

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

<b>IN THE MATTER OF THE APPLICATION</b>	)	<b>CASE NO. IPC-E-08-16</b>
<b>OF IDAHO POWER COMPANY FOR A</b>	)	
<b>CERTIFICATE OF PUBLIC CONVENIENCE</b>	)	<b>NOTICE OF APPLICATION</b>
<b>AND NECESSITY TO INSTALL ADVANCED</b>	)	
<b>METERING INFRASTRUCTURE (AMI)</b>	)	<b>NOTICE OF</b>
<b>TECHNOLOGY THROUGHOUT ITS</b>	)	<b>MODIFIED PROCEDURE</b>
<b>SERVICE TERRITORY</b>	)	
	)	<b>ORDER NO. 30637</b>

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On August 5, 2008, Idaho Power Company ("Idaho Power" or "Company") submitted an Application for a Certificate of Public Convenience and Necessity ("CPCN"), pursuant to *Idaho Code* §§ 61-502A, 61-503, 61-525, 61-526, RP 52, and RP 112, to install Advanced Metering Infrastructure ("AMI") technology throughout its service territory, authorization to accelerate the depreciation of the existing metering infrastructure, and to include the corresponding operation and maintenance benefits as they occur. The Company requested that its Application be processed through Modified Procedure. IDAPA 31.01.01.201-.204.

On August 19, 2008, the Kroger Company dba Fred Meyer and Smith's Food and Drug ("Kroger"), filed a petition for leave to intervene pursuant to IDAPA 31.01.01.071-.073.

**NOTICE OF APPLICATION**

YOU ARE HEREBY NOTIFIED that Idaho Power has filed an Application for a CPCN, pursuant to *Idaho Code* §§ 61-502A, 61-503, 61-525, 61-526, RP 52, and RP 112, to install AMI technology over a three-year period throughout its service territory.

YOU ARE FURTHER NOTIFIED that the Company will utilize a phased implementation approach for the installation of the AMI technology, beginning with its Capital Region (including the Boise, Kuna, Meridian, Eagle communities) in 2009, Canyon and Payette Regions (including the Nampa, Caldwell, Payette and Ontario communities) in 2010 and its Southern and Eastern Regions (including the Twin Falls, Hailey, Jerome, Pocatello and Salmon communities) in 2011. Installation of the new meters will generally progress along established meter reading routes until completion.

YOU ARE FURTHER NOTIFIED that Idaho Power believes that AMI offers numerous long-term benefits to its customers, including but not limited to the following: Reducing operational costs associated with meter reading, improving meter reading accuracy; eliminating the need for Idaho Power to gain access to customer property for monthly meter reading; improving outage monitoring, theft detection, and employee safety; providing a platform for remote connects and disconnects that would also save customer time and employee labor; and providing billing advantages resulting in fewer estimated bills, less rebilling, flexible billing schedules, account aggregating, and flexible rate designs.

YOU ARE FURTHER NOTIFIED that the Company has already selected vendors and executed contracts for the purchase of the necessary hardware, software and labor for AMI installation. The project will require multiple vendors (4) due to the lack of a single-source vendor offering all of the requisite products and services necessary for AMI installation.

YOU ARE FURTHER NOTIFIED that Idaho Power does not request a rate increase in conjunction with its Application; however, the Company has requested that, in the ordinary course of events, it will be allowed to rate base the prudent capital costs of deploying AMI as it is placed in service, to accelerate the depreciation of the existing metering infrastructure replaced by AMI over the three-year deployment, and to include the operation and maintenance benefits in the accounting methodology.

YOU ARE FURTHER NOTIFIED that Idaho Power estimates that the total capital cost for the project will be approximately \$70.9 million plus "certain additional costs that the Company knows it will incur but cannot quantify with precision at this time." The capital cost does not include the accelerated depreciation of the existing metering infrastructure or the operation and maintenance benefits associated with the deployment of the new AMI technology.

YOU ARE FURTHER NOTIFIED that Idaho Power states that its current estimate is subject to revision "for documented, legally-required equipment changes and material changes in assumed escalation or growth rates not foreseen at the time of this Application." Idaho Power commits to absorbing any "extra" capital cost above the "adjusted Commitment Estimate" and to including in its rate base only the amount actually incurred up to this "adjusted Commitment Estimate."

YOU ARE FURTHER NOTIFIED that, in anticipation of project commencement in January 2009, Idaho Power has made certain equipment and material purchases totaling \$1.2 million and states that it will be required to make additional purchases of approximately \$5 million in September and October 2008.

YOU ARE FURTHER NOTIFIED that Idaho Power requests that its Application be processed through Modified Procedure. The Company filed testimony from employees John R. Gale, Courtney Waites and Marc Heintzelman concurrent with its Application filing.

YOU ARE FURTHER NOTIFIED that on August 19, 2008, Kroger filed a Petition to Intervene in this matter. No objections to Kroger's intervention have been filed.

