioning Agents Selected

WWP issued a Request for Qualifications (RFQ) to local engineering firms and other energy professionals that WWP has worked with on energy efficiency projects. The RFQ was limited to local firms because WWP wanted to provide building commissioning training to local firms that would potentially market their services as building commissioning agents after the program.

Nine firms submitted qualifications for commissioning agents. Five members of WWP's Energy Services group ranked the firms in 6 different categories. Three firms were chosen as commissioning agents for the program and two firms were selected as alternates in case any of the three chosen agents could not perform.

Commissioning Agents Training

WWP hired Portland Energy Conservation, Inc. to prepare materials and conduct a one day training session on building commissioning. All of the selected agents plus a few others from non-selected firms attended this training session.

Participant Selection

WWP notified several dozen of the larger commercial customers of the program and asked them to call WWP if they were interested in being a program participant. Those customers that expressed and interest were asked to fill out a short application that identified their building and its energy characteristics.

Fourteen customers expressed interest in the program and had facilities with enough square footage and energy use to warrant participation. These customers were asked to sign contracts that

specified what they could receive under the program and that allowed access to their buildings.

Pre-Commissioning Audits Conducted

Pre commissioning audits were conducted on 7 buildings that submitted completed contracts. The pre-commissioning audits involved a walk-through of the facility by the agent and interviews with the building maintenance personnel. The pre-commissioning audits identified the large energy using equipment in the building and the operation and control systems of that equipment. Customers were presented with the agents findings which included any recommendations for energy efficiency improvements. This helped determine if the building was a good candidate for the full commissioning process. Audits were not conducted on two buildings because the commissioning agents were already familiar with the buildings and both buildings were good candidates for full commissioning.

Commissioning of Selected Buildings

Commissioning agents identified 3 buildings that seemed to have the best potential to undertake the full commissioning process. Currently, 3 buildings have been selected for full commissioning, 2 newly constructed education buildings and 1 existing hospital. For the full commissioning process, the agents prepared a commissioning plan that outlined the procedures and performance tests the agents planned to conduct on the buildings. Agents will prepare a written report of the commissioning process and their identification of potential energy savings when they complete the commissioning tests.

Program Summary

The building commissioning pilot program introduced the concept of building commissioning to the participating customers and the local firms selected as agents in the program. This is a first step in developing building commissioning as a common practice. Potential agents indicated as part of their submittal of qualifications that commissioning was not a common practice but that they perceived it to be valuable.

Overall, fourteen customers expressed an interest in participating in the program. Pre-commissioning audits were completed on 8 customer's facilities. Full commissioning is occurring on 3 facilities.

Lessons Learned

The WWP pilot program included new and existing buildings ranging from 30,000 square feet to half a million square feet hospitals. Much of the commissioning work that has been done in the region has focused on

new buildings with higher tech energy efficiency features. Many of the buildings in WWP's program were older buildings. The commissioning process was more difficult to implement in existing buildings, particularly when the buildings were older and didn't contain many automated control systems or energy efficiency features.

Several of the program participants were older buildings that didn't contain many automated control systems or energy efficiency features. Building commissioning procedures that have been established in other regional programs did not lend themselves well to these older structures. Also, participants did not include buildings which had installed a significant amount of more sophisticated energy efficiency features, another circumstance which is well suited to building commissioning.

Given the pilot program experience and other regional developments, WWP has decided not to continue its existing building commissioning program There are several regional efforts underway to develop market moving programs to promote building commissioning that WWP could participate in as a more effective mechanism to further building commissioning in our service territory. One on these programs is building operator certification to help train building operators in energy efficient building operating and maintenance practices. A building commissioning effort closely tied in with new construction under the non-residential energy code may be more effective by targeting buildings that are most likely to benefit from building commissioning.

Building Commissioning

Results from the building commissioning pilot project implemented by WWP as a part of the 1995-1996 DSM Tariff Rider are not yet complete.

There has been substantial time required to recruit prospective customers for this program, identify building commissioning needs and to fully implement programmic solutions to these needs. Additionally, once the program has been implemented for a particular customer, additional time is required for the measures to be fully incorporated into building operations, and then a further period of time is required before estimates of savings resulting from these measures can be estimated.

As a consequence of the long time lag between program implementation and a final estimate of savings there is not a quantification of results available as of the date of this filing.

In spite of the lack of final savings estimates, WWP has decided to not offer building commissioning on a full scale basis within our service territory. The pilot program has demonstrated that the number of buildings with the energy management systems capable of supporting improvements is insufficient to warrant full scale program implementation. Simply put, the simple systems incorporated into most buildings do not lend themselves to significant improvements in energy efficiency.

It is likely that the most cost-effective components of building commissioning programs will be the training and certification of building operation personnel. However, such an endeavor is difficult to undertake on a non-regional basis.

BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE PETITION OF	)
THE WASHINGTON WATER POWER COMPANY	)
FOR APPROVAL OF REVISED GAS AND	)
ELECTRIC TARIFFS FOR IMPLEMENTATION	)
OF ENERGY EFFICIENCY PROGRAMS FOR	)
RESIDENTIAL, COMMERCIAL AND	)
INDUSTRIAL CUSTOMERS	)

ATTACHMENT D

'95 - '96 PROGRAMS SAVINGS RESULTS

Washington Water Power Company
Total Washington and Idaho
1995-1996 DSM Tariff Rider Savings and Expenses

Electric Programs

Residential	Budget Units	Projected Units	Budget Savings	Projected Savings	Budget Cost	Projected Cost
Schedule 67	325	1,614	585,000	3,396,038	$224,581	$764,884
MAP - Energy Eff.	500	1,086	2,000,000	5,759,768	$ 900,697	$ 2,656,091
MAP - Fuel Eff.	125	8	500,000	92,760	$ 225,174	$ 10,893
Compact Fluorescent	15,000	5,827	1,080,000	419,544	$ 145,726	$ 197,300
Natural Gas Awareness	3,600	3,600	37,260,000	37,260,000	$ 574,667	$ 150,000
Weatherization R.I.	500	218	1,000,000	540,356	$ 390,983	$ 174,091
Energy Efficiency-L.I.	550	464	4,200,000	3,893,815	$ 1,097,932	$ 854,972
CAT Force	0	0	100,000	-	$ 100,000	$ 88,678
TOTAL	20,600	12,817	46,725,000	51,362,281	$ 3,659,760	$ 4,896,909

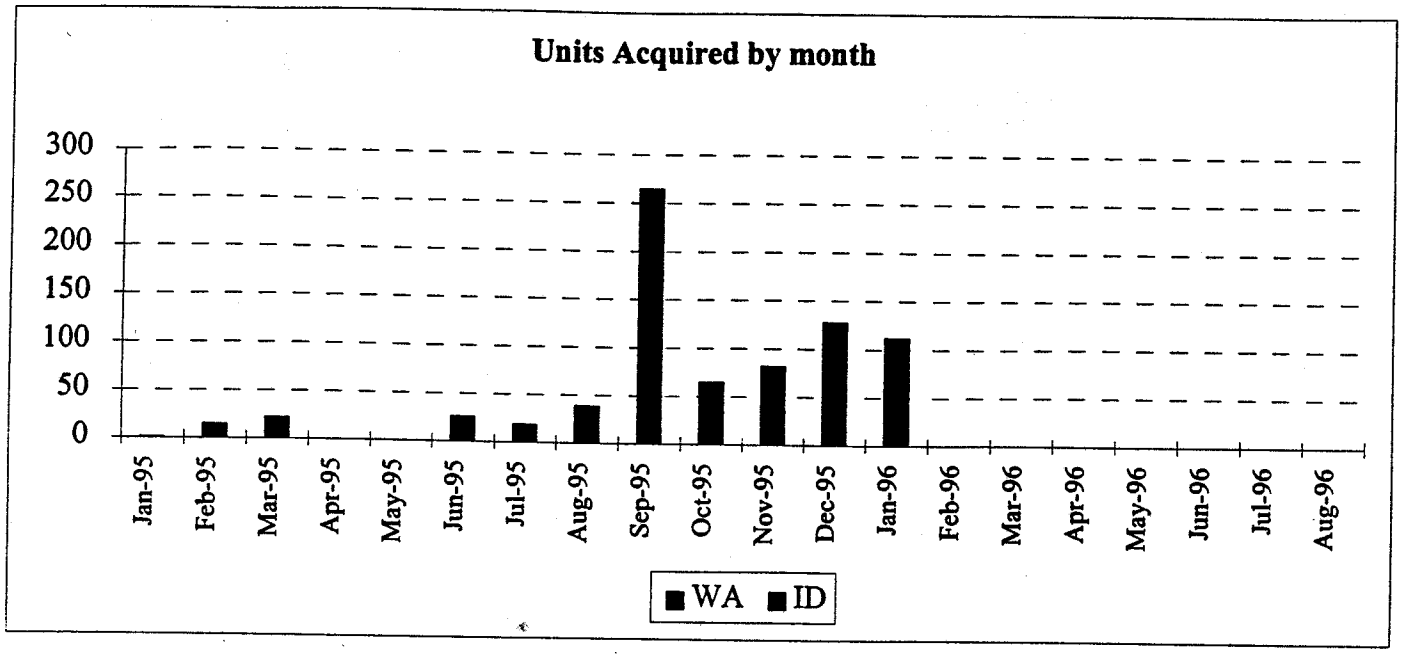
Commercial						
C/I SS	N/A	160	36,662,500	26,840,406	$ 4,651,183	$ 3,128,674
C/I TA	N/A	33	700,867	2,147,672	$ 200,000	$ 146,621
Building Commissioning	N/A	-	700,867	-	$ 200,000	$ 92,538
RCM	N/A	-	700,867	1,400,000	$ 98,000	$ 69,141
NREC	N/A	-	9,636,000	9,636,000	$ 477,793	$ 405,640
TOTAL	N/A	193	48,401,100	40,024,078	$ 5,626,976	$ 3,842,614
Electric Total	N/A	13,010	95,126,100	91,386,359	$ 9,286,736	$ 8,739,523
Tariff Rider Revenue						$ 8,836,169
Difference						$ 96,646

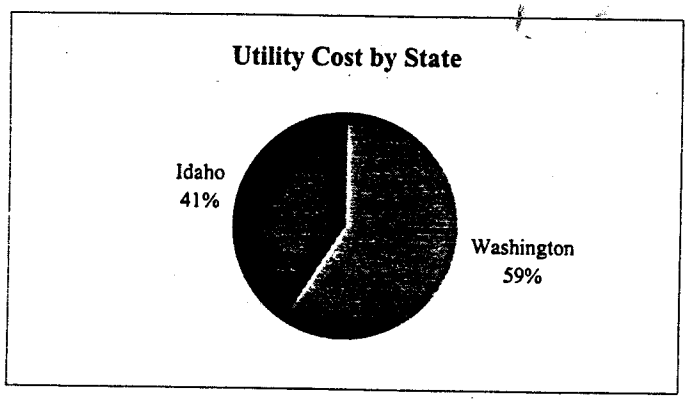
Natural Gas Programs

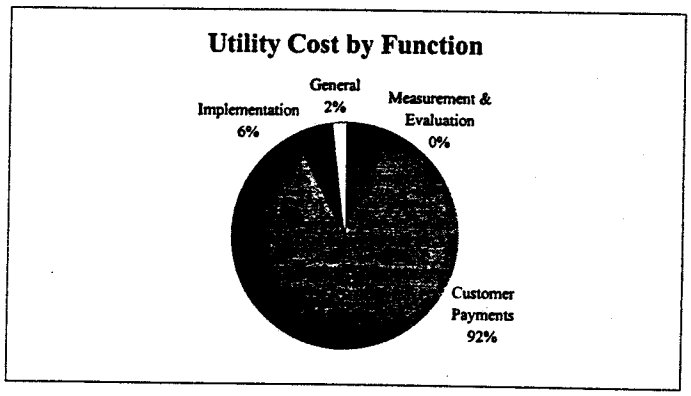
Residential						
Weatherization R.I.	100	363	21,500	94,485	$ 75,271	$ 324,329
High Eff. Appliance Ed.	N/A	N/A	156,000	-	$ 422,804	$ -
Weatherization L.I.	20	87	3,000	26,935	$ 22,571	$ 89,111
TOTAL	120	450	180,500	121,420	$ 520,646	$ 413,441

Commercial						
C/I SS	N/A	12	192,000	829,445	$ 331,981	$ 349,350
C/I TA	N/A	12	20,000	2,292	$ 16,667	$ 14,825
Building Commissioning	N/A	-	20,000	-	$ 16,667	$ 11,478
RCM	N/A	-	20,000	-	$ 16,667	$ 31,153
TOTAL	N/A	24	252,000	831,737	$ 381,981	$ 406,806
Natural Gas Total	N/A	474	432,500	953,157	$ 902,627	$ 820,246
Tariff Rider Revenue						$ 870,948
Difference						$ 50,702
Grand Total	N/A	N/A	N/A	N/A	$ 9,766,558	$ 9,559,769
Tariff Rider Revenue						$ 9,707,117
Difference						$ 147,348

Washington Water Power
Manufactured Home Acquisition Program
January 1995 through August 1996







	Washington	%	Idaho	%	Total
Units Acquired	453	59%	321	41%	774
Savings (kWh)	2,392,000	58%	1,702,000	42%	4,094,000
Savings Per Unit (kWh)	5,280		5,302		5,289
Direct Program Cost	$1,035,476	59%	$726,292	41%	$1,761,768
Implementation Cost	$65,573	59%	$46,307	41%	$111,880
General Cost	$18,357	60%	$12,318	40%	$30,675
Measurement & Evaluation Cost	$0	0%	$0	0%	$0
Total Utility Cost	$1,119,406	59%	$784,918	41%	$1,904,323
Average Customer Payment	$2,286		$2,263		$2,276
Additional Customer Cost	$0		$0		$0
Utility Payment as % of Total	100%		100%		100%
1st Year Utility Cost (¢/kWh)	46.8¢		46.1¢		46.5¢
Levelized Utility Cost (¢/kWh)	4.5¢		4.5¢		4.5¢
Levelized Total Cost (¢/kWh)	4.5¢		4.5¢		4.5¢

M. Updike 10/16/96

ELECTRIC - MAP ENERGY EFFICIENCY

Date	Jobs Comp.	Savings Achieved (kWh)	Direct Program Costs	Impl. Costs	General Costs	Meas. & Eval. Costs	Total Utility Costs	Levelized Cost Per kWh	Additional Customer Costs
January 1995	1	6,000	$0	$575	$0	$0	$575	0.93¢	$0
February 1995	15	84,000	$34,500	$3,399	$37	$0	$37,936	4.38¢	$0
March 1995	22	132,000	$55,000	$4,960	$414	$0	$60,374	4.44¢	$0
April 1995	0	0	$0	$1,164	$1,431	$0	$2,595	0.00¢	$0
May 1995	0	0	$0	$216	$160	$0	$376	0.00¢	$0
June 1995	26	152,000	$63,781	$5,207	$60	$0	$69,048	4.41¢	$0
July 1995	19	98,000	$39,950	$6,597	$557	$0	$47,104	4.67¢	$0
August 1995	39	224,000	$104,060	$2,487	$1,071	$0	$107,618	4.66¢	$0
September 1995	265	1,332,000	$570,950	$9,994	$397	$0	$581,342	4.24¢	$0
October 1995	65	314,000	$137,840	$9,060	$1,591	$0	$148,490	4.59¢	$0
November 1995	82	452,000	$188,650	$10,232	$2,042	$0	$200,924	4.32¢	$0
December 1995	128	678,000	$102,337	$306,229	$2,193	$0	$410,760	5.88¢	$0
ANNUAL 1995 TOTAL	662	3,472,000	$1,297,068	$360,120	$9,954	$0	$1,667,142	4.66¢	$0
January 1996	112	622,000	$464,700	($290,467)	$9,668	$0	$183,901	2.87¢	$0
February 1996	0	0	$0	$13,550	$0	$0	$13,550	0.00¢	$0
March 1996	0	0	$0	$4,252	$0	$0	$4,252	0.00¢	$0
April 1996	0	0	$0	$9,343	$2,897	$0	$12,240	0.00¢	$0
May 1996	0	0	$0	$6,311	$1,906	$0	$8,217	0.00¢	$0
June 1996	0	0	$0	$1,865	$3,239	$0	$5,105	0.00¢	$0
July 1996	0	0	$0	$4,106	$1,729	$0	$5,836	0.00¢	$0
August 1996	0	0	$0	$2,799	$1,281	$0	$4,080	0.00¢	$0
September 1996									
October 1996									
November 1996									
December 1996									
ANNUAL 1996 TOTAL	112	622,000	$464,700	($248,240)	$20,721	$0	$237,181	3.70¢	$0
TWO-YEAR ACTUAL TOTAL	774	4,094,000	$1,761,768	$111,880	$30,675	$0	$1,904,323	4.52¢	$0
TWO-YEAR JOBS IN PROGRESS	770	4,072,842	$1,752,663	$0	$0	$0	$1,752,663		
PROJECTED ADDITIONAL PROJECTS	0	0	$0	$0	$0	$24,000	$24,000		
TOTAL TWO-YEAR PROJECTION	1,544	8,166,842	$3,514,431	$111,880	$30,675	$24,000	$3,680,987	4.38¢	
TWO-YEAR TARGET/BUDGET	500	2,000,000	$753,200	$94,783	$28,714	$24,000	$900,697	4.37¢	
DIFFERENCE OVER (UNDER) TARGET/BUDGET	1,044	6,166,842	$2,761,231	$17,097	$1,962	$0	$2,780,290		
	IMPLEMENTATION $ PER MWH:			$27.33	1995 COMPARISON AVOIDED COST:			7.34¢	

M. Updike 10/16/96

ELECTRIC - MAP ENERGY EFFICIENCY, WASHINGTON

Date	Jobs Comp.	Savings Achieved (kWh)	Direct Program Costs	Impl. Costs	General Costs	Meas. & Eval. Costs	Total Utility Costs		Additional Customer Costs
January 1995	0	0	$0	$545	$0	$0	$545		$0
February 1995	7	40,000	$16,500	$1,773	$34	$0	$18,307		$0
March 1995	14	84,000	$35,000	$3,290	$185	$0	$38,475		$0
April 1995	0	0	$0	$854	$585	$0	$1,440		$0
May 1995	0	0	$0	$159	$103	$0	$262		$0
June 1995	0	0	$181	$1,231	$42	$0	$1,454		$0
July 1995	3	16,000	$7,950	$2,002	$125	$0	$10,077		$0
August 1995	27	154,000	$70,236	$1,650	$278	$0	$72,164		$0
September 1995	161	802,000	$346,650	$7,267	$199	$0	$354,116		$0
October 1995	29	144,000	$65,314	$5,245	$1,066	$0	$71,625		$0
November 1995	52	288,000	$117,650	$7,636	$1,266	$0	$126,552		$0
December 1995	79	422,000	$101,294	$189,893	$1,477	$0	$292,665		$0
ANNUAL 1995 TOTAL	372	1,950,000	$760,776	$221,546	$5,358	$0	$987,680		$0
January 1996	81	442,000	$274,700	($178,344)	$6,391	$0	$102,747		$0
February 1996	0	0	$0	$4,556	$0	$0	$4,556		$0
March 1996	0	0	$0	$3,086	$0	$0	$3,086		$0
April 1996	0	0	$0	$4,485	$1,623	$0	$6,108		$0
May 1996	0	0	$0	$4,233	$923	$0	$5,156		$0
June 1996	0	0	$0	$919	$1,991	$0	$2,910		$0
July 1996	0	0	$0	$3,143	$1,106	$0	$4,250		$0
August 1996	0	0	$0	$1,949	$964	$0	$2,913		$0
September 1996			$0	$0		$0	$0		$0
October 1996			$0	$0		$0	$0		$0
November 1996			$0	$0		$0	$0		$0
December 1996			$0	$0		$0	$0		$0
ANNUAL 1996 TOTAL	81	442,000	$274,700	($155,973)	$12,999	$0	$131,726		$0
TWO-YEAR GRAND TOTAL	453	2,392,000	$1,035,476	$65,573	$18,357	$0	$1,119,406		$0

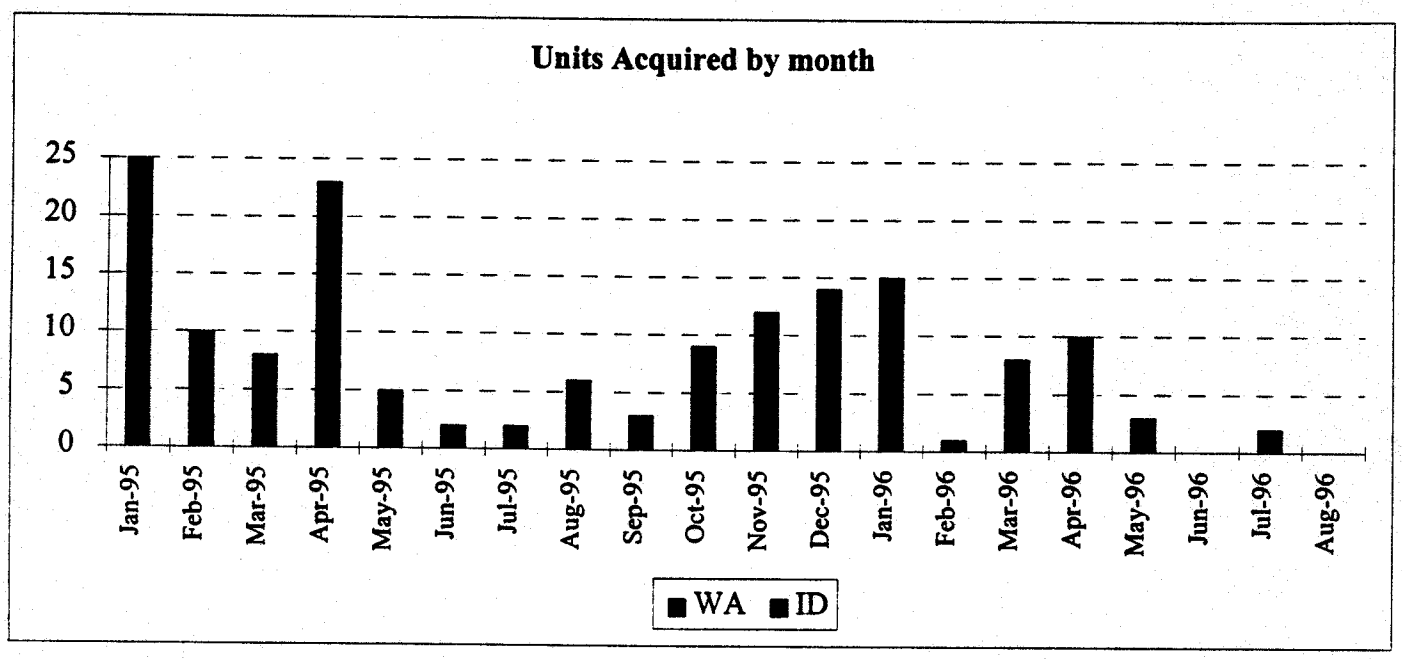
M. Updike 10/16/96

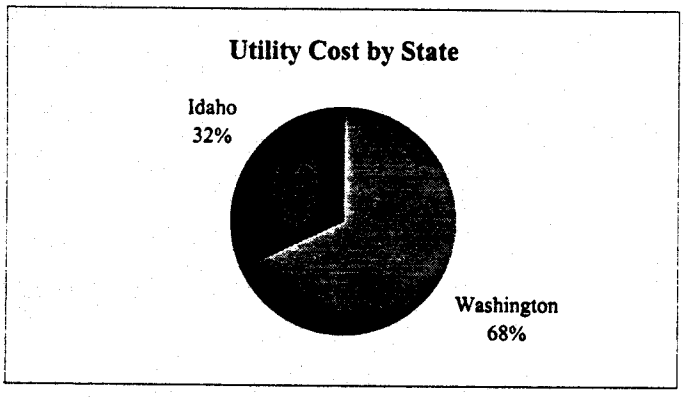
ELECTRIC - MAP ENERGY EFFICIENCY, IDAHO

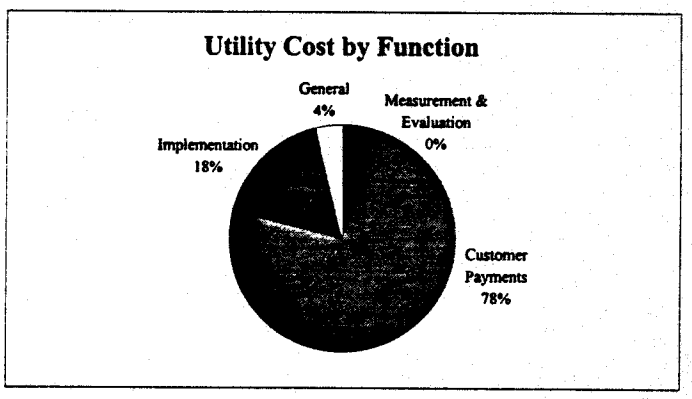
Date	Jobs Comp.	Savings Achieved (kWh)	Direct Program Costs	Impl. Costs	General Costs	Meas. & Eval. Costs	Total Utility Costs		Additional Customer Costs
January 1995	1	6,000	$0	$30	$0	$0	$30		$0
February 1995	8	44,000	$18,000	$1,626	$3	$0	$19,629		$0
March 1995	8	48,000	$20,000	$1,670	$230	$0	$21,899		$0
April 1995	0	0	$0	$310	$846	$0	$1,155		$0
May 1995	0	0	$0	$57	$58	$0	$114		$0
June 1995	26	152,000	$63,600	$3,976	$18	$0	$67,594		$0
July 1995	16	82,000	$32,000	$4,595	$433	$0	$37,028		$0
August 1995	12	70,000	$33,824	$837	$793	$0	$35,454		$0
September 1995	104	530,000	$224,300	$2,728	$198	$0	$227,226		$0
October 1995	36	170,000	$72,526	$3,814	$525	$0	$76,865		$0
November 1995	30	164,000	$71,000	$2,596	$776	$0	$74,372		$0
December 1995	49	256,000	$1,042	$116,336	$716	$0	$118,095		$0
ANNUAL 1995 TOTAL	290	1,522,000	$536,292	$138,574	$4,596	$0	$679,462		$0
January 1996	31	180,000	$190,000	($112,123)	$3,277	$0	$81,154		$0
February 1996	0	0	$0	$8,994	$0	$0	$8,994		$0
March 1996	0	0	$0	$1,167	$0	$0	$1,167		$0
April 1996	0	0	$0	$4,858	$1,274	$0	$6,132		$0
May 1996	0	0	$0	$2,078	$983	$0	$3,061		$0
June 1996	0	0	$0	$946	$1,248	$0	$2,194		$0
July 1996	0	0	$0	$963	$623	$0	$1,586		$0
August 1996	0	0	$0	$850	$317	$0	$1,167		$0
September 1996			$0	$0		$0	$0		$0
October 1996			$0	$0		$0	$0		$0
November 1996			$0	$0		$0	$0		$0
December 1996			$0	$0		$0	$0		$0
ANNUAL 1996 TOTAL	31	180,000	$190,000	($92,267)	$7,722	$0	$105,455		$0
TWO-YEAR GRAND TOTAL	321	1,702,000	$726,292	$46,307	$12,318	$0	$784,918		$0

M. Updike 10/16/96

Washington Water Power
Electric Weatherization Program
January 1995 through August 1996







	Washington	%	Idaho	%	Total
Units Acquired	103	65%	55	35%	158
Savings (kWh)	266,189	67%	128,167	33%	394,356
Savings Per Unit (kWh)	2,584		2,330		2,496
Direct Program Cost	$69,885	69%	$30,769	31%	$100,655
Implementation Cost	$14,320	64%	$8,228	36%	$22,548
General Cost	$2,572	57%	$1,948	43%	$4,520
Measurement & Evaluation Cost	$0	0%	$0	0%	$0
Total Utility Cost	$86,777	68%	$40,946	32%	$127,723
Average Customer Payment	$678		$559		$637
Additional Customer Cost	$63,398		$22,270		$85,668
Utility Payment as % of Total	52%		58%		54%
1st Year Utility Cost (¢/kWh)	32.6¢		31.9¢		32.4¢
Levelized Utility Cost (¢/kWh)	3.2¢		3.1¢		3.1¢
Levelized Total Cost (¢/kWh)	5.5¢		4.8¢		5.3¢

M. Updike 10/16/96

ELECTRIC - RESIDENTIAL WEATHERIZATION

Date	Jobs Comp.	Savings Achieved (kWh)	Direct Program Costs	Impl. Costs	General Costs	Meas. & Eval. Costs	Total Utility Costs	Levelized Cost Per kWh	Additional Customer Costs
January 1995	25	72,449	$19,232	$1,947	$0	$0	$21,179	2.84¢	$12,344
February 1995	10	27,793	$6,457	$1,946	$152	$0	$8,555	2.99¢	$5,567
March 1995	8	13,747	$6,079	$1,397	$230	$0	$7,706	5.44¢	$2,638
April 1995	23	62,918	$16,634	$845	$520	$0	$18,000	2.78¢	$10,349
May 1995	5	13,079	$6,907	$335	$115	$0	$7,357	5.46¢	$10,260
June 1995	2	7,840	$2,585	$1,548	$93	$0	$4,226	5.23¢	$347
July 1995	2	159	$3,774	$1,759	$161	$0	$5,694	347.66¢	$618
August 1995	6	1,354	$5,122	$588	$269	$0	$5,979	42.87¢	$4,158
September 1995	3	345	$1,926	$306	$80	$0	$2,312	65.05¢	$1,934
October 1995	9	18,739	$1,377	$1,198	$45	$0	$2,621	1.36¢	$4,464
November 1995	12	30,257	$5,482	$1,044	$267	$0	$6,793	2.18¢	$6,838
December 1995	14	31,829	$16,014	$638	$218	$0	$16,870	5.15¢	$6,347
ANNUAL 1995 TOTAL	119	280,509	$91,589	$13,553	$2,150	$0	$107,292	3.71¢	$65,864
January 1996	15	46,813	($4,384)	$1,170	$22	$0	($3,192)	(0.66¢)	$7,321
February 1996	1	2,775	$751	$1,384	$445	$0	$2,580	9.02¢	$484
March 1996	8	13,349	$3,392	$1,754	$172	$0	$5,318	3.87¢	$3,317
April 1996	10	38,429	$5,752	$1,218	$332	$0	$7,303	1.84¢	$6,162
May 1996	3	7,037	$2,064	$820	$249	$0	$3,133	4.32¢	$1,398
June 1996	0	0	$385	$471	$434	$0	$1,290	0.00¢	$0
July 1996	2	5,444	$1,106	$865	$442	$0	$2,412	4.30¢	$1,122
August 1996	0	0	$0	$1,312	$275	$0	$1,587	0.00¢	$0
September 1996									
October 1996									
November 1996									
December 1996									
ANNUAL 1996 TOTAL	39	113,847	$9,065	$8,996	$2,370	$0	$20,431	1.74¢	$19,804
TWO-YEAR ACTUAL TOTAL	158	394,356	$100,655	$22,548	$4,520	$0	$127,723	3.14¢	$85,668
TWO-YEAR JOBS IN PROGRESS	7	17,471	$4,459	$999	$200	$0	$5,659		
PROJECTED ADDITIONAL PROJECTS	32	78,871	$20,131	$4,510	$904	$35,000	$60,545		
TOTAL TWO-YEAR PROJECTION	197	490,699	$125,245	$28,057	$5,624	$35,000	$193,926	3.84¢	
TWO-YEAR TARGET/BUDGET	500	1,000,000	$279,000	$58,051	$18,932	$35,000	$390,983	3.80¢	
DIFFERENCE OVER (UNDER) TARGET/BUDGET	(303)	(509,301)	($153,755)	($29,994)	($13,308)	$0	($197,057)		
	IMPLEMENTATION $ PER MWH:			$57.18	1995 COMPARISON AVOIDED COST:			7.34¢	

M. Updike 10/16/96

ELECTRIC - RESIDENTIAL WEATHERIZATION, WASHINGTON

Date	Jobs Comp.	Savings Achieved (kWh)	Direct Program Costs	Impl. Costs	General Costs	Meas. & Eval. Costs	Total Utility Costs		Additional Customer Costs
January 1995	18	47,251	$14,432	$1,017	$0	$0	$15,450		$9,797
February 1995	7	20,018	$4,990	$1,204	$64	$0	$6,258		$4,629
March 1995	6	12,208	$4,473	$571	$125	$0	$5,170		$2,187
April 1995	16	52,090	$13,353	$639	$102	$0	$14,094		$9,256
May 1995	5	13,079	$6,907	$237	$77	$0	$7,221		$10,260
June 1995	2	7,840	$2,319	$957	$62	$0	$3,339		$347
July 1995	1	81	$3,554	$1,034	$97	$0	$4,685		$398
August 1995	1	457	$1,907	$514	$144	$0	$2,565		$1,131
September 1995	2	329	$1,738	$309	$62	$0	$2,109		$1,423
October 1995	8	12,882	($1,593)	$638	$45	$0	($909)		$3,821
November 1995	8	22,177	$3,691	$853	$154	$0	$4,698		$5,188
December 1995	9	23,769	$7,528	$625	$165	$0	$8,318		$4,518
ANNUAL 1995 TOTAL	83	212,181	$63,301	$8,600	$1,097	$0	$72,998		$52,954
January 1996	9	27,138	($600)	$901	$21	$0	$322		$4,409
February 1996	1	2,775	$751	$1,126	$293	$0	$2,170		$484
March 1996	4	4,277	$1,369	$1,291	$125	$0	$2,786		$1,207
April 1996	3	12,469	$2,651	$602	$274	$0	$3,527		$3,060
May 1996	1	1,905	$735	$450	$124	$0	$1,309		$162
June 1996	0	0	$385	$241	$212	$0	$838		$0
July 1996	2	5,444	$1,294	$441	$290	$0	$2,025		$1,122
August 1996	0	0	$0	$667	$135	$0	$803		$0
September 1996			$0	$0		$0	$0		
October 1996			$0	$0		$0	$0		
November 1996			$0	$0		$0	$0		
December 1996			$0	$0		$0	$0		
ANNUAL 1996 TOTAL	20	54,008	$6,585	$5,720	$1,475	$0	$13,779		$10,444
TWO-YEAR GRAND TOTAL	103	266,189	$69,885	$14,320	$2,572	$0	$86,777		$63,398

