

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF IDAHO POWER COMPANY FOR) **CASE NO. IPC-E-06-5**
AUTHORITY TO CONTINUE ITS TIME-OF-)
USE ENERGY PRICING PILOT PROGRAMS) **NOTICE OF APPLICATION**
)
) **ORDER NO. 30001**

On March 3, 2006, Idaho Power Company filed an Application for authority to continue its two time-of-use energy pricing pilot programs for customers in the Emmett Valley. The pilot programs were approved in March 2005. Order No. 29737, Case No. IPC-E-05-2. The programs are currently scheduled to expire on April 1, 2006. The Company proposes to extend the programs for an additional year, allowing those that participated in 2005 to continue if they so desire and also soliciting new participants.

Because the current pilot programs are set to expire on April 1, 2006, the Company requested that the Commission process its Application on an expedited basis, or alternatively, issue an interlocutory Order extending the effectiveness of the pilot programs for a sufficient time to allow the Commission to fully consider the Application. If the Commission chooses to extend the effectiveness of the programs pending its consideration of the Application the Company requests a schedule that would allow an Order to be issued in mid to late April and sufficient lead time to allow activation of the new programs by June 1, 2006. The Company requested processing its Application by Modified Procedure.

With this Order the Commission authorizes Idaho Power to continue its time-of-use energy pricing pilot programs.

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that the current pilot programs, Schedule 4, Energy Watch Pilot Program, and Schedule 5, Time-of-Use Pilot Program, were approved in March 2005 to run through April 1, 2006. Order No. 29737, Case No. IPC-E-05-2. The programs are voluntary options available to all residential customers in the Emmett Valley who have AMR metering installed.

YOU ARE FURTHER NOTIFIED that Idaho Power employed Northwest Research Group to conduct a customer survey and RLW Analytics to analyze the usage and billing data

associated with these programs. The Company states in its Application that the detailed results of these pilot programs will be included in the Company's report to the Commission, to be submitted on or before April 1, 2006 in compliance with Order No. 29737. Application at 2.

YOU ARE FURTHER NOTIFIED that the Company reports that a preliminary evaluation of the programs shows that the participant retention rate was high. The Energy Watch program began with 79 participants and retained 76 by the end of August 2005. The Time-of-Day program began with 95 participants and retained 92. Application at 3. Preliminary results suggest that on average customers benefited by participating in the programs. *Id.* Time-of-day participants, on average, saved about 5 percent on their bills and Energy Watch participants, on average, saved about 10 percent on their bills when compared with control groups with similar usage taking service under Schedule 1. *Id.* The Company states that the energy load shift, or decrease in usage, for the time-of-day participants, although apparent, was not statistically significant. *Id.* The Energy Watch participants, on average, demonstrated a statistically significant demand reduction during the Energy Watch hours, reducing their household demand by 1.33 kW for all Energy Watch hours. *Id.* Additionally, the Company reports that preliminary evaluation of the customer survey indicates: participants were satisfied with the programs; 60% of those responding indicated they would participate again; and 50% responded that they would recommend these programs to others. *Id.*

YOU ARE FURTHER NOTIFIED that the Company is not proposing any changes to the Energy Watch program, Schedule 4. Application at 5. The Company is proposing a change in the availability of both pilot programs, in that program participation be limited to those customers whose energy usage equals or exceeds 300 kWh for each of the most recent 12 consecutive billing periods or for all billing periods if the customer has less than 12 months of billing history. Application at 4. The Company is proposing to change the rates for the time-of-day pricing periods by increasing the price differential between on-peak, off-peak, and mid-peak rates. Application at 7. By increasing the differentials between time-of-day pricing periods, the Company intends to increase the financial incentive for customers to shift their energy usage. Along with its Application the Company filed proposed tariff sheets for both Schedule 4 and Schedule 5 that provide for the continuation and changes to the pilot programs.

FINDINGS/CONCLUSIONS

The Idaho Public Utilities Commission has jurisdiction over Idaho Power Company, its Application, and the issues involved in this case by virtue of Title 61, Idaho Code, including *Idaho Code* §§ 61-129, 328, 501-503, 507, 523, 524, and the Commission's Rules of Procedure, IDAPA 31.01.01.000 *et seq.*

The Commission notes that it believes the time-of-use energy pricing pilot programs to be important programs with potential benefit to both customers and the Company. Consequently we find it reasonable to authorize the continuation of these programs, as the Company has requested, past their current expiration date of April 1, 2006. We look forward to reviewing the Company's report and findings regarding the first year of operating these programs. Once the report is received and reviewed we direct Staff to promptly advise the Commission whether there is a need for further proceedings regarding the Company's proposed changes to the programs.

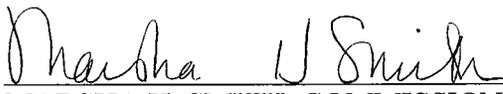
ORDER

IT IS HEREBY ORDERED that Idaho Power Company is authorized to continue its time-of-use energy pricing pilot programs, Schedule 4, Energy Watch Pilot Program, and Schedule 5, Time-of-Use Pilot Program, past the current April 1, 2006, expiration date.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 15th
day of March 2006.



PAUL KJELLANDER, PRESIDENT

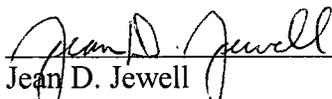


MARSHA H. SMITH, COMMISSIONER



DENNIS S. HANSEN, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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