(text box: 1)BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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| IN THE MATTER OF THE PETITION OF THE WASHINGTON WATER POWER COMPANY FOR APPROVAL OF REVISED GAS AND ELECTRIC TARIFFS FOR IMPLEMENTATION OF ENERGY EFFECIENCY PROGRAMS FOR RESIDENTIAL, COMMERCIAL AND INDUSTRIAL CUSTOMERS. | )  )  )  )  )  )  )  )  )  )  ) | CASE NO. WWP-E-96-7                    WWP-G-96-4  NOTICE OF APPLICATION  NOTICE OF MODIFIED           PROCEDURE  NOTICE OF COMMENT/ PROTEST DEADLINE |
|  | ) |  |

YOU ARE HEREBY NOTIFIED that on October 24, 1996, The Washington Water Power (Water Power; Company) filed an Application for approval of tariff revisions related to the Company’s energy efficiency programs and funding.  Through its filing, Water Power proposes to continue the Company’s successful electric energy programs at their current level and the energy efficiency tariff rider (Schedule 91) at the current 1.50% of base rates.  Water Power states that the resulting revenue of approximately $5 million per year, on the 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.

According to the Company, 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.  Water Power is proposing to reorient its market transformation efforts through participation, starting in 1997, in a coordinated regional approach under the auspices of the Northwest Energy Efficiency Partnership.

Water Power states that the proposed withdrawal of Schedule 190 results from the avoided cost of natural gas having decreased to a level that 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 a customer’s potential electricity improvements.  Because the cost of this service is expected to be minimal, the Company is not proposing cost recovery at this time.  Water Power will continue to monitor the weighted average cost of gas to determine if there are any substantive changes in the gas commodity prices that would improve the cost effectiveness of gas energy efficiency programs.

Water Power states that 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; and,

(6)provide stable funding for energy efficiency programs compatible with Water Power financial criteria and the changing industry environment.

Water Power asserts 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, Water Power continues to gain experience regarding the provision of energy efficiency at low costs to benefit participating and nonparticipating customers.

The Company states that 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 the Company’s filing, Water Power states.  According to Water Power, there is no change in revenue associated with Schedules 90 and 91.  Due to load growth on a system basis, an electric rider is 1.50% compared to the 1.55% level during the 1995-96 period.  Because of differences in load growth between customer classes, Water Power notes that there is a very slight change (i.e., up to 0.013¢/kWh) in the effective rate of some schedules.  The Company states that the proposed revisions to Schedules 190 and 191 result in a revenue decrease of approximately $450,000 per year on a system basis.

Water Power requests that the Commission approve the proposed DSM tariff changes included in the Company’s filing to be effective January 1, 1997 for a three-year period ending December 31, 1999.

YOU ARE FURTHER NOTIFIED that the Application together with supporting workpapers, testimonies and exhibits, have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices.

YOU ARE FURTHER NOTIFIED that all proceedings in this case will be held pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code and that the Commission may enter any final Order consistent with its authority under Title 61.

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission's Rules of Procedure, IDAPA 31.01.01.000 et seq.

YOU ARE FURTHER NOTIFIED that the Commission has reviewed the filings of record in Case Nos. WWP-E-96-7 and WWP-G-96-4.  The Commission has preliminarily determined that the public interest may not require a hearing to consider the issues presented and that the issues raised by the Application may be processed under Modified Procedure, i.e., by written submission rather than by hearing.  Reference Commission Rules of Procedure, IDAPA 31.01.01.201-.204.

YOU ARE FURTHER NOTIFIED that the Commission may not hold a hearing in this proceeding unless it receives written protests or comments opposing the use of Modified Procedure and stating why Modified Procedure should not be used.  Reference IDAPA 31.01.01.203.

YOU ARE FURTHER NOTIFIED that any person desiring to state a position on this Application may file a written comment in support or opposition with the Commission within twenty-one (21) days from the date of this Notice.  The comment must contain a statement of reasons supporting the comment.  Persons desiring a hearing must specifically request a hearing in their written comments.

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the deadline, the Commission will consider the matter on its merits and enter its Order without a formal hearing.  If comments or protests are filed within the deadline, the Commission will consider them and in its discretion may set the matter for hearing or may decide the matter and issue its Order on the basis of the written positions before it.  Reference IDAPA 31.01.01.204.

YOU ARE FURTHER NOTIFIED that written comments concerning Case Nos. WWP-E-96-7 and WWP-G-96-4 should be mailed to the Commission and the Company at the addresses reflected below:

COMMISSION SECRETARYTHOMAS D. DUKICH

IDAHO PUBLIC UTILITIES COMMISSIONMANAGER, RATES AND TARIFF ADMIN.

PO BOX 83720THE WASHINGTON WATER POWER COMPANY

BOISE, IDAHO  83720-00741411 EAST MISSION

PO BOX 3727

Street Address for Express Mail:SPOKANE, WA 99220-3737

472 W WASHINGTON ST

BOISE, IDAHO  83702-5983

All comments should contain the case caption and case number shown on the first page of this document.

YOU ARE FURTHER NOTIFIED that the Application in Case Nos. WWP-E-96-7 and WWP-G-96-4 can be reviewed at the Commission’s office and at the Idaho offices of Washington Water Power Company during regular business hours.

DATED at Boise, Idaho this                  day of November 1996.

Myrna J. Walters

Commission Secretary

cm/N:WWP-E-96-7.bp

**COMMENTS AND ANNOTATIONS**

Text Box 1:

**TEXT BOXES**

Office of the Secretary

Service Date

November 6, 1996