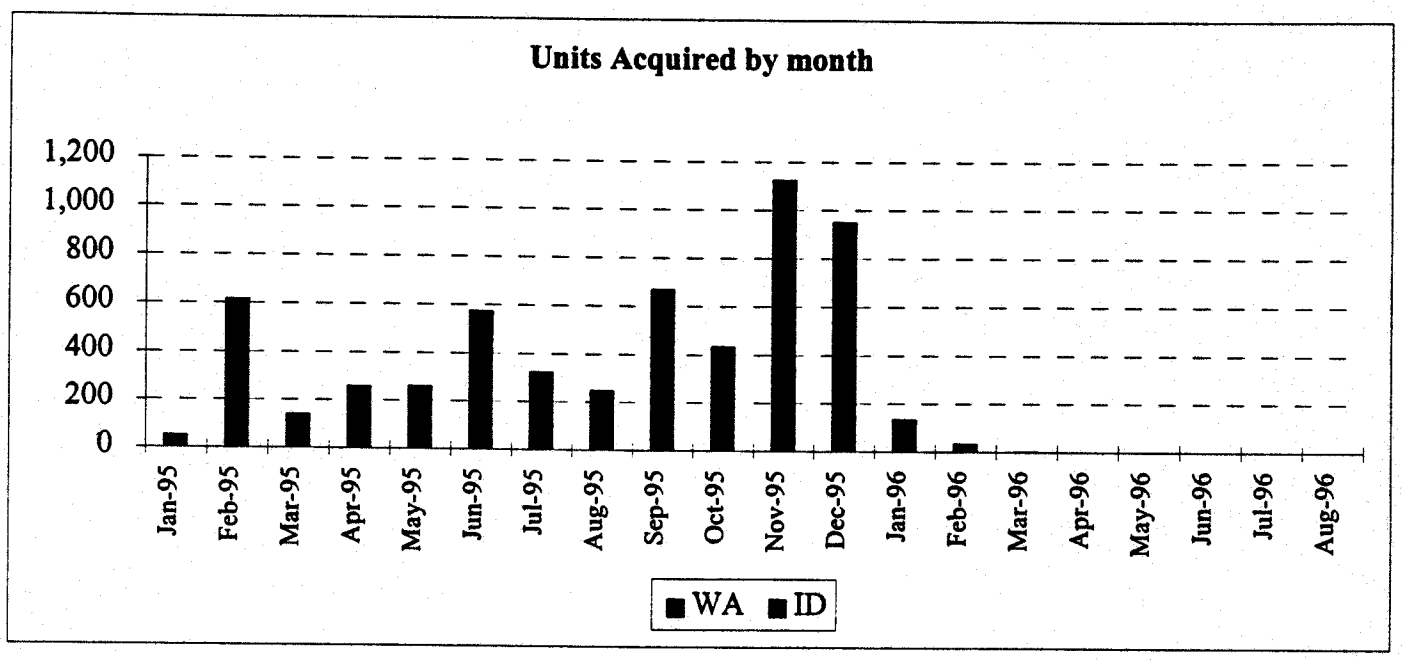
M. Updike 10/16/96

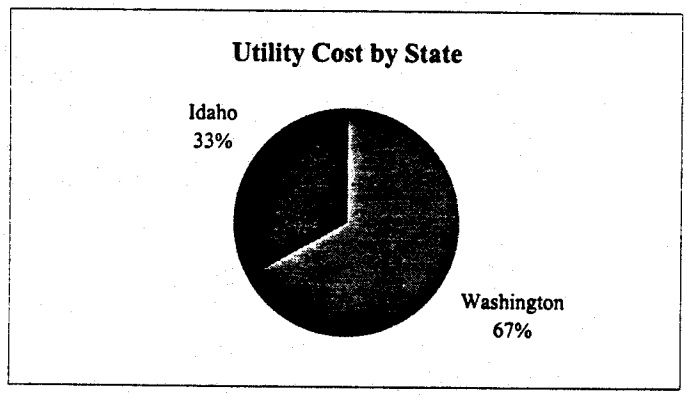
ELECTRIC - RESIDENTIAL WEATHERIZATION, IDAHO

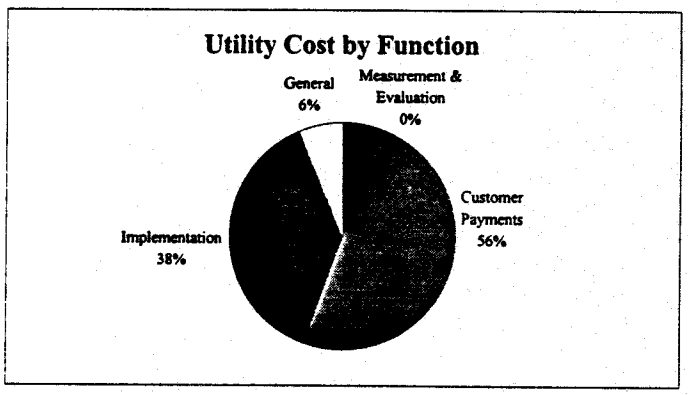
Date	Jobs Comp.	Savings Achieved (kWh)	Direct Program Costs	Impl. Costs	General Costs	Meas. & Eval. Costs	Total Utility Costs		Additional Customer Costs
January 1995	7	25,198	$4,799	$930	$0	$0	$5,729		$2,547
February 1995	3	7,775	$1,468	$741	$88	$0	$2,296		$938
March 1995	2	1,539	$1,605	$826	$105	$0	$2,536		$452
April 1995	7	10,828	$3,281	$206	$418	$0	$3,905		$1,093
May 1995	0	0	$0	$98	$38	$0	$136		$0
June 1995	0	0	$266	$591	$31	$0	$888		$0
July 1995	1	78	$219	$725	$64	$0	$1,009		$219
August 1995	5	897	$3,214	$75	$125	$0	$3,414		$3,026
September 1995	1	16	$189	($3)	$18	$0	$203		$512
October 1995	1	5,857	$2,970	$561	$0	$0	$3,530		$643
November 1995	4	8,080	$1,791	$191	$114	$0	$2,095		$1,650
December 1995	5	8,060	$8,487	$13	$53	$0	$8,552		$1,830
ANNUAL 1995 TOTAL	36	68,328	$28,288	$4,952	$1,053	$0	$34,294		$12,910
January 1996	6	19,675	($3,784)	$269	$0	$0	($3,514)		$2,912
February 1996	0	0	$0	$259	$151	$0	$410		$0
March 1996	4	9,072	$2,023	$463	$47	$0	$2,533		$2,110
April 1996	7	25,960	$3,102	$617	$58	$0	$3,777		$3,102
May 1996	2	5,132	$1,329	$370	$125	$0	$1,823		$1,237
June 1996	0	0	$0	$230	$222	$0	$453		$0
July 1996	0	0	($188)	$424	$152	$0	$387		$0
August 1996	0	0	$0	$644	$140	$0	$784		$0
September 1996			$0	$0		$0	$0		
October 1996			$0	$0		$0	$0		
November 1996			$0	$0		$0	$0		
December 1996			$0	$0		$0	$0		
ANNUAL 1996 TOTAL	19	59,839	$2,481	$3,276	$895	$0	$6,652		$9,360
TWO-YEAR GRAND TOTAL	55	128,167	$30,769	$8,228	$1,948	$0	$40,946		$22,270

M. Updike 10/16/96

Washington Water Power
Compact Fluorescent Rebate Program
January 1995 through August 1996







	Washington	%	Idaho	%	Total
Units Acquired	4,194	72%	1,633	28%	5,827
Savings (kWh)	301,968	72%	117,576	28%	419,544
Savings Per Unit (kWh)	72		72		72
Direct Program Cost	$32,510	76%	$10,435	24%	$42,946
Implementation Cost	$16,758	57%	$12,719	43%	$29,478
General Cost	$2,420	50%	$2,457	50%	$4,877
Measurement & Evaluation Cost	$0	0%	$0	0%	$0
Total Utility Cost	$51,689	67%	$25,612	33%	$77,300
Average Customer Payment	$8		$6		$7
Additional Customer Cost	$39,300		$14,615		$53,914
Utility Payment as % of Total	45%		42%		44%
1st Year Utility Cost (¢/kWh)	17.1¢		21.8¢		18.4¢
Levelized Utility Cost (¢/kWh)	3.4¢		4.3¢		3.7¢
Levelized Total Cost (¢/kWh)	6.0¢		6.8¢		6.2¢

M. Updike 10/16/96

ELECTRIC - COMPACT FLUORESCENTS

Date	Jobs Comp.	Savings Achieved (kWh)	Direct Program Costs	Impl. Costs	General Costs	Meas. & Eval. Costs	Total Utility Costs	Levelized Cost Per kWh	Additional Customer Costs
January 1995	51	3,672	$0	$766	$0	$0	$766	4.14¢	$279
February 1995	616	44,352	$2,566	$1,003	$60	$0	$3,629	1.62¢	$5,016
March 1995	140	10,080	$1,429	$946	$123	$0	$2,498	4.92¢	$1,295
April 1995	258	18,576	$839	$1,687	$311	$0	$2,838	3.03¢	$2,292
May 1995	260	18,720	$1,293	$1,589	$246	$0	$3,128	3.32¢	$2,299
June 1995	575	41,400	$3,964	$8,607	$455	$0	$13,026	6.25¢	$4,135
July 1995	324	23,328	$1,469	$2,309	$903	$0	$4,681	3.98¢	$2,976
August 1995	249	17,928	$4,823	$3,607	$354	$0	$8,784	9.73¢	$2,115
September 1995	672	48,384	$3,259	$1,703	$591	$0	$5,553	2.28¢	$7,061
October 1995	435	31,320	$3,714	$902	$276	$0	$4,892	3.10¢	$4,360
November 1995	1,126	81,072	$10,969	$1,752	$208	$0	$12,929	3.17¢	$10,477
December 1995	951	68,472	$5,354	$1,624	$390	$0	$7,368	2.14¢	$9,791
ANNUAL 1995 TOTAL	5,657	407,304	$39,678	$26,494	$3,918	$0	$70,090	3.42¢	$52,095
January 1996	134	9,648	$1,527	$1,566	$51	$0	$3,145	6.47¢	$1,351
February 1996	34	2,448	$582	$686	$627	$0	$1,894	15.36¢	$460
March 1996	2	144	$293	$218	$101	$0	$611	84.21¢	$9
April 1996	0	0	$271	$103	$37	$0	$410	0.00¢	$0
May 1996	0	0	$595	$0	$21	$0	$615	0.00¢	$0
June 1996	0	0	$0	$0	$0	$0	$0	0.00¢	$0
July 1996	0	0	$0	$371	$0	$0	$371	0.00¢	$0
August 1996	0	0	$0	$41	$122	$0	$163	0.00¢	$0
September 1996									
October 1996									
November 1996									
December 1996									
ANNUAL 1996 TOTAL	170	12,240	$3,267	$2,984	$959	$0	$7,210	11.69¢	$1,819
TWO-YEAR ACTUAL TOTAL	5,827	419,544	$42,946	$29,478	$4,877	$0	$77,300	3.66¢	$53,914
TWO-YEAR JOBS IN PROGRESS	0	0	$0	$0	$0	$0	$0		
PROJECTED ADDITIONAL PROJECTS	0	0	$0	$5,896	$975	$10,000	$16,871		
TOTAL TWO-YEAR PROJECTION	5,827	419,544	$42,946	$35,373	$5,852	$10,000	$94,171	4.46¢	
TWO-YEAR TARGET/BUDGET	15,000	1,080,000	$75,000	$47,244	$13,481	$10,000	$145,726	2.68¢	
DIFFERENCE OVER (UNDER) TARGET/BUDGET	(9,173)	(660,456)	($32,054)	($11,871)	($7,629)	$0	($51,555)		
	IMPLEMENTATION $ PER MWH:			$70.26	1995 COMPARISON AVOIDED COST:			3.30¢	

M. Updike 10/16/96

ELECTRIC - COMPACT FLUORESCENTS, WASHINGTON

Date	Jobs Comp.	Savings Achieved (kWh)	Direct Program Costs	Impl. Costs	General Costs	Meas. & Eval. Costs	Total Utility Costs		Additional Customer Costs
January 1995	42	3,024	$0	$383	$0	$0	$383		$210
February 1995	495	35,640	$1,608	$501	$24	$0	$2,133		$3,984
March 1995	86	6,192	$978	$510	$52	$0	$1,540		$866
April 1995	183	13,176	$579	$1,019	$91	$0	$1,689		$1,708
May 1995	181	13,032	$903	$902	$122	$0	$1,927		$1,705
June 1995	450	32,400	$3,053	$4,347	$237	$0	$7,636		$3,073
July 1995	226	16,272	$993	$1,327	$440	$0	$2,760		$2,099
August 1995	171	12,312	$3,508	$2,263	$184	$0	$5,956		$1,518
September 1995	439	31,608	$2,521	$1,129	$273	$0	$3,922		$4,659
October 1995	294	21,168	$3,157	$653	$166	$0	$3,976		$3,013
November 1995	792	57,024	$8,723	$1,135	$158	$0	$10,016		$7,816
December 1995	690	49,680	$3,836	$1,021	$220	$0	$5,076		$7,185
ANNUAL 1995 TOTAL	4,049	291,528	$29,858	$15,191	$1,966	$0	$47,014		$37,834
January 1996	119	8,568	$1,333	$1,072	$34	$0	$2,439		$1,104
February 1996	26	1,872	$442	$336	$349	$0	$1,127		$362
March 1996	0	0	$218	$109	$37	$0	$364		$0
April 1996	0	0	$200	$51	$23	$0	$275		$0
May 1996	0	0	$459	$0	$11	$0	$470		$0
June 1996	0	0	$0	$0	$0	$0	$0		$0
July 1996	0	0	$0	$0	$0	$0	$0		$0
August 1996	0	0	$0	$0	$0	$0	$0		$0
September 1996			$0	$0		$0	$0		
October 1996			$0	$0		$0	$0		
November 1996			$0	$0		$0	$0		
December 1996			$0	$0		$0	$0		
ANNUAL 1996 TOTAL	145	10,440	$2,652	$1,568	$454	$0	$4,675		$1,466
TWO-YEAR GRAND TOTAL	4,194	301,968	$32,510	$16,758	$2,420	$0	$51,689		$39,300

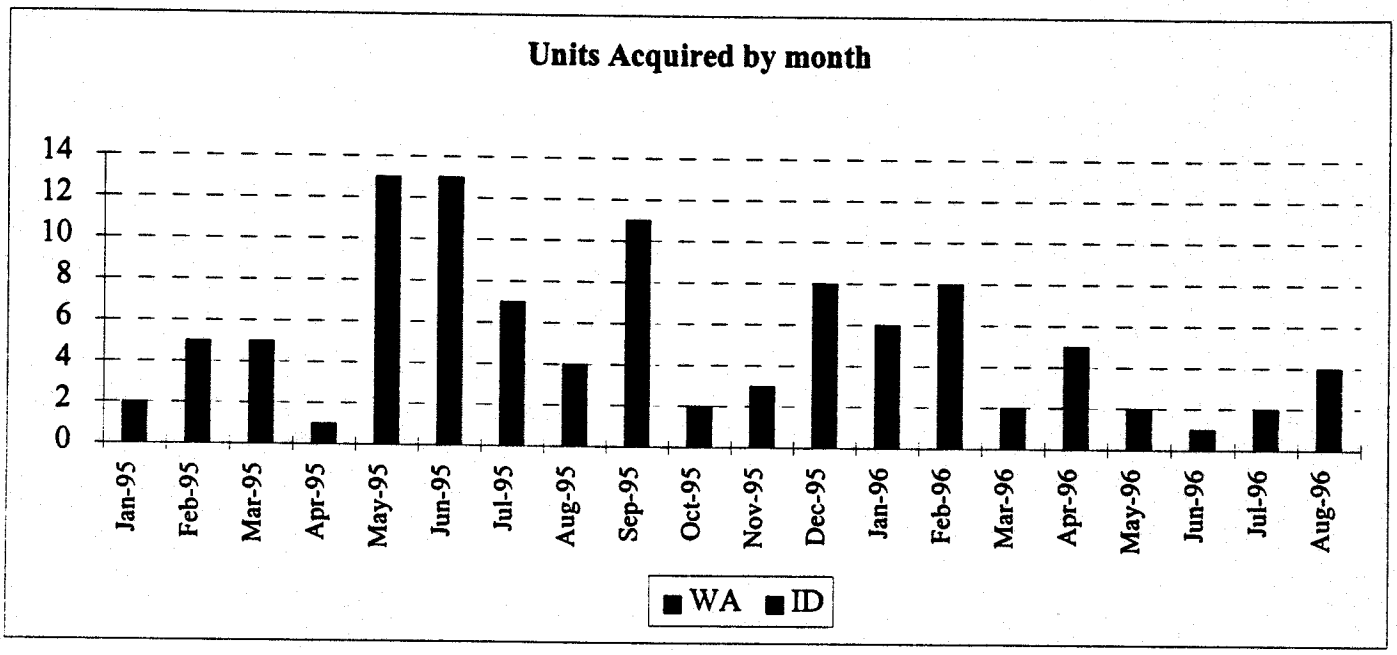
M. Updike 10/16/96

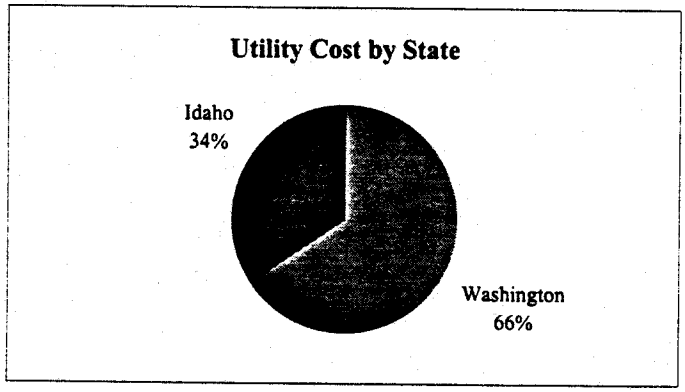
ELECTRIC - COMPACT FLUORESCENTS, IDAHO

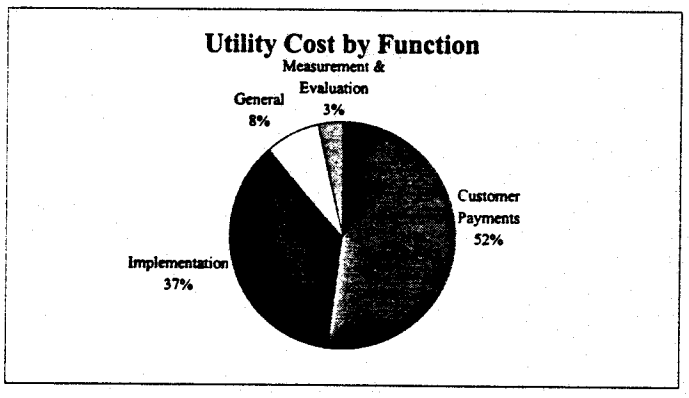
Date	Jobs Comp.	Savings Achieved (kWh)	Direct Program Costs	Impl. Costs	General Costs	Meas. & Eval. Costs	Total Utility Costs		Additional Customer Costs
January 1995	9	648	$0	$383	$0	$0	$383		$69
February 1995	121	8,712	$958	$501	$36	$0	$1,496		$1,032
March 1995	54	3,888	$451	$436	$71	$0	$957		$429
April 1995	75	5,400	$260	$668	$221	$0	$1,149		$585
May 1995	79	5,688	$390	$687	$124	$0	$1,201		$594
June 1995	125	9,000	$911	$4,260	$218	$0	$5,389		$1,062
July 1995	98	7,056	$476	$982	$464	$0	$1,922		$876
August 1995	78	5,616	$1,315	$1,344	$170	$0	$2,828		$597
September 1995	233	16,776	$738	$574	$318	$0	$1,631		$2,403
October 1995	141	10,152	$557	$249	$111	$0	$916		$1,347
November 1995	334	24,048	$2,245	$616	$51	$0	$2,912		$2,661
December 1995	261	18,792	$1,519	$603	$170	$0	$2,292		$2,606
ANNUAL 1995 TOTAL	1,608	115,776	$9,820	$11,303	$1,952	$0	$23,076		$14,261
January 1996	15	1,080	$194	$495	$17	$0	$706		$247
February 1996	8	576	$140	$350	$278	$0	$768		$98
March 1996	2	144	$75	$109	$63	$0	$247		$9
April 1996	0	0	$71	$51	$14	$0	$136		$0
May 1996	0	0	$135	$0	$10	$0	$146		$0
June 1996	0	0	$0	$0	$0	$0	$0		$0
July 1996	0	0	$0	$371	$0	$0	$371		$0
August 1996	0	0	$0	$41	$122	$0	$163		$0
September 1996			$0	$0		$0	$0		
October 1996			$0	$0		$0	$0		
November 1996			$0	$0		$0	$0		
December 1996			$0	$0		$0	$0		
ANNUAL 1996 TOTAL	25	1,800	$615	$1,416	$505	$0	$2,535		$354
TWO-YEAR GRAND TOTAL	1,633	117,576	$10,435	$12,719	$2,457	$0	$25,612		$14,615

M. Updike 10/16/96

Washington Water Power
Commercial/Industrial Electric Site Specific Program
January 1995 through August 1996







	Washington	%	Idaho	%	Total
Units Acquired	62	60%	42	40%	104
Savings (kWh)	5,477,324	56%	4,239,674	44%	9,716,998
Savings Per Unit (kWh)	88,344		100,945		93,433
Direct Program Cost	$398,918	60%	$262,389	40%	$661,307
Implementation Cost	$339,378	72%	$135,269	28%	$474,647
General Cost	$66,879	65%	$36,095	35%	$102,974
Measurement & Evaluation Cost	$36,107	85%	$6,188	15%	$42,295
Total Utility Cost	$841,281	66%	$439,942	34%	$1,281,223
Average Customer Payment	$6,434		$6,247		$6,359
Additional Customer Cost	$1,790,210		$365,772		$2,155,981
Utility Payment as % of Total	18%		42%		23%
1st Year Utility Cost (¢/kWh)	15.4¢		10.4¢		13.2¢
Levelized Utility Cost (¢/kWh)	1.9¢		1.3¢		1.6¢
Levelized Total Cost (¢/kWh)	5.9¢		2.4¢		4.4¢

M. Updike 10/16/96

ELECTRIC - COMMERCIAL/INDUSTRIAL SITE SPECIFIC

Date	Jobs Comp.	Savings Achieved (kWh)	Direct Program Costs	Impl. Costs	General Costs	Meas. & Eval. Costs	Total Utility Costs	Levelized Cost Per kWh	Additional Customer Costs
January 1995	2	133,108	$0	$18,600	$0	$5,278	$23,878	2.22¢	$41,048
February 1995	5	412,900	$28,761	$32,853	$1,306	$3,717	$66,637	2.00¢	$33,992
March 1995	5	809,575	$82,848	$24,367	$3,674	$381	$111,270	1.70¢	$83,190
April 1995	1	18,870	$1,530	$27,067	$6,806	$1,270	$36,673	24.07¢	$8,825
May 1995	13	450,384	$23,925	$24,527	$3,843	$1,143	$53,437	1.47¢	$36,385
June 1995	13	275,580	$23,243	$29,983	$6,813	$2,032	$62,071	2.79¢	$84,267
July 1995	7	615,158	$15,053	$22,038	$3,088	$1,143	$41,322	0.83¢	$106,028
August 1995	4	218,283	$16,568	$23,847	$3,238	$3,556	$47,209	2.68¢	$46,380
September 1995	11	835,022	$64,557	$20,975	$3,363	$2,489	$91,384	1.36¢	$131,260
October 1995	2	490,489	$34,440	$31,439	$3,232	$0	$69,111	1.74¢	$37,135
November 1995	3	152,816	$9,988	$17,992	$7,127	$660	$35,768	2.90¢	$224,077
December 1995	8	929,167	$63,596	$25,610	$4,317	$2,461	$95,984	1.28¢	$61,597
ANNUAL 1995 TOTAL	74	5,341,352	$364,509	$299,298	$46,808	$24,130	$734,744	1.70¢	$894,185
January 1996	6	203,947	$16,501	$28,805	$823	$2,598	$48,727	2.96¢	$33,236
February 1996	8	1,434,275	$51,552	$51,677	$12,058	$2,122	$117,410	1.01¢	$763,372
March 1996	2	178,798	$42,063	($4,371)	$6,289	$7,416	$51,397	3.56¢	$142,968
April 1996	5	1,652,219	$100,559	$19,842	$854	$4,027	$125,282	0.94¢	$211,438
May 1996	2	331,442	$23,423	$27,857	$1,764	$1,638	$54,682	2.04¢	$20,343
June 1996	1	402	$27,552	$13,536	$13,970	$365	$55,422	1,707.32¢	$27,632
July 1996	2	338,595	$25,442	$20,299	$14,051	$0	$59,792	2.19¢	($9,100)
August 1996	4	235,968	$9,707	$17,704	$6,356	$0	$33,767	1.77¢	$71,908
September 1996									
October 1996									
November 1996									
December 1996									
ANNUAL 1996 TOTAL	30	4,375,646	$296,798	$175,349	$56,166	$18,165	$546,478	1.55¢	$1,261,797
TWO-YEAR ACTUAL TOTAL	104	9,716,998	$661,307	$474,647	$102,974	$42,295	$1,281,223	1.63¢	$2,155,981
TWO-YEAR JOBS IN PROGRESS	NA	19,154,937	$1,532,395	$94,929	$20,595	$0	$1,647,919		
PROJECTED ADDITIONAL PROJECTS	NA	0	$0	$0	$0	$157,705	$157,705		
TOTAL TWO-YEAR PROJECTION	NA	28,871,935	$2,193,702	$569,576	$123,569	$200,000	$3,086,847	1.32¢	
TWO-YEAR TARGET/BUDGET	NA	36,662,500	$2,855,150	$1,207,181	$388,852	$200,000	$4,651,183	1.57¢	
DIFFERENCE OVER (UNDER) TARGET/BUDGET	NA	(7,790,565)	($661,448)	($637,605)	($265,283)	$0	($1,564,336)		
	IMPLEMENTATION $ PER MWH:			$48.85	1995 COMPARISON AVOIDED COST:			4.50¢	

M. Updike 10/16/96

ELECTRIC - COMMERCIAL/INDUSTRIAL SITE SPECIFIC, WASHINGTON

Date	Jobs Comp.	Savings Achieved (kWh)	Direct Program Costs	Impl. Costs	General Costs	Meas. & Eval. Costs	Total Utility Costs		Additional Customer Costs
January 1995	1	102,599	$0	$14,347	$0	$5,278	$19,626		$34,701
February 1995	4	90,815	$8,102	$26,044	$906	$2,974	$38,025		$8,021
March 1995	3	445,900	$76,847	$16,845	$2,713	$381	$96,786		$53,665
April 1995	1	18,870	$1,530	$18,033	$2,997	$1,143	$23,703		$8,825
May 1995	9	72,844	$20,075	$17,673	$2,166	$762	$40,676		$11,133
June 1995	11	257,906	$20,857	$22,876	$4,637	$1,905	$50,275		$80,861
July 1995	5	549,682	$7,719	$16,723	$2,315	$1,143	$27,900		$101,196
August 1995	2	36,877	$3,327	$19,642	$2,321	$3,556	$28,846		$24,265
September 1995	6	451,907	$42,440	$17,573	$2,367	$1,905	$64,285		$87,738
October 1995	0	0	($10,256)	$19,273	$2,577	$0	$11,595		$0
November 1995	2	135,091	$8,127	$7,856	$4,651	$470	$21,103		$222,726
December 1995	5	520,925	$38,914	$18,542	$1,520	$1,646	$60,622		$31,315
ANNUAL 1995 TOTAL	49	2,683,416	$217,682	$215,429	$29,167	$21,163	$483,441		$664,446
January 1996	0	0	$208	$17,460	$624	$1,961	$20,254		$0
February 1996	3	922,129	$21,599	$43,926	$5,684	$1,724	$72,933		$705,072
March 1996	2	178,798	$35,933	($11,187)	$4,885	$6,593	$36,225		$142,968
April 1996	3	1,380,333	$100,313	$14,745	$0	$3,072	$118,129		$197,338
May 1996	1	122,594	$9,791	$21,209	$732	$1,229	$32,961		$9,390
June 1996	0	0	($80)	$9,422	$9,976	$365	$19,683		$0
July 1996	1	76	$3,765	$14,567	$11,343	$0	$29,674		$12,577
August 1996	3	189,978	$9,707	$13,806	$4,467	$0	$27,980		$58,418
September 1996			$0	$0		$0	$0		
October 1996			$0	$0		$0	$0		
November 1996			$0	$0		$0	$0		
December 1996			$0	$0		$0	$0		
ANNUAL 1996 TOTAL	13	2,793,908	$181,235	$123,949	$37,712	$14,944	$357,840		$1,125,763
TWO-YEAR GRAND TOTAL	62	5,477,324	$398,918	$339,378	$66,879	$36,107	$841,281		$1,790,210

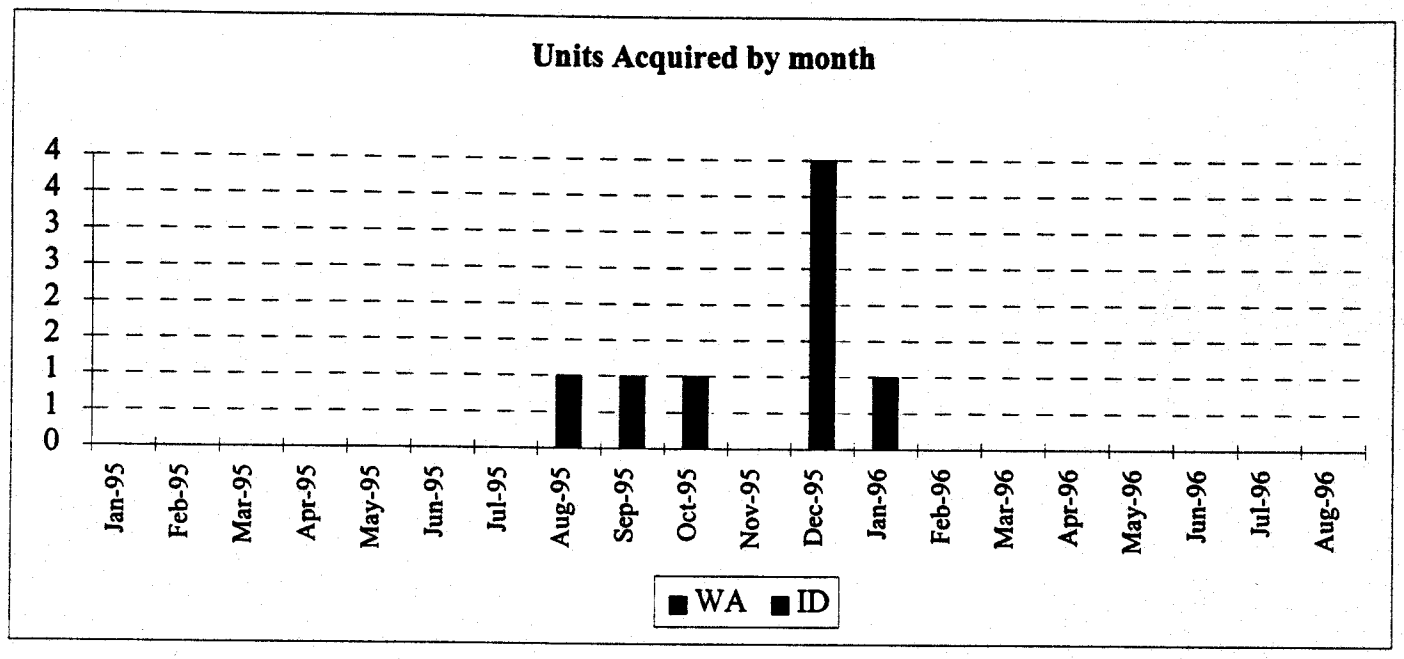
M. Updike 10/16/96

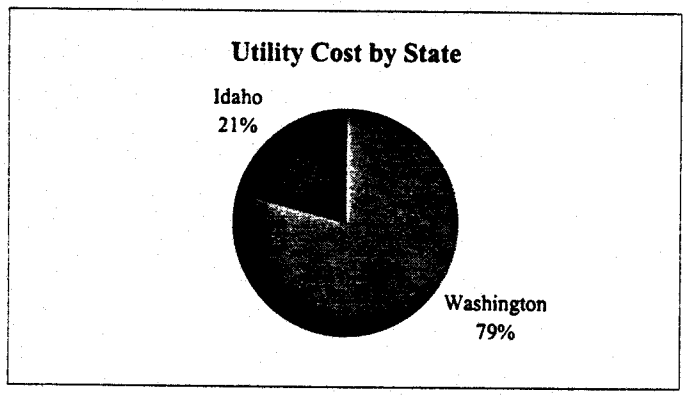
ELECTRIC - COMMERCIAL/INDUSTRIAL SITE SPECIFIC, IDAHO

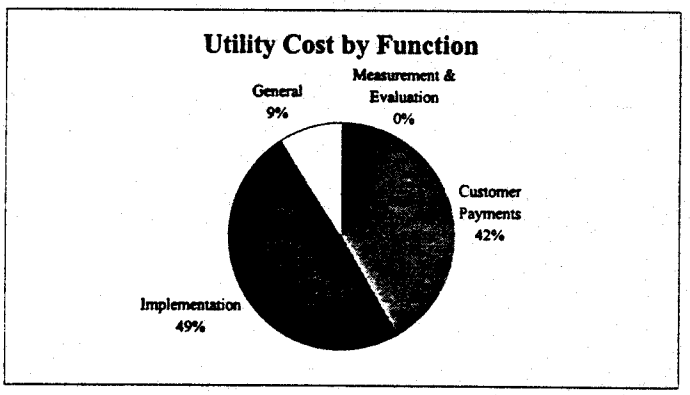
Date	Jobs Comp.	Savings Achieved (kWh)	Direct Program Costs	Impl. Costs	General Costs	Meas. & Eval. Costs	Total Utility Costs		Additional Customer Costs
January 1995	1	30,509	$0	$4,253	$0	$0	$4,253		$6,347
February 1995	1	322,085	$20,660	$6,809	$400	$743	$28,612		$25,971
March 1995	2	363,675	$6,001	$7,522	$961	$0	$14,484		$29,525
April 1995	0	0	$0	$9,034	$3,810	$127	$12,970		$0
May 1995	4	377,540	$3,850	$6,854	$1,677	$381	$12,761		$25,252
June 1995	2	17,674	$2,386	$7,107	$2,176	$127	$11,796		$3,406
July 1995	2	65,476	$7,334	$5,315	$773	$0	$13,422		$4,832
August 1995	2	181,406	$13,241	$4,205	$917	$0	$18,363		$22,116
September 1995	5	383,115	$22,117	$3,402	$996	$584	$27,100		$43,522
October 1995	2	490,489	$44,695	$12,166	$655	$0	$57,516		$37,135
November 1995	1	17,725	$1,862	$10,136	$2,477	$190	$14,665		$1,351
December 1995	3	408,242	$24,681	$7,068	$2,798	$814	$35,362		$30,282
ANNUAL 1995 TOTAL	25	2,657,936	$146,826	$83,870	$17,641	$2,967	$251,304		$229,739
January 1996	6	203,947	$16,293	$11,345	$199	$636	$28,473		$33,236
February 1996	5	512,146	$29,953	$7,751	$6,375	$398	$44,476		$58,300
March 1996	0	0	$6,129	$6,815	$1,404	$822	$15,172		$0
April 1996	2	271,886	$246	$5,097	$854	$955	$7,153		$14,100
May 1996	1	208,848	$13,633	$6,648	$1,031	$410	$21,721		$10,953
June 1996	1	402	$27,632	$4,114	$3,993	$0	$35,739		$27,632
July 1996	1	338,519	$21,677	$5,732	$2,708	$0	$30,117		($21,677)
August 1996	1	45,990	$0	$3,898	$1,889	$0	$5,787		$13,490
September 1996			$0	$0		$0	$0		
October 1996			$0	$0		$0	$0		
November 1996			$0	$0		$0	$0		
December 1996			$0	$0		$0	$0		
ANNUAL 1996 TOTAL	17	1,581,738	$115,563	$51,400	$18,454	$3,221	$188,638		$136,033
TWO-YEAR GRAND TOTAL	42	4,239,674	$262,389	$135,269	$36,095	$6,188	$439,942		$365,772

