

IDAHO PUBLIC UTILITIES COMMISSION

Case No. IPC-E-05-2, Order No. 29737

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Contact: Gene Fadness (208) 334-0339

Website: www.puc.idaho.gov

Commission approves Idaho Power pilot programs

Boise – The Idaho Public Utilities Commission has approved two voluntary pilot programs proposed by Idaho Power Co. in the Emmett area. The programs offers financial incentives for customers who, through the use of automated meter readers, shift their electrical use away from those times when peak use is at its highest and electricity is more expensive.

Automated meter readers (AMR) have been installed by the company in the Emmett and Letha areas. Some AMR systems have the ability to inform customers of current electric prices, potentially allowing them to manage their electrical use and reduce their bills. AMR allows customers to receive real-time pricing and use information, thereby helping them to shift their use to non-peak times.

Idaho Power will take up to 150 volunteers each for the Energy Watch Pilot Program and the Time-of-Day Pilot Program.

Under the Energy Watch Pilot Program, Idaho Power will allow all volunteer participants to pay the less expensive non-summer rate (5.08 cents per kWh) instead of the summer rate (5.72 cents per kWh for use of 300 kWh or more) except during the company's selected Energy Watch periods, when the rate would be 20 cents per kWh. The company would notify volunteer customers either by telephone or by e-mail by 4 p.m. a day before the Energy Watch period. Energy Watch periods can occur on any weekday from June 15 through August 15 for four hours between 5 and 9 p.m. The company proposes that Energy Watch periods will occur on no more than 10 days from June 15 to August 15 for a total of 40 hours.

The Time-of-Day Pilot Program allows volunteers to receive electricity for only 4.97 cents per kWh for all the electrical use they can shift to the off-peak times of 9 p.m. to 7 a.m. on weekdays and during all hours on Saturday, Sunday and July 4. Mid-peak times, during which customers would pay 5.8 cents per kWh, would be from 7 a.m. to 1 p.m., Monday through Friday. On-peak periods, during which customers would pay 6.48 cents per kWh, would be from 1 to 9 p.m., Monday through Friday. This program would be in effect for the summer season of June 1 through Aug. 31.

When customers shift to non-peak times, the electricity the company must generate or buy on the market is less expensive. Reduced power cost expenses for the company benefits all Idaho Power customers.

“As Idaho Power's peak load continues to increase relative to its average load, it is becoming increasingly important to reduce energy use during peak periods by providing proper price

signals or by directly controlling load,” the commissioners said. It is likely that the majority of customers will lower their bills under the pilot programs, but a few participants may generate higher bills, the commission said.

The commission ordered the company to file a status report and preliminary findings by the end of this year and submit a final report upon completion of the program in 2006.

Idaho Power is phasing in automated meter reader technology and should soon be able to offer programs like these to a wider segment of its customer base.

A full text of the commission’s order, along with other documents related to this case, are available on the commission’s Web site at www.puc.idaho.gov. Click on “File Room” and then on “Electric Cases” and scroll down to Case No. IPC-E-05-2.