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PUBLIC UTILITIES COMMISSION

**STATE OF IDAHO
BEFORE THE PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF APPLICATION IDAHO POWER COMPANY : CASE NO. IPC-E-03-13
FOR AUTHORITY TO INCREASE ITS INTERIM AND :
BASE RATES AND CHARGES FOR ELECTRIC SERVICE :**

**SUMMARY OF POSITION OF
THE KROGER CO.**

Now comes Kroger Co. ("Kroger"), and pursuant to Rule 105 of the Utility Information Customer Rules provides a summary of its recommendations and testimony in the above-captioned matter.

Kroger has made the following determinations concerning Idaho Power Company's (the Company") Application For Authority to Increase its Rates. With respect to rate spread, Idaho Power proposes a significant subsidy to the Irrigation class. According to the Company's cost-of-service analysis, it would require a 67 percent increase in Irrigation base rates for this class to fully recover its costs if the Company's requested overall base-rate increase of 18 percent is approved. To mitigate the impact of the base-rate increase for this class, the Company proposes to cap the Irrigation increase at 25 percent, with the difference spread to the other rate classes. Kroger agrees that mitigating the impact of a large rate increase for this class is reasonable, but proposes some modifications to the Company's proposal that: (1) would apply in the event the Company's proposed rate increase is reduced by the Commission, and (2) provide for an additional phase-in toward cost-of-service rates in subsequent years.

With respect to rate design, Kroger generally agree with Idaho Power's approach to weighting any rate increases relatively more heavily on the demand charge, as opposed to the energy charge, for those rate schedules with demand meters. This approach reflects the composition of the Company's underlying costs, and thus is consistent with cost causation.

Idaho Power proposes to make time-of-use rates mandatory for Schedule 19 in order to send improved price signals. The Company also has an optional time-of-use rate for Irrigation service that is in place on a pilot basis. Yet there are no time-of-use options available for Schedule 9, which consumes 26 percent of the retail energy on the Company's system. Kroger recommends adopting a voluntary time-of-use option for Schedule 9 that offers peak, mid-peak, and off-peak energy prices that properly reflect time-of-use cost differences. At a minimum, such a rate should be made available to Schedule 9 customers on a pilot project basis.

With respect to all other issues raised by the Company or other intervenors, Kroger neither supports nor opposes them.

Respectfully submitted,



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March 29, 2004

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IDAHO PUBLIC
UTILITIES COMMISSION

VIA OVERNIGHT MAIL

March 29, 2004

Jean D. Jewell, Secretary
Idaho Public Utilities Commission
472 West Washington Street
Boise, Idaho 83702

In re: Case No. IPC-E-03-13

Dear Ms. Jewell:

Please find enclosed the original and nine (9) copies of the Summary of Position of The Kroger Co. dba Fred Meyer and Smith's filed in the above-referenced matter.

Copies have been served on all parties on the attached certificate of service. Please place this document of file.

Respectfully yours,



David F. Boehm, Esq.

BOEHM, KURTZ & LOWRY

MLKkev
Encl.

CERTIFICATE OF SERVICE

I hereby certify that true copy of the foregoing was served by electronic mail, unless otherwise noted, this 29th day of March, 2004 to the following:

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