M. Updike 10/16/96

Washington Water Power
Manufactured Home Fuel Efficiency Program
January 1995 through August 1996







	Washington	%	Idaho	%	Total
Units Acquired	7	88%	1	13%	8
Savings (kWh)	81,165	88%	11,595	13%	92,760
Savings Per Unit (kWh)	11,595		11,595		11,595
Direct Program Cost	$3,625	88%	$500	12%	$4,125
Implementation Cost	$3,592	74%	$1,295	26%	$4,887
General Cost	$625	71%	$257	29%	$882
Measurement & Evaluation Cost	$0	0%	$0	0%	$0
Total Utility Cost	$7,842	79%	$2,052	21%	$9,893
Average Customer Payment	$518		$500		$516
Additional Customer Cost	$0		$0		$0
Utility Payment as % of Total	100%		100%		100%
1st Year Utility Cost (¢/kWh)	9.7¢		17.7¢		10.7¢
Levelized Utility Cost (¢/kWh)	0.9¢		1.7¢		1.0¢
Levelized Total Cost (¢/kWh)	0.9¢		1.7¢		1.0¢

M. Updike 10/16/96

ELECTRIC - MAP FUEL EFFICIENCY

Date	Jobs Comp.	Savings Achieved (kWh)	Direct Program Costs	Impl. Costs	General Costs	Meas. & Eval. Costs	Total Utility Costs	Levelized Cost Per kWh	Additional Customer Costs
January 1995	0	0	$0	$562	$0	$0	$562	0.00¢	$0
February 1995	0	0	$0	$725	$39	$0	$764	0.00¢	$0
March 1995	0	0	$0	$269	$84	$0	$354	0.00¢	$0
April 1995	0	0	$0	$0	$68	$0	$68	0.00¢	$0
May 1995	0	0	$0	$44	$0	$0	$44	0.00¢	$0
June 1995	0	0	$0	$18	$12	$0	$30	0.00¢	$0
July 1995	0	0	$0	$0	$2	$0	$2	0.00¢	$0
August 1995	1	11,595	$500	$0	$0	$0	$500	0.42¢	$0
September 1995	1	11,595	$500	$0	$0	$0	$500	0.42¢	$0
October 1995	1	11,595	$0	$500	$0	$0	$500	0.42¢	$0
November 1995	0	0	$500	($475)	$0	$0	$25	0.00¢	$0
December 1995	4	46,380	$2,625	$0	$5	$0	$2,630	0.55¢	$0
ANNUAL 1995 TOTAL	7	81,165	$4,125	$1,642	$211	$0	$5,977	0.71¢	$0
January 1996	1	11,595	$0	$0	$0	$0	$0	0.00¢	$0
February 1996	0	0	$0	$0	$0	$0	$0	0.00¢	$0
March 1996	0	0	$0	$0	$0	$0	$0	0.00¢	$0
April 1996	0	0	$0	$3,225	$0	$0	$3,225	0.00¢	$0
May 1996	0	0	$0	$20	$661	$0	$681	0.00¢	$0
June 1996	0	0	$0	$0	$10	$0	$10	0.00¢	$0
July 1996	0	0	$0	$0	$0	$0	$0	0.00¢	$0
August 1996	0	0	$0	$0	$0	$0	$0	0.00¢	$0
September 1996									
October 1996									
November 1996									
December 1996									
ANNUAL 1996 TOTAL	1	11,595	$0	$3,245	$671	$0	$3,916	3.28¢	$0
TWO-YEAR ACTUAL TOTAL	8	92,760	$4,125	$4,887	$882	$0	$9,893	1.04¢	$0
TWO-YEAR JOBS IN PROGRESS	0	0	$0	$0	$0	$0	$0		
PROJECTED ADDITIONAL PROJECTS	0	0	$0	$0	$0	$0	$0		
TOTAL TWO-YEAR PROJECTION	8	92,760	$4,125	$4,887	$882	$0	$9,893	1.04¢	
TWO-YEAR TARGET/BUDGET	125	500,000	$188,300	$23,696	$7,178	$6,000	$225,174	4.37¢	
DIFFERENCE OVER (UNDER) TARGET/BUDGET	(117)	(407,240)	($184,175)	($18,809)	($6,297)	($6,000)	($215,281)		
	IMPLEMENTATION $ PER MWH:			$52.68	1995 COMPARISON AVOIDED COST:			7.34¢	

M. Updike 10/16/96

ELECTRIC - MAP FUEL EFFICIENCY, WASHINGTON

Date	Jobs Comp.	Savings Achieved (kWh)	Direct Program Costs	Impl. Costs	General Costs	Meas. & Eval. Costs	Total Utility Costs		Additional Customer Costs
January 1995	0	0	$0	$441	$0	$0	$441		$0
February 1995	0	0	$0	$483	$28	$0	$511		$0
March 1995	0	0	$0	$207	$50	$0	$258		$0
April 1995	0	0	$0	$0	$37	$0	$37		$0
May 1995	0	0	$0	$29	$0	$0	$29		$0
June 1995	0	0	$0	$18	$8	$0	$25		$0
July 1995	0	0	$0	$0	$2	$0	$2		$0
August 1995	1	11,595	$500	$0	$0	$0	$500		$0
September 1995	0	0	$0	$0	$0	$0	$0		$0
October 1995	1	11,595	$0	$500	$0	$0	$500		$0
November 1995	0	0	$500	($475)	$0	$0	$25		$0
December 1995	4	46,380	$2,625	$0	$5	$0	$2,630		$0
ANNUAL 1995 TOTAL	6	69,570	$3,625	$1,203	$129	$0	$4,957		$0
January 1996	1	11,595	$0	$0	$0	$0	$0		$0
February 1996	0	0	$0	$0	$0	$0	$0		$0
March 1996	0	0	$0	$0	$0	$0	$0		$0
April 1996	0	0	$0	$2,375	$0	$0	$2,375		$0
May 1996	0	0	$0	$14	$489	$0	$503		$0
June 1996	0	0	$0	$0	$7	$0	$7		$0
July 1996	0	0	$0	$0	$0	$0	$0		$0
August 1996	0	0	$0	$0	$0	$0	$0		$0
September 1996			$0	$0		$0	$0		$0
October 1996			$0	$0		$0	$0		$0
November 1996			$0	$0		$0	$0		$0
December 1996			$0	$0		$0	$0		$0
ANNUAL 1996 TOTAL	1	11,595	$0	$2,389	$495	$0	$2,884		$0
TWO-YEAR GRAND TOTAL	7	81,165	$3,625	$3,592	$625	$0	$7,842		$0

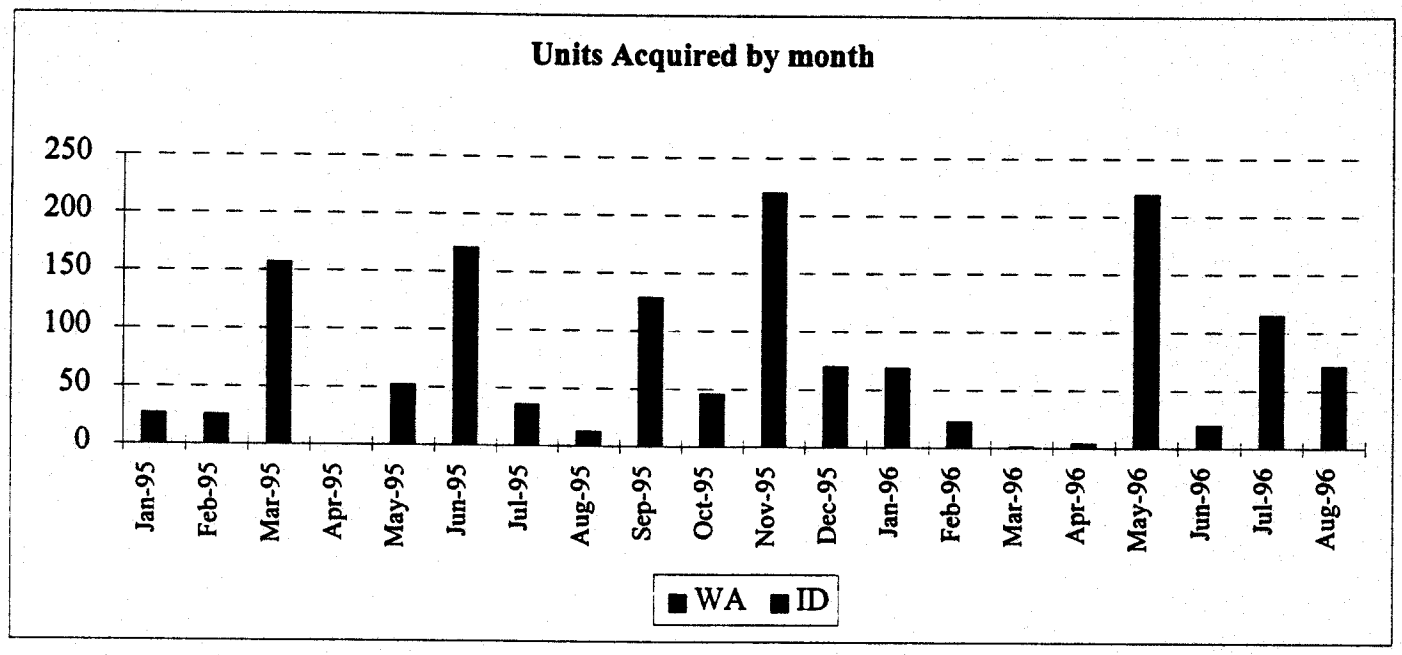
M. Updike 10/16/96

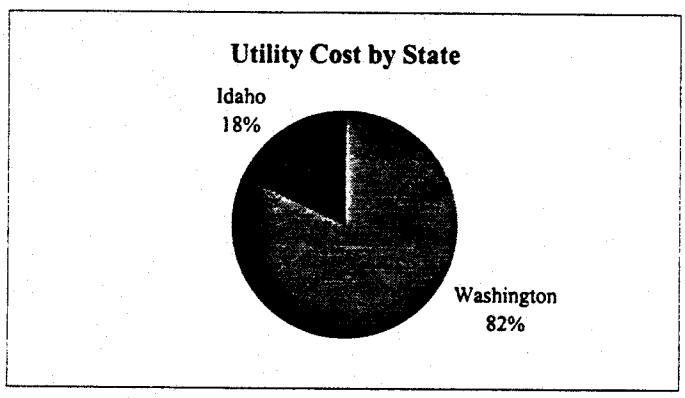
ELECTRIC - MAP FUEL EFFICIENCY, IDAHO

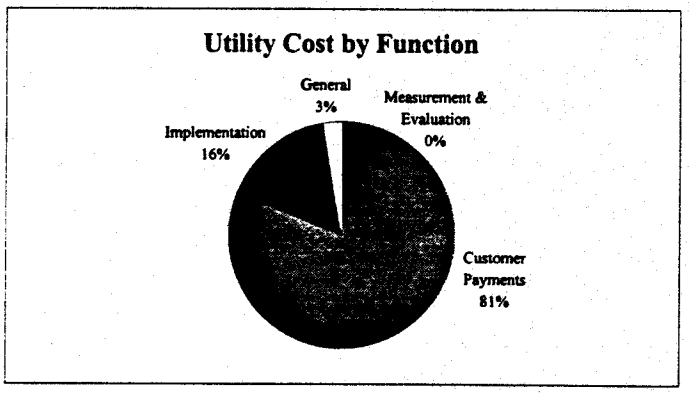
Date	Jobs Comp.	Savings Achieved (kWh)	Direct Program Costs	Impl. Costs	General Costs	Meas. & Eval. Costs	Total Utility Costs		Additional Customer Costs
January 1995	0	0	$0	$121	$0	$0	$121		$0
February 1995	0	0	$0	$242	$11	$0	$253		$0
March 1995	0	0	$0	$62	$34	$0	$96		$0
April 1995	0	0	$0	$0	$31	$0	$31		$0
May 1995	0	0	$0	$15	$0	$0	$15		$0
June 1995	0	0	$0	$0	$5	$0	$5		$0
July 1995	0	0	$0	$0	$0	$0	$0		$0
August 1995	0	0	$0	$0	$0	$0	$0		$0
September 1995	1	11,595	$500	$0	$0	$0	$500		$0
October 1995	0	0	$0	$0	$0	$0	$0		$0
November 1995	0	0	$0	$0	$0	$0	$0		$0
December 1995	0	0	$0	$0	$0	$0	$0		$0
ANNUAL 1995 TOTAL	1	11,595	$500	$439	$81	$0	$1,020		$0
January 1996	0	0	$0	$0	$0	$0	$0		$0
February 1996	0	0	$0	$0	$0	$0	$0		$0
March 1996	0	0	$0	$0	$0	$0	$0		$0
April 1996	0	0	$0	$850	$0	$0	$850		$0
May 1996	0	0	$0	$6	$172	$0	$178		$0
June 1996	0	0	$0	$0	$4	$0	$4		$0
July 1996	0	0	$0	$0	$0	$0	$0		$0
August 1996	0	0	$0	$0	$0	$0	$0		$0
September 1996			$0	$0		$0	$0		$0
October 1996			$0	$0		$0	$0		$0
November 1996			$0	$0		$0	$0		$0
December 1996			$0	$0		$0	$0		$0
ANNUAL 1996 TOTAL	0	0	$0	$856	$176	$0	$1,032		$0
TWO-YEAR GRAND TOTAL	1	11,595	$500	$1,295	$257	$0	$2,052		$0

M. Updike 10/16/96

Washington Water Power
Schedule 67, Residential New Construction
January 1995 through August 1996







	Washington	%	Idaho	%	Total
Units Acquired	1,063	72%	406	28%	1,469
Savings (kWh)	2,198,929	71%	887,679	29%	3,086,608
Savings Per Unit (kWh)	2,069		2,186		2,101
Direct Program Cost	$474,815	86%	$74,730	14%	$549,545
Implementation Cost	$68,605	64%	$38,390	36%	$106,996
General Cost	$10,962	60%	$7,358	40%	$18,320
Measurement & Evaluation Cost	$0	0%	$0	0%	$0
Total Utility Cost	$554,382	82%	$120,479	18%	$674,861
Average Customer Payment	$447		$184		$374
Additional Customer Cost	$0		$0		$0
Utility Payment as % of Total	100%		100%		100%
1st Year Utility Cost (¢/kWh)	25.2¢		13.6¢		21.9¢
Levelized Utility Cost (¢/kWh)	2.4¢		1.3¢		2.1¢
Levelized Total Cost (¢/kWh)	2.4¢		1.3¢		2.1¢

M. Updike 10/16/96

ELECTRIC - RESIDENTIAL NEW CONSTRUCTION

Date	Jobs Comp.	Savings Achieved (kWh)	Direct Program Costs	Impl. Costs	General Costs	Meas. & Eval. Costs	Total Utility Costs	Levelized Cost Per kWh	Additional Customer Costs
January 1995	27	87,859	$5,400	$22,861	$0	$0	$28,261	3.12¢	$0
February 1995	26	70,486	$20,306	$1,460	$1,793	$0	$23,559	3.24¢	$0
March 1995	157	278,240	$54,263	$548	$195	$0	$55,007	1.92¢	$0
April 1995	0	0	$0	$2,656	$98	$0	$2,754	0.00¢	$0
May 1995	52	124,837	$19,114	$189	$369	$0	$19,671	1.53¢	$0
June 1995	171	378,528	$64,194	$1,637	$52	$0	$65,883	1.69¢	$0
July 1995	36	86,915	$23,850	$17,563	$169	$0	$41,583	4.64¢	$0
August 1995	13	42,884	$17,473	$3,747	$2,461	$0	$23,681	5.36¢	$0
September 1995	129	297,583	$40,120	$2,862	$572	$0	$43,554	1.42¢	$0
October 1995	46	83,288	$1,138	$7,395	$467	$0	$9,000	1.05¢	$0
November 1995	220	421,366	$87,544	$504	$1,517	$0	$89,565	2.06¢	$0
December 1995	70	159,216	$27,764	$1,310	$103	$0	$29,177	1.78¢	$0
ANNUAL 1995 TOTAL	947	2,031,202	$361,166	$62,732	$7,797	$0	$431,696	2.06¢	$0
January 1996	69	160,941	$24,950	$247	$41	$0	$25,238	1.52¢	$0
February 1996	23	52,149	($2,000)	$17,666	$102	$0	$15,768	2.94¢	$0
March 1996	1	3,516	$900	$451	$2,337	$0	$3,688	10.18¢	$0
April 1996	4	14,469	$2,811	$5,413	$65	$0	$8,288	5.56¢	$0
May 1996	219	416,770	$76,655	$833	$1,108	$0	$78,597	1.83¢	$0
June 1996	20	36,540	$8,820	$765	$442	$0	$10,026	2.66¢	$0
July 1996	115	219,630	$46,003	$18,493	$625	$0	$65,121	2.88¢	$0
August 1996	71	151,391	$30,240	$395	$5,803	$0	$36,438	2.34¢	$0
September 1996									
October 1996									
November 1996									
December 1996									
ANNUAL 1996 TOTAL	522	1,055,406	$188,379	$44,263	$10,523	$0	$243,165	2.24¢	$0
TWO-YEAR ACTUAL TOTAL	1,469	3,086,608	$549,545	$106,996	$18,320	$0	$674,861	2.12¢	$0
TWO-YEAR JOBS IN PROGRESS	0	0	$0	$0	$0	$0	$0		
PROJECTED ADDITIONAL PROJECTS	0	0	$0	$22,000	$0	$0	$22,000		
TOTAL TWO-YEAR PROJECTION	1,469	3,086,608	$549,545	$128,996	$18,320	$0	$696,861	2.19¢	
TWO-YEAR TARGET/BUDGET	325	585,000	$146,750	$60,240	$17,591	$0	$224,581	3.73¢	
DIFFERENCE OVER (UNDER) TARGET/BUDGET	1,144	2,501,608	$402,795	$68,756	$729	$0	$472,280		
	IMPLEMENTATION $ PER MWH:			$34.66	1995 COMPARISON AVOIDED COST:			7.34¢	

M. Updike 10/16/96

ELECTRIC - RESIDENTIAL NEW CONSTRUCTION, WASHINGTON

Date	Jobs Comp.	Savings Achieved (kWh)	Direct Program Costs	Impl. Costs	General Costs	Meas. & Eval. Costs	Total Utility Costs		Additional Customer Costs
January 1995	10	39,169	$5,400	$11,570	$0	$0	$16,970		$0
February 1995	8	20,141	$11,700	$296	$730	$0	$12,727		$0
March 1995	129	226,252	$53,370	$548	$31	$0	$53,949		$0
April 1995	0	0	$0	$1,893	$98	$0	$1,991		$0
May 1995	22	50,354	$9,600	$144	$227	$0	$9,971		$0
June 1995	98	247,399	$51,990	$1,145	$38	$0	$53,173		$0
July 1995	36	86,915	$17,100	$16,864	$116	$0	$34,080		$0
August 1995	3	10,916	$12,540	$2,712	$2,341	$0	$17,592		$0
September 1995	91	200,970	$31,260	$1,839	$327	$0	$33,426		$0
October 1995	1	2,350	$0	$322	$270	$0	$592		$0
November 1995	214	410,102	$86,520	$435	$78	$0	$87,032		$0
December 1995	19	44,682	$8,820	$810	$84	$0	$9,714		$0
ANNUAL 1995 TOTAL	631	1,339,250	$288,300	$38,578	$4,338	$0	$331,217		$0
January 1996	29	69,148	$33,295	$155	$27	$0	$33,477		$0
February 1996	23	52,149	($2,000)	$12,339	$51	$0	$10,390		$0
March 1996	1	3,516	$900	$94	$1,372	$0	$2,366		$0
April 1996	1	3,960	$900	$3,706	$20	$0	$4,626		$0
May 1996	172	323,345	$68,168	$453	$763	$0	$69,385		$0
June 1996	20	36,540	$8,820	$223	$213	$0	$9,256		$0
July 1996	115	219,630	$46,192	$12,747	$268	$0	$59,206		$0
August 1996	71	151,391	$30,240	$310	$3,909	$0	$34,459		$0
September 1996			$0	$0		$0	$0		$0
October 1996			$0	$0		$0	$0		$0
November 1996			$0	$0		$0	$0		$0
December 1996			$0	$0		$0	$0		$0
ANNUAL 1996 TOTAL	432	859,679	$186,515	$30,027	$6,623	$0	$223,165		$0
TWO-YEAR GRAND TOTAL	1,063	2,198,929	$474,815	$68,605	$10,962	$0	$554,382		$0

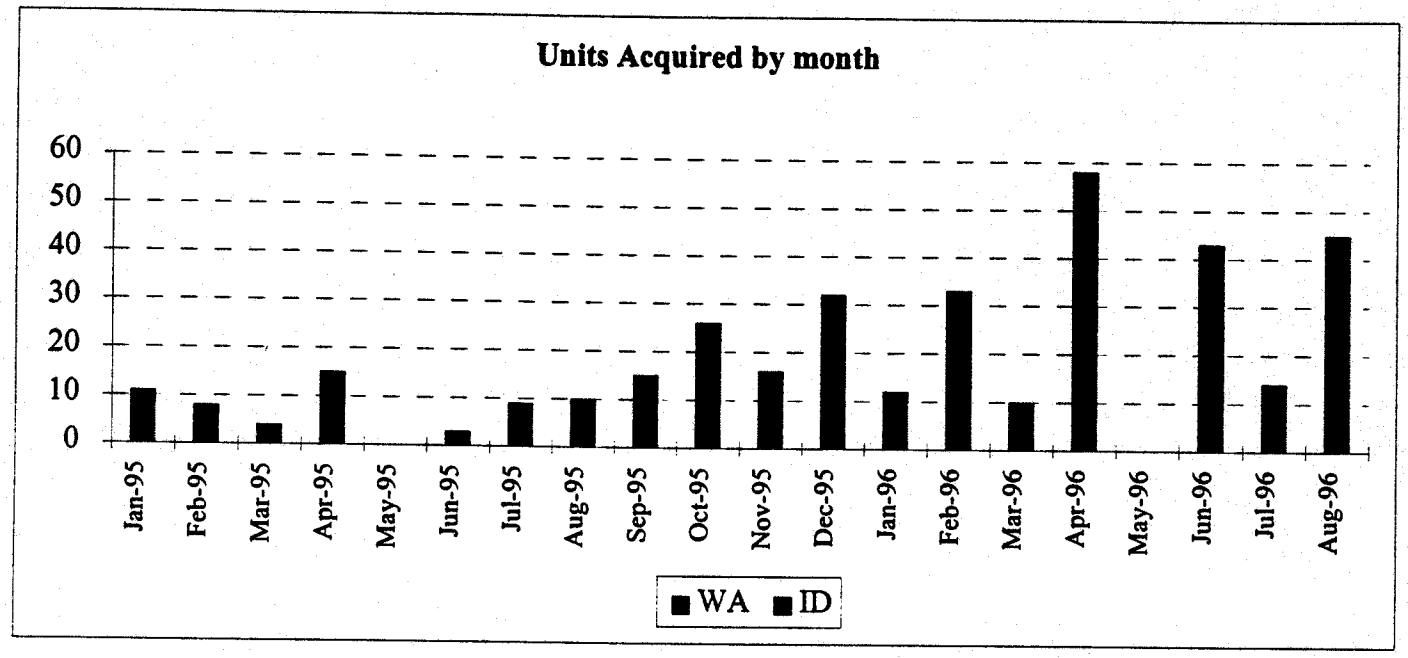
M. Updike 10/16/96

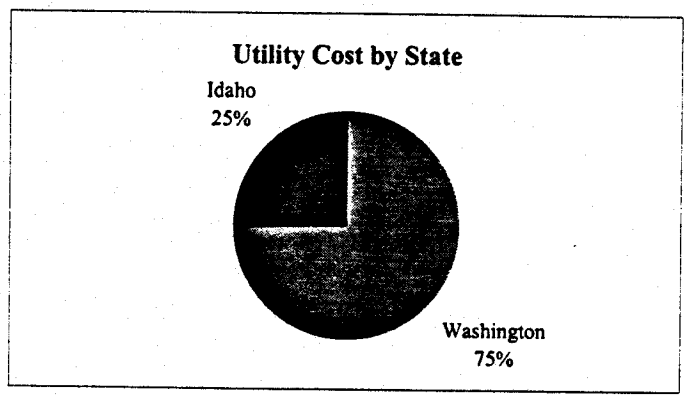
ELECTRIC - RESIDENTIAL NEW CONSTRUCTION, IDAHO

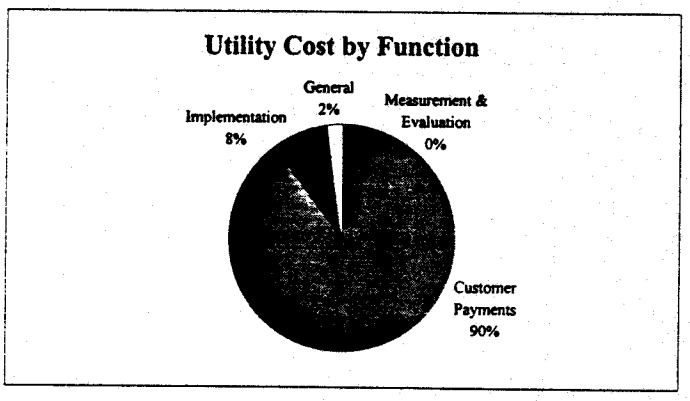
Date	Jobs Comp.	Savings Achieved (kWh)	Direct Program Costs	Impl. Costs	General Costs	Meas. & Eval. Costs	Total Utility Costs		Additional Customer Costs
January 1995	17	48,690	$0	$11,292	$0	$0	$11,292		$0
February 1995	18	50,345	$8,606	$1,164	$1,063	$0	$10,833		$0
March 1995	28	51,988	$893	$0	$164	$0	$1,057		$0
April 1995	0	0	$0	$763	$0	$0	$763		$0
May 1995	30	74,483	$9,514	$45	$142	$0	$9,700		$0
June 1995	73	131,129	$12,204	$492	$14	$0	$12,711		$0
July 1995	0	0	$6,750	$699	$54	$0	$7,503		$0
August 1995	10	31,968	$4,933	$1,035	$121	$0	$6,089		$0
September 1995	38	96,613	$8,860	$1,023	$245	$0	$10,128		$0
October 1995	45	80,938	$1,138	$7,072	$197	$0	$8,408		$0
November 1995	6	11,264	$1,024	$69	$1,440	$0	$2,533		$0
December 1995	51	114,534	$18,944	$500	$19	$0	$19,463		$0
ANNUAL 1995 TOTAL	316	691,952	$72,866	$24,154	$3,459	$0	$100,479		$0
January 1996	40	91,793	($8,345)	$92	$14	$0	($8,239)		$0
February 1996	0	0	$0	$5,326	$52	$0	$5,378		$0
March 1996	0	0	$0	$357	$965	$0	$1,322		$0
April 1996	3	10,509	$1,911	$1,706	$45	$0	$3,662		$0
May 1996	47	93,425	$8,487	$380	$345	$0	$9,212		$0
June 1996	0	0	$0	$542	$228	$0	$770		$0
July 1996	0	0	($188)	$5,747	$357	$0	$5,915		$0
August 1996	0	0	$0	$86	$1,894	$0	$1,980		$0
September 1996			$0	$0		$0	$0		$0
October 1996			$0	$0		$0	$0		$0
November 1996			$0	$0		$0	$0		$0
December 1996			$0	$0		$0	$0		$0
ANNUAL 1996 TOTAL	90	195,727	$1,864	$14,236	$3,900	$0	$20,000		$0
TWO-YEAR GRAND TOTAL	406	887,679	$74,730	$38,390	$7,358	$0	$120,479		$0

M. Updike 10/16/96

Washington Water Power
Limited Income Electric Efficiency Program
January 1995 through August 1996







	Washington	%	Idaho	%	Total
Units Acquired	254	70%	110	30%	364
Savings (kWh)	2,580,924	79%	665,721	21%	3,246,645
Savings Per Unit (kWh)	10,161		6,052		8,919
Direct Program Cost	$458,414	74%	$164,511	26%	$622,924
Implementation Cost	$46,867	83%	$9,718	17%	$56,584
General Cost	$12,641	83%	$2,569	17%	$15,210
Measurement & Evaluation Cost	$0	0%	$0	0%	$0
Total Utility Cost	$517,921	75%	$176,798	25%	$694,719
Average Customer Payment	$1,805		$1,496		$1,711
Additional Customer Cost	$167,845		$25,576		$193,421
Utility Payment as % of Total	73%		87%		76%
1st Year Utility Cost (¢/kWh)	20.1¢		26.6¢		21.4¢
Levelized Utility Cost (¢/kWh)	2.0¢		2.6¢		2.1¢
Levelized Total Cost (¢/kWh)	2.6¢		3.0¢		2.7¢

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ELECTRIC - LIMITED INCOME ENERGY EFFICIENCY

Date	Jobs Comp.	Savings Achieved (kWh)	Direct Program Costs	Impl. Costs	General Costs	Meas. & Eval. Costs	Total Utility Costs	Levelized Cost Per kWh	Additional Customer Costs
January 1995	11	35,097	$19,200	$2,996	$0	$0	$22,196	6.26¢	($2,078)
February 1995	8	107,450	$1,950	$2,374	$211	$0	$4,534	0.42¢	$25
March 1995	4	10,011	$6,486	$2,557	$278	$0	$9,322	9.22¢	($538)
April 1995	15	72,995	$17,579	$2,564	$660	$0	$20,803	2.82¢	$11,973
May 1995	0	0	$0	$1,008	$372	$0	$1,380	0.00¢	$0
June 1995	3	12,406	$1,374	$1,180	$283	$0	$2,836	2.26¢	$230
July 1995	9	24,786	$9,075	$31	$121	$0	$9,227	3.69¢	$3,030
August 1995	10	96,894	$1,600	$0	$4	$0	$1,604	0.16¢	$6,880
September 1995	15	83,302	$21,186	$636	$0	$0	$21,823	2.59¢	$3,932
October 1995	26	146,286	$71,097	$1,645	$108	$0	$72,850	4.93¢	$20,914
November 1995	16	122,794	$17,379	$5,830	$374	$0	$23,584	1.90¢	$3,658
December 1995	32	236,662	$35,324	$1,143	$1,169	$0	$37,635	1.57¢	$15,009
ANNUAL 1995 TOTAL	149	948,683	$202,250	$21,964	$3,580	$0	$227,795	2.38¢	$63,034
January 1996	12	66,973	$24,827	$25,642	$35	$0	$50,505	7.47¢	($2,554)
February 1996	33	309,994	$58,030	$1,625	$8,423	$0	$68,078	2.17¢	$2,591
March 1996	10	60,505	$11,989	$851	$216	$0	$13,056	2.14¢	$3,400
April 1996	58	545,740	$100,430	$1,464	$145	$0	$102,039	1.85¢	$43,868
May 1996	0	0	($178)	$1,805	$300	$0	$1,926	0.00¢	$0
June 1996	43	553,239	$95,457	$1,292	$938	$0	$97,687	1.75¢	$38,946
July 1996	14	122,653	$24,103	$1,086	$1,226	$0	$26,415	2.13¢	$8,413
August 1996	45	638,858	$106,016	$856	$346	$0	$107,218	1.66¢	$35,723
September 1996									
October 1996									
November 1996									
December 1996									
ANNUAL 1996 TOTAL	215	2,297,962	$420,674	$34,620	$11,630	$0	$466,924	2.01¢	$130,387
TWO-YEAR ACTUAL TOTAL	364	3,246,645	$622,924	$56,584	$15,210	$0	$694,719	2.12¢	$193,421
TWO-YEAR JOBS IN PROGRESS	0	0	$0	$0	$0	$0	$0		
PROJECTED ADDITIONAL PROJECTS	74	662,849	$127,179	$11,317	$3,042	$30,000	$171,538		
TOTAL TWO-YEAR PROJECTION	438	3,909,494	$750,103	$67,901	$18,252	$30,000	$866,256	2.19¢	
TWO-YEAR TARGET/BUDGET	550	4,200,000	$1,050,000	$13,496	$4,435	$30,000	$1,097,932	2.59¢	
DIFFERENCE OVER (UNDER) TARGET/BUDGET	(112)	(290,506)	($299,897)	$54,405	$13,817	$0	($231,675)		
	IMPLEMENTATION $ PER MWH:			$17.43	1995 COMPARISON AVOIDED COST:			7.34¢	

