

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)	ORDER NO. 30037
)	

On March 3, 2006, Idaho Power 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 initially approved in March 2005. Order No. 29737, Case No. IPC-E-05-2. The programs were scheduled to expire on April 1, 2006. The Company proposed 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. The Company also proposed some changes to the availability of the programs and the rates in the time-of-day pricing categories.

On March 15, 2006, the Commission issued a Notice of Application and authorized the pilot programs to continue past the April 1, 2006 expiration date. Order No. 30001. On April 18, 2006, the Commission authorized the use of Modified Procedure with a comment deadline of May 1, 2006. Order No. 30023. Commission Staff was the only party to file comments and recommended approval of the Company's Application. With this Order the Commission approves the Company's Application as more fully set forth below.

THE APPLICATION

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 Company's Application seeks to extend and continue the programs for an additional year. The programs are voluntary options available to all residential customers in the Emmett Valley who have AMR metering installed.

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 submitted its report, along with the information from the reports from the two outside firms on March 29, 2006. This information was reviewed by Staff and is on file with the Commission in Case No. IPC-E-05-2.

According to the Application, 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.

DISCUSSION

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.* A formal hearing is not required and we continue to find it appropriate to process this case by Modified Procedure. IDAPA 31.01.01.201-204.

We have previously authorized these pilot programs to continue past their original expiration date of April 1, 2006. Order No. 30001. After examining the Company's report, as well as the files and records to date for this matter, we find it reasonable to grant the Company's request to continue both the Schedule 4, Energy Watch, and Schedule 5, Time-of-Use, pilot programs for an additional year. As we have previously stated, we believe the time-of-use pricing pilots to be important programs with potential benefit to both customers and the Company. It appears from the data collected and reported that an additional year of continued development and further evaluation is needed prior to expanding these programs beyond the pilot phase and rolling out this technology to a larger section of the Company's service area.

We find that limiting the availability of the programs to households with at least 300 kWh of consumption is reasonable and will allow the Company to focus the efforts of the pilots on customers with the capability to shift loads significant enough to gain valuable statistical information. In addition, we find that the proposal to increase the price differential between peak and off-peak use in the Time-of-Day pilot should provide valuable, and potentially more viable,

information on the responsiveness of customers to pricing differentials. However, it is our understanding that the prices for mid-peak and on-peak usage will be different than that proposed in the Company's Application. The pricing for off-peak will be as proposed in the Application at \$.045053, the mid-peak rate will be the same as the regular Schedule 1, over 300 kWh rate of \$.060936, and the on-peak rate will be \$.083110.

ORDER

IT IS HEREBY ORDERED that Idaho Power Company's Application for authority to continue its two time-of-use energy pricing pilot programs, Schedule 4 and Schedule 5, is granted.

IT IS FURTHER ORDERED that the pilot programs are authorized to continue for an additional year. The Company's proposed changes and tariffs are approved, with the changes mentioned above. The Company shall submit updated tariffs to reflect the changes.

IT IS FURTHER ORDERED that the Company is directed to work with Commission Staff on developing an evaluation plan for the pilot programs, and to submit a final report to the Commission upon completion of the pilot programs.

THIS IS A FINAL ORDER. Any person interested in this Order may petition for reconsideration within twenty-one (21) days of the service date of this Order with regard to any matter decided in this Order. Within seven (7) days after any person has petitioned for reconsideration, any other person may cross-petition for reconsideration. *See Idaho Code* § 61-626.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 9th
day of May 2006.



PAUL KJELLANDER, PRESIDENT

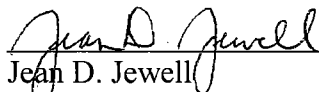


MARSHA H. SMITH, COMMISSIONER



DENNIS S. HANSEN, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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