YOU ARE FURTHER NOTIFIED that the Application, supporting workpapers, testimonies, and exhibits have been filed with the Commission and are available for public inspection during regular business hours at the Commission's offices. The Application and testimonies are also available on the Commission's Website at [www.puc.idaho.gov](http://www.puc.idaho.gov) under "File Room" and then "Electric Cases."

#### **NOTICE OF MODIFIED PROCEDURE**

YOU ARE FURTHER NOTIFIED that the Commission has reviewed the filings of record in Case No. IPC-E-08-16. The Commission has preliminarily determined that the public interest may not require a hearing to consider the issues presented in this case and that issues raised by the Company's filing may be processed under Modified Procedure, i.e., by written submission rather than by hearing. IDAPA 31.01.01.201-204. In so doing, the Commission notes that Modified Procedure and written comments have proven to be an effective means for obtaining public input and participation.

YOU ARE FURTHER NOTIFIED that the Commission may not hold a hearing in this proceeding unless it receives written protests or comments opposing the use of Modified Procedure and stating why Modified Procedure should not be used. IDAPA 31.01.01.203.

YOU ARE FURTHER NOTIFIED that if no protests or written comments are received within the deadline, the Commission will consider the matter and enter its Order without a hearing. If protests or comments are filed within the deadline, the Commission will consider them and may, in its discretion, set the matter for hearing or decide the matter and issue its Order on the basis of the written positions before it. IDAPA 31.01.01.204.

## NOTICE OF COMMENT/PROTEST DEADLINE

YOU ARE FURTHER NOTIFIED that the deadline for filing written comments or protests with respect to the Application and the Commission's use of Modified Procedure in Case No. IPC-E-08-16 is **90 days from the service date of this Order**. Persons desiring a hearing must specifically request a hearing in their written protests or comments.

YOU ARE FURTHER NOTIFIED that written comments concerning this case should be mailed to the Commission and to the Company at the addresses reflected below.

Commission Secretary  
Idaho Public Utilities Commission  
PO Box 83720  
Boise, ID 83720-0074

Street Address for Express Mail:  
472 W. Washington Street  
Boise, ID 83702-5918

Donovan E. Walker  
Barton L. Kline  
Idaho Power Company  
PO Box 70  
Boise, Idaho 83707  
E-mail: [dwalker@idahopower.com](mailto:dwalker@idahopower.com)  
[bkline@idahopower.com](mailto:bkline@idahopower.com)

Courtney Waites  
John R. Gale  
Idaho Power Company  
PO Box 70  
Boise, Idaho 83707  
E-mail: [cwaites@idahopower.com](mailto:cwaites@idahopower.com)  
[rgale@idahopower.com](mailto:rgale@idahopower.com)

These comments should contain the case caption and case number shown on the first page of this document. Persons desiring to submit comments via e-mail may do so by accessing the Commission's homepage located at [www.puc.idaho.gov](http://www.puc.idaho.gov). Click the "Comments and Questions" icon, and complete the comment form, using the case number as it appears on the front of this document. These comments must also be sent to Idaho Power at the e-mail addresses listed above.

## COMMISSION FINDINGS/CONCLUSIONS

The Idaho Public Utilities Commission has jurisdiction over Idaho Power Company and its Application for a Certificate of Public Convenience and Necessity to install Advanced Metering Infrastructure technology throughout its service territory pursuant to *Idaho Code* §§ 61-502A, 61-503, 61-525, 61-526, RP 52, and RP 112.

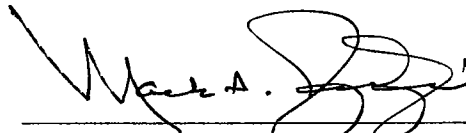
The Commission has preliminarily determined that the public interest may not require a hearing to consider the issues presented in this case, and that issues raised by the Company's filing may be processed under Modified Procedure, by written submission rather than by hearing. IDAPA 31.01.01.201-204. In so doing, the Commission notes that Modified Procedure and written comments have proven to be an effective means for obtaining public input and participation.

### ORDER

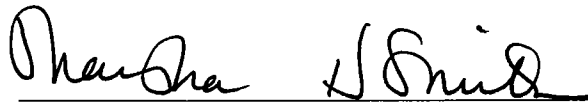
IT IS HEREBY ORDERED that this Application will be processed under Modified Procedure. Persons interested in submitting written comments regarding Case No. IPC-E-08-16 or protesting the use of Modified Procedure should do so no later than 90 days from the service date of this Order.

IT IS FURTHER ORDERED that the Petition to Intervene submitted by the Kroger Co. dba Fred Meyer and Smith's Food and Drug, is granted.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 9<sup>th</sup> day of September 2008.



MACK A. REDFORD, PRESIDENT

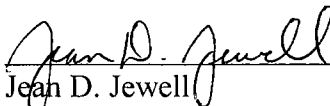


MARSHA H. SMITH, COMMISSIONER



JIM D. KEMPTON, COMMISSIONER

ATTEST:



Jean D. Jewell  
Commission Secretary

O:IPC-E-08-16\_np

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NOTICE OF MODIFIED PROCEDURE  
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