M. Updike 10/16/96

ELECTRIC - LIMITED INCOME ENERGY EFFICIENCY, WASHINGTON

Date	Jobs Comp.	Savings Achieved (kWh)	Direct Program Costs	Impl. Costs	General Costs	Meas. & Eval. Costs	Total Utility Costs		Additional Customer Costs
January 1995	8	17,638	$0	$2,292	$0	$0	$2,292		($1,727)
February 1995	8	107,450	$1,950	$1,528	$145	$0	$3,623		$25
March 1995	0	0	$0	$1,933	$159	$0	$2,092		$0
April 1995	4	43,907	$5,079	$1,586	$344	$0	$7,009		$9,299
May 1995	0	0	$0	$677	$190	$0	$868		$0
June 1995	2	8,970	$0	$946	$178	$0	$1,124		$6
July 1995	5	10,075	$2,119	$31	$96	$0	$2,246		$1,943
August 1995	9	85,674	$1,600	$0	$4	$0	$1,604		$7,027
September 1995	6	48,583	$10,418	$326	$0	$0	$10,744		$942
October 1995	16	98,300	$67,467	$1,036	$48	$0	$68,551		$18,300
November 1995	8	53,221	$4,714	$5,332	$250	$0	$10,297		$976
December 1995	21	156,341	$23,571	$571	$1,031	$0	$25,174		$12,795
ANNUAL 1995 TOTAL	87	630,159	$116,918	$16,260	$2,445	$0	$135,623		$49,586
January 1996	10	46,602	$15,634	$25,321	$19	$0	$40,975		($2,147)
February 1996	28	282,171	$48,277	$1,115	$8,243	$0	$57,634		$3,449
March 1996	4	17,400	$2,600	$441	$124	$0	$3,165		$2,123
April 1996	44	448,102	$82,010	$975	$94	$0	$83,078		$37,682
May 1996	0	0	($387)	$1,120	$201	$0	$934		$0
June 1996	36	494,586	$84,779	$689	$527	$0	$85,995		$35,385
July 1996	4	48,086	$8,011	$517	$830	$0	$9,358		$6,347
August 1996	41	613,818	$100,572	$428	$158	$0	$101,159		$35,420
September 1996			$0	$0		$0	$0		
October 1996			$0	$0		$0	$0		
November 1996			$0	$0		$0	$0		
December 1996			$0	$0		$0	$0		
ANNUAL 1996 TOTAL	167	1,950,765	$341,496	$30,606	$10,195	$0	$382,297		$118,259
TWO-YEAR GRAND TOTAL	254	2,580,924	$458,414	$46,867	$12,641	$0	$517,921		$167,845

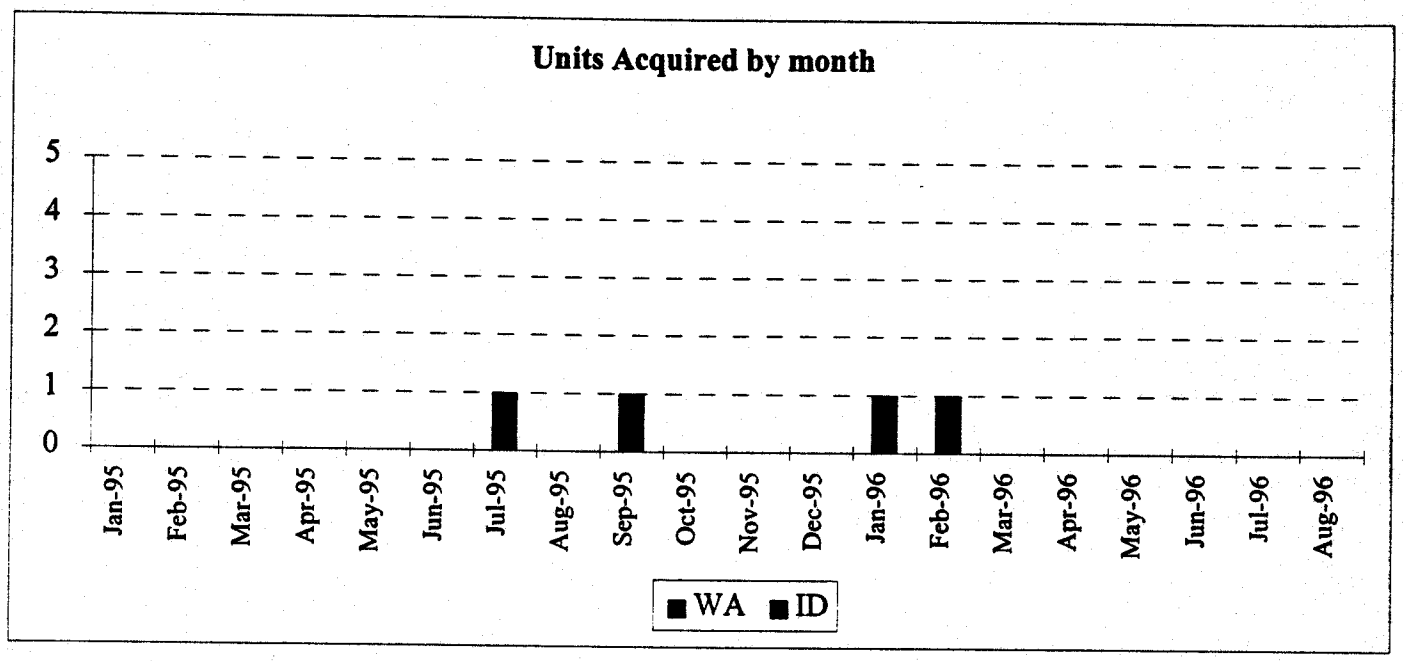
M. Updike 10/16/96

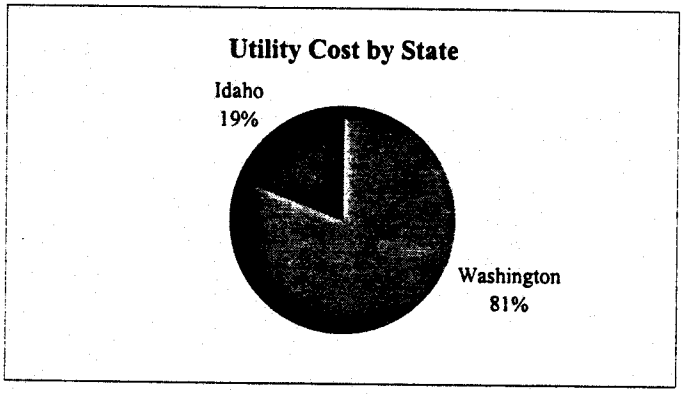
ELECTRIC - LIMITED INCOME ENERGY EFFICIENCY, IDAHO

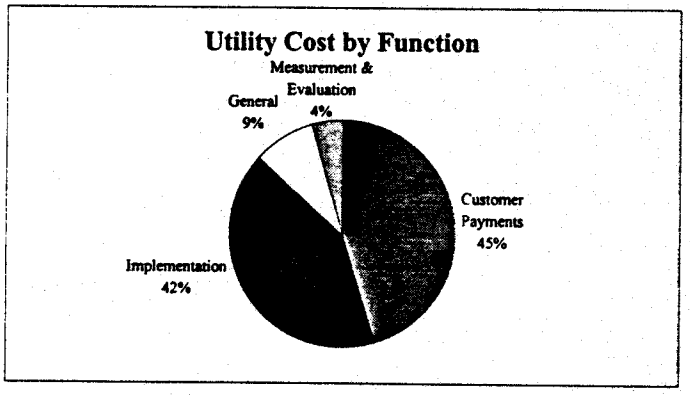
Date	Jobs Comp.	Savings Achieved (kWh)	Direct Program Costs	Impl. Costs	General Costs	Meas. & Eval. Costs	Total Utility Costs		Additional Customer Costs
January 1995	3	17,459	$19,200	$704	$0	$0	$19,904		($351)
February 1995	0	0	$0	$846	$66	$0	$912		$0
March 1995	4	10,011	$6,486	$624	$119	$0	$7,229		($538)
April 1995	11	29,088	$12,500	$978	$316	$0	$13,794		$2,674
May 1995	0	0	$0	$330	$182	$0	$512		$0
June 1995	1	3,436	$1,374	$233	$105	$0	$1,712		$225
July 1995	4	14,711	$6,956	$0	$25	$0	$6,981		$1,087
August 1995	1	11,220	$0	$0	$0	$0	$0		($147)
September 1995	9	34,719	$10,769	$310	$0	$0	$11,079		$2,990
October 1995	10	47,986	$3,630	$609	$60	$0	$4,299		$2,613
November 1995	8	69,573	$12,665	$498	$124	$0	$13,287		$2,681
December 1995	11	80,321	$11,752	$571	$137	$0	$12,461		$2,214
ANNUAL 1995 TOTAL	62	318,524	$85,333	$5,704	$1,135	$0	$92,171		$13,448
January 1996	2	20,371	$9,193	$321	$16	$0	$9,530		($407)
February 1996	5	27,823	$9,753	$510	$180	$0	$10,444		($858)
March 1996	6	43,105	$9,389	$410	$92	$0	$9,891		$1,277
April 1996	14	97,638	$18,420	$489	$51	$0	$18,961		$6,186
May 1996	0	0	$209	$685	$99	$0	$993		$0
June 1996	7	58,653	$10,678	$602	$412	$0	$11,692		$3,561
July 1996	10	74,567	$16,092	$569	$397	$0	$17,057		$2,066
August 1996	4	25,040	$5,444	$428	$187	$0	$6,059		$303
September 1996			$0	$0		$0	$0		
October 1996			$0	$0		$0	$0		
November 1996			$0	$0		$0	$0		
December 1996			$0	$0		$0	$0		
ANNUAL 1996 TOTAL	48	347,197	$79,178	$4,014	$1,435	$0	$84,627		$12,128
TWO-YEAR GRAND TOTAL	110	665,721	$164,511	$9,718	$2,569	$0	$176,798		$25,576

M. Updike 10/16/96

Washington Water Power
Commercial/Industrial Natural Gas Site Specific Program
January 1995 through August 1996







	Washington	%	Idaho	%	Total
Units Acquired	3	75%	1	25%	4
Savings (therms)	87,279	99%	1,057	1%	88,336
Savings Per Unit (therms)	29,093		1,057		22,084
Direct Program Cost	$57,070	97%	$2,047	3%	$59,118
Implementation Cost	$35,975	67%	$17,960	33%	$53,935
General Cost	$7,145	62%	$4,345	38%	$11,490
Measurement & Evaluation Cost	$4,714	89%	$606	11%	$5,320
Total Utility Cost	$104,905	81%	$24,959	19%	$129,863
Average Customer Payment	$19,023		$2,047		$14,779
Additional Customer Cost	$135,820		$19,259		$155,079
Utility Payment as % of Total	30%		10%		28%
1st Year Utility Cost ($/therm)	$1.20		$23.61		$1.47
Levelized Utility Cost ($/therm)	$0.15		$2.92		$0.18
Levelized Total Cost ($/therm)	$0.34		$5.18		$0.40

M. Updike 10/16/96

GAS - COMMERCIAL/INDUSTRIAL EFFICIENCY

Date	Jobs Comp.	Savings Achieved (Therms)	Direct Program Costs	Impl. Costs	General Costs	Meas. & Eval. Costs	Total Utility Costs	Levelized Cost Per Therm	Additional Customer Costs
January 1995	0	0	$0	$4,307	$0	$272	$4,579	0.00¢	$0
February 1995	0	0	$266	$4,890	$334	$1,115	$6,605	0.00¢	$0
March 1995	0	0	$194	$3,398	$614	$127	$4,332	0.00¢	$0
April 1995	0	0	$0	$3,753	$1,029	$381	$5,163	0.00¢	$0
May 1995	0	0	$0	$5,255	$537	$381	$6,173	0.00¢	$0
June 1995	0	0	$703	$7,204	$1,471	$381	$9,759	0.00¢	$0
July 1995	1	43,097	$17,065	$3,790	$742	$571	$22,168	6.37¢	$97,169
August 1995	0	0	$454	$2,289	$558	$190	$3,491	0.00¢	$0
September 1995	1	20,875	$17,915	$2,534	$347	$0	$20,796	12.34¢	$17,581
October 1995	0	0	$621	$4,122	$395	$0	$5,138	0.00¢	$0
November 1995	0	0	$294	$456	$949	$0	$1,698	0.00¢	$0
December 1995	0	0	$378	$2,290	$118	$571	$3,357	0.00¢	$0
ANNUAL 1995 TOTAL	2	63,972	$37,888	$44,287	$7,094	$3,991	$93,260	18.05¢	$114,750
January 1996	1	23,307	$19,207	$1,044	$75	$398	$20,724	11.01¢	$21,070
February 1996	1	1,057	$1,275	$1,357	$482	$596	$3,710	43.47¢	$19,259
March 1996	0	0	$153	$171	$170	$131	$625	0.00¢	$0
April 1996	0	0	$165	$452	$33	$0	$650	0.00¢	$0
May 1996	0	0	$336	$1,688	$92	$205	$2,320	0.00¢	$0
June 1996	0	0	$94	$2,464	$877	$0	$3,434	0.00¢	$0
July 1996	0	0	$0	$300	$2,572	$0	$2,873	0.00¢	$0
August 1996	0	0	$0	$2,171	$96	$0	$2,267	0.00¢	$0
September 1996									
October 1996									
November 1996									
December 1996									
ANNUAL 1996 TOTAL	2	24,364	$21,230	$9,648	$4,395	$1,329	$36,603	18.60¢	$40,329
TWO-YEAR ACTUAL TOTAL	4	88,336	$59,118	$53,935	$11,490	$5,320	$129,863	18.21¢	$155,079
TWO-YEAR JOBS IN PROGRESS	NA	754,297	$377,149	$10,787	$2,298	$0	$390,234		
PROJECTED ADDITIONAL PROJECTS	NA	0	$0	$0	$0	$0	$0		
TOTAL TWO-YEAR PROJECTION	NA	842,633	$436,266	$64,723	$13,788	$5,320	$520,097	7.64¢	
TWO-YEAR TARGET/BUDGET	NA	192,000	$288,000	$33,168	$10,812	$0	$331,981	21.41¢	
DIFFERENCE OVER (UNDER) TARGET/BUDGET	NA	650,633	$148,266	$31,554	$2,975	$5,320	$188,116		
IMPLEMENTATION $ PER THOUSAND THERMS:				$610.57	1995 COMPARISON AVOIDED COST:			42.70¢	

M. Updike 10/16/96

GAS - COMMERCIAL/INDUSTRIAL EFFICIENCY, WASHINGTON

Date	Jobs Comp.	Savings Achieved (Therms)	Direct Program Costs	Impl. Costs	General Costs	Meas. & Eval. Costs	Total Utility Costs		Additional Customer Costs
January 1995	0	0	$0	$2,293	$0	$272	$2,566		$0
February 1995	0	0	$231	$2,059	$145	$1,115	$3,550		$0
March 1995	0	0	$148	$2,105	$214	$127	$2,594		$0
April 1995	0	0	$0	$2,435	$374	$381	$3,191		$0
May 1995	0	0	$0	$3,585	$292	$190	$4,068		$0
June 1995	0	0	$562	$5,436	$941	$381	$7,320		$0
July 1995	1	43,097	$17,012	$2,855	$550	$571	$20,989		$97,169
August 1995	0	0	$363	$1,678	$396	$190	$2,628		$0
September 1995	1	20,875	$17,847	$2,019	$202	$0	$20,069		$17,581
October 1995	0	0	$400	$2,908	$296	$0	$3,604		$0
November 1995	0	0	$234	$100	$702	$0	$1,036		$0
December 1995	0	0	$303	$1,866	$19	$381	$2,570		$0
ANNUAL 1995 TOTAL	2	63,972	$37,103	$29,339	$4,132	$3,610	$74,184		$114,750
January 1996	1	23,307	$19,138	$444	$63	$398	$20,042		$21,070
February 1996	0	0	$200	$1,088	$145	$398	$1,830		$0
March 1996	0	0	$124	$127	$121	$105	$476		$0
April 1996	0	0	$118	$85	$27	$0	$229		$0
May 1996	0	0	$294	$1,055	$17	$205	$1,571		$0
June 1996	0	0	$94	$1,742	$496	$0	$2,332		$0
July 1996	0	0	$0	$150	$2,097	$0	$2,247		$0
August 1996	0	0	$0	$1,946	$46	$0	$1,992		$0
September 1996			$0	$0		$0	$0		
October 1996			$0	$0		$0	$0		
November 1996			$0	$0		$0	$0		
December 1996			$0	$0		$0	$0		
ANNUAL 1996 TOTAL	1	23,307	$19,968	$6,636	$3,012	$1,105	$30,721		$21,070
TWO-YEAR GRAND TOTAL	3	87,279	$57,070	$35,975	$7,145	$4,714	$104,905		$135,820

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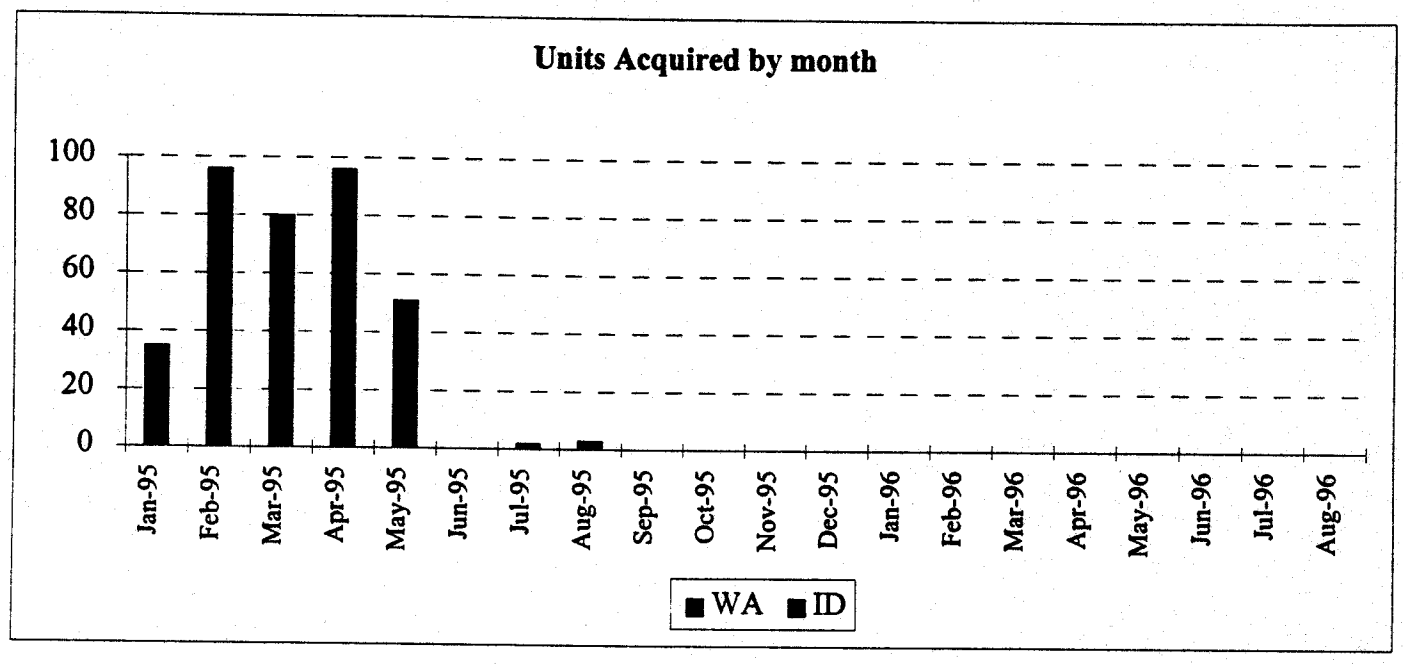
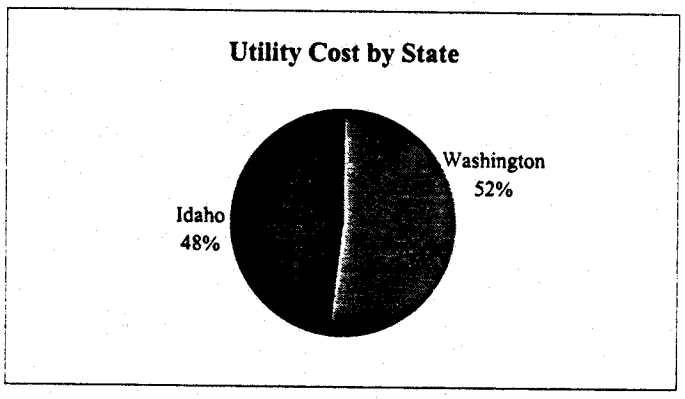
GAS - COMMERCIAL/INDUSTRIAL EFFICIENCY, IDAHO

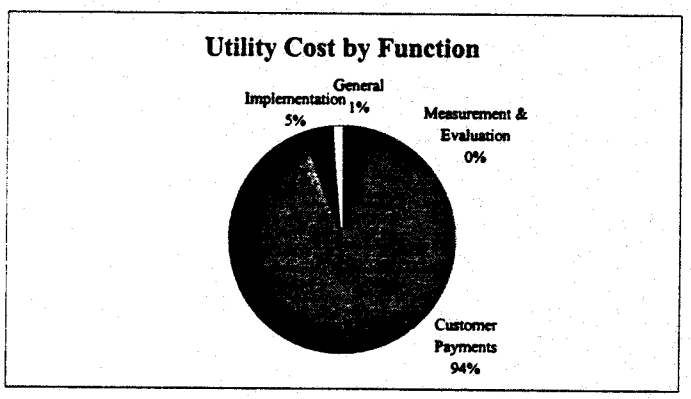
Date	Jobs Comp.	Savings Achieved (Therms)	Direct Program Costs	Impl. Costs	General Costs	Meas. & Eval. Costs	Total Utility Costs		Additional Customer Costs
January 1995	0	0	$0	$2,014	$0	$0	$2,014		$0
February 1995	0	0	$35	$2,831	$190	$0	$3,055		$0
March 1995	0	0	$45	$1,294	$400	$0	$1,738		$0
April 1995	0	0	$0	$1,318	$655	$0	$1,973		$0
May 1995	0	0	$0	$1,670	$245	$190	$2,106		$0
June 1995	0	0	$141	$1,768	$530	$0	$2,439		$0
July 1995	0	0	$53	$934	$192	$0	$1,179		$0
August 1995	0	0	$91	$611	$161	$0	$863		$0
September 1995	0	0	$67	$515	$145	$0	$727		$0
October 1995	0	0	$221	$1,214	$99	$0	$1,534		$0
November 1995	0	0	$59	$356	$247	$0	$662		$0
December 1995	0	0	$74	$424	$98	$190	$787		$0
ANNUAL 1995 TOTAL	0	0	$786	$14,948	$2,962	$381	$19,077		$0
January 1996	0	0	$69	$600	$12	$0	$682		$0
February 1996	1	1,057	$1,075	$269	$337	$199	$1,880		$19,259
March 1996	0	0	$29	$44	$49	$26	$148		$0
April 1996	0	0	$47	$368	$5	$0	$420		$0
May 1996	0	0	$41	$634	$74	$0	$749		$0
June 1996	0	0	$0	$722	$381	$0	$1,102		$0
July 1996	0	0	$0	$150	$475	$0	$625		$0
August 1996	0	0	$0	$226	$49	$0	$275		$0
September 1996			$0	$0		$0	$0		
October 1996			$0	$0		$0	$0		
November 1996			$0	$0		$0	$0		
December 1996			$0	$0		$0	$0		
ANNUAL 1996 TOTAL	1	1,057	$1,262	$3,012	$1,383	$225	$5,882		$19,259
TWO-YEAR GRAND TOTAL	1	1,057	$2,047	$17,960	$4,345	$606	$24,959		$19,259

M. Updike 10/16/96

Washington Water Power
Natural Gas Weatherization Program
January 1995 through August 1996







	Washington	%	Idaho	%	Total
Units Acquired	226	62%	137	38%	363
Savings (therms)	46,443	49%	48,042	51%	94,485
Savings Per Unit (therms)	206		351		260
Direct Program Cost	$153,472	50%	$151,495	50%	$304,967
Implementation Cost	$12,002	76%	$3,696	24%	$15,697
General Cost	$2,704	74%	$961	26%	$3,665
Measurement & Evaluation Cost	$0	0%	$0	0%	$0
Total Utility Cost	$168,177	52%	$156,152	48%	$324,329
Average Customer Payment	$679		$1,106		$840
Additional Customer Cost	$176,806		$52,615		$229,422
Utility Payment as % of Total	46%		74%		57%
1st Year Utility Cost ($/therm)	$3.62		$3.25		$3.43
Levelized Utility Cost ($/therm)	$0.35		$0.32		$0.33
Levelized Total Cost ($/therm)	$0.72		$0.42		$0.57

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GAS - RESIDENTIAL WEATHERIZATION

Date	Jobs Comp.	Savings Achieved (Therms)	Direct Program Costs	Impl. Costs	General Costs	Meas. & Eval. Costs	Total Utility Costs	Levelized Cost Per Therm	Additional Customer Costs
January 1995	35	11,216	$15,496	$0	$0	$0	$15,496	13.41¢	$20,104
February 1995	96	23,008	$148,587	$2,652	$0	$0	$151,239	63.81¢	$56,193
March 1995	80	24,234	$73,986	$5,684	$313	$0	$79,983	32.04¢	$56,089
April 1995	96	22,480	$70,864	$1,753	$1,208	$0	$73,825	31.88¢	$54,883
May 1995	51	13,137	$37,384	$3,022	$252	$0	$40,657	30.04¢	$39,153
June 1995	0	0	($87)	$711	$856	$0	$1,480	0.00¢	$0
July 1995	2	201	$1,348	$0	$74	$0	$1,423	68.71¢	$1,413
August 1995	3	209	$2,002	$0	$0	$0	$2,002	93.00¢	$1,586
September 1995	0	0	$2,235	$70	$0	$0	$2,305	0.00¢	$0
October 1995	0	0	($59,460)	$0	$10	$0	($59,450)	0.00¢	$0
November 1995	0	0	($132)	$0	$43	$0	($89)	0.00¢	$0
December 1995	0	0	$0	$0	$0	$0	$0	0.00¢	$0
ANNUAL 1995 TOTAL	363	94,485	$292,223	$13,891	$2,757	$0	$308,871	31.73¢	$229,422
January 1996	0	0	$0	$0	$0	$0	$0	0.00¢	$0
February 1996	0	0	$0	$0	$0	$0	$0	0.00¢	$0
March 1996	0	0	$0	$0	$0	$0	$0	0.00¢	$0
April 1996	0	0	$0	$205	$0	$0	$205	0.00¢	$0
May 1996	0	0	$69	$368	$42	$0	$479	0.00¢	$0
June 1996	0	0	$0	$479	$173	$0	$652	0.00¢	$0
July 1996	0	0	($69)	$377	$577	$0	$885	0.00¢	$0
August 1996	0	0	$12,743	$377	$116	$0	$13,236	0.00¢	$0
September 1996									
October 1996									
November 1996									
December 1996									
ANNUAL 1996 TOTAL	0	0	$12,743	$1,806	$908	$0	$15,458	0.00¢	$0
TWO-YEAR ACTUAL TOTAL	363	94,485	$304,967	$15,697	$3,665	$0	$324,329	31.73¢	$229,422
TWO-YEAR JOBS IN PROGRESS	0	0	$0	$0	$0	$0	$0		
PROJECTED ADDITIONAL PROJECTS	0	0	$0	$0	$0	$0	$0		
TOTAL TWO-YEAR PROJECTION	363	94,485	$304,967	$15,697	$3,665	$0	$324,329	33.32¢	
TWO-YEAR TARGET/BUDGET	100	21,500	$72,700	$2,000	$571	$0	$75,271	33.99¢	
DIFFERENCE OVER (UNDER) TARGET/BUDGET	263	72,985	$232,267	$13,697	$3,094	$0	$249,058		
IMPLEMENTATION $ PER THOUSAND THERMS:				$166.14	1995 COMPARISON AVOIDED COST:			74.20¢	

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GAS - RESIDENTIAL WEATHERIZATION, WASHINGTON

Date	Jobs Comp.	Savings Achieved (Therms)	Direct Program Costs	Impl. Costs	General Costs	Meas. & Eval. Costs	Total Utility Costs		Additional Customer Costs
January 1995	12	2,558	$4,040	$0	$0	$0	$4,040		$8,348
February 1995	69	12,228	$67,836	$1,651	$0	$0	$69,487		$45,370
March 1995	50	11,299	$35,262	$5,085	$172	$0	$40,519		$43,618
April 1995	55	10,919	$33,078	$1,124	$905	$0	$35,107		$43,485
May 1995	35	9,029	$24,730	$1,870	$135	$0	$26,735		$32,986
June 1995	0	0	($87)	$395	$491	$0	$798		$0
July 1995	2	201	$1,348	$0	$40	$0	$1,388		$1,413
August 1995	3	209	$2,002	$0	$0	$0	$2,002		$1,586
September 1995	0	0	$2,235	$70	$0	$0	$2,305		$0
October 1995	0	0	($29,584)	($212)	$10	$0	($29,786)		$0
November 1995	0	0	($132)	$212	$0	$0	$80		$0
December 1995	0	0	$0	$0	$0	$0	$0		$0
ANNUAL 1995 TOTAL	226	46,443	$140,728	$10,195	$1,753	$0	$152,676		$176,806
January 1996	0	0	$0	$0	$43	$0	$43		$0
February 1996	0	0	$0	$0	$0	$0	$0		$0
March 1996	0	0	$0	$0	$0	$0	$0		$0
April 1996	0	0	$0	$205	$0	$0	$205		$0
May 1996	0	0	$69	$368	$42	$0	$479		$0
June 1996	0	0	$0	$479	$173	$0	$652		$0
July 1996	0	0	($69)	$377	$577	$0	$885		$0
August 1996	0	0	$12,743	$377	$116	$0	$13,236		$0
September 1996			$0	$0		$0	$0		
October 1996			$0	$0		$0	$0		
November 1996			$0	$0		$0	$0		
December 1996			$0	$0		$0	$0		
ANNUAL 1996 TOTAL	0	0	$12,743	$1,806	$951	$0	$15,501		$0
TWO-YEAR GRAND TOTAL	226	46,443	$153,472	$12,002	$2,704	$0	$168,177		$176,806

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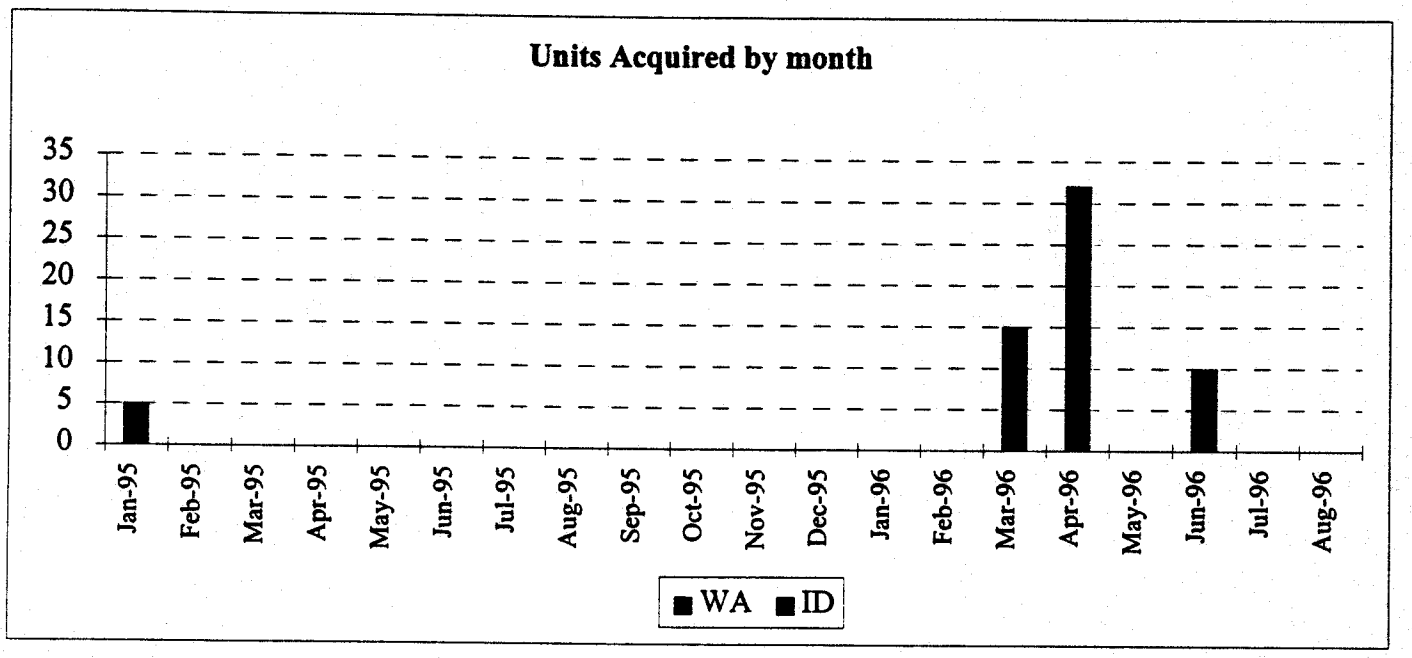
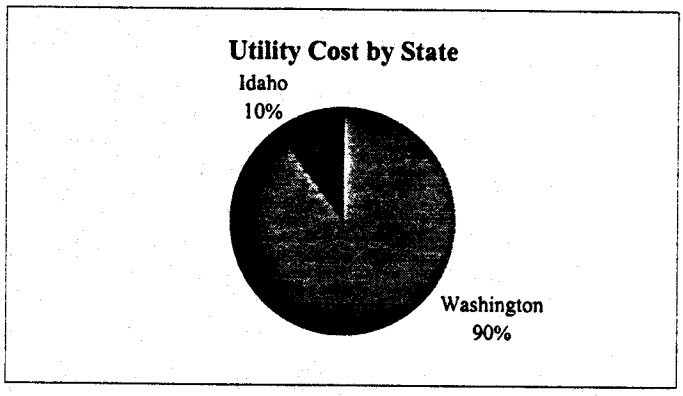
GAS - RESIDENTIAL WEATHERIZATION, IDAHO

