

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF IDAHO POWER COMPANY) **CASE NO. IPC-E-06-22**
REQUESTING APPROVAL OF REVISIONS)
TO ITS IRRIGATION PEAK REWARDS)
PROGRAM, SCHEDULE 23) **ORDER NO. 30194**
 _____)

On September 18, 2006, Idaho Power Company filed an Application requesting approval of changes to its Irrigation Peak Rewards Program, Schedule 23. On October 18, 2006, the Commission issued a Notice of Application and Notice of Modified Procedure to process the Application and establish a written comment period. Written comments were filed by the Commission Staff and by the Idaho Irrigation Pumpers Association, Inc. (Irrigators). Both the Commission Staff and the Irrigators support approval of the modifications to Idaho Power Company's Peak Rewards Program.

The Irrigation Peak Rewards Program is a voluntary load control program available to agricultural irrigation customers. The program is intended to decrease the Company's summer system peak by interrupting specified irrigation equipment between the hours 4:00 p.m. and 8:00 p.m. on one, two or three days per week during June, July and August. In the Company's last rate case, the Commission encouraged Idaho Power to conduct a workshop to determine whether revisions to the program would be beneficial. Staff and the Irrigators as well as other interested parties participated in the workshop that resulted in the modifications proposed by Idaho Power Company in this case.

As a result of the workshop process, the parties were able to identify and agree upon two substantial changes to the program. First, the demand credit for the two days per week and three days per week interruptions would be increased, as set forth in the following schedule:

<u>Interruption Option</u>	<u>Current Demand Credit per kW</u>	<u>New Demand Credit per kW</u>
Option 1 (1 day per week)	\$2.01	\$2.01
Option 2 (2 days per week)	\$2.51	\$3.36
Option 3 (3 days per week)	\$2.76	\$4.36

The second revision is to reduce the horsepower limit to make the program available to irrigators using pumps rated at 75 horsepower or higher, rather than 100 horsepower or higher. An installation fee of \$250 would be assessed to new program participants with irrigation pumps between 75 and 99 horsepower if it is necessary to install a timer on the pumps. Staff and the Irrigators support these changes to the program.

The proposed changes result from the workshop that, according to the comments, enabled the participants to thoroughly analyze the current program and carefully consider program changes. The Irrigators support the increase in the demand credit for the two and three day per week interruptions because they “will provide a greater and more fairly priced incentive, thus increasing irrigator participation.” Irrigator Comments, p. 3. In addition, the Irrigators “support the installation fee of \$250 for those customers with irrigation pumps between 75 and 99 cumulative horsepower in order to maintain the cost-effectiveness of this program change.” *Id.* The Irrigators also recommend that Idaho Power file annual reports summarizing and assessing the results of the program. The Irrigators believe the program is still a work in progress and that annual reviews should be required to ensure that pricing “remains on a level playing field with supply side resources and provides a demand response that is most beneficial to both irrigation and non-irrigation customers.” Irrigator Comments, p. 4.

On this record the Commission finds it reasonable and appropriate to approve these changes to Idaho Power’s Irrigation Peak Rewards Program, Schedule 23. The increase in the demand credit will encourage more irrigators to participate, thus better achieving the program objective to reduce the Company’s peak demand during the summer. The program changes result from a collaborative effort by the Company, Staff and irrigation customers, and are supported by all parties. We appreciate the participation of the interested parties during the workshop and are pleased to approve the resulting program changes. We also find it reasonable to direct Idaho Power to provide annual reports on the program results for each of the next three years. Annual reports will enable the Commission, the Company and program participants to determine whether additional improvements can be made to the program in the future.

ORDER

IT IS HEREBY ORDERED that the Application of Idaho Power Company to make changes to its Irrigation Peak Rewards Program, Schedule 23, as set forth in its Application, is

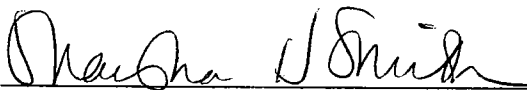
approved. Idaho Power shall file on or before December 1 each year for the next three years annual reports on the program results.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. See *Idaho Code* § 61-626.

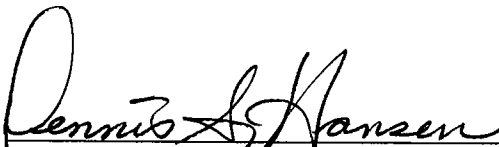
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 30th day of November 2006.



PAUL KJELLANDER, PRESIDENT




MARSHA H. SMITH, COMMISSIONER



DENNIS S. HANSEN, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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