

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 595

In the Matter of)	
)	
IDAHO POWER COMPANY)	ORDER
)	
Requests Reauthorization to Continue)	
Deferred Accounting Treatment for)	
Certain System-wide Conservation)	
Programs.)	

DISPOSITION: REAUTHORIZATION APPROVED

At its Public Meeting on June 14, 2005, the Commission adopted Staff's recommendation to approve reauthorization of Idaho Power Company's deferrals of conservation program costs for a 12-month period beginning July 1, 2005. Staff's recommendation is attached as Appendix A and is incorporated by reference.

ORDER

IT IS ORDERED that Idaho Power Company's request for reauthorization of deferral accounts for a 12-month period beginning July 1, 2005, as described in Appendix A, is granted.

Made, entered and effective JUN 17 2005



BY THE COMMISSION:

Becky L. Beier

Becky L. Beier
Commission Secretary

A party may request rehearing or reconsideration of this order pursuant to ORS 756.561. A party may appeal this order to a court pursuant to ORS 756.580.

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: June 14, 2005

REGULAR _____ **CONSENT** X **EFFECTIVE DATE** July 1, 2005

DATE: May 18, 2005

TO: Public Utility Commission

FROM: Carla Owings

THROUGH: Lee Sparling, Ed Busch and Judy Johnson

SUBJECT: IDAHO POWER COMPANY: (Docket No. UM 595) Requests reauthorization to continue deferred accounting treatment for certain system-wide conservation programs.

STAFF RECOMMENDATION:

Staff recommends the Commission approve Idaho Power Company's (Idaho Power or Company) request to continue deferred accounting treatment for certain system-wide conservation programs for the 12-month period beginning July 1, 2005.

DISCUSSION:

In June of 1993, Order No. 93-1198, the Commission approved Idaho Power's request for accounting treatment to defer costs in connection with certain system-wide conservation programs and the Company's funding of the Northwest Energy Efficiency Alliance (NEEA). Subsequently, the Commission has reauthorized these conservation-related deferrals each year through June 30th.

Deferral of these costs is consistent with the Commission's policy to remove the significant disincentives to acquiring conservation programs relative to supply-side resources. ORS 757.262 allows the Commission to "...adopt policies designed to encourage the acquisition of cost-effective conservation resources." Without deferral and recovery of these direct and indirect costs of DSM, the company would again have a disincentive to acquire cost-effective conservation.

By August of 2002, the Company had over-collected for the recovery of the DSM costs. In February of 2003, the Company discontinued revenue recovery but by this time had over-collected approximately \$250,000. Since that time, the deferral amount requested by the

Company is based on the NEEA funding. Idaho Power estimates the Oregon allocation (approximately 4.5%) of the system-wide NEEA funding to be approximately \$56,000 for the 12-month period beginning July 1, 2005.

The Company proposes to fund the deferral from FERC Account 254, Other Regulatory Credits, due to the DSM over-collection.

The Company requests this authorization pursuant to Order No. 98-448 authorizing Idaho Power to implement accelerated recovery of Demand Side Management/Conservation (DSM) expenditures and to discontinue the Excess Supply Cost surcharge.

PROPOSED COMMISSION MOTION:

The Commission approve Idaho Power Company's request to continue deferred accounting treatment for certain system-wide conservation programs for the 12-month period beginning July 1, 2005.

Idaho Power 2005 Conservation Deferral.doc