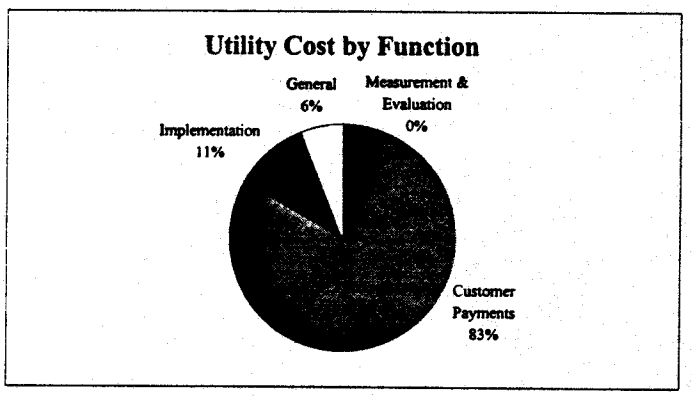
Date	Jobs Comp.	Savings Achieved (Therms)	Direct Program Costs	Impl. Costs	General Costs	Meas. & Eval. Costs	Total Utility Costs		Additional Customer Costs
January 1995	23	8,658	$11,456	$0	$0	$0	$11,456		$11,757
February 1995	27	10,780	$80,751	$1,001	$0	$0	$81,752		$10,823
March 1995	30	12,935	$38,724	$599	$141	$0	$39,464		$12,471
April 1995	41	11,561	$37,785	$629	$303	$0	$38,718		$11,398
May 1995	16	4,108	$12,654	$1,151	$117	$0	$13,922		$6,167
June 1995	0	0	$0	$316	$366	$0	$681		$0
July 1995	0	0	$0	$0	$34	$0	$34		$0
August 1995	0	0	$0	$0	$0	$0	$0		$0
September 1995	0	0	$0	$0	$0	$0	$0		$0
October 1995	0	0	($29,875)	$212	$0	$0	($29,663)		$0
November 1995	0	0	$0	($212)	$43	$0	($169)		$0
December 1995	0	0	$0	$0	$0	$0	$0		$0
ANNUAL 1995 TOTAL	137	48,042	$151,495	$3,696	$1,004	$0	$156,195		$52,615
January 1996	0	0	$0	$0	($43)	$0	($43)		$0
February 1996	0	0	$0	$0	$0	$0	$0		$0
March 1996	0	0	$0	$0	$0	$0	$0		$0
April 1996	0	0	$0	$0	$0	$0	$0		$0
May 1996	0	0	$0	$0	$0	$0	$0		$0
June 1996	0	0	$0	$0	$0	$0	$0		$0
July 1996	0	0	$0	$0	$0	$0	$0		$0
August 1996	0	0	$0	$0	$0	$0	$0		$0
September 1996			$0	$0		$0	$0		
October 1996			$0	$0		$0	$0		
November 1996			$0	$0		$0	$0		
December 1996			$0	$0		$0	$0		
ANNUAL 1996 TOTAL	0	0	$0	$0	($43)	$0	($43)		$0
TWO-YEAR GRAND TOTAL	137	48,042	$151,495	$3,696	$961	$0	$156,152		$52,615

M. Updike 10/16/96

Washington Water Power
Limited Income Natural Gas Weatherization Program
January 1995 through August 1996







	Washington	%	Idaho	%	Total
Units Acquired	62	100%	0	0%	62
Savings (therms)	15,110	100%	0	0%	15,110
Savings Per Unit (therms)	244		0		244
Direct Program Cost	$52,424	100%	$0	0%	$52,424
Implementation Cost	$2,628	38%	$4,315	62%	$6,943
General Cost	$1,574	43%	$2,068	57%	$3,642
Measurement & Evaluation Cost	$0	0%	$0	0%	$0
Total Utility Cost	$56,625	90%	$6,383	10%	$63,009
Average Customer Payment	$846		$0		$846
Additional Customer Cost	$58,782		$0		$58,782
Utility Payment as % of Total	47%		0%		47%
1st Year Utility Cost ($/therm)	$3.75		$0.00		$4.17
Levelized Utility Cost ($/therm)	$0.36		$0.00		$0.40
Levelized Total Cost ($/therm)	$0.74		$0.00		$0.78

M. Updike 10/16/96

GAS - LIMITED INCOME ENERGY EFFICIENCY

Date	Jobs Comp.	Savings Achieved (Therms)	Direct Program Costs	Impl. Costs	General Costs	Meas. & Eval. Costs	Total Utility Costs	Levelized Cost Per Therm	Additional Customer Costs
January 1995	5	2,365	$0	$0	$0	$0	$0	0.00¢	$5,749
February 1995	0	0	$42,000	$27	$0	$0	$42,027	0.00¢	$0
March 1995	0	0	$2,005	$0	$3	$0	$2,008	0.00¢	$0
April 1995	0	0	$0	$216	$0	$0	$216	0.00¢	$0
May 1995	0	0	$0	$47	$31	$0	$78	0.00¢	$0
June 1995	0	0	$650	$421	$14	$0	$1,085	0.00¢	$0
July 1995	0	0	$650	$0	$46	$0	$696	0.00¢	$0
August 1995	0	0	$18,301	$0	$0	$0	$18,301	0.00¢	$0
September 1995	0	0	$0	$0	$0	$0	$0	0.00¢	$0
October 1995	0	0	($58,606)	$0	$0	$0	($58,606)	0.00¢	$0
November 1995	0	0	$0	$0	$0	$0	$0	0.00¢	$0
December 1995	0	0	$0	$248	$0	$0	$248	0.00¢	$0
ANNUAL 1995 TOTAL	5	2,365	$5,000	$959	$94	$0	$6,053	24.85¢	$5,749
January 1996	0	0	$0	$0	$8	$0	$8	0.00¢	$0
February 1996	0	0	$0	$0	$0	$0	$0	0.00¢	$0
March 1996	15	4,352	$12,835	$0	$0	$0	$12,835	28.63¢	$14,445
April 1996	32	5,240	$20,544	$54	$0	$0	$20,598	38.16¢	$30,163
May 1996	0	0	$0	$0	$11	$0	$11	0.00¢	$0
June 1996	10	3,153	$6,410	$3,255	$0	$0	$9,666	29.76¢	$8,424
July 1996	0	0	$0	$2,674	$2,674	$0	$5,348	0.00¢	$0
August 1996	0	0	$7,634	$0	$854	$0	$8,489	0.00¢	$0
September 1996									
October 1996									
November 1996									
December 1996									
ANNUAL 1996 TOTAL	57	12,745	$47,424	$5,984	$3,548	$0	$56,956	43.38¢	$53,033
TWO-YEAR ACTUAL TOTAL	62	15,110	$52,424	$6,943	$3,642	$0	$63,009	40.48¢	$58,782
TWO-YEAR JOBS IN PROGRESS	0	0	$0	$0	$0	$0	$0		
PROJECTED ADDITIONAL PROJECTS	0	0	$0	$0	$0	$5,000	$5,000		
TOTAL TWO-YEAR PROJECTION	62	15,110	$52,424	$6,943	$3,642	$5,000	$68,009	43.69¢	
TWO-YEAR TARGET/BUDGET	20	3,000	$15,000	$2,000	$571	$5,000	$22,571	73.04¢	
DIFFERENCE OVER (UNDER) TARGET/BUDGET	42	12,110	$37,424	$4,943	$3,071	$0	$45,438		
IMPLEMENTATION $ PER THOUSAND THERMS:				$459.49	1995 COMPARISON AVOIDED COST:			74.20¢	

M. Updike 10/16/96

GAS - LIMITED INCOME ENERGY EFFICIENCY, WASHINGTON

Date	Jobs Comp.	Savings Achieved (Therms)	Direct Program Costs	Impl. Costs	General Costs	Meas. & Eval. Costs	Total Utility Costs		Additional Customer Costs
January 1995	5	2,365	$0	$0	$0	$0	$0		$5,749
February 1995	0	0	$42,000	$27	$0	$0	$42,027		$0
March 1995	0	0	$0	$0	$3	$0	$3		$0
April 1995	0	0	$0	$137	$0	$0	$137		$0
May 1995	0	0	$0	$16	$16	$0	$32		$0
June 1995	0	0	$0	$0	$4	$0	$4		$0
July 1995	0	0	$650	$0	$0	$0	$650		$0
August 1995	0	0	$16,071	$0	$0	$0	$16,071		$0
September 1995	0	0	$0	$0	$0	$0	$0		$0
October 1995	0	0	($53,721)	$0	$0	$0	($53,721)		$0
November 1995	0	0	$0	$0	$0	$0	$0		$0
December 1995	0	0	$0	$248	$0	$0	$248		$0
ANNUAL 1995 TOTAL	5	2,365	$5,000	$428	$23	$0	$5,451		$5,749
January 1996	0	0	$0	$0	$8	$0	$8		$0
February 1996	0	0	$0	$0	$0	$0	$0		$0
March 1996	15	4,352	$12,835	$0	$0	$0	$12,835		$14,445
April 1996	32	5,240	$20,544	$54	$0	$0	$20,598		$30,163
May 1996	0	0	$0	$0	$11	$0	$11		$0
June 1996	10	3,153	$6,410	$973	$0	$0	$7,384		$8,424
July 1996	0	0	$0	$1,172	$1,172	$0	$2,344		$0
August 1996	0	0	$7,634	$0	$359	$0	$7,994		$0
September 1996			$0	$0		$0	$0		
October 1996			$0	$0		$0	$0		
November 1996			$0	$0		$0	$0		
December 1996			$0	$0		$0	$0		
ANNUAL 1996 TOTAL	57	12,745	$47,424	$2,200	$1,551	$0	$51,174		$53,033
TWO-YEAR GRAND TOTAL	62	15,110	$52,424	$2,628	$1,574	$0	$56,625		$58,782

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GAS - LIMITED INCOME ENERGY EFFICIENCY, IDAHO

Date	Jobs Comp.	Savings Achieved (Therms)	Direct Program Costs	Impl. Costs	General Costs	Meas. & Eval. Costs	Total Utility Costs		Additional Customer Costs
January 1995	0	0	$0	$0	$0	$0	$0		$0
February 1995	0	0	$0	$0	$0	$0	$0		$0
March 1995	0	0	$2,005	$0	$0	$0	$2,005		$0
April 1995	0	0	$0	$79	$0	$0	$79		$0
May 1995	0	0	$0	$32	$15	$0	$46		$0
June 1995	0	0	$650	$421	$10	$0	$1,081		$0
July 1995	0	0	$0	$0	$46	$0	$46		$0
August 1995	0	0	$2,230	$0	$0	$0	$2,230		$0
September 1995	0	0	$0	$0	$0	$0	$0		$0
October 1995	0	0	($4,885)	$0	$0	$0	($4,885)		$0
November 1995	0	0	$0	$0	$0	$0	$0		$0
December 1995	0	0	$0	$0	$0	$0	$0		$0
ANNUAL 1995 TOTAL	0	0	$0	$531	$70	$0	$602		$0
January 1996	0	0	$0	$0	$0	$0	$0		$0
February 1996	0	0	$0	$0	$0	$0	$0		$0
March 1996	0	0	$0	$0	$0	$0	$0		$0
April 1996	0	0	$0	$0	$0	$0	$0		$0
May 1996	0	0	$0	$0	$0	$0	$0		$0
June 1996	0	0	$0	$2,282	$0	$0	$2,282		$0
July 1996	0	0	$0	$1,502	$1,502	$0	$3,004		$0
August 1996	0	0	$0	$0	$495	$0	$495		$0
September 1996			$0	$0		$0	$0		
October 1996			$0	$0		$0	$0		
November 1996			$0	$0		$0	$0		
December 1996			$0	$0		$0	$0		
ANNUAL 1996 TOTAL	0	0	$0	$3,784	$1,997	$0	$5,781		$0
TWO-YEAR GRAND TOTAL	0	0	$0	$4,315	$2,068	$0	$6,383		$0

M. Updike 10/16/96

Measurement and Evaluation of Site Specific Projects 1995 through 1996

Washington Water Power has established the objective of providing an internal auditing verification service for 100% of all projects and to subject at least 50% of all funded energy savings to an indepth customized review of energy savings.

The intention of the M&E effort is to not only satisify the regulatory requirement of ensuring that DSM funds are prudently invested in energy efficiency resources, but also to provide feedback concerning the viability of funded technologies under actual operating conditions, collect and analyze customer satisfaction with our programs and to identify problems that occurred during the implementation of the project that could lead to more fully realizing the anticipated energy efficiency of the project or even to exceed projected savings.

It is the intention of our M&E program to be more than simply data collection and analysis, but to also enhance WWP's knowledge of customer energy operations, to improve customer satisfaction and to actually increase, not just measure, the energy savings of a project.

To accomplish these objectives WWP has implemented a customized approach to site-specific projects. This approach involves a collaboration between the M&E analyst, the WWP Project Lead and the customer.

When a project becomes 'imminent' (likely to be funded), the WWP Project Lead notifies the M&E Analyst of the project. All projects are reviewed by the M&E Analyst and are evaluated for their potential contribution to achieving our established M&E objectives. If, in the opinion of the M&E Analyst or the WWP Project Lead, the project can materially contribute toward our understanding of energy efficient technologies or customer operations, or if we believe that an M&E effort can increase the realized energy savings from a project, then that project is selected for an M&E Plan.

The M&E Plan outlines a custom approach to measuring the energy savings from a project. Frequently specific types of savings are targetted for in-depth analysis on the basis of the customers interest in obtaining such information, WWP staff interest in detailed technical data or a societal interest in increasing the realized energy savings.

The M&E Plan may call for pre-metering, post-metering, measurement of product output, end-use equipment runtimes, persistance surveys, post-project customer surveys, billing data analysis or any other means necessary to measure and enhance the energy savings, to meet the customers expectations and to provide WWP staff with feedback concerning technologies and program operations. The Plan is signed by both the M&E Analyst and the WWP Project Lead as a committment to complete the Plan requirements.

In order to achieve a consistent level of detail and quality in the measurement of energy usage a series of protocols were developed as guidance in these tasks. These protocols specifically cover lighting, HVAC, process and motor M&E tasks. The protocols are modified as necessary to meet the project requirements. A copy of these protocols is attached.

Given that the Plan is often developed before the project completion, and frequently even before the DSM contract is signed, and considering that it is often necessary to wait

through a post-project equipment break-in period and then an additional calendar year to obtain the necessary data, these Plans are often not complete for over two years after their initiation. For this reason, WWP is working to develop an M&E Plan calendar for these projects and to integrate the M&E process into the existing DSM project tracking database.

Since WWP's M&E effort materially effects the likelihood of implementation staff reaching pre-specified DSM goals, and since it also performs an internal auditing function, the M&E Analyst is organizationally separated from the implementation staff. In fact, at present, it is not until you reach the officer level that the M&E Analyst and implementation staff share a common leader.

C/I SITE-SPECIFIC DSM
MEASUREMENT AND EVALUATION PLAN

This document outlines the procedures for conducting the measurement and evaluation process for the WWP Commercial/Industrial Site-Specific DSM program. While the program relies heavily upon a customized approach to each site-specific project, there are several elements of the process and protocols that are expected to be consistant across the projects.

The objective of the impact evaluation process is to (1) obtain a cost-effective verification of the energy savings of C/I DSM site-specific projects, (2) to provide the customer with information concerning the energy savings obtained from the energy-efficiency improvements, (3) to provide WWP with a means to determine if the installed equipment is operating correctly and to improve the performance where possible and (4) to provide information concerning equipment, processes and engineering assumptions for future energy-efficiency projects in order to reduce costs and/or increase performance.

The M&E process is initiated by the project lead (PL) when the project becomes 'imminent'. Imminent projects are ones that are highly likely to be incentivized by WWP. It is desirable to identify these projects as early in the project cycle as possible in order to maximize the opportunities for pre-metering. All projects must be identified and have an M&E Plan written prior to the signing of the DSM contract unless the project lead and M&E analyst agree to an exception. Finalizing the M&E Plan prior to the signing of the DSM contract allows WWP to make specific arrangements for any required post-metering access or other M&E activities as part of the DSM contract, where necessary.

Once the project lead has identified the project as imminent, the M&E analyst will draft an initial M&E plan for that specific project. The plan will be reviewed, modified as necessary and signed by both the M&E analyst and the project lead. Signing the plan indicates a commitment to make a best efforts attempt to complete the measurement approach specified in the plan.

The M&E Plan will contain specific tasks to be completed and the individuals responsible for those tasks. The time that these tasks are to be carried out may range from immediately upon the completion of the M&E Plan to perhaps a delay of a year or more in the event of post-metering and post-project billing analysis. Generally the M&E Plan will rely on pre and post-metering, billing analysis, regression analysis and engineering analysis of the project. All of these, with the exception of submetering, will typically be the responsibility of the M&E analyst. The responsibility for seeing that the submetering is completed will be the responsibility of the project lead. The individual responsible for ensuring the completion of these tasks will not necessarily be the individual completing the tasks, they will draw on other resources as necessary.

Following the completion of all elements of the M&E Plan, an M&E Final Report will be based upon the results of the measurement. The draft of this report will be written by the M&E analyst. The draft will be reviewed and modified as necessary until the project lead and the M&E analyst sign off on a final plan.

The M&E Final Report will contain the final estimate of the energy savings from the project and the details of the estimates. To the extent possible, the M&E Final Report will also identify any deficiencies that have led to reduced energy savings. The Report will also indicate any other energy saving opportunities that are noted during the M&E process.

If the deficiencies and energy savings opportunities indicated in the Report are capitalized on, these energy savings will be added to those estimated in the Report. Non-energy benefits will be noted in the Report to the extent possible.

Any deviation from the attached M&E protocols must be approved by both the project lead and the M&E analyst. The deviation must be noted in both the M&E Plan and the M&E Final Report along with an explanation of the reason that the deviation was necessary.

During the entire M&E process, all parties involved are encouraged to seek out opportunities to bring the customer additional value. These opportunities may be in providing the customer with energy use or operational information about their facilities, identifying areas where additional energy savings can be achieved, putting the customer in contact with industry experts that can assist them with operational issues and so on.

Every effort will be made to obtain and catalog energy-use and engineering data from each project in a way that will reduce the costs of subsequent projects of that type and/or increase the accuracy of the engineering estimates on future projects. The M&E analyst will assume responsibility for reviewing the data resulting from the M&E effort and providing the implementation staff with summaries. There will be particular attention paid to areas where M&E data can be extrapolated to future projects in order to improve the quality and/or reduce the costs of the engineering for those projects.

Modifications will be made to the M&E process and protocols as necessary based upon the experience acquired by the implementation and M&E staff.

WASHINGTON WATER POWER
C/I SITE-SPECIFIC DSM
MEASUREMENT AND EVALUATION PROTOCOLS

Lighting

L1. Determination of Baseline Connected Load

a) The existing baseline kW for affected lighting measures will be determined after an audit of the customer's facility. The audit will include the type and number of fixtures, the type and number of ballasts (based upon a sampling) and the type and number of lamps (based upon a sampling complying with item ii below).

i) The audit may be performed by an independent consulting engineering firm, WWP personnel, or a representative of the customer's facility. When the audit is submitted by a representative of the customer's facility the audit will be subject to pre-verification by WWP personnel.

ii) The minimum sampling for all ballasts and lamps will be .05% of each fixture type or a two (2) separate fixtures, whichever is greater.

b) In the case of new construction the existing baseline kW will be determined by the Washington State Energy Code - 1994 First Edition.

L2. Determination of Proposed Load

a) The proposed baseline kW for affected lighting measures will be determined after the completion of a Lighting Engineering Study (LES) on the customer's facility.

i) The LES may be performed by an independent consulting engineering firm, WWP personnel, or a representative of the customer's facility. This will be determined solely by WWP personnel. When the LES is submitted it will be subject to review and approval by WWP personnel.

L3. Measurement of Hours of Operation

a) The measurement of hours of lighting operation will be determined through time-of-use (TOU) measurement devices.

i) Placement of the TOU measurement devices will be determined by an independent consulting engineering firm or WWP personnel. The minimum level of sampling will be one TOU measurement device in each of the applicable following areas: Cafeterias/dining areas, kitchens, Corridors/hallways, mechanical rooms, storage, utility rooms, offices, reception areas, public restrooms, other rooms or areas of unique or atypical usage patterns.

b) TOU's will be installed for a period of time, not less than two weeks, to be specified by WWP personnel.

c) 100% of sites will be pre-metered to verify hours of operation.

d) Sites which change the control scheme of the lighting system and/or building during a project will be post-metered to determine post-implementation hours of operation.

L4. Measurement of Light Level

a) Light level readings will be taken by WWP personnel. Light level readings will be taken at the working plane or 30 inches above the floor and performed under the following conditions:

i) Readings will be taken in the same location as the ballast and lamp sampling takes place.
ii) Readings will be taken away from all sources of daylighting and reflecting surfaces. If this is not possible, readings will be taken at night.

MOTORS

M1. Operating Conditions

a) Motors must be properly selected according to known service conditions. Usual service conditions, defined in NEMA Standards Publication MG1-1987, Motors and Generators, include:

i) Exposure to an ambient temperature between 0 degrees Celsius and 40 degrees Celsius
ii) Installation in areas or enclosures that do not seriously interfere with the ventilation of the machine
iii) Operation within a tolerance of +/-10% of rated voltage
iv) Operating from a sine wave voltage source (not to exceed 10% deviation factor)
v) Operation within a tolerance of +/-5% of rated frequency
vi) Operation with a voltage unbalance of 1% or less

b) To preserve efficiency gains motors must be replaced with motors of like speed (RPM).

M2. Determination of Load Factor

a) The load factor is the average percentage of full-rated output for the motor. To calculate the load factor:

i) On single phase systems: Measure the actual power draw of the motor with a watt meter. Record the nameplate horsepower and power factor of the motor and use the following equations:

Measured(W) = ActualPower(W)

(1) or

V * I * 746 = ActualPower

(2) 0.746 * hp * pf = RatedPower(W)

(3) (ActualPower / RatedPower) = LoadFactor

Where:
V = volts
I = Amps
pf = Power factor
hp = Horsepower

ii) On three-phase systems

a) Measure the actual power draw of the motor with a watt meter. Record the nameplate horsepower and power factor of the motor and use the following equations:

Measured(W) = ActualPower (W)

1) V * I * pf * 1.732 = ActualPower(W)

2) hp * 746 = RatedPower(W)

3) ActualPower / RatedPower = LoadFactor

Where:
V = Volts
I = Amps
pf = Power factor
hp = horsepower

b) The load factor will be measured before and after installation.

i) Measurement will be conducted under like operating conditions

ii) If the load factor varies by more than +/- 10% from before to after the savings must be adjusted with the lower of the two values.

M3. Measurement of Hours of Operation

a) The measurement of hours of operation will be determined through time-of-use (TOU) measurement devices.

i) TOU measurement devices will be placed on each motor.

ii) TOU's will be installed for a period of time, not less than two weeks, to be specified by WWP personnel.

iii) 100% of sites will be pre-metered to verify hours of operation.

iv) Sites which change the control scheme of the motor and/or building during a project will be post-metered to determine post-implementation hours of operation.

M4. Savings calculations

a) The below equations apply only to motors operating at a specified constant load. For varying loads, you may apply the energy savings calculation to each load cycle where the load is constant for a reasonable period of time. Calculations are not available for pulsating loads or loads that cycle at rapid intervals.

(1) kW saved = hp * LF * 0.746 * ((100 / Estd)-(100 / Ehe))

where:
hp = motor nameplate horsepower
LF = Load Factor
Estd = Standard motor efficiency
Ehe = High efficiency motor efficiency

(2) kWh saved = kW saved * Annual Hours of Operation

HVAC / PROCESS

H1. Potential DSM Applications

a) HVAC Applications include but are not limited to: chiller/boiler/hydronic, heat recovery, ducted central heating, electric resistance heating, heat pump, radiant heating, energy management system

b) Process applications include but are not limited to: heat forming, heat treatment, other non-HVAC, lighting or motors related processing

H2. Determination of baseline connected load HVAC/process

a) Existing baseline kW/therm load for affected measures will be determined after an audit of the customers facility. The audit will include type, quantity, and kW/BTU rated capacity of each piece of equipment considered under the proposed Energy Conservation Measure (ECM).

1) Audits may be performed by an independent consulting engineering firm, WWP personnel, or a representative of the customers facility. Audits not performed by WWP personnel shall be subject to pre-verification by WWP. The audit approach used is solely at the discretion of WWP.

b) A simple billing analysis shall be conducted on each project to confirm if existing baseline loads are reasonable when compared to historical usage.

c) Baseline kW/therm loads shall be determined according to applicable state and local code requirements. When no state code exists, industry standard practice will serve as the baseline.

H3. Determination of proposed load.

a) The proposed kW/therm load will be determined through an independent engineering audit, by WWP personnel, or a representative of the customers facility. Audits not performed by WWP personnel shall be subject to pre-verification by WWP. The audit approach used is solely at the discretion of WWP.

H4. Measurement of existing and new (proposed) loads

a) Weather sensitive and non-weather sensitive loads shall be measured with reasonable prudence given to their seasonal impact on monthly and annual energy requirements.

b) Measuring and metering (M&M) requirements with respect to establishing proper points/timing for M&M flow rates, pressures, energy loads, capacity, temperatures, operating hours etc. shall be determined by the M&E analyst and the Project Lead on a case-by-case basis depending on the specific characteristics of the system or process addressed.

c) Duration for on-site metering/monitoring activity shall be a minimum of two weeks for each of the two project phases, pre-installation and post-installation, unless otherwise approved by the M&E analyst and Project Lead.

d) Consideration shall be given to each project as to whether or not it is appropriate to continue post-installation monitoring of specific ECM applications for the life of the benefits claimed, some other term agreed to by the M&E analyst and project lead, or not at all.

GENERAL CONDITIONS

G1. Exceptions to these guidelines will be allowed under the following conditions:
   a) The M&E analyst and the Project Lead agree to alternative methods of measurement for the above items.
   b) The M&E analyst documents the exceptions and provides written reasoning for them.

G2. These Protocols may be modified as necessary based upon experience gained from working with this process.

What We've Learned

The M&E process, as specified above, has worked well in achieving the stated goals given the resources available for implementation. The main impediment in achieving the hoped for outcome of the plan has been the relative priorization of completing and following through on the M&E Plan by WWP Project Leads.

It was concluded very early on that serving our DSM customers and meeting customer and trade ally expectations was of a higher priority than satisfying the requirements of the M&E process. The anticipation was that M&E tasks would 'valley fill' those periods in the WWP Project Leads time when there were no more pressing customer or project related duties to fulfill.

Experience has shown that there are no 'valleys' to fill in the WWP Project Leads week. When M&E tasks were useful in fulfilling higher priority objectives the tasks were enthusiastically pursued by implementation staff. This occurs when customers are dissatisfied with their perceived level of savings (triggering a post-audit, billing analysis and submetering), when pre-metering was necessary to develop accurate estimates of end-use runtimes to determine the cost-effectiveness of efficiency measure and so on. Verification of project completion and incentive payments have always been religiously followed as part of our internal auditing process. These experiences have led to a number of DSM / M&E success stories that have strenthened our resolve to more fully pursue the M&E process.

The primary M&E difficulty arises when implementation staff is forced to decide between pressing tasks required for existing projects and customers vs. meeting M&E needs that do not have any direct foreseeable customer benefit.

WWP recognizes the value of M&E in procuring demand-side resources. The commitment to measuring and enhancing resource acquisition and improving WWP's DSM programs through M&E has not changed. Consequently, we are discussing developing dedicated implementation staff individuals to ensure that the necessary tasks are performed. Furthermore, future implementation staff goals are expected to incorporate M&E 'triggers' involving completing and following through on M&E Plans for a specified percent of all energy savings.

From an M&E perspective, it is fortunate that many of the projects being incentivized under this program do require a considerable period of time to complete. This timing, together with the fairly rigorous engineering required to meet project energy savings estimate needs, mean that few M&E opportunities have been lost. A modicum of fine tuning to ensure that the resources are available to complete M&E tasks should be all that is needed to implement a DSM M&E program that not only measures but also enhances project energy savings.

TO: Dave Heyamoto / Bonnie Shepherd / Bill Johnson

FROM: Ann Carey

DATE: April 18, 1996

Here is the REVISED summary of the 1995 New Construction/Conversion Survey. Only those customers who added either both electric and gas service or just gas service in 1995 are included in these results. Percentages from the survey have been applied to the number of new residential gas installs for 1995. The survey has three different error margins; all gas installs ±4.40%, new construction customers +6.51%, and for conversion customers ±6.16%. Based on the error margins, a midpoint and a range have been provided for each category. (1994 error margins: new gas installs ±4.80%, new construction ±5.33%, conversion customers ±6.28%.)

1995 New Construction/Conversion Survey

	1995			1994		
New Residential Gas Installs	7,634			10,684		
	Percent	Range	Midpoint	Percent	Range	Midpoint
New Construction Installs	47%	3,430 - 3,746	3,588	44%	4,475 - 4,927	4,701
Conversion Installs	53%	3,868 - 4,224	4,046	56%	5,696 - 6,270	5,983

	1995			1994		
Conversion From:	Percent	Range	Midpoint	Percent	Range	Midpoint
Electricity	57%	2,164 - 2,448	2,306	57%	3,196 - 3,624	3,410
WWP Conversions	*75%*	*1,623 - 1,837*	*1,730*	*82%*	*2,620 - 2,976*	*2,796*
Competitive Conversions	*25%*	*519 - 587*	*577*	*16%*	*512 - 580*	*546*
Oil	15%	570 - 644	607	23%	1,290 - 1,462	1,376
Wood	15%	570 - 644	607	10%	560 - 636	598
Pellets	7%	266 - 300	283	7%	393 - 445	419
Propane	5%	190 - 214	202	3%	168 - 190	179

1995 NEW CONSTRUCTION

Space/Water Heat	Percent	Range	Midpoint
Furnace	93%	3,120 - 3,554	3,337
Water Heater	88%	2,951 - 3,363	3,157

Appliances*	Percent	Range	Midpoint
Fireplace/Log	25%	839 - 955	897
Stove/Range	30%	1,006 - 1,146	1,076
Dryer	14%	469 - 535	502
Cooktop	4%	135 - 153	144
BBQ	2%	68 - 78	72
Spa	1%	34 - 38	36
Other	1%	34 - 38	36
None	10%	336 - 382	359

Total 1995 New Construction Gas Appliance Installs**	**2,583 - 2,943**	**2,763**

Serving Utility	Percent	Range	Midpoint
Bonners Ferry	9%	302 - 344	323
Inland Power & Light	9%	302 - 344	323
Kootenai Elec. Co-op	4%	135 - 153	144
Lincoln County Co-op	4%	135 - 153	144
Northern Lights	9%	302 - 344	323
WWP	65%	2,180 - 2,484	2,332

Annual Income	Percent
Under $5,000	0%
$5,000 - $9,999	1%
$10,000 - $14,999	2%
$15,000 - $19,999	2%
$20,000 - $24,999	4%
$25,000 - $29,999	4%
$30,000 - $34,999	7%
$35,000 - $39,999	13%
$40,000 - $44,999	7%
$45,000 - $49,999	6%
$50,000 - $54,999	6%
$55,000 - $59,999	5%
$60,000 - $64,999	3%
$65,000 and Over	7%
Don't Know/Refused	31%

1995 CONVERSION

Space/Water Heat	Percent	Range	Midpoint
Furnace	69%	2,620 - 2,964	2,792
Freestanding Gas Stove	14%	531 - 601	566
Fireplace/Fireplace Inser	7%	266 - 300	283
Wall Heater	3%	114 - 128	121
Radiant Stove	2%	76 - 86	81
Water Heater	44%	1,670 - 1,890	1,780

Appliances*	Percent	Range	Midpoint
Fireplace/Log	17%	646 - 730	688
Stove/Range	17%	646 - 730	688
Dryer	3%	114 - 128	121
Cooktop	1%	38 - 42	40
BBQ	0%	--	--
Spa	0%	--	--
Other	0%	--	--
None	9%	342 - 386	364

Total 1995 Conversion Gas Appliance Installs**	**1,442 - 1,632**	**1,537**

Total 1995 New Construction and Conversion Gas Appliance Installs**	**4,025 - 4,575**	**4,300**

Previous Fuel Type	Percent	Range	Midpoint
Oil	15%	570 - 644	607
Cord Wood	15%	570 - 644	607
Wood Pellets	7%	266 - 300	283
Propane	5%	190 - 214	202
IP&L Electric	3%	114 - 128	121
Kootenai Electric	4%	152 - 172	162
Modern Electric	2%	76 - 86	81
Vera Water & Power	2%	76 - 86	81
WWP Electric	43%	1,633 - 1,847	1,740

Annual Income	Percent
Under $5,000	1%
$5,000 - $9,999	4%
$10,000 - $14,999	7%
$15,000 - $19,999	6%
$20,000 - $24,999	8%
$25,000 - $29,999	5%
$30,000 - $34,999	7%
$35,000 - $39,999	12%
$40,000 - $44,999	6%
$45,000 - $49,999	7%
$50,000 - $54,999	6%
$55,000 - $59,999	2%
$60,000 - $64,999	1%
$65,000 and Over	6%
Don't Know/Refused	22%

Notes:

* Percents reflect the number of appliances installed at the time the gas was connected. Additional appliances may have been installed following the gas connection.

