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

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| IN THE MATTER OF THE APPLICATION OF THE WASHINGTON WATER POWER COMPANY FOR AUTHORITY TO IMPLE­MENT CHANGES IN ITS SCHEDULE 90 ELECTRIC ENERGY EFFICIENCY TARIFFS.  | ))))))))))))) | CASE NO. WWP-E-97-7NOTICE OF APPLICATIONNOTICE OF MODIFIED PROCEDURENOTICE OF COMMENT/PROTEST DEADLINEORDER NO.  27119 |

YOU ARE HEREBY NOTIFIED THAT on August 4, 1997, The Washington Water Power Company (Water Power; Company)  made a letter filing with the Idaho Public Utilities Commission proposing four changes to the Company’s Schedule 90 electric energy efficiency tariffs.  Modifications are proposed to the Home Automation and Commercial Fuel Switching Rebate programs.  A new Leasing Program is proposed.  The final requested change is to name the Northwest Energy Efficiency Partnership by its proper title, i.e., the Northwest Energy Efficiency Alliance.

Home Automation

The Home Automation revision changes the program from a high-end demonstration project contemplated in the original tariff to a low-end home automation project.  As represented by the Company, this midstream fine tuning enhances the market transformation characteristics of the program.  The high-end of the market (e.g., houses with market value greater than $250,000) appears to be transforming without utility assistance.  Under this tariff, the Company will review home automation products for their energy saving characteristics and offer customer incentives either on a per device or connected load basis.  These products may control end-uses such as lighting (interior and exterior), water heating, HVAC, swimming pool filtration and heating or other electric end-uses.  There is no change from the original tariff in the maximum funding for this program.

Commercial Prescriptive Fuel Switching Rebate Program

This program provides low interest loans to customers for capital expenditures associated with switching from electric to natural gas.  The proposed revision to the Company’s Commercial Prescriptive Fuel Switching Rebate Program adds a prescriptive path for water heating units under 150 gallons and also allows other end uses to be converted at a rate of 3¢ per kWh.  This rate, the Company contends, is consistent with the rate implicit in the space heating incentives contained in the original tariff.  The majority of projects eligible for incentives under this tariff, the Company states, will be either in the space or water heat prescriptive paths.  Some occasional cooking, process or other loads may be converted based upon the 3¢ per kWh path.  There is no change from the original tariff in the maximum funding for this program.

Electric Efficiency Leasing Program

The proposed Electric Efficiency Leasing Program is new and is targeted to educational or public institutions, primarily schools.  The funding is based upon $500,000 in “seed” money from anticipated lower expenditures in the HVAC System Efficiency Program (which is now largely a regional program) in the Northwest Energy Efficiency Alliance (NEEA).  This program is proposed, the Company contends, due to unique market barriers faced by educational and other public institutions having borrowing limitations for conservation and energy efficiency projects.  Specifically, many of these customers are unable to undertake such projects because they cannot commit funding beyond the term of their current school board or legislative body.  As a consequence of this restriction, such public entities frequently rely upon leases rather than purchases for their capital equipment.  This program will provide public entities with the means to obtain such equipment, with the equipment becoming the property of the customer at the end of the lease.  The lease payments will be structured such that the implicit interest rate will not exceed the market rate of interest for the tax exempt entities.  The program will be limited to the leasing of equipment which is vital to the operation of the facility and which incorporates an improvement in energy efficiency.  Lease revenues will reimburse the Energy Efficiency Tariff Rider fund but will not necessarily be used to fund other leases.  The program will expire when the funds available for purchase of leased equipment are exhausted.

Name Change

The final change proposed by the Company in its filing is renaming the Northwest Energy Efficiency Partnership by its proper title, i.e., the Northwest Energy Efficiency Alliance.

Water Power contends that there is no revenue change associated with this filing.

YOU ARE FURTHER NOTIFIED that the Commission has reviewed the filings of record in Case No. WWP-E-97-7.  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 the deadline for filing written comments or protests with respect to the Application and the Commission’s use of Modified Procedure in Case No. WWP-E-97-7 is Wednesday, September 24, 1997.  Persons desiring a hearing must specifically request a hearing in their written protests or 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 No. WWP-E-97-7 should be mailed to the Commission and the Company at the addresses reflected below:

COMMISSION SECRETARYTHOMAS D.  DUKICH, MANAGER

IDAHO PUBLIC UTILITIES COMMISSIONRATES AND TARIFF ADMINISTRATION

PO BOX 83720WASHINGTON WATER POWER COMPANY

BOISE, IDAHO  83720-0074PO BOX 3727

SPOKANE, WASHINGTON 99220

Street Address for Express Mail:ATTENTION: BRUCE FOLSOM

472 W WASHINGTON ST

BOISE, IDAHO  83702-5983

All comments should contain the case caption and Case No. shown on the first page of this document.

YOU ARE FURTHER NOTIFIED that the Application in Case No. WWP-E-97-7 can be reviewed at the Commission’s office and at the Idaho offices of The Washington Water Power Company during regular business hours.

Commission Findings

The Commission has reviewed and considered the filings of record in Case No. WWP-E-97-7.   The Commission finds that it will be unable to consider the Application prior to the Company’s requested effective date (September 3, 1997) because of other demands on the Commission’s time and because the Commission finds it reasonable to provide the public and other interested parties with time to comment on the Company’s Application and proposed changes.

The Commission has authority under Idaho Code § 61-623 to suspend Water Power’s proposed implementation date for a period of thirty (30) days plus five (5) months from the proposed effective date.  The Commission finds that it is necessary to suspend implementation of the proposed changes to the Company’s electric Schedule 90 tariff for a period of thirty (30) days plus five (5) months from September 3, 1997 to provide adequate time for public comment and to allow the Commission sufficient time to fully consider the issues presented by the Application.

O R D E R

In consideration of the foregoing and as more particularly described above IT IS HEREBY ORDERED that the implementation date of proposed changes to the Company’s electric Schedule 90 tariff be suspended for a period of thirty (30) days plus five (5) months from September 3, 1997 or until such time as the Commission enters an Order accepting, rejecting or modifying the Application in this matter.

IT IS FURTHER ORDERED that the foregoing scheduling in Case No. WWP-E-97-7 regarding Modified Procedure be adopted.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this                  day of September 1997.

                                                                                                                                       DENNIS S. HANSEN, PRESIDENT

                                                                                            RALPH NELSON, COMMISSIONER

MARSHA H. SMITH, COMMISSIONER

ATTEST:

Myrna J. Walters

Commission Secretary

cm\O:wwpe977.sw

**COMMENTS AND ANNOTATIONS**

Text Box 1:

**TEXT BOXES**

Office of the Secretary

Service Date

September 2, 1997