

DECISION MEMORANDUM

**TO: COMMISSIONER KJELLANDER
 COMMISSIONER SMITH
 COMMISSIONER REDFORD
 COMMISSION SECRETARY
 COMMISSION STAFF
 LEGAL**

FROM: DONOVAN E. WALKER

DATE: MARCH 9, 2007

**SUBJECT: IDAHO POWER'S APPLICATION TO IMPLEMENT TIME-VARIANT
 PRICING PROGRAMS, CASE NO. IPC-E-07-05**

On February 28, 2007, Idaho Power Company filed an Application seeking authority to implement two time-variant energy pricing programs for customers in the Emmett and Letha, Idaho vicinities (Emmett Valley). The Company requests that its Application be processed by Modified Procedure. Staff also recommends Modified Procedure.

THE APPLICATION

The two time-variant pricing programs, Energy Watch and Time-of-Day, were previously approved as pilot programs in March 2005, and authorized to continue through April 1, 2007. See Order No. 30037, Case No. IPC-E-06-05. The two pilot programs were available to customers in the Emmett Valley who had AMR metering installed. Under both pilot programs, the pricing for energy consumption during the months of June, July, and August included a time-variant component. For all other months, the pricing was identical to that for standard residential service under Schedule 1. The Company states that it wishes to continue offering these programs to customers in the Emmett Valley, allowing continued evaluation and refinement of the programs and internal systems required to run them.

The Company states that it filed reports with the Commission detailing the results of the pilot programs' operation. A report for the first year of operation was filed on March 29, 2006, and a report for the second year of operation was filed on February 28, 2007. The Company requests that the Commission take administrative notice of those filings in this proceeding. The analysis from those reports shows that: overall, the participants in the pilots were satisfied with the programs; on average, customers benefited (saved money) by

participating in the programs; on average, the participants reduced household energy demand; and customer retention in the programs was relatively high. The Company states that based upon the results of the pilot programs, including the high level of customer satisfaction, that it is proposing to maintain the same program design and pricing going forward as that implemented for the pilots during the summer of 2006.

STAFF RECOMMENDATION

Staff has read the Company's Application and received the Year Two Final Report on the Pilot Programs in Case No. IPC-E-06-05. Staff recommends that the Commission grant the Company's request to process this case by Modified Procedure with a standard comment period of 21 days.

COMMISSION DECISION

Does the Commission wish to process the Company's Application by Modified Procedure with a 21-day comment period?

A handwritten signature in black ink, appearing to read "Don E. Walker", written over a horizontal line.

Donovan E. Walker