** Totals do not include space or water heat equipment.

COMPARISON OF 1995 TO 1994 GAS APPLIANCE INSTALLS

NEW CONSTRUCTION

1995

Space/Water Heat	Percent	Range	Midpoint
Furnace	93%	3,120 - 3,554	3,337
Water Heater	88%	2,951 - 3,363	3,157

Appliances*	Percent	Range	Midpoint
Fireplace/Log	25%	839 - 955	897
Stove/Range	30%	1,006 - 1,146	1,076
Dryer	14%	469 - 535	502
Cooktop	4%	135 - 153	144
BBQ	2%	68 - 78	72
Spa	1%	34 - 38	36
Other	1%	34 - 38	36
None	10%	336 - 382	359
Total '95 Appliances**		2,583 - 2,943	2,763

1994

Space/Water Heat	Percent	Range	Midpoint
Furnace	91%	4,050 - 4,506	4,278
Water Heater	88%	3,916 - 4,358	4,137

Appliances*	Percent	Range	Midpoint
Fireplace/Log	39%	1,735 - 1,931	1,833
Stove/Range	22%	979 - 1,089	1,034
Dryer	16%	712 - 792	752
Cooktop	14%	623 - 693	658
BBQ	2%	89 - 99	94
Spa	1%	44 - 50	47
Other	0%	--	--
None	5%	222 - 248	235
Total '94 Appliances**		4,183 - 4,655	4,419

1995 & 1994 New Construction Gas Appliance Installs**	**6,766 - 7,598**	**7,182**

CONVERSION

1995

Space/Water Heat	Percent	Range	Midpoint
Furnace	69%	2,620 - 2,964	2,792
Freestanding Gas Stove	14%	531 - 601	566
Fireplace/Fireplace Inser	7%	266 - 300	283
Wall Heater	3%	114 - 128	121
Radiant Stove	2%	76 - 86	81
Water Heater	44%	1,670 - 1,890	1,780

Appliances*	Percent	Range	Midpoint
Fireplace/Log	18%	646 - 730	688
Stove/Range	15%	646 - 730	688
Dryer	4%	114 - 128	121
Cooktop	1%	38 - 42	40
BBQ	0%	--	--
Spa	0%	--	--
Other	0%	--	--
None	9%	342 - 386	364
Total '95 Appliances**		1,442 - 1,632	1,537

1994

Space/Water Heat	Percent	Range	Midpoint
Furnace	82%	4,598 - 5,214	4,906
Freestanding Gas Stove	6%	336 - 382	359
Fireplace/Fireplace Inser	2%	112 - 128	120
Wall Heater	2%	112 - 128	120
Radiant Stove	3%	168 - 190	179
Water Heater	70%	3,925 - 4,451	4,188

Appliances*	Percent	Range	Midpoint
Fireplace/Log	10%	560 - 636	598
Stove/Range	10%	560 - 636	598
Dryer	4%	224 - 254	239
Cooktop	4%	224 - 254	239
BBQ	0%	--	--
Spa	0%	--	--
Other	2%	112 - 128	120
None	8%	449 - 509	479
Total '94 Appliances**		1,682 - 1,908	1,795

1995 & 1994 Conversion Gas Appliance Installs	**3,124 - 3,540**	**3,332**
Total 1995 & 1994 New Construction and Conversion Gas Appliance Installs	**9,890 - 11,138**	**10,514**

TO: Dave Heyamoto / Bonnie Shepherd / Bill Johnson

FROM: Ann Carey

DATE: April 18, 1996

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Propane	5%	190 - 214	202	3%	168 - 190	179

BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE PETITION OF	)
THE WASHINGTON WATER POWER COMPANY	)
FOR APPROVAL OF REVISED GAS AND	)
ELECTRIC TARIFFS FOR IMPLEMENTATION	)
OF ENERGY EFFICIENCY PROGRAMS FOR	)
RESIDENTIAL, COMMERCIAL AND	)
INDUSTRIAL CUSTOMERS	)

ATTACHMENT E

COST-EFFECTIVENESS SUMMARY

1997-1999 DSM Program Budget

WWP Electric Programs	1997 Units	1997 mWh Savings	1997 Utility Cost $k	1998 Units	1998 amW Savings	1998 Utility Cost $k	1999 Units	1999 amW Savings	1999 Utility Cost $k	'97 - '99 Units	'97 - '99 amW Savings	'97 - '99 Utility Cost $k
MAP	965	0.2280	$2,272	0	0.0000	$0	0	0.0000	$0	965	0.2280	$2,272
LI Energy Efficiency	275	0.2315	$584	275	0.2315	$590	275	0.2315	$592	825	0.6945	$1,767
HVAC System Efficiency	160	0.0731	$111	160	0.0731	$114	160	0.0731	$117	480	0.2192	$342
Trade Ally Education	0	0.0000	$56	0	*****	$58	0	*****	$59	0	*****	[illegible]73
Natural Gas Awareness	1	1.5982	$0	1	1.5982	$0	1	1.5982	$0	3	4.7945	[illegible]0
RMPP	0	0.2854	$141	0	0.2854	$149	0	0.2854	$157	0	0.8562	$447
Prescriptive Lighting	140	0.1142	$131	140	0.1144	$135	140	0.1146	$138	420	0.3432	$404
Presc. Fuel Switching	115	0.2275	$130	115	0.2275	$134	115	0.2275	$137	345	0.6826	$401
Trade Ally	50	0.4338	$189	50	0.4338	$199	50	0.4338	$208	150	1.3014	$596
C/I Site Specific	180	1.0357	$940	180	1.1905	$1,060	180	1.1905	$1,077	540	3.4167	$3,076
Energy 2000	0	0.0000	$366	0	0.0571	$366	0	0.2854	$262	0	0.3425	$993
Trade Ally Tool Lending	0	0.0000	$36	0	*****	$36	0	*****	$38	0	*****	$110
Regional Programs	1	0.5500	$669	1	0.5500	$1,215	1	0.5500	$1,224	3	1.6500	$3,108
Total WWP Electric	**1,887**	**4.78**	**$5,624**	**922**	**4.76**	**$4,056**	**922**	**4.99**	**$4,009**	**3,731**	**14.53**	**$13,689**

Cost-Effectiveness Methodology Narrative

Cost-effectiveness tests were defined in the 1993 WWP Mid-course Adjustment filing. This proposal does not propose to make any changes to the substance of that filing. For the sake of completeness and clarity the calculation and interpretation of these tests previously agreed to are reiterated below.

Cost-Effectiveness Tests and their Interpretation

The objective of cost-effectiveness tests are to provide a basis for comparison between disparate resources. This comparison may involve supply-side vs. demand-side resource options or could be a comparison of two alternative, and perhaps mutually exclusive, demand-side options.

The cost-effectiveness tests most frequently employed, including within this filing, are the total resource cost (TRC) test and the utility cost test (UCT).

The Total Resource Cost Test

The total resource cost test is generally considered to be a societal test. The test is a comparison of societal costs to societal benefits, regardless of who these costs or benefits accrue to. A favorable TRC test, one where the societal benefits exceed the costs, does not necessarily indicate that all parties to the transaction are individually benefited by the transaction.

Specifically excluded from consideration in the TRC test are any 'transfer' payments. A transfer payment is one where a resource is exchanged between two parties without a net societal effect. For example, a utility incentive for a specific energy efficiency project would be regarded as a transfer payment, and excluded from any TRC calculation, because it is simply a transfer of cash resources from the utility to the customer with no net societal impact. On the other hand, the cost of installation of equipment or the salvage value of removed equipment are both societal costs and would be included in the TRC calculation because they reflect societal costs and are not merely a transfer from one party to another.

Not all societal costs and benefits of energy efficiency projects are easily quantifiable. Projects frequently impact indoor air quality, productivity, comfort, asset value either beneficially or adversely. The general approach has been to exclude these difficult to quantify societal benefits but there has been a persistent acknowledgment of the inadequacies of cost-benefit analyses that do not consider the often significant benefits that are difficult to quantify.

In prior regulatory proceedings, Puget Power developed four alternatives to viewing TRC as a energy-efficiency program tool. These four alternatives are:

Category 1

Measures are deemed cost-effective as long as the sum of all monetary payments, by all parties, are less than the net avoided cost of the project energy savings. Thus, utilities may conceivably fund up to the entire net avoided cost (avoided costs less program administrative costs) before the project becomes cost-ineffective.

Category 2

Category 2 cost-effectiveness adds quantifiable non-energy benefits to those measured in category 1 above. Thus, a project that is cost-ineffective under category 1 considerations may be cost-effective under the category 2 approach if the quantifiable non-energy benefits are large enough.

Category 3

Since not all non-energy benefits can be easily quantified, it is possible that a project which is societally cost-effective may fail both the category 1 and category 2 tests because a portion of the project benefits are unquantifiable.

In order to accomplish this, category 3 TRC tests reduce the cost of the project by the amount that the customer is willing to pay to obtain the resource savings. This is generally considered to be about two years worth of the customers bills savings resulting from the project (based upon an assumed two-year simple payback investment criteria on the part of the customer). The remaining costs must be justified based upon the value of the resource to the utility.

Category 4

Projects which fail categories 1, 2 and 3 may still be desirable for other reasons. Among these reasons are projects which are legislatively mandated, are oriented towards market-transformation, provide valuable feedback in the form of market acceptance or provide utility staff with experience in developing similar programs, support other state, regional or national policy objectives or are cost-ineffective merely because of unique costs that are not likely to be replicated in a repetition of the program (i.e. start-up costs).

These four alternatives to the interpretation of the TRC has broadened the meaning of the strict interpretation of the TRC test beyond the merely quantifiable societal impacts to include a recognition of the analytical limitations of quantifying some of these impacts.

The Utility Cost Test (UCT)

The UCT answers the question of what impact does a particular program have upon total utility expenditures. Programs which impose a net increase in utility expenditures are regarded as cost ineffective under this test, programs reducing net utility expenditures are cost-effective.

The UCT does not consider the participant or societal economics. Transfer payments are included in the UCT if they impact utility costs (i.e. incentive payments made by utilities would be considered as a utility cost). Also included are program administration costs, engineering costs borne by the utility and similar costs.

The basic benefit that the utility costs are measured against is the avoided cost of energy that the utility is not required to purchase to serve an end-use as a result of the energy-efficiency project. This cost could be restricted to the avoided cost of the resource only, or may include avoided transmission or distribution capacity as well, depending on the nature of the utility resource needs.

These two tests provide a significant insight into the value a particular programs and how they compare to alternative supply and demand-side resources. While they are not necessarily the sole decision making tool that can be employed in making resource decisions, they are tools of considerable worth.

BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE PETITION OF	)
THE WASHINGTON WATER POWER COMPANY	)
FOR APPROVAL OF REVISED GAS AND	)
ELECTRIC TARIFFS FOR IMPLEMENTATION	)
OF ENERGY EFFICIENCY PROGRAMS FOR	)
RESIDENTIAL, COMMERCIAL AND	)
INDUSTRIAL CUSTOMERS	)

ATTACHMENT F

TARIFF RIDER REGULATORY GUIDELINES

THE WASHINGTON WATER POWER COMPANY
Derivation of DSM Rate Adjustment by Schedule - Electric
Based on 1995 Restated Revenues
(000s $)

	Schedule	Actual 1995 Revenue(1)	95 Weather Normalization	Remove: Idaho PCA(2)	Remove: DSM Sch. 91 Rev.	Restated Revenues	DSM % Increase	Annual DSM Rev. Require.	Grossed-up for Rev. related Exp. (3)	Divide by: 96 Est. Kwhs(4)	Proposed DSM Rate/kwh
Washington	1	$98,669	$2,698		$1,522	$99,845	1.4711%	$1,469	$1,536	2,114,146	$0.00073
	11&12	$24,050	$267		$366	$23,951	1.4711%	$352	$368	348,172	$0.00106
	21&22	$68,975	$15		$1,043	$67,947	1.4711%	$1,000	$1,045	1,417,645	$0.00074
	25&26	$23,458			$236	$23,222	1.4711%	$342	$357	715,066	$0.00050
	30,31&32	$4,092			$58	$4,034	1.4711%	$59	$62	108,629	$0.00057
	41-48	$3,408			$53	$3,355	1.4711%	$49	$52		(5)
	Total	$222,652	$2,980		$2,931	$222,354		$3,271	$3,421		
Idaho	1	$41,511	$1,130	$1,255	$595	$40,791	1.4711%	$600	$613	883,794	$0.00068
	11&12	$13,203	$166	$418	$194	$12,757	1.4711%	$188	$192	182,234	$0.00103
	21&22	$28,050	$3	$854	$385	$26,814	1.4711%	$394	$403	546,464	$0.00072
	25&26	$9,398		$303	$141	$8,954	1.4711%	$132	$135	314,788	$0.00042
	31&32	$1,895		$66	$27	$1,802	1.4711%	$27	$27	41,873	$0.00063
	41-49	$1,456		$48	$19	$1,389	1.4711%	$20	$21		(5)
	Total	$95,513	$1,299	$2,944	$1,175	$92,506		$1,361	$1,391		
	Annual System DSM Revenue Requirement					$4,632		$4,632	$4,811		
	Divide by: System Restated Electric Revenue					$314,860					
	% Increase					1.4711%					

(1) From Company Revenue Run Reports.
(2) Surcharges in effect 1/1/95-12/31/95. From Report sent to IPUC.
(3) Revenue-related expenses for WA: 4.5675%; ID: 2.1773%
(4) 95 Company forecast of 96 sales.
(5) Street and area light rates will be increased by 1.55% in WA & 1.51% in ID.

BJH
10/17/96

THE WASHINGTON WATER POWER COMPANY
DSM Rate Change by Schedule - Electric
Proposed Rates effective January 1, 1997

	Schedule	Proposed DSM Rate/kwh	Present DSM Rate/kwh	Change in DSM Rate/kwh
Washington	1	$0.00073	$0.00073	$0.00000
	11&12	$0.00106	$0.00103	$0.00003
	21&22	$0.00074	$0.00075	($0.00001)
	25&26	$0.00050	$0.00047	$0.00003
	30,31&32	$0.00057	$0.00061	($0.00004)
Idaho	1	$0.00068	$0.00070	($0.00002)
	11&12	$0.00103	$0.00108	($0.00005)
	21&22	$0.00072	$0.00071	$0.00001
	25&26	$0.00042	$0.00046	($0.00004)
	31&32	$0.00063	$0.00076	($0.00013)

ENERGY EFFICIENCY TARIFF RIDER GUIDELINES

In combination with other guidelines contained in this application, WWP commits to the following guidelines for implementation of the Energy Efficiency Tariff Rider:

1) WWP assumes all responsibility for under-collection of revenue

2) WWP assumes any risk due to adverse tax treatment

3) Energy efficiency expenditures are subject to prudency reviews

4) Any excess rider revenue remaining upon the termination of this mechanism will be expended on energy efficiency or returned to customers.

5) The rider mechanism is intended to cover a three year period, calendar years 1997-1999.

BEFORE THE
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THE WASHINGTON WATER POWER COMPANY	)
FOR APPROVAL OF REVISED GAS AND	)
ELECTRIC TARIFFS FOR IMPLEMENTATION	)
OF ENERGY EFFICIENCY PROGRAMS FOR	)
RESIDENTIAL, COMMERCIAL AND	)
INDUSTRIAL CUSTOMERS	)

ATTACHMENT G

PUBLIC INVOLVEMENT IN ENERGY EFFICIENCY PLANNING

WWP DSM OPPORTUNITIES GROUP

Attendees and Meeting Dates

NAME/ORGANIZATION	PHONE NUMBER	5/16/96 MTG.	6/25/96 MTG
Frank Maglietti	(360) 664-9065	YES	YES
Mert Lott	(360) 753-7443	YES	YES
Deborah Stephens	(360) 586-1096	YES	YES
Washington Utilities and Transportation Commission			
Wayne Hart	(208) 334-0376	YES	
Idaho Public Utilities Commission			
Jim Lazar	(360) 786-1822	YES	
WA Attorney General--Public Counsel			
Don Andre'	(509) 456-7111	YES	YES
Spokane Neighborhood Action Program			
Liz Klump	(360) 956-2077	YES	YES
Washington State Energy Office			
Jim Nybo	(503) 222-5161	YES	
Tom Eckman	(503) 222-5161		YES
Northwest Power Planning Council			
Mary Anne Hutton	(503) 538-0600	YES	
Northwest Industrial Gas Users			
Roger Curtis	(509) 482-4412	YES	YES
Renee Coelho	(509) 482-8607	YES	YES
Bruce Folsom	(509) 482-8706	YES	YES
Steve Negretti	(509) 482-4825	YES	
Blaine French	(509) 482-8717		YES
Jon Powell	(509) 482-4047		YES
Bill Johnson	(509) 482-4046	YES	
Washington Water Power			

BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE PETITION OF	)
THE WASHINGTON WATER POWER COMPANY	)
FOR APPROVAL OF REVISED GAS AND	)
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RESIDENTIAL, COMMERCIAL AND	)
INDUSTRIAL CUSTOMERS	)

ATTACHMENT H

RESULTS CENTER REPORT

Washington Water Power

Distribution Charge & Market Transformation Programs

Profile # 126

Principal investigators: Barb Hogan and Ted Flanigan

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Washington Water Power's Distribution Charge represents one of North America's leading strategies for funding energy efficiency and stands as a powerful model for the future. As such, it was selected for inclusion in the Series 4 Profiles by The Results Center Board of Advisors. The Results Center salutes Washington Water Power for its success with the Distribution Charge and commends the utility for developing a successful portfolio of market transformation programs. In particular, we wish to recognize Bruce Folsom and Bill Johnson of Washington Water Power and Jim Nybo of the Northwest Power Planning Council for their assistance in developing this Profile.

This Profile is part of a collection of Profiles researched and published by The Results Center over the past four years. It is intended to provide a thorough understanding of the program and its unique elements. This Profile can also be used to compare this program with other programs documented by The Results Center. For a complete listing of the Profile Library see the Appendix. For additional information please contact The Results Center.

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Executive Summary

Washington Water Power's Distribution Charge, formally known by its regulators as "the DSM Tariff Rider," is the most sophisticated model of its kind and a powerful harbinger of what may well become the future predominant energy efficiency services funding mechanism in a competitive utility environment. As similar structures have been proposed by states across the nation, Washington Water Power (WWP) has not only implemented the first "non-bypassable systems benefits charge" but is also the first utility to provide results on the success of the model's implementation.

Concurrent to the introduction of the Distribution Charge was a complete overhaul of WWP's approach to energy services. WWP has refined its focus on maintaining efficiency through market transformations, developing a constructive response to regional and national pressures. Its staff and advisors created new efficiency program designs to maximize effects while minimizing costs through an emphasis on becoming technical consultants and customer-focused energy service providers.

An enabling aspect of the Distribution Charge's evolution has been the corporate culture within WWP. Despite projected excess capacity well past the year 2000, WWP's management is committed to efficiency as a customer service and in this regard has responded to competition proactively. It developed the prototype Distribution Charge long before many others were aware of the concept. It was the first utility in the Northwest to propose that its largest customers gain direct access to their choice of suppliers. The Distribution Charge provides a pay-as-you go mechanism for continuing efficiency in a direct access environment and in the future will make WWP's power prices easily comparable with competitors' rates.

The DSM Issues Group, known as "DIG," was formed at the request of WWP's regulatory commission and was comprised of WWP staff along with representatives from seven key regional agencies. The utility's openness in DIG's extensive meetings over a 30-month period have been credited with shaping WWP's progressive energy services posture. Now its initiative to open up its territory to retail wheeling fills out the model as the cost of all kilowatt-hours sold within its service territory will include the Distribution Charge.

The Distribution Charge has increased electric rates by approximately 1.55% and gas rates by 0.52%. Thus typical monthly residential electricity bills have increased by 81¢ and gas bills by 16¢,... well within the bounds confirmed acceptable by a telling customer survey conducted by an independent market research firm. Thus WWP's pioneering efficiency model provides a win-win result for utility and customers alike.

WASHINGTON WATER POWER
Distribution Charge and DSM Programs

Sector: *Prototype Distribution Charge cost collection mechanism finances extensive portfolio of electric and gas DSM programs for all retail customers*

Mechanism: *Flat 1.55% surcharge with a mean impact of 0.72 mills per kilowatt-hour applied to retail electric sales; 0.52% surcharge applied to all retail gas sales*

History: *Distribution Charge formally adopted January 1995 in Washington, March 1995 in Idaho; Charge plus new roster of "market transformation" programs approved through year-end 1996*

PROJECTED 1995-96 PROGRAM DATA

Energy savings:	94,783 MWh
Gas savings:	993,488 therms
Nominal Cost:	$11,031,654
Levelized Cost:	$9,413,310
Nominal Charge Revenue:	$9,606,177
Levelized Charge Revenue:	$8,196,951

CONVENTIONS

All Series 4 Profiles will report nominal dollar values except where expressly stated as levelized. Levelized figures, used for comparative purposes, are based on 1990 U.S. dollars. Inflation and exchange rates were derived from the U.S. Department of Labor's Consumer Price Index and the U.S. Federal Reserve's foreign exchange rates.

The Results Center uses three conventions for presenting program savings. ANNUAL SAVINGS *refer to the annualized value of increments of energy and capacity installed in a given year, or what might be best described as the first full-year effect of the measures installed in a given year.* CUMULATIVE SAVINGS *represent the savings in a given year for all measures installed to date.* LIFECYCLE SAVINGS *are calculated by multiplying the annual savings by the assumed average measure lifetime.* CAUTION: *cumulative and lifecycle savings are theoretical values that usually represent only the technical measure lifetimes and are not adjusted for attrition unless specifically stated.*

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ROGER CURTIS, ENERGY SERVICES MANAGER

Washington Water Power has forged a new path for demand-side management by developing and implementing a non-bypassable Distribution Charge for funding energy efficiency programs, what's referred to in our region as "the DSM Tariff Rider." Through this model, WWP has addressed competitive considerations and continues to provide customer-valued demand-side management. There are four items about the Distribution Charge and the 1995-96 programs that are particularly important to Washington Water Power:

First and foremost, by continuing to deliver DSM we are continuing to provide customer service. Our customers have clearly stated that they want WWP to pursue energy efficiency. Moreover, by assisting our customers in improving their own efficiency, WWP achieves one of its primary corporate objectives, notably customer satisfaction.

A second advantage brought forth by the Distribution Charge is that it provides DSM with an external source of funding, alleviating its struggle for budget dollars. DSM funding no longer "competes" with revenue producing or system reinforcement projects. Removing DSM funding from the internal capital budgeting process and avoiding the stigma of regulatory asset creation has been viewed favorably by the Company and the financial community. While a shift from capitalizing DSM to expensing may seem to be a subtle accounting change, we have found that it is a significant improvement in the eyes of financial analysts.

A third benefit of the model is realized by the DSM Implementation Group. The stable, predictable funding brought by the Distribution Charge has given staff the capability to improve its administrative efficiencies and to plan programs further into the future without the concerns of budget cuts, knowing that, if successful, the program will be continued. This reliability has also empowered our staff to take on new responsibilities and acquire additional training, allowing the staff to develop into a "self-directed team."

Lastly, the flexibility built into the target-oriented programs has allowed DSM offerings to evolve to meet customer needs. Previous DSM programs were very specific and detailed. Any changes to the programs generally required regulatory approval. The 1995-96 programs are broader in scope. Under a menu of offerings, WWP can creatively provide energy efficiency within the regulatory guidelines of cost-effectiveness, non-discrimination, etc. This ability to do "adaptive management" assists WWP in bringing energy savings while satisfying customers.

I would like to respond to one criticism I have heard in regard to the Distribution Charge concept. This criticism, stemming notably from outside WWP's service territory, is that the Distribution Charge is akin to a three letter word starting with "t" and ending with "x". To WWP, this non-bypassable charge is simply a change in accounting treatment. The previous accounting treatment placed DSM in the ratebase with carrying costs accruing until the time of the next rate case. Now, DSM is expensed in the year incurred. Thus, if DSM is a service that should be offered by a utility, then the Distribution Charge is the superior accounting mechanism given the current changes in the electric industry.

Our eighteen months of experience have demonstrated that the Distribution Charge and programs it has funded have been successful. Based on this success, WWP is seeking regulatory approval for a three-year extension to carry WWP's DSM programs through 1999. My colleagues and I believe that WWP's Distribution Charge and DSM programs are a good response, for customer benefit, to the unknown structural future of the electric industry environment.

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Program Context

WASHINGTON WATER POWER OVERVIEW

Founded in 1889, Washington Water Power Company (WWP) is an investor-owned utility headquartered in Spokane, Washington which has a service area of 30,000 square miles in eastern Washington and northern Idaho. WWP serves 287,000 retail electric customers and 217,000 natural gas customers in this region known as the "Inland Northwest." Additional gas customers are served in regions of Oregon and northern California by WWP's operating division, WP Natural Gas. [R#3]

WWP has been actively pursuing customer growth and added nearly 17,000 electric and over 16,000 natural gas customers to its system in 1995. In 1994, WWP purchased the rights to serve electricity in northern Idaho properties including Sandpoint from PacifiCorp, which contributed significantly to the 6% growth in WWP's retail electric customer base for 1995. The Company also owns Pentzer Corporation, a private investment firm with interests in businesses ranging from electronic development to consumer product promotions. [R#3]

As its name suggests, historically WWP's primary resource has been hydroelectric generation. However, this has changed as its system has grown. WWP owns and operates nine hydroelectric projects for a total peak capacity of 908 MW, along with a wood-waste-fueled generating station and two gas-fired combustion turbines, and holds ownership in two coal-fired plants and contracts with five natural gas pipelines. WWP's electric supply is also supplemented by purchases from sources including Bonneville Power Administration and Canadian utilities. The WWP system has a total resource availability of 3,855 MW to meet its peak demand of 2,545 MW including wholesale activities. Firm load for WWP's retail needs is 1,600 MW. [R#2,3]

WWP's electric rates are among the lowest in the country with an average residential rate of 4.98¢/kWh, and 5.41¢/kWh and 3.66¢/kWh for commercial and industrial respectively. In 1995, WWP's revenues from electric sales totaled $487 million, 22% of which resulted from wholesale transactions. Natural gas contributed another $174 million. Total operating revenue for 1995, including non-utility earnings, was a record $755 million.

WWP has become aggressive in the wholesale market; analysts observe that WWP responds to every wholesale power RFP posted. In 1995, WWP sold 3,909 GWh to wholesale customers for a total sales revenue of $109 million at an average price of 2.79¢/kWh. WWP enjoyed a 20% increase in wholesale power sales in 1995 and expects to double its wholesale revenue by 1997 as it markets power across the country. [R#3,5]

WWP 1995 STATISTICS		
Number of Customers	*287,089*	
Electric Sales Revenues	*$487.0*	*million*
Gas Sales Revenue	*$174.2*	*million*
Electric Sales	*11,492*	*GWh*
Gas Sales	*657,171,000*	*Therms*
Peak Demand	*2,545*	*MW*
Generating Capacity	*3,855*	*MW*
Reserve Margin	*51*	*%*
Average Electric Rates		
Residential	*4.98*	*¢/kWh*
Commercial	*5.41*	*¢/kWh*
Industrial	*3.66*	*¢/kWh*

To improve its competitive edge, in mid-1994 the boards of directors for WWP and Sierra Pacific Power Company (SPPC) proposed merging the two utilities to form Altus Corporation. After two years of negotiations and still no FERC approval, WWP reconsidered the competitive advantages of the merger and exercised its option to back out. [R#1,29]

As is the case with other hydroelectric utilities, environmental issues are a substantial concern. This is especially true in the Pacific Northwest where several indigenous species of fish, including the Snake River Sockeye, Chinook Salmon, Kootenai River White Sturgeon, and Bull Trout have been listed or petitioned as either endangered or threatened under the Federal Endangered Species Act in the past five years. While none of these listings have impacted WWP's hydro generation, they do affect some of the power purchases WWP makes from Columbia River dams. To strengthen its stewardship of river ecosystems, WWP has teamed up with Trout Unlimited to protect trout and salmon. [R#3]

DSM HISTORY

Over a seventeen-year period, from 1978-1995, WWP spent a total of $119,332,832 on electric demand-side management and $7,495,788 on gas DSM. The total DSM expenditure was $126,828,620 with $62,696,364 of that spent before 1992 suggesting a significantly increased emphasis in more recent years. Overall, WWP's efforts through 1995 have resulted in total annual electricity savings of 559.3 GWh and 2.71 million therms of natural gas.

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WWP's DSM history is divided in three distinct periods: Early efforts benefitted from the support of the Bonneville Power Administration (BPA). On a dollar-for-dollar basis, WWP's most concentrated DSM initiative was the result of its 1992-94 DSM Plan. The most recent period is the subject of this Profile and involves the combination of the model Distribution Charge and set of market transformation programs. [R#13]

Early efforts: WWP's DSM efforts began in 1978 with residential weatherization, a program which has remained in its DSM portfolio ever since. Additional residential programs funded through BPA's Conservation Buy-back provision were added to WWP's services with BPA-funded streetlighting and water heater programs joining the roster in 1982. With the availability of BPA programs and support, WWP's DSM efforts flourished in the early eighties. BPA's contribution elicited savings of 78.2 GWh. WWP continued these BPA programs through 1984 after which Residential Weatherization remained the only DSM program available from WWP. In 1987, WWP expanded its range of qualified customers for this program by adding a limited-income version, and in 1989 Residential New Construction was added. A fuel-switching pilot was conducted in Coeur d'Alene, Idaho in 1991. [R#13]

The 1992-94 DSM Plan: In 1992 WWP developed a comprehensive DSM plan which offered choices and services for all electric and gas customers. The approved set of programs, formally known as "the 1992-1994 DSM Tariff," included 12 DSM programs for electric customers and addressed its gas customers for the first time with six similar programs. The total expenditure over the three-year horizon was $59,639,966, greater than the combined total of all prior DSM efforts. [R#13]

The thrust of the 1992-94 plan was fuel switching from electricity to gas, providing needed relief for WWP's retail electric system load. In fact, WWP implemented one of the largest such programs in the country with nearly two-thirds of the total expenditure devoted to a set of fuel switching programs collectively known as Energy Exchanger. The largest fuel switching initiative involved converting residential electric space heating to natural gas. Fully 73% or 213.6 GWh of the total plan's savings involved fuel switching. Much of the fuel switching incorporated energy efficiency opportunities that created a significant part of the gas DSM savings of two million therms during this period, but gas use was certainly increased. [R#1,13]

Total DSM savings from 1992-94 reached 34 aMW while load growth for WWP during that period was 23 aMW. With achieved savings exceeding growth and surplus power available to meet demand, WWP made the decision to ramp-down its DSM efforts in 1994. Annual expenditures dropped from $29 million to $20 million with a corresponding drop in savings of nearly 50%. This cutback was not only related to its surplus capacity but also to increased competition and thus increased concern about DSM's rate impacts in light of the electric industry's shift towards competition.

The 1995-96 DSM Plan: By the close of its 1992-94 Plan, WWP realized that large DSM expenditures were neither compatible with WWP's resource needs nor the electric industry's newly competitive environment. Thus WWP significantly scaled back its DSM efforts and added a revolutionary mechanism for funding DSM expenditures. This experimental treatment took shape as the "1995-96 DSM Tariff Rider," the subject of this Profile, and what will be referred to as WWP's Distribution Charge throughout.

DSM OVERVIEW	ANNUAL ENERGY SAVINGS (GWh)	ANNUAL DSM EXPENDITURE Nominal	ANNUAL DSM EXPENDITURE Levelized
1978	1.34	$158,202	$317,132
1979	2.45	$536,000	$964,948
1980	8.77	$2,856,000	$4,530,087
1981	65.30	$10,929,728	$15,715,241
1982	41.44	$9,671,821	$13,099,554
1983	59.51	$14,202,603	$18,637,352
1984	24.86	$8,030,366	$10,101,721
1985	19.81	$3,860,848	$4,689,710
1986	15.03	$5,323,035	$6,347,816
1987	7.00	$1,575,760	$1,812,956
1988	1.46	$382,705	$422,819
1989	2.85	$560,876	$591,181
1990	4.18	$805,669	$805,669
1991	11.48	$3,802,752	$3,642,728
1992	50.92	$11,027,977	$10,245,904
1993	153.61	$28,796,051	$25,953,016
1994	89.16	$19,815,938	$17,402,208
1995	0.13	$4,492,289	$3,833,290
Total	559.29	$126,828,62	$139,113,33

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Preparing for Competition

COMPETITIVE STRATEGY

Washington Water Power is clearly an example of a utility that has turned the threat of competition into an exciting opportunity. WWP staff have been busily preparing for what it considers the inevitable, far more competitive utility environment. While the utility's Board of Directors has traditionally been proactive, its addition of General Norman Schwarzkoff to the Board was symbolic of its aggressive stance.

Jim Nybo of the Northwest Power Planning Council commented that WWP has forged a highly constructive response to industry pressures and has effectively turned the tables of competition. Bolstered by enviably low power rates, WWP is poised to benefit from direct access, building load while many other utilities fear the erosion of customers, load, and thus revenues. It is in the midst of an aggressive growth period and has experienced steady growth in both electric and gas retail sales as well as in the electric wholesale market. WWP's sales and service network now covers the entire Northwest region and is spreading throughout the West. [R#3,5]

As an entrepreneurial company, WWP has also begun to advance into the national energy services market. In May of 1996 it established WWP Energy Solutions, an unregulated subsidiary which will market WWP's energy services nationally. The Company seeks to form partnerships through energy services that will later lead to energy sales as the market opens to full competition. [R#1,2]

WWP has taken an additional bold step to advance the transition to retail wheeling in the Northwest by proposing a plan to its Washington commission for opening WWP's system up for large industrials. The commission approved the filing on June 26, 1996, marking the first incident of open competition in the retail market in the Northwest. [R#20]

DSM IN A COMPETITIVE ENVIRONMENT

Intent on maintaining its commitment to DSM, Washington Water Power has met the challenge of supporting DSM in a restructured market despite surplus capacity which is anticipated to last well past the year 2000. WWP strategists recognize the values of DSM to the utility and its customers as DSM not only supports the Company's desire to promote efficiency and resource diversity, but also provides customers with energy options and services. Many efficiency advocates welcome WWP's resolution to maintain and enhance the quality of energy efficiency services for its customers despite surplus, and applaud the utility for taking such a bold and progressive, long-term position. WWP has exhibited a leadership role in the region while many other regional utilities are slashing their DSM spending.

WWP's goal has been to find a means to, "more cost-efficient acquisition of DSM," striking a balance among the many issues that surround DSM acquisition in the face of the changing utility environment including possible retail wheeling. To reach this goal, WWP has tempered its DSM programs to fit a competitive market and developed a revolutionary mechanism for funding DSM which has caught the industry's attention. [R#4]

THE 1995-96 DISTRIBUTION CHARGE

Competition in the electric utility industry is acutely felt in the Pacific Northwest despite the lowest power rates in the country. WWP's remedy for competitive pressures to DSM has been to form a Distribution Charge that all customers will pay regardless of their eventual choice of suppliers. (Other names are also being used to describe this mechanism including "wires charges" and "systems benefits charges." See Transferability section for a complete discussion of various permutations of this new class of surcharges.) The Distribution Charge is attached to the distribution portion of WWP's energy service. Distribution charges may ultimately be used to fund a number of activities, but at WWP the surcharge has been solely used to fund DSM.

The Distribution Charge features two very important aspects related to competition: First, it allows the utility to collect revenues to pay for DSM costs up front, providing ongoing re-

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covery of DSM costs at a stable rate. This enables the utility to move away from its practice of capitalizing (or "ratebasing") DSM costs, thereby avoiding the accumulation of "regulatory assets" and the need for complex and potentially controversial cost recovery. WWP learned the hard way that capitalizing DSM can provide for shareholder incentives, but also creates a future burden on the utility as well as concern among financial rating agencies. By expensing rather than capitalizing its DSM costs, as is the case with the Distribution Charge, WWP customers will experience lower DSM costs. In fact, on a dollar-for-dollar basis, expensing reduces program costs by at least 15% by eliminating the income tax effects and shareholder returns associated with capitalizing DSM over time.

Second, the Distribution Charge is and will be applied to all electricity distributed over WWP's system. Thus in a direct access environment WWP will not suffer competitively from the rate impacts of its DSM offerings because the same charge will be levied on all other power sales in its territory. In this way, DSM can be maintained and refined in the region for the benefit of all and delivered by WWP as a new form of energy service. [R#1,2,5]

Bruce Folsom of WWP's Rates and Tariffs Administration and his colleagues identified several seemingly conflicting concerns which had to be appropriately addressed when designing WWP's new DSM strategy. These included the harmful accumulation of regulatory assets; the desire to continue DSM; the business perspective of a utility entering competition; regulatory concerns; and shareholder obligations. Some of these concerns have led many utilities to abandon DSM altogether. WWP, however, looked not only at the added costs of DSM but the added value in its decision to continue to provide such services. In order to develop a strategy, WWP called on all available information resources to help define its needs and direction for the new market. [R#1]

DESIGN CONSIDERATIONS

Learning from the 1992-94 DSM Plan: WWP's 1992-94 DSM Plan tested a robust portfolio of programs which were supported by WWP's largest DSM budget. Over the three-year period, however, the utility witnessed a dramatic industry shift toward competition. With the need to keep operating costs lean and given WWP's surplus power, DSM efforts were ramped down in the final year of the plan, a decision which received a negative response from DSM advocates.

