

DECISION MEMORANDUM

TO: COMMISSIONER KJELLANDER
COMMISSIONER SMITH
COMMISSIONER HANSEN
COMMISSION SECRETARY
COMMISSION STAFF
LEGAL

FROM: DONOVAN E. WALKER

DATE: JANUARY 20, 2006

SUBJECT: REVIEW OF IDAHO POWER'S PHASE ONE AMR IMPLEMENTATION
STATUS REPORT; CASE NO. IPC-E-06-1

On December 30, 2005, Idaho Power Company (Company, Idaho Power) filed its Phase One AMR Implementation Status Report (Report), as required by Order No. 29362, Case No. IPC-E-02-12. The Commission directed Idaho Power to collaboratively develop and submit a Phase One Advanced Meter Reading (AMR) Implementation Plan to replace current residential meters with advanced meters in selected service areas by December 2003. *Id.* The Company was also directed to complete Phase One AMR installation by December 31, 2004, and file an AMR Phase One implementation status report by the end of 2005. *Id.* This filing is meant to comply with the directives of Order No. 29362. Staff recommends issuing a notice of the Company's filing with a 90-day comment period under Modified Procedure.

THE REPORT

According to the Executive Summary of the Report the Phase One AMR Project consisted of the implementation and evaluation of AMR technology for approximately 23,500 customers in the Company's Emmett and McCall operating areas. In addition to the AMR technology and infrastructure that included the meters, substation technology, and AMR software, the Company installed a Meter Data Management System, which is required for validating the data and providing the data for billing purposes, and in an Internet-based data presentment software system, which makes usage data available to customers via the Company's web site. Idaho Power offered two programs: time-variant pricing and A/C cool credit program, in the Emmett area during the summer of 2005.

According to the Report the Project included the installation of three separate but related systems, as no single system or vendor was able to provide all the functionality to meet the objective of the Project. This required Idaho Power to evaluate multiple vendors and build the necessary interfaces between systems to meet the functionality requirements. The systems installed are: (1) Two-Way Automated Communication System (TWACS) AMR Power Line Carrier System, (2) Itron EE Meter Data Management System, and (3) Nexus Energy Software.

The TWACS AMR system, consisting of software and physical equipment in the field, is the meter data collection system. TWACS uses two-way communications via power line carrier technology to retrieve meter-reading data. The TWACS system is a multi-tiered technology that uses specific TWACS meter modules, substation equipment, a communication network, and software to operate the system. The Itron EE Meter Data Management System was implemented in order to provide the Validating, Editing, and Estimating (VEE) function for the hourly interval consumption data retrieved by TWACS and converting this interval data into billing data for time-variant pricing programs. The TWACS system is not designed to provide these functions. Nexus Energy Software is an Internet-based software system used for data presentment in which customers can access their AMR hourly energy use data through a web site. The total projected Phase One Project cost is \$6,859,424.

The Report provides the Project scope as well as an assessment of: the three installed systems; customer feedback on AMR; time-variant pricing; TWACS load control functionality; other AMR-enhanced features; and Project costs and benefits. The Report also provides the Company's conclusions or "lessons learned" during the course of the Project as well as an analysis of future AMR deployments and the Company's proposed "next steps."

STAFF RECOMMENDATION

Staff recommends that the Company's filing be processed by Modified Procedure with a review and comment period of 90 days.

COMMISSION DECISION

Does the Commission wish to process the Company's filing by Modified Procedure with a 90-day comment period? Does the Commission wish to employ any other procedure for processing the Company's filing?


DONOVAN E. WALKER