WWP's 1992-94 DSM filing also provided for capitalizing DSM investments to earn shareholder incentives and the deferral of amortization of those assets until the utility's next rate case. By capitalizing and deferring its DSM costs, WWP accumulated nearly $60 million in regulatory assets and about $8 million in carrying costs associated with this investment which were accrued through Allowance for Funds Used to Conserve Energy (AFUCE). As part of the commission approval of the 1995-96 Tariff filing, WWP began amortizing its $68 million DSM investment in January of 1995 and accelerated the amortization period from 21 to 14 years in Washington and 15 years in Idaho. This action has halted the collection of further AFUCE charges. At the time of its next rate case, WWP may incorporate recovery on the balance of this debt into its rates. Thus while WWP's practice of capitalizing DSM expenses and deferring its amortization seemed prudent at the launch of the 1992-94 Plan, given the major competitive shifts in the industry overall, its regulatory assets had quickly become unattractive. [R#1,2]

The DSM Issues Group: In 1992, at the request of its regulators, the Washington Utilities and Transportation Commission (WUTC) and the Idaho Public Utilities Commission (IPUC), WWP established the DSM Issues Group (DIG) to serve as an advisory committee for its DSM activities. DIG members were comprised of representatives from WWP and seven external agencies: WUTC, IPUC, the Public Council, Washington State Energy Office, Northwest Power Planning Council (NWPPC), Spokane Neighborhood Action Program, the Northwest Conservation Act Coalition, and the Washington Industrial Customers for Fair Utility Rates (WICFUR). Most of these agencies had one representative participate in DIG. WWP sent 7-8 representatives to each meeting including non-managerial staff who were encouraged to speak freely.

The DIG approach was reinforced by WWP's distinctive corporate culture and not only helped to refine the 1992-94 program offerings but also set the stage for the design for both a new cost collection mechanism and a new set of programs appropriately tailored for industry competition. DIG met 24 times over a period of 30 months and primarily focused on the economics of DSM in an increasingly competitive utility environment. [R#1,2,5]

DIG's initial activity was to review 10 points submitted by the WUTC related to WWP's 1992 DSM filing. The Commission felt it was necessary to address these issues in a separate forum because they had not been adequately addressed in the Integrated Resource Planning (IRP) context. DIG enabled agencies to talk directly with program managers and their staff as well as representatives from WWP's Rates Department about issues related to DSM. Input from DIG members resulted in a number of programmatic adjustments to the 1992-94 Plan along with harsh criticism when WWP ramped down its DSM efforts in 1994. While the exchange provided WWP with helpful insights to DSM-related matters, it also led to strenuous modification of the DSM programs and exposed the utility to conflict over its DSM pursuits. [R#1,2,6]

Latter meetings of the group addressed concerns with proposals for the utility's future DSM activities. As WWP was determining what steps to take in regards to DSM once the 1992-94 Plan was concluded, it was apparent that expenditures and thus DSM acquisition were going to be rolled back considerably. Several members of DIG expressed objection to the major cuts in DSM acquisition proposed by WWP. In fact, this matter was never resolved before the dissolution of the Group. DIG was disbanded in 1994 although there were a few informal group meetings in 1995 and 1996. To assist in the development of its 1997-1999 DSM Plan, WWP established a new advisory group, the DSM Opportunity Group or "DOG" which began meeting in May of 1996. [R#1,2]

While WWP's DSM cutback toward the end of its 1992-94 Plan and reducing the expenditure level even further for its 1995-96 Plan was criticized by some DIG members, this reaction to competition was hardly unique to WWP. DSM savings projections for the Northwest region overall have fallen from 120 aMW in 1994-95 to 70 aMW for 1997-98, reflective of concerns associated with competition, the loss of BPA support for efficiency, and utilities' wariness about incurring additional long-term debt. [R#1,2,5]

Corporate considerations: Recognizing its mission to operate a prosperous utility while focusing on customer satisfaction, loyalty, and retention, WWP outlined certain corporate objectives for continued acquisition of DSM. Considerations for future DSM activities included maintaining continuity in the promotion and support of energy efficiency; providing long-term resource diversity; recognizing the timing of resource needs; promoting the transformation of consumer markets to energy-efficient choices; and providing customer service value. These corporate objectives provided direction for the 1995-96 DSM Plan which fundamentally called for the conversion of DSM programs from the provision of cash incentives to the promotion of market transformations and enhanced customer service. To their credit, the visionary architects of the Distribution Charge were able to accomplish multiple and seemingly conflicting objectives and to provide a model structure well suited for a competitive environment. [R#4]

The Customer Survey: While WWP officials were quite confident in their decision to fund DSM through the implementation of a Distribution Charge, to ensure that their assumptions were indeed in line with their customers' desires, a survey was carried out by an independent research firm. It conducted a telephone survey using a random sampling of 300 residential gas and electric customers who were called in July and August of 1994. The survey had a confidence level of 95% with a sampling error range of +/-5.7%. [R#4]

The survey found that 83% of the customers queried would be willing to pay up to $1 more a month for WWP to be able to offer new energy efficiency programs to all customers. Ad-

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ditionally, 69% of those surveyed indicated that they would rather pay $1 a month starting immediately rather than paying $1.50-1.75 six months later. (The latter being, of course, how WWP's capitalized and deferred DSM expenditures had functionally performed.) Of those surveyed, 65% had never participated in any previous WWP energy efficiency programs. These findings provided the assurance that a relatively small surcharge would be acceptable – even to those that had historically been program non-participants – and that expensing DSM costs was favorable to capitalization costs which functionally postponed costs but also increased the DSM rate impact. [R#4]

DETERMINING DSM ACQUISITION AND BUDGET

As the 1995-96 DSM Plan was being designed, WWP had enough capacity to meet demand projections through 2006 and enough energy through 2010. Load forecasts showed a compound demand growth rate of 0.8% over the next 20 years adding 75 aMW to the system and 14 aMW during 1995-96. Given the excess in WWP's power supply, the system's projected growth was not a problem and from a system capacity standpoint there was no operational need for large-scale DSM programs. Nevertheless, WWP's executives recognized DSM as an important strategic tool with customer service value and societal benefit and the strength of these aspects was enough to maintain WWP's commitment to DSM. [R#1,4]

WWP strategists then grappled with setting savings goals for the upcoming filing. It was clear that WWP's DSM goals and expenditures needed to be reduced from previous levels in order for the utility to maintain its competitive edge. In the end, a DSM acquisition level of 11 aMW was set for the 1995-96 Plan, 5.7 aMW and 5.3 aMW in each of the two years respectively. This was a noticeable decrease from the previous DSM effort which had set a DSM goal of 28 aMW over a three-year period and which actually achieved 34 aMW savings. However, the proposed levels were higher than those specified in WWP's 1993 IRP which included savings targets of approximately 4 aMW of DSM annually. [R#4]

Identifying realistic levels for DSM acquisition was only half of the question as determining a reasonable price to pay for DSM acquisition was equally important. Staff members from several different utility departments worked together to derive a budget which could realistically achieve acceptable DSM goals. WWP concluded that $5 million in Distribution Charge revenues annually would allow the utility to create a respectable level of savings and keep the average rate impact under a dollar a month for residential customers. Staff were concerned that any higher level of expenditure might lead to customer objections.

When considering this overall level of expenditure on a per kilowatt-hour basis, the funding for DSM was equal to 1.55% of the rate for electricity and 0.52% for gas. WWP strategists agreed that this was an acceptable increment to be added to customers' bills. In fact, the Distribution Charge would have less rate impact than the cost of the 1992-94 programs. And, at the proposed levels, WWP's overall DSM expenditure would be equivalent to 1.2% of its revenues, consistent with an Oak Ridge National Laboratory study which revealed that the average 1992 utility DSM expenditure was 1.3% of total revenues. [R#4]

One element which was not factored into the equation was lost revenues created by efficiency programs. While staff suggested that it would be preferable to collect lost revenues through the Distribution Charge, WWP did not want to complicate the approval process and elected not to factor lost revenues into the equation. Thus, in a departure from the regulatory reforms initiated in the early 1990s that were intended to promote DSM – capitalizing costs, allowing for collection of lost revenues, and the provision of shareholder incentives – WWP appeared to have come full circle as it had found a simple funding mechanism to pay for valued customer energy efficiency services. Staff and management agreed that providing customer value in a time of increased competition – essential to retaining customers in the future – was enough of a shareholder incentive for DSM.

THE 1995-1996 DISTRIBUTION CHARGE

1995-96 DSM filing: WWP filed its 1995-96 DSM Plan with the Washington and Idaho regulatory commissions on October 25, 1994. The DSM Plan included a savings goal of 5.7 aMW for 1995 and 5.3 aMW savings for 1996 and a budget of $5.7 million in 1995 and $3.7 million in 1996. Additionally, WWP proposed to pursue gas savings of 198,500 therms in 1995 and 174,000 therms in 1996 at a budgeted cost of $475,000 and $378,000 respectively. Submitted with the Plan was WWP's landmark proposal for an experimental accounting treatment, the Distribution Charge which would be associated with the utility's distribution system for the purpose of funding the proposed DSM activities. [R#4]

Commission Approval: The filing was approved by the WUTC on December 14, 1994 and put into effect in Washington on January 1, 1995. The Idaho PUC approved the DSM programs outlined in the filing December 20, 1994 but did not approve the Distribution Charge until March 3, 1995. For this reason, the Charge did not take effect in Idaho until March 10, 1996. Both the WUTC and IPUC responded to the filing with a list of modifications and clarifications required for approval. These considerations were shared by both the Idaho and Washington commissions. They included a number of provisions: WWP was required to assume all responsibility for under collection of revenue. WWP was required to assume any risk due to adverse tax treatment. WWP agreed that its DSM expenditures would be subject to prudency reviews. In Washington, WWP was required to begin amortizing its post-1991 DSM expenditures over a 14-year period starting January 1, 1995. (A 15-year amortization schedule was established in Idaho.) Finally, the Distribution Charge was approved for a two-year period only from 1995 to 1996 at the end of which it would be evaluated. Additionally, the WUTC clarified that the Distribution Charge was approved on an experimental basis only and was not to set a precedent for cost recovery mechanisms indiscriminately. [R#7,8,9]

Application of the Distribution Charge: The Distribution Charge is applied to retail electricity distributed over WWP's distribution system and to company-owned and customer-owned street and area lighting rates. Similarly, WWP's retail gas customers are subject to the Distribution Charge. Customers holding special contracts with WWP for electricity and gas are exempt from the Charge. Additionally, WWP's recent acquisition of the Sandpoint region from PacifiCorp is not subject to the Charge in keeping with WWP's transfer agreement with PacifiCorp to decrease Sandpoint's rates by 1%.

The Amount of the Distribution Charge: The 1995-96 Distribution Charge as designed by WWP is actually a set of charges which vary for electricity and gas sales in two states. There is no cross-subsidization between fuels or states and WWP's calculations for determining the amount of Distribution Charge on a per kilowatt-hour or per therm basis were based on 1993 actual sales which were weather normalized. [R#4]

The Charge levies a 1.5481% assessment to all electric customers in Washington and Idaho, and given the different rates in those states, the actual rate impact varies. The Charge's rate impact in Idaho ranges from 0.46 mills to 1.08 mills for various customer classes for a mean impact of 0.71 mills. In Washington, impacts range from 0.47 mills to 1.03 mills for a mean impact of 0.73 mills. The total projected 1995 revenue from the Distribution Charge on electric rates was $4,650,000. [R#4]

For gas customers, the surcharge adds a 0.52% increase to gas rates. The rate impact for Idaho ranges from 0.189¢/therm to 0.258¢/therm for a mean impact of 0.243¢/therm. In Washington, the rate impact ranged from 0.134¢/therm to 0.192¢/therm for a mean of 0.174¢/therm. The total projected 1995 revenue from the Charge on gas rates was $427,000. [R#4]

The Charge's impact on customer bills: In Washington the Distribution Charge results in an approximate 81¢ increase in typical monthly residential electric bills and a 16¢ increase to gas bills. In Idaho the bill increases are approximately 78¢ and 18¢ for electricity and gas respectively. Of course the stated impacts reflect only bill increases resulting from the Distribution Charge but do not include any bill reductions resulting from the ensuing DSM programs. Program participants, as in other DSM programs, will experience positive cash flow despite the surcharge.

Excess and shortfalls in Distribution Charge revenues: WWP staff determined the cost of the Distribution Charge such that the revenue collected closely matches the anticipated DSM costs. The approved filing calls for the extension of DSM programs until any remaining balance is fully expended to avoid additional rate fluctuations. In the case of revenue shortfalls, WWP originally proposed that the Distribution Charge be continued until a zero balance is reached. However, the WUTC specified that WWP assumes the responsibility for any DSM expenses which are not met by the Charge. [R#1,4]

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CUSTOMER CLASS	WASHINGTON		IDAHO	
	RATE INCREASE	% INCREASE	RATE INCREASE	% INCREASE
ELECTRIC CUSTOMERS	(mills/kWh)		(mills/kWh)	
Residential	0.73	1.5481%	0.7	1.5481%
Small Commercial	1.03	1.5481%	1.08	1.5481%
Large Com'l/Small Ind'l	0.75	1.5481%	0.71	1.5481%
Large Industrial	0.47	1.5481%	0.46	1.5481%
Pumping	0.61	1.5481%	0.76	1.5481%
Street & Area Lighting	NA	1.5481%	NA	1.5481%
Average	0.73	1.5481%	0.71	1.5481%
GAS CUSTOMERS	(¢/therm)		(¢/therm)	
Residential	0.192	0.52%	0.258	0.52%
Small Commercial	0.149	0.52%	0.215	0.52%
Large Commercial/Industrial	0.134	0.52%	0.189	0.52%
Average	0.174	0.52%	0.243	0.52%

Keeping its customers informed: WWP has placed significant effort on keeping its customers informed of its progressive new funding mechanism for DSM and of its program offerings. The first billing cycle in 1995 included a notice to customers explaining the Charge's purpose and magnitude. Similarly, the Distribution Charge was fully explained in a customer brochure titled, "How To Calculate Your Bill." The Distribution Charge, however, is included in the regular rate and does not appear as a separate line item on customers' bills. [R#6]

THE 1995-96 DSM PLAN

Designing a new portfolio of programs: In rethinking DSM WWP not only considered the funding of DSM programs but the programs themselves. The Distribution Charge was only half of the formula presented by WWP as the changing face of the electric utility industry called for a new means of delivering energy efficiency services to the market. Maximizing the effect while minimizing expenditures became an important part of the equation. WWP made some notable adjustments to its DSM portfolio, relying less on incentives and rebates and more on market transformation and education.

The 1995-96 DSM Plan continues several programs that were previously implemented. In some cases, these programs were included only to complete existing activities and commitments and were scheduled to "sunset" in 1995. These existing commitments represent the bulk of WWP's programs which rely on large incentives. Some of these programs have been or will be redesigned or replaced to target the same markets using smaller or no cash incentives at all.

The Plan also includes three C/I pilot programs reflecting WWP's heavier concentration on those customer classes. This uneven emphasis on the commercial and industrial sectors is intentional, offsetting the heavy residential focus of the 1992-1994 Plan. WWP's aim is to even out the expenditures for the collective five-year period of the two DSM plans in order to nullify any concerns of class cross-subsidization. [R#4]

THE 1995-96 DSM PROGRAMS

CARRYOVER PROGRAMS

MAP Energy Efficiency: WWP began the Manufactured Home Acquisition Program (MAP), a BPA-administered program, in 1992 and continued it through July of 1995. (See Profile #30) This market transformation program for manufactured homes provided incentives for manufacturers of energy-efficient, electrically heated manufactured homes meeting BPA specifications. Manufacturers of qualifying homes received a payment of $1,500, an incentive which was reduced from $2,500 as the program was able to rely less on cash and

PROGRAM	NEW PROGRAM	CASH INCENTIVES	MARKET TRANS.	SUNSET
ELECTRIC PROGRAMS				
MAP Energy Efficiency		✔	✔	Jul-95
MAP Fuel Efficiency		✔	✔	Jul-95
Residential New Construction		✔	✔	Mar-96
Non-Residential Energy Code		✔	✔	Mar-97
CFL Rebate		✔	✔	Nov-95
Residential Weatherization		✔		Dec-96
Limited Income Energy Efficiency		✔		Dec-96
C/I Site Specific		✔		Dec-96
Natural Gas Awareness	✔		✔	
Resource Conservation Manager	✔		✔	pilot
C/I Building Commissioning	✔	✔	✔	pilot
C/I Trade Ally	✔		✔	pilot
GAS PROGRAMS				
Residential Weatherization		✔		Dec-96
Limited Income Energy Efficiency		✔		Dec-96
C/I Gas Efficiency		✔		Nov-96
Resource Conservation Manager	✔		✔	pilot
C/I Building Commissioning	✔	✔	✔	pilot
C/I Trade Ally	✔		✔	pilot

All pilot programs included in the 1995-96 DSM Plan expire at year-end 1996.

more on the transformation created by the program's effect. Originally scheduled to sunset in March of 1996, the program closed in 1995.

WWP is continuing to support efficient manufactured housing through the **MAP Certification program.** This latest rendition of the BPA-administered MAP program replaces incentives with inspection and certification of units which meet program efficiency standards. Those utilities in the region who also participate in BPA's Super Good Cents program (See Profile #7) have attempted to piggyback on its name recognition by calling certifying qualified units "Super Good Cents Manufactured Homes." [#2]

MAP Fuel Efficiency: An evaluation of the MAP program revealed that it was significantly influencing fuel choice in manufactured homes. To counteract this situation, WWP offered an additional program to manufactured home purchasers who elected to site a gas space and water heating unit within WWP's electric service territory. The incentive covered the additional costs of installing gas heating up to $500. This program also closed in July 1995.

Residential New Construction: The New Residential Construction program has been implemented to encourage efficiency in new homes through grants for the installation of weatherization materials and efficiency measures for customers building new electrically heated homes. Washington customers receive $900 for single family homes under 2,000 square feet and $390 for multi-family units. In Idaho, customers received an incentive of 40¢ per square foot up to $720 (1,800 square feet) for single family and 20¢ per square foot up to $255 (1,275 square feet) for multi-family units. The program was extended only to Washington customers that were issued

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building permits prior to July 1, 1995. The cut-off date in Idaho was March 15, 1996.

Non-Residential Energy Code: WWP supports the State of Washington's new non-residential energy code. WWP and other participating utilities assist their customers with code compliance by paying all or part of the cost of the standard fee levied on non-residential developers. The fee covers code enforcement training, plan review, and inspection. WWP paid the full fee for buildings permitted from April 1, 1994 through December 31, 1995. For buildings permitted from January 1, 1996 through March 31, 1997 WWP pays half the cost.

Compact Fluorescent Lightbulb Rebate: WWP's Compact Fluorescent Lighting (CFL) rebate program was also carried over from the 1992-94 DSM Plan. In a effort to move the market towards CFLs, WWP offered a $5 point of purchase rebate for up to five bulbs to its customers. To be eligible for the rebates, request forms needed to be postmarked by November 30, 1995. By continuing the program through that date, WWP fulfilled its goal to run a CFL program for three years.

Completion of this program has allowed WWP to begin a new initiative for the lighting market. WWP has joined other utilities in the region in launching **LightSaver**, a manufacturer's rebate program for CFLs. (See also Profile #113) Shifting the incentives "upstream" in the production and distribution channel for CFLs, from consumer to distributor to manufacturer, highlights WWP's efforts to decrease its levels of incentives while continuing to support important market transformations.

Residential Weatherization: WWP is continuing its longest running program, offering weatherization rebates at 25¢/kWh for first-year savings up to 50% of the measure cost. The funding level for this program was decreased in this filing from 41¢/kWh and windows are no longer an eligible measure for the rebate. The program also provides a $25 incentive for water heater blankets. Customers with electric heat wishing to participate in this program must use at least 4,000 kWh annually to heat their home in order to qualify. Applications must be received no later than December 2, 1996. Residential Weatherization is one of WWP's few direct incentive programs; WWP also provides weatherization to gas customers carried over from the previous gas weatherization program.

Limited Income Energy Efficiency: The Limited Income Residential Energy Efficiency program combines the weatherization and fuel switching efforts from two previous programs. In collaboration with other agencies WWP provides funding for weatherization and fuel switching installations. A direct incentive of 40¢/kWh for first-year savings up to $1,600 per home is issued by the program to agencies providing weatherization assistance. Customer who heat with gas receive $4.95 per therm saved up to $1,000 per home. The program is available to all residential customers with an income at or below 125% of the national poverty level and will run through year-end 1996.

Commercial/Industrial Site-Specific Measure Funding: Commercial and industrial customers, as well as developers whose properties were to be purchased by future WWP customers, were eligible for funding of efficiency measures installation regarding HVAC and refrigeration, controls, motors and drives, and other process modifications. Pending approval of the engineering estimate of potential savings, WWP funded up to 50% of the incremental measure cost or the equivalent of the first year's kWh savings at 5¢/kWh, whichever was less. The program expired year-end 1996 and applicants have until December 1, 1997 to complete projects and necessary filings for funding.

Commercial/Industrial Gas Efficiency: The Commercial/Industrial Gas Efficiency program is a continuation of an existing program which provided C/I gas customers with funding for gas-saving measures. The amount of funding available was changed for the 1995-96 DSM Plan to the lesser of either half of the total measure costs or an equivalent to the saved energy using a rate which varies according to measure life. The program expires November 30, 1996 and projects must be completed by December 2, 1997.

NEW PROGRAMS

Natural Gas Awareness Program: To promote the use of natural gas as a residential heating fuel, WWP has launched an awareness program. Education on natural gas benefits is delivered using several means including the media and advertising. WWP has already launched a major brochure mailing, targeting natural gas candidates who are currently heating with electricity. To further encourage switching to natural gas, WWP offers zero down, no fee, market-rate financing to residential customers for the installation of gas-heating equipment.

This new program stands as a strong example of how WWP's program shift has worked. The previous DSM plan was dominated by WWP's fuel switching efforts collectively known as the Energy Exchanger program. Through Energy Exchanger WWP was distributing incentives from $2,700-3,300 per household and the program had 3,000-5,000 participants each year. Given this success, DIG members were upset that WWP was

discontinuing its fuel-switching incentive. However, the Natural Gas Awareness program succeeded in drawing 1,300 participants in 1995 while eliminating the cash incentive and replacing it with attractive financing using no incentive at all.

Resource Conservation Manager Pilot: The Resource Conservation Manager (RCM) pilot market transformation program aims at improving the efficiency in public schools. WWP will guarantee the salary of two RCMs hired from current school district staff who will work with school district faculty, staff, and students to reduce resource consumption in district facilities. Each RCM will have a jurisdiction of 25-40 schools. WWP will assist in funding the training for RCMs as well as the computer tracking system.

Commercial/Industrial Building Commissioning Pilot: WWP is offering a pilot DSM program for 6-10 commercial entities that will become WWP customers. The pilot offers funding of the lesser of either $10,000 per building or the actual cost of commissioning and will expire at year-end 1996.

Commercial/Industrial Trade Ally Pilot: WWP will work with C/I customers and trade allies to identify energy-saving projects which are being blocked by market barriers. The program provides a variety of assistance including partial funding of feasibility studies, measurement and evaluation of project savings, and any other service or assistance agreed on by the customer and WWP. The utility will fund projects at 5¢ per kilowatt-hour saved for up to the first year's energy savings.

MARKETING

As WWP makes its journey from being a "grant dispenser" to technical consultants and customer-focused service providers, marketing becomes an ever more essential element of success. Program leaders recognize that strong marketing and solid communication with customers must compensate for having less incentive dollars available to attract customers to programs. This is the first crucial step toward forming partnerships with customers and building cusomter loyalty.

WWP's commitment to an emphasis on building customer relations has defined WWP's marketing strategy for its commercial and industrial customers. Marketing and DSM representatives have invested a greater amount of time with WWP's C/I customers, informing them of the added values of energy efficiency and the opportunities available to them at WWP. Technical seminars on subjects such as HVAC, lighting, and indoor air quality have been conducted and have included vendors and trade professionals. Typically these seminars have attracted 60+ participants, underscoring the interest that WWP has generated in efficiency in its service territory. WWP representatives follow up the seminars with personal calls and visits to the attendees.

WWP has not only concentrated on building relations and partnerships with its customers but building a network with professionals as well. As part of its evolution from incentives to customer assistance, WWP has expanded its services available for customers. Partnering with third-party contractors, engineers, and lenders enables WWP to connect its customers to the technical and financial support they need for implementing energy efficiency. Overcoming customer barriers through third-party partnerships is the central thrust behind the Trade Ally Pilot.

Marketing through the mail has proven quite successful. Through its Natural Gas Awareness program, WWP contacted 25,000 potential fuel switching customers by mailing them a brochure detailing the savings and benefits of switching to natural gas. This program has been quite successful in proving that participation can still be achieved without incentives. Added support for all of WWP's programs is given through basic marketing methods such as bill stuffers, media advertisements, and through the Internet at www.wwpco.com.

STAFFING REQUIREMENTS

The development of the Distribution Charge and 1995-96 DSM Plan benefitted from the insights and participation of staff from five separate WWP departments. Contributions were made from Rates and Tariff Administration, DSM Planning and Evaluation Department, Electric Power Supply, Gas Supply, and DSM Implementation. This "across the board" representation in the process ensured that the various aspects of the utility were considered in formulating an appropriate approach to energy efficiency. The core planning committee consisted of seven people who participated in the DIG meetings as well. However, as many as five to ten others also participated in the process. These strategists pieced together information from both internal and external parties, drawing from both past experience and customer input to design the Distribution Charge. Implementation of the DSM Plan has been carried out by a full time DSM Implementation staff of five, including Energy Services Manager, Roger Curtis, and support by three evaluation staff members. In addition, there are nine to ten core contractors which Curtis and his staff rely on to deliver programs. [R#1,14]

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One major change in WWP's DSM posture has been its relaxed emphasis on monitoring and evaluation (M&E) of program savings. For its 1992-94 DSM Plan, each program was fully evaluated with both a process and impact evaluation. This required a corporate commitment of approximately $1.5 million over the three-year planning horizon. In contrast, the budget for the 1995-96 DSM Plan is only on the order of $50,000, signifying a fundamental difference in its programs from DSM as a regulated activity to DSM as a desired customer service offering.

In the past, regulators in Washington, Idaho, and for that matter states across the nation have carefully scrutinized DSM program costs to make sure that ratepayers have truly benefitted from and have been treated equitably by comprehensive programs and most importantly from rather lavish incentives. Now as WWP has modified its programs to support more subtle shifts through market transformations and education, and as the utility has reduced its overall expenditures, its emphasis on evaluation has been eased off, suggesting that the ultimate test of its new programs' effectiveness will be consumer response instead of regulatory approval.

Programs in the 1992-94 DSM Plan, including the disproportionately large Energy Exchanger offerings, were carefully evaluated to determine reliable estimates of savings produced by all measures installed. WWP has continued to use findings from these proven methods for quantifying program savings for the carryover programs in 1995-96. Established methodologies for determining program savings include a prescriptive approach using data collected from impact studies, billing analyses, and engineering estimates. Having established mechanisms for calculating energy savings has and will save WWP a considerable amount of M&E dollars for its 1995-96 Plan.

What is different between WWP's previous and current DSM Plans is the fundamental shift toward market transformation programs. Bill Johnson of WWP's DSM Planning and Evaluation Department notes that for these types of programs, the more traditional tests of program cost-effectiveness no longer apply. Because WWP's newer program's focus on providing the customer with information and technical assistance, rather than issuing a set rebate for each unit of equipment installed, their performance is more difficult and perhaps impossible to accurately track. Thus, evaluation efforts for the current DSM Plan have focused on the qualitative impacts of the programs. For example, the CFL Rebate program focused on calculating energy savings based on established savings estimates and units sold through the program. Future evaluation efforts for the LightSaver program will examine penetration and market transformation, relying primarily on store surveys.

WWP's pilot programs will necessarily require monitoring since achievable savings are ambiguous at this point. In the case of the Resource Conservation Manager pilot, tracking program savings is a necessary function of the program, as WWP is responsible for any portion of the RCM's salary which is not recuperated through savings. Thus WWP has contracted an energy service company to determine the baseline consumption and estimated savings for participating schools.

For the Building Commissioning pilot program WWP will investigate numerous methodologies for evaluating program performance. The Building Commissioning pilot will benefit heavily from methodologies developed by the BPA and now defunct Washington State Energy Office, both of which are experienced in implementing commissioning programs. The Trade Ally pilot, on the other hand, will rely on site-specific engineering estimates along with follow-up surveys.

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Program Savings

ELECTRIC SAVINGS

Electric savings for the 1995-96 DSM plan through April of 1996 totaled 36,704 MWh, 38.7% of the projected savings for the two-year plan and 38.0% of its originally budgeted savings. These figures however, do not give a just representation of the plan's performance to date since the reported figures do not account for savings which will occur for projects not yet completed nor for projects which are completed but have not yet been monitored for savings. New programs also require a certain amount of time to get started and as such are not expected to produce immediate savings. Thus the overall actual savings do not provide a complete picture of how the current programs are performing. WWP's Bruce Folsom and Bill Johnson, both of whom have heavily participated in the development of the Distribution Charge, have indicated that the 1995-96 DSM Plan is on track for reaching its projected savings. [R#1,2,10,11]

Carryover Programs: Of WWP's pre-existing programs, Residential New Construction has been the most successful, achieving near four times its original budget of 613 MWh. With savings of 2,278 MWh to date, the program is projected to save a total of 2,540 MWh for the two-year period. MAP Energy Efficiency has also garnered greater savings than expected as more than the predicted number of qualifying manufactured homes were placed in WWP's territory. MAP has produced a total annual savings of 4,117 MWh as of April 1996 and is expected to save 7,796 MWh by year-end.

In contrast, the MAP Fuel Efficiency and CFL Rebate captured much less than their budgeted levels of savings before closing. Similarly, Residential Weatherization and Limited Income Energy Efficiency have achieved 36% and 46% of their original budgeted savings to date. Projected savings for both these programs have been scaled back somewhat in recognition of the fact that after twelve years of running the program the available market is saturated. WWP's C/I programs have reported low savings levels to date, undoubtedly due to the longer implementation time that larger projects require.

New Programs: Over half of the total savings to date achieved by WWP's 1995-96 DSM Plan has been accomplished through the fuel switching effort, Natural Gas Awareness, which has produced an electricity savings of 18,659 MWh. Of course, the electric "savings" represent only a shift from electricity consumption to natural gas consumption, DSM but not thermodynamic efficiency per se. WWP's pilots are still in the process of starting up and, as such, have given no indication of whether they will be successful or not. [R#10]

GAS SAVINGS

Total gas savings through April 1996 was 196,042 therms, equivalent to 45% of the originally budgeted savings for the gas side of the DSM plan. Based on results to date, the original budget has been increased by 130% to 993,488 therms. Again, these figures do not reflect the performance of the pilot programs which have not reported savings yet. [R#11]

WWP's Gas Residential Weatherization activities included in the table reflect an enormous carryover of participants from the 1992-94 DSM Plan. With sizable obligations remaining from the previous plan, WWP did not include any new efforts for gas weatherization but focused only on addressing these spillover customers.The program's spillover achieved the greatest savings with an annual total of 94,485 therms. High Efficiency Appliance Education was included in the original budget but was cancelled. [R#11]

The C/I Gas Efficiency program has also performed well. Savings to date have totalled 88,336 therms, 46% of its original budget. Based on this level of achieved savings, which does not reflect those projects which are not completed or have not been verified, the program's savings projections have been boosted to 827,046 therms, over four times its original expected savings. [R#11]

VARIATIONS FROM THE FORMER DSM PLAN

Electric Programs: WWP's 1995-96 DSM Plan is expected to achieve a total savings of 94,783 MWh over a two year period, one-third of the 1992-94 DSM Plan savings of 293,690 MWh over three years. Thus, if WWP meets its 1995-96 goals, its savings will be equivalent to half the 1992-94 Plan when taking into account the difference in time. [R#10,13]

Gas Programs: WWP's new DSM Plan is expected to save a total of 993,488 therms of gas, 38% of 1992-94 DSM Plan accomplishments of 2,551,940 therms. C/I Gas Efficiency accounts for 827,046 therms, or 83% of the projected total. During the 1992 Plan, C/I Gas Efficiency only accounted for 4.3% of the total savings. This inversion underlines WWP's shift in concentration from the residential sector to commercial and industrial accounts. The current DSM Plan's Residential Weatherization and Limited Income Energy Efficiency programs outperformed the original budget with a combined total annual savings of 106,442 therms, but still only represent 11% of the total gas savings for the 1995-96 Plan. The previous DSM plan relied heavily on residential programs which garnered an annual savings of 2,441,067 therms. [R#11,13]

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SAVINGS OVERVIEW	BUDGETED SAVINGS	PROJECTED SAVINGS	ACTUAL SAVINGS
ELECTRIC PROGRAMS	**MWh**	**MWh**	**MWh**
MAP Energy Efficiency	2,015	7,796	4,117
MAP Fuel Efficiency	526	88	88
Residential New Construction	613	2,540	2,278
Non-Residential Energy Code	9,636	9,636	0
CFL Rebate	1,051	438	438
Residential Weatherization	964	613	350
Limited Income Energy Efficiency	4,205	2,891	1,927
C/I Site Specific	36,704	29,784	8,848
Natural Gas Awareness	37,230	37,230	18,659
Resource Conservation Manager	701	701	0
C/I Building Commissioning	701	701	0
C/I Trade Ally	701	876	0
Future/Regional Programs	1,489	1,489	0
Total Electric	96,535	94,783	36,704
GAS PROGRAMS	**Therms**	**Therms**	**Therms**
Residential Weatherization	21,500	94,485	94,485
Limited Income Energy Efficiency	3,000	11,957	11,957
C/I Gas Efficiency	192,000	827,046	88,336
Resource Conservation Manager	20,000	20,000	0
C/I Building Commissioning	20,000	20,000	0
C/I Trade Ally	20,000	20,000	1,264
High Efficiency Appliance Education	156,000	0	0
Total Gas	432,500	993,488	196,042

MEASURE LIFETIME

WWP has supplied average measure lifetimes for all measures installed through the 1995-96 DSM Plan. Residential Weatherization measures are assumed to have lives of 30 years for insulation and 5 years for water-heater blankets. CFLs have been assigned a measure life of 7 years. Manufactured housing's measure life is 30 years. Fuel switching installations are given a 25-year measure life. The C/I Site Specific program has been assigned measure lifetimes ranging from 10-20 years. The Results Center also assumed a measure life of 30 years for new construction and 7 years for showerheads. These values were used by The Results Center to determine annual weighted average measure lifetimes that were used to calculate the cost of saved energy. Weighted averages for programs with multiple installations were also calculated by The Results Center based on the lifetime assumptions stated above.

Additional Program Benefits

Avoided emissions: WWP has not attempted to quantify the environmental benefits of its past, present and future DSM programs. While emissions are not a concern for the hydroelectric portion of the WWP's power supply, approximately one-third of the utility's daily load is met with thermal generation, where emission reduction benefits of DSM are realized. Transferring WWP's 1995-96 DSM Plan's results to date to other service territories, as the table on the next page suggests, could result in reduced CO2 emissions of as much as 84 million pounds annually. This does not reflect the added emissions resulting from increased natural gas consumption due to fuel switching programs.

Additional environmental benefits: Throughout the Northwest, the ample supply of hydroelectric power has provided low-cost electricity but at a high cost to the river environment. The depletion on fish populations in the Columbia River system has been a major driver of DSM activities throughout the region thanks to the leadership as spelled out in the Pacific Northwest Electric Power Plant and Conservation Act of 1980 and the guidance of the Bonneville Power Administration. While WWP's hydroelectric system does not directly contribute to the "hot spots" of environmentalists' concerns about the Northwest rivers, its system still benefits from the energy efficiency efforts of WWP. Many of the regional conservation efforts have been measured in saved salmon and programs in terms of the cost per saved salmon!

NON-ENERGY RELATED BENEFITS

WWP's 1995-96 DSM portfolio demonstrates a number of non-energy related benefits which are exhibited by various programs. Numerous programs delivering retrofits in both the residential and C/I sectors have contributed to regional economic development by providing added business for local professionals and suppliers. Limited income programs have provided an obvious benefit of lowering energy bills for those most in need of such relief. In addition, these programs also help to mitigate bill arrearages for WWP. The Resource Conservation Manager pilot contains an educational component, teaching tomorrow's leaders the importance of efficiency.

Customer Value: WWP's decision to pursue DSM despite its sufficient resource levels is a clear indication that energy efficiency carries weight in terms of customer value. This assertion has been supported by the customer survey which reaffirmed customers' interests in continuing efficiency programs, while also affirming that DSM is a valuable tool in a competitive arena. WWP has been at the forefront of bringing competition to the Northwest and has taken every opportunity to advance its own competitive edge. Its decision to continue DSM was clearly made with competition in mind, bolstered by the "customer satisfaction" that the utility was confident its programs would support.

Strategic Advances for the Competitive Market: Clearly the greatest benefit of WWP's 1995-1996 DSM Plan and Distribution Charge is that it has introduced a new genre of DSM in the Pacific Northwest which works in a competitive market. The Plan and Distribution Charge funding mechanism is a highly proactive and constructive response to both regional and national energy services considerations. WWP's early experiment with the Distribution Charge has given DSM a new home in the competitive market, and has not only solved the problem of how to deliver energy efficiency services in its own territory, but has demonstrated a effective model which can applied in other territories throughout the Northwest and for other part of the country as well.

THE ENVIRONMENTAL BENEFIT STATEMENT

The Environmental Benefit Statement is intended to provide approximations of avoided air emissions for the electricity savings from a particular program when applied to another region or service territory. To transfer WWPs program success to your own situation, first determine the representative marginal power plant for your situation by perusing the left hand column of the table. What type of generation will be avoided if you enjoy WWP's level of success with a similar program in your region or service territory? Once you have determined the proxy power plant based on fuel type, heat rate (the efficiency of the power plant), and sulfur content in the fuel, move to the right across the row selected to find approximations of avoided emissions should you achieve WWP's results. Note that the coefficients in each cell of the table contain a 10% credit for transmission and distribution losses avoided through energy efficiency.

*** TSP = Total Suspended Particulates**
NSPS = New Source Performance Standards
BACT = Best Available Control Technology

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COSTS OVERVIEW	BUDGETED COSTS (1/95-12/96)	PROJECTED COSTS (1/95-12/96)	ACTUAL COSTS (1/95-3/96)	ACTUAL COSTS (1/95-3/96) Levelized
ELECTRIC PROGRAMS				
MAP Energy Efficiency	$900,697	$3,528,695	$1,881,086	$1,605,131
MAP Fuel Efficiency	$225,174	$9,202	$9,202	$7,852
Residential New Construction	$224,581	$560,391	$484,678	$413,576
Non-Residential Energy Code	$477,793	$477,793	$290,577	$247,949
CFL Rebate	$145,726	$75,090	$76,151	$64,980
Residential Weatherization	$390,983	$219,409	$119,301	$101,800
Limited Income Energy Efficiency	$1,097,932	$726,557	$461,472	$393,774
C/I Site Specific	$4,651,183	$3,143,346	$1,077,560	$919,482
Natural Gas Awareness	$574,667	$574,667	$94,407	$80,557
Resource Conservation Manager	$98,000	$117,416	$36,759	$31,366
C/I Building Commissioning	$200,000	$214,824	$51,044	$43,556
C/I Trade Ally	$200,000	$152,961	$72,371	$61,754
Future/Regional Programs	$200,134	$257,652	$57,518	$49,080
Total Electric	$9,386,870	$10,058,003	$4,712,126	$4,020,857
Distribution Charge Revenues	$8,606,249	$8,743,577	$5,796,330	$4,946,008
GAS PROGRAMS				
Residential Weatherization	$75,271	$309,077	$309,077	$263,735
Limited Income Energy Efficiency	$22,571	$44,494	$39,494	$33,700
C/I Gas Efficiency	$331,981	$515,906	$118,969	$101,516
Resource Conservation Manager	$16,667	$30,930	$21,965	$18,743
C/I Building Commissioning	$16,667	$16,667	$2,382	$2,033
C/I Trade Ally	$16,667	$56,577	$9,739	$8,310
High Efficiency Appliance Education	$422,804	$0	$0	$0
Total Gas	$902,628	$973,651	$501,626	$428,037
Distribution Charge Revenues	802161	862,600	$630,001	$537,580
Total Program Costs	**$10,289,498**	**$11,031,654**	**$5,213,752**	**$4,448,895**
Total Dist. Charge Revenues	**$9,408,410**	**$9,606,177**	**$6,426,331**	**$5,483,588**

COST EFFECTIVENESS

The Results Center's total cost of saved energy for 1995-96 electric program activities to date was 0.78¢/kWh, levelized to 1990 US$. If WWP meets its savings and budget projections, its overall cost of saved energy will be 0.64¢/kWh. The Results Center calculated a cost of saved energy of 1.44¢/kWh for the 1992-94 DSM Plan. Based on these figures, even if WWP does not meet its projections it will have improved its cost effectiveness from the previous DSM Plan by nearly a factor of two. WWP own calculation of the cost of saved energy factors in the utility's cost of capital and taxes and equated to 1.36¢/kWh in 1990 US$. [R#2,4]

Lessons Learned

WWP's corporate culture has helped to cultivate innovation among its staff: Bruce Folsom places a strong emphasis on the importance of WWP's unique corporate culture which he and others credit with the creation of the progressive Distribution Charge mechanism and WWP's current portfolio of programs. Folsom explains that the culture minimizes hierarchy and encourages free speaking to tap employees' energy and ideas. This empowering approach was evident during the DIG meetings where strong and open communication was fostered and effectively transformed into progressive ideas and actions. By approaching business with this philosophy, WWP has nurtured its staff's creativity and honed its operations, so critical in today's utility industry environment.

Fundamentally, staff have learned that even a utility with excess capacity and the nation's lowest power rates can create a win-win situation with its customers by funding valued efficiency programs through a Distribution Charge: By carefully querying its customers of their interests and then communicating its intentions clearly, Washington Water Power has been able to turn the tables on DSM. Staff have taken the negative aspects of DSM – notably its perceived rate impact – and turned it into an effort that customers can be proud to support. Thus the utility has effectively taken a formerly mandated discipline that it believes had turned sour, creating a losing situation from both utility and customer perspectives, to a valued customer service that has clearly created a win-win situation.

In order to continue to deliver energy efficiency in a competitive age, utilities must learn to get more bang for less bucks,... replacing incentives with more service: WWP recognized that it could not continue providing costly incentives to its customers to elicit participation in DSM, especially given its lack of resource need. Its program developers understood that there were other viable alternatives for promoting efficiency and transforming markets. WWP's new generation of DSM is less cash oriented and more information and service oriented. This requires more creativity and marketing and more time for customers to adjust. However, by taking advantage of alternatives such as third-party financing, contracting, and outsourcing, WWP looks forward to achieving DSM more cost effectively.

Programs can indeed continue to be effective without big incentives: WWP has proven that programs can be highly effective without the attractive incentives that predominated the "past generation" of DSM programs. This point has been proven best by the success with the Natural Gas Awareness program. While previous fuel switching efforts garnered 2,000-5,000 participants annually, these efforts were also quite costly as WWP was providing $2,700-$3,300 per home in incentives. WWP's current fuel switching program, Natural Gas Awareness, netted 1,300 participants in 1995 with no incentives at all. Similarly, WWP's MAP program incentive dropped from $2,500 per home to $1,500 while program participation levels have continued unabated. This trend will progress even further as WWP replaces the MAP incentive program with the MAP certification program which continues to transform the manufactured home market without the use of rebates.

WWP has learned that offering consistent services is essential not only for the success of a program but also for the company: Toward the end of the 1992-94 DSM Plan, many of WWP's programs experienced drastic reductions in program funding, in fact by as much as 80%. This caused fluctuations in participation as customers rushed to "get in before the barn door closed." It also led to external criticism. As WWP shifts to programs which are service and education oriented, without large rebates and incentives, staff believe that long-term stability will be even more crucial for making customers and trade allies familiar with the services. Program consistency provides another benefit to the utility as it allows the administration of a program to become streamlined, thus trimming costs. The Distribution Charge supports this concept by providing a known and stable level of funding for programs.

Customers want energy efficiency services: While many utilities in the Northwest and around the country are scaling back if not completely abandoning their DSM programs as a short-term response to competitive pressures, WWP could have easily done the same. The utility has no need to supplement its resources for the next decade. However, WWP chose to continue to deliver energy efficiency services to its customers because of its perceived customer value. WWP reaffirmed this understanding by conducting a customer survey which revealed overwhelming support for paying a little more each month for continued energy efficiency services.

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ENVIRONMENTAL BENEFIT STATEMENT

➡ *Avoided emissions based on 36,704,000 kWh saved to date*

Marginal Power Plant	Heat Rate BTU/kWh	% Sulfur in Fuel	CO2 (lbs)	SO2 (lbs)	NOx (lbs)	TSP* (lbs)
Coal	**Uncontrolled Emissions**					
A	9,400	2.50%	79,134,000	1,877,000	380,000	38,000
B	10,000	1.20%	84,382,000	727,000	245,000	182,000
	Controlled Emissions					
A	9,400	2.50%	79,134,000	188,000	380,000	3,000
B	10,000	1.20%	84,382,000	73,000	245,000	12,000
C	10,000		84,382,000	484,000	242,000	12,000
	Atmospheric Fluidized Bed Combustion					
A	10,000	1.10%	84,382,000	222,000	121,000	61,000
B	9,400	2.50%	79,134,000	188,000	152,000	11,000
	Integrated Gasification Combined Cycle					
A	10,000	0.45%	84,382,000	149,000	24,000	61,000
B	9,010		75,904,000	54,000	18,000	4,000
Gas	**Steam**					
A	10,400		46,027,000	0	105,000	0
B	9,224		39,971,000	0	250,000	12,000
	Combined Cycle					
1. Existing	9,000		39,971,000	0	153,000	0
2. NSPS*	9,000		39,971,000	0	73,000	0
3. BACT*	9,000		39,971,000	0	10,000	0
Oil	**Steam--#6 Oil**					
A	9,840	2.00%	66,618,000	1,009,000	119,000	113,000
B	10,400	2.20%	70,655,000	1,001,000	150,000	73,000
C	10,400	1.00%	70,655,000	143,000	120,000	38,000
D	10,400	0.50%	70,655,000	420,000	150,000	23,000
	Combustion Turbine					
#2 Diesel	13,600	0.30%	88,420,000	176,000	273,000	15,000
Refuse Derived Fuel						
Conventional	15,000	0.20%	104,973,000	271,000	356,000	79,000

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Cost of the Program

WWP's total DSM expenditure for the 1995-96 DSM Plan through April of 1996 was $5,213,752. Thus far, WWP has expended 51% of its original DSM budget of $10,289,498. Projected expenditures through year-end 1996 have been raised to $11,031,654 in expectation of increased participation primarily in the MAP Energy Efficiency program. Electric DSM programs have accounted for $4,712,126 of the total costs to date with the balance of $501,626 attributed to gas programs. [R#10,11]

Carryover programs for the 1995-96 DSM Plan account for the 93% of the total expenditures to date with costs totaling $4,867,567. MAP Energy Efficiency accounted for the largest portion with a total of $1,881,086. Program costs are expected to reach $3,528,695, nearly four times its original budget. WWP's direct incentive programs have collectively cost $2,125,873. All of these programs, except for C/I Site Specific and C/I Gas Efficiency, had reduced incentives from previous years and will be further reduced or replaced for WWP's next filing. [R#10,11]

In sharp contrast, WWP's new programs have cost only $346,185 through April 1996. The tremendous cost difference between carryover and new programs is the result WWP was hoping to see in its shift toward low-cost DSM. Natural Gas Awareness, which produced half of the utility's electric savings to date, has had a total expenditure of $94,407. WWP has also invested $57,518 in developing regional programs, chiefly, the LightSaver program. The balance of the new program costs is attributed to pilot programs.

DISTRIBUTION CHARGE REVENUES

Both the electric and gas portions of the 1995-96 DSM Plan are expecting a slight shortfall in their respective Charge revenues. The total revenue for the Distribution Charge is projected to be $9,606,177 for the two-year period. This falls noticeably short of the projected costs of $11,031,654. However, this figure includes continued MAP program commitments which will extend into 1997 to cover program expenses for homes manufactured prior to the program's termination date. These costs will be paid through Distribution Charges collected in 1997 provided that WWP's filing for its 1997-99 DSM Plan is approved by the commissions involved. One of WWP's objectives in its 1995-96 DSM plan was to lower and stabilize DSM expenditures. The 1995-96 DSM Plan had an original budget of $10,289,498 which has since been adjusted to $11,031,654, compared to the previous DSM Plan which expended $59,639,962, nearly six times as much. [R#10,11,13]

COST OF SAVED ENERGY (¢/KWh) Levelized	5% REAL DISCOUNT RATE			WWP's CSE Levelized
1995-96 ELECTRIC PROGRAMS	budgeted	projected	actual	
MAP Energy Efficiency	2.48	2.51	2.54	4.82
MAP Fuel Efficiency	2.59	0.64	0.64	4.82
Residential New Construction	2.22	1.34	1.29	4.27
Non-Residential Energy Code	0.28	0.28	NA	0.67
CFL Rebate	2.04	2.53	2.56	2.46
Residential Weatherization	2.46	2.17	2.06	4.51
Limited Income Energy Efficiency	1.58	1.52	1.45	2.76
C/I Site Specific	1.04	0.87	1.00	1.98
Natural Gas Awareness	0.90	0.90	0.30	0.17
Resource Conservation Manager	NA	NA	NA	2.50
C/I Building Commissioning	NA	NA	NA	2.50
C/I Trade Ally	NA	NA	NA	2.50
Future/Regional Programs	NA	NA	NA	NA
Total 1995-96 Cost of Saved Energy	0.59	0.64	0.78	1.36
Total 1992-94 Cost of Saved Energy	NA	NA	1.44	NA

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WWP's experience is an excellent illustration of the strength and importance of good communication: WWP is well reputed for communicating with both customers and outside agencies and regulators, establishing good faith on both fronts. Customers trust the utility enough to tell them in a survey that they are willing to pay extra for energy efficiency. Likewise, maintaining strong and thorough communication with regulators has afforded WWP the flexibility to learn, grow, and adapt its DSM programs as needed.

Precollecting funds for DSM has allowed greater flexibility in implementing programs: Traditional means of funding DSM recovered costs through rates after the fact. This procedure proved very restricting for utilities which avoided program exceptions or digressions which might risk recovery. By minimizing the concern over cost recovery and paying for program activities up front, WWP has earned itself some latitude for creativity. As long as savings occur and the programs are performing cost effectively, WWP's regulatory commissions will remain satisfied with the utility's new-found emphasis. Regulators maintain the right to review the prudency of any program activities and expenditures, thereby keeping WWP bound to performing cost-effective DSM. This has enabled WWP to submit fairly broad filings, bypassing the need for regulatory approval for any changes or exceptions. Such flexibility enables WWP to run its programs more effectively and efficiently. For example, the Building Commissioning Pilot has very open definitions, allowing WWP to experiment and evaluate building commissioning as a DSM application.

Including lost revenue recovery in the Distribution Charge will likely be desirable in the future: WWP purposefully did not include lost revenue recovery in its filing because it wanted the Distribution Charge to be expeditiously approved. Given the big issues in front of both commissions, there was concern that one more potentially contentious issue could "tip the boat" and further delay WWP's new DSM posture. Also, with such a large portion of WWP's electric savings resulting from fuel switching, many of the related revenues are not "lost" but rather "transferred" to gas sales. However, Bruce Folsom recommends to other utilities that they consider including lost revenues in the collection of Distribution Charges to the extent that lost revenues are indeed measurable and real.

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Washington Water Power's pioneering efforts with establishing and testing its Distribution Charge has been a major contribution to the electric utility industry as it searches intensely for new and viable structures to support efficiency in a time of industry restructuring. The model and its concept is very much "the talk of the town" as it stands poised to fulfill multiple objectives and to create win-win energy services opportunities for utilities and their customers.

While distribution charges, or what are also known informally as "wires charges" and "systems benefits charges," have not actually been implemented by other utilities, they have been examined and proposed all across the country. Similar structures have been proposed in states including California, Connecticut, New York, Maine, Massachusetts, Rhode Island, Vermont, and Wisconsin. California has been in the forefront of the restructuring debate since its "blue book" proposal in 1994. The California PUC's long-awaited ruling on restructuring in December of 1995 made the industry familiar with the term "non-bypassable public goods charge," a model that closely resembles WWP's Distribution Charge. WWP's charge happens to be the first of its kind to provide empirical evidence on the success of the model's implementation.

PERMUTATIONS OF DISTRIBUTION CHARGES

There are many potential permutations of WWP's Distribution Charge model: For instance, the charges can be levied at a number of points and by a number of different parties. Potentially they can be attached to transmission systems for wholesale transactions and/or distribution systems as is the case with WWP's charge. "Systems benefits charges" are being considered in both California and New York that will be universally applied to all utilities' distribution systems in these states. Note that "systems" in this case is plural, as are "benefits." Ralph Cavanagh prefers the term "Universal Systems Benefits Charges" and advocates multiple purpose charges that are universally applied within a state or region. [R#30]

When considering applying distribution charges, another major option crops up: Who will distribute the funds to implement efficiency programs? In several states discussions are taking place as to whether this function will best be served by the local utility or by an independent referee. David Wooley of the Pace Energy Project commented that it's still unclear in New York as to whether the funds will be best directed to programs per se, or allocated on a bidding basis. Managing this function could potentially be fulfilled by a state energy office, an independent agency or non-profit organization, or by another existing government or power pooling agency. These options are being explored in the Northwest where establishing an energy efficiency trust is also being discussed. [R#31]

Another issue to consider pertains to what gets funded. In general the types of programs that distribution charges will fund are those that won't take place in the free market. This might include a number of conventional DSM programs as well as intriguing market transformation activities, low-income assistance, investments in renewable energy, and well as a host of research and development on important long-term issues such as the effects of electromagnetic fields. In California, "Competitive Transition Charges" will be used to recover stranded assets. Stranded asset recovery accounts for a major share of the distribution charge being levied in the New Hampshire Retail Wheeling Pilot.

One of the unsavory aspects of distribution charges is that they may become regarded as taxes. In reality, these forms of charges effectively unbundle the costs of beneficial programs from the costs of power generation, transmission, and distribution. While distribution charges explicitly reflect the true costs of beneficial programs, their perception as "taxes" could potentially spell the kiss of death for this mechanism. (It's hard not to remember the public's overt reaction to relatively small 4.3¢/gallon rise in gasoline taxes.) Ashok Gupta of the Natural Resources Defense Council says his organization is concerned about this potential perception as it could lead to unnecessary and politically charged, annual oversight. Given this potential liability, the distribution charge concept must be very carefully communicated. For better and worse, to date, approval of DSM program costs has resided at the state regulatory commission level,... associating distribution charges with taxes could result in funding levels determined annually by state legislatures. [R#27]

THE SURCHARGE CONCEPT

While collecting DSM costs up-front has taken new meaning in today's dynamic regulatory environment, the concept is not new to Europeans. In Oslo, Norway, electric customers have been paying a surcharge to fund energy efficiency since 1982.

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The surcharge equates to about 2.9% of the average electric rate and finances the Oslo Ekon Fund, a revolving fund that has been used to promote a host of energy efficiency projects through grants and loans. (See Profile #79) Originally the Fund was administered by Oslo Energi, more recently it has been moved out of the utility context and is administered by an agency of the city government.

In 1991, electric utility competition was ushered in throughout Norway with the passage of the Norwegian Energy Act. As is the case in the United States, this led to concern about the survival of DSM in a competitive market. Thus the Norwegian government took action to support energy efficiency by imposing a surcharge of 0.03¢/kWh (approximately 1% of rates). Utilities collect the revenue which funds government-established Regional Energy Efficiency Centers. [R#18,22]

In Denmark, the Copenhagen Lighting Department has implemented a similar strategy through which a 0.083¢/kWh surcharge is levied on all electricity sales. (See Profile #80) The surcharge, which is less than a half a percent of Copenhagen's average rate of 28.2¢/kWh, funds efficiency retrofits in both the residential and commercial sectors.

In England and Wales, the energy industry was privatized in 1992 and a similar "levy" has been implemented to fund efficiency programs there. The UK's Office of Electricity Regulation (Offer), a government body, has levied a £1 (~US$1.50) per year charge for all "franchise market customers" who demand less that 100 kW. Its enabling legislation provided that the charge will be collected for four years ending in 1998 and is will raise approximately £25 million annually. The revenue collected from the charge will be administered by regional electric companies subject to approval by the government's Energy Savings Trust which was established in 1992 in response to the Rio Earth Summit's Agenda 21. [R#18]

In the United States, Washington Water Power is clearly the most advanced of any form of distribution charge and the first explicitly non-bypassable charge to be implemented. However, Arizona Public Service (APS) has implemented the Energy Efficiency and Solar Energy (EESE) charge since 1992 as a means of tracking its energy efficiency expenditures. For APS, the EESE charge was merely a means of unbundling its costs to distinguish its DSM expenditures for accounting purposes. Its model was not established as a competitive tool, nor does it play an integral part of the utility's corporate strategy of ensuring stable funding for DSM in a restructured, competitive industry. APS' DSM programs have been funded by the surcharge which has been levied at a flat rate of 0.057¢/kWh rather than a flat percentage as is the case with WWP's Distribution Charge. The APS model also differs from WWP's in that the charge provides for the recovery of lost revenues. Renewables have also been funded by the surcharge in order to meet Arizona Corporation Commission requirements. EESE will reportedly be discontinued at year-end 1996 to streamline administration and thereafter DSM will be funded through a traditional rate-embedded mechanism. [R#18,19]

APPLICATION TO A COMPETITIVE ENVIRONMENT

The price of power is unquestionably a, if not the, most important metric of value in the eyes of customers. While it is the amount of the monthly bill, not the price of each kilowatt-hour, that ought to be more important, the latter will likely be of greater and greater importance as the electric utility industry becomes more and more competitive. Distribution charges, fortunately, provide a means for funding public purpose programs without affecting the competitive position of various generators. Use of such charges enables utilities to pursue customer-valued programs without suffering competitively. In the future and akin to various charges itemized on telecommunications bills, such charges will likely appear as line items on customers' bills so that the costs of both the power they purchase, and the costs of transmission and distribution services are readily transparent to consumers. (To date, however, this sort of bill manipulation has not been necessary.) Inversely, past funding mechanisms for DSM do not support viable competitive postures. Embedded and hidden DSM power costs, inflated by the accumulation of stranded regulatory assets which earn shareholder returns, cause utilities' overall rates to be noncompetitive as customers cannot easily identify nor choose the costs they pay for various services.

A second related feature of distribution charges is that they provide for a smooth transition into retail wheeling by attaching the charge to distribution services, not power sales. In the New Hampshire two-year pilot retail wheeling program, funding DSM has been separated from the market-driven portion of electric costs. While customers will have a choice in their cost of power from different suppliers and will thus carefully scrutinize each option's cost per kilowatt-hour, all pilot partici-

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pants will still be obligated to pay a set "distribution fee" there. This fee will fund DSM and public policy programs and will also cover transmission and distribution costs (the costs of wheeling power across PSNH lines) and partial recovery on stranded assets for the host utility. [R#26]

On April 24, 1996, FERC passed its landmark Order 888 which mandates open access for wholesale electricity. Most investor-owned utilities now support this framework for wholesale open access as the groundwork for direct access in the retail market. Among other things, the ruling includes the provision that utilities must divulge the true costs of wheeling power across their transmission and distribution systems, a cost that will be levied as a surcharge in a direct access environment. The ruling has specified protocols for determining the level of these forms of distribution charges. Coupling these charges with WWP's Distribution Charge may well become a highly effective cost recovery means in a competitive utility marketplace.

On May 16, 1996 the New York State legislature ruled in favor of full competition in the wholesale electricity market by 1997 and retail wheeling by 1998. To fund efficiency at stable levels (approximately $100 million per year), the ruling specified that utilities will be required to collect a distribution charge of approximately 1 mill/kWh for DSM and 1 mill/kWh for research and development. The charge will likely be non-bypassable and will be applied to each utility's distribution system. A second issue, the allocation of the distribution charge revenue, has not yet been determined. [R#27]

Coming full circle, Washington Water Power has recently won approval of its proposal for direct access and competition. Effective July 1, 1996 WWP has opened its system up for limited retail wheeling as a means of encouraging an open power market for the Northwest. WWP's filing offers its thirty largest customers the opportunity to choose their power suppliers for up to one-third of their load, an equivalent of 37 aMW or 5% of WWP's total load. The model includes a Direct Access and Delivery Service (DADS) Tariff for WWP's distribution service.

The DADS Tariff accounts for transmission and distribution services as well as ancillary services such as scheduling, balancing, and forwarding. The DADS Tariff does not provide for DSM, however, since customers serviced by WWP's system are already obliged to pay the Distribution Charge that is the subject of this Profile. With the WUTC's approval of the proposed DADS Tariff, WWP has added to its progressive track record with implementing distribution charges, collecting for both the costs of an innovative portfolio of DSM programs as well as the rent it requires for the use of its transmission and distribution systems. [R#20]

CONCLUSION

The industry's focus on distribution charges does not suggest that efficiency cannot be carried out in the free market. Instead, this class of new funding mechanisms can complement the transition to full use of profitable energy service companies. Most proactive investor-owned utilities are creating energy services divisions and/or unregulated subsidiaries which will ultimately become profit centers. The market has already demonstrated that it can support some programs; distribution charge-funded programs can complement these efforts by filling in with enhanced energy services in market segments that up to this time are not attractive to entrepreneurial energy service companies.

Fundamentally, we as a society have learned that customers value the environment in ways that may not yet be strictly considered "economic." Utility customers – as WWP's customer survey clearly found – value efficiency programs, renewable energy, and social programs. Their willingness to pay for "the right thing" – despite some of the lowest power rates in the country – suggests the viability of the model. Akin to Working Assets' positive experience in New Hampshire, where it is selling green power at a premium price, WWP has shown that the market is ready to continue to support efficiency and green power through these innovative funding mechanisms.

By explicitly stating the costs of its efficiency programs through its model Distribution Charge, WWP has ably demonstrated it has the ability to turn the adverse aspects of DSM – complete with concerns about cross subsidies, free ridership, and rate impacts – into an attractive customer service responding to customer needs. WWP has paved the way for others to implement similar up-front and transparent funding mechanisms, while suggesting a portfolio of programs that clearly illustrates the evolution of DSM as its matures in the marketplace.

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BEFORE THE
IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE PETITION OF	)
THE WASHINGTON WATER POWER COMPANY	)
FOR APPROVAL OF REVISED GAS AND	)
ELECTRIC TARIFFS FOR IMPLEMENTATION	)
OF ENERGY EFFICIENCY PROGRAMS FOR	)
RESIDENTIAL, COMMERCIAL AND	)
INDUSTRIAL CUSTOMERS	)

ATTACHMENT I

PROPOSED 1997-1999 MEASUREMENT AND EVALUATION

Measurement and Evaluation
1997 through 1999

The objective of the M&E effort for 1997 through 1999 is to provide the information necessary to support decision-making concerning the program status and to fine-tune the delivery of the program. Additionally, when possible the M&E program will be managed to add the additional customer satisfaction benefits and to further add savings to the programs by performing post-project reviews and recommendations.

Although the type of M&E done will vary substantially for across the menu of programs being proposed in this filing, all programs will provide for customer feedback, vital descriptive statistics will be collected and an internal auditing review of claimed savings and funding of projects.

The M&E and implementation of these programs will be in separate and distinct departments. Those responsible for M&E will not be directly incentivized on implementation goals in order to maintain the independence and impartiality of their results.

In general, our approach to M&E will be to utilize in-house labor whenever possible and to integrate the M&E effort into the implementation of the program.

All information acquired through the M&E program will be presented to the program manager of each program, the area coordinator of DSM implementation, DSM analyst(s) and those responsible for regulatory issues concering the program.

Additional program-by-program intentions for the completion of M&E needs are as follows:

<u>Programs</u>:
Testing, Adjusting & Balancing, Residential Weatherization, LI Res. Energy Efficiency, LI Res. Weatherization, Furnace Filter Rebate, Duct Sealing Program, LI Res. Weatherization

<u>Measurement and Evaluation Approach:</u>

These programs, a mixture of non-incentive and direct service provision, have savings which are a small percentage of overall billed energy use and/or end-use energy use. Additionally, there are difficulties with controlling for changes in household, change in home energy usage patterns and imperfections in weather adjustments that overwhelm the programmic energy savings.

An engineering estimation of energy savings has been made in order to estimate savings attributable to the program. These estimates have been presented as part of the details of each program.

The measurement and evaluation effort for these programs will consist of internal auditing, verification of installation, collection of vital descriptive statistics concerning each program, and a persistance / customer satisfaction survey of completed jobs. Engineering estimates will be refined, where possible, and used to periodically reevaluate program viability. All measurement and evaluation results will be provided to the program manager and area coordinator as part of a program delivery continuous improvement process.

Programs:
Energy Efficiency Clearinghouse, Tool Lending, Natural Gas Awareness, Education, Energy Efficient Catalog, Comm. Presc. Rebate Pgm. - Audits, Trade Ally

Measurement & Evaluation Approach:
The savings resulting from these non-incentive programs are difficult to measure in that the intention of the program is to inform, lower transaction costs or to educate the customer concerning energy efficiency options. While it is impossible to accurately and cost-effectively assess the impact that these programs have had on the adoption of the very wide range of energy efficiency equipment and behaviors that are involved, it is very useful to the efficient management of the program to track certain descriptive statistics and to understand how the targetted customers are, or are not, using the information.

To these ends, the measurement and evaluation program will focus strongly on a collecting meaningful and usable descriptive statistics. These statistics may be, for example, the number of different customers who have logged onto the WWP website to

obtain information on the financing of energy efficient projects, the number of new/existing homes installing natural gas equipment or the customers who have borrowed WWP-owned equipment to measure lighting runtimes in their facility.

Over time, these descriptive statistics will provide insights into how these programs are being used by our customers. Through personal customer interactions, as part of the implementation of the program or through a formalized M&E effort, we can further refine program delivery and periodically reevaluate program viability.

Program:
Resource Conservation Mgr.

Measurement and Evaluation Approach:
The impact measurement of this program is an inherent part of the program itself. Resource savings attributable to the RCM is tracked and those savings reduce the actual utility funding of the RCM position.

The M&E program will provide a further breakout of programmic savings into electric, natural gas, water, sewer and solid waste categories. Claimed savings are verified by both WWP and the participating customer.

Program:
Man. Home Acquisition

Measurement and Evaluation Approach:
The measurement of completed and sited homes under this program is an integral and well-established part of the program. Furthermore, the savings per home has been widely reviewed and stipulated to as part of WWP's involvement in the program.

Consequently, the only M&E effort necessary on this program is to provide descriptive statistics of the number of homes sited within WWP's service territory and funded under this program.

Program:

New Technologies, Regional Energy Eff. Program

Measurement and Evaluation Approach:
The programs are anticipated to change and develop over the three year filing period in unanticipatable ways. Given that it is impossible to determine exactly what regional programs or new technologies that WWP will impact over the program life, we can only assert that we will attempt to collect whatever impact, descriptive or customer satisfaction information that is deemed necessary and relevant to the efficient management of the program.

Program:
Comm./Ind. Site Specific Pgm.

Measurement and Evaluation Approach:
The M&E effort for the site-specific program will continue to be a customized review of a sample of projects. This is considered necessary due to the extremely heterogenous nature of the projects undertaken by this program.

The program will continue to make strong attempts to enhance customer satisfaction and energy savings from these projects by the use of post-project audits, analysis and customer recommendations. The M&E findings will be part of periodic continuous improvement efforts aimed at improving program delivery.

As stated in the review of WWP's 1995-'96 M&E program for site-specific projects, we have identified defiencies in the M&E process for this program that we hope to remedy prior to the implementation of our 1997 site-specific program. Most of these corrective actions involve changing goal-measurement criteria and a renewed commitment to follow through on projects on a timely basis.

The DSM submetering protocols included in the review of the historical 1995-'96 M&E effort will continue to be used in the future. Modifications will be made to these protocols as necessary to meet the needs of the program.

Program:
Comm. Presc. Rebate Pgm. - Lighting, Comm. Presc. Rebate Pgm. - Fuel Switching, C/I Site-Specific Presc. Rebates (HVAC, dry kiln),

Sm. Comm. Presc. Lighting Retrofit Pgm., Sm. Comm. Presc. Fuel Switching Pgm.

Measurement and Evaluation Approach:
These incentive programs impact, relative to the C/I Site-Specific program, a large number of customers for less energy impact per customer. It is infeasible and cost-ineffective to undertake the indepth review of a large sample of the projects that we have committed to under our Site-Specific program.

These programs are prescriptive because the end-uses that they impact are fairly homogenous in the end-use equipment effected and the way that it is used. Consequently, a relatively small sample of completed projects of each program will be reviewed to assess characteristics such as energy savings, persistance, run-time, cost and/or customer satisfaction.

These results will be used to modify the management of the program, future savings claimed under the program, incentive structure, qualifying customers and other program criteria.

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