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UTILITIES COMMISSION

**DONOVAN E. WALKER**  
Corporate Counsel

April 7, 2009

**VIA HAND DELIVERY**

Jean D. Jewell, Secretary  
Idaho Public Utilities Commission  
472 West Washington Street  
P.O. Box 83720  
Boise, Idaho 83720-0074

Re: Case No. IPC-E-09-07  
*INCLUSION OF ADVANCED METERING INFRASTRUCTURE ("AMI")  
INVESTMENT IN RATE BASE*

Dear Ms. Jewell:

Enclosed for filing please find an original and seven (7) copies of Idaho Power Company's Customer Notice in the above matter.

Very truly yours,

Donovan E. Walker

DEW:csb  
Enclosures

DONOVAN E. WALKER (ISB No. 5921)  
BARTON L. KLINE (ISB No. 1526)  
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Attorneys for Idaho Power Company

Street Address for Express Mail:  
1221 West Idaho Street  
Boise, Idaho 83702

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION )  
OF IDAHO POWER COMPANY FOR ) CASE NO. IPC-E-09-07  
AUTHORITY TO INCREASE ITS RATES )  
DUE TO THE INCLUSION OF ADVANCED ) CUSTOMER NOTICE  
METERING INFRASTRUCTURE ("AMI") )  
INVESTMENT IN RATE BASE. )  
\_\_\_\_\_ )

As referenced on page 5 of the Application filed in the above-referenced case, Idaho Power Company hereby submits a copy of the Customer Notice for this matter. This Notice will be distributed to the Company's customers as a bill insert from March 25, 2009, to April 23, 2009.

DATED at Boise, Idaho, this 7<sup>th</sup> day of April 2009.

  
DONOVAN E. WALKER  
Attorney for Idaho Power Company

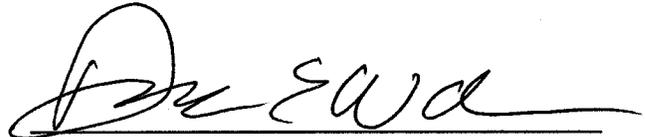
## CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 7<sup>th</sup> day of April 2009 I served a true and correct copy of the CUSTOMER NOTICE upon the following named parties by the method indicated below, and addressed to the following:

**Commission Staff**

Neil Price  
Deputy Attorney General  
Idaho Public Utilities Commission  
472 West Washington  
P.O. Box 83720  
Boise, Idaho 83720-0074

Hand Delivered  
 U.S. Mail  
 Overnight Mail  
 FAX  
 Email [Neil.Price@puc.idaho.gov](mailto:Neil.Price@puc.idaho.gov)



Donovan E. Walker

## **Important Information About Your Electricity Bill**

Idaho Power is committed to diligent execution of energy efficiency initiatives, and in partnership with customers is demonstrating its commitment to securing our energy future. Meeting these commitments requires periodic filings with the Idaho Public Utilities Commission (IPUC) to adjust the prices customers pay for electricity. Idaho Power filed three energy efficiency-related requests with the IPUC in March which may affect your rates. These rate actions complement our expanded energy efficiency activities and underscore Idaho Power's commitment to helping our customers increase their energy efficiency, providing more opportunity for them to control their electric bill.

### **Energy Efficiency (EE) Program Funding**

Our energy efficiency programs provide cash incentives, information and services to residential, general service, large power and irrigation customers. As a result of continued expansion of these programs Idaho Power is seeking approval to adjust the amount collected through the existing Energy Efficiency Services charge from 2.5 percent of monthly energy bills to 4.75 percent. All of the funds collected by this charge go directly to energy efficiency programs. None of the funding goes to the earnings of the company. The filing proposes to collect an additional \$15.6 million annually or an increase of 1.91 percent over the current annual Idaho revenue.

Energy efficiency programs help customers save energy and money. They also help Idaho Power reduce the amount of electricity it buys or generates. This ensures the company meets its commitment to responsible planning for the growing need of electricity. To learn more about Idaho Power's energy efficiency programs or to enroll, visit [www.idahopower.com/eeprograms](http://www.idahopower.com/eeprograms).

### **Fixed Cost Adjustment (FCA)**

The FCA is a pilot rate adjustment that trues up fixed cost recovery as energy efficiency programs and other activities strive to reduce usage per customer. Its purpose is to encourage the company to invest in energy efficiency programs and activities. The FCA provides for an IPUC-determined amount of fixed costs to be recovered from these customers. If, because of reduced

electricity use during the year, the company under-collects the authorized fixed cost amount, it can collect the difference through a surcharge. If Idaho Power over-collects the authorized amount, the company refunds the difference through a credit. During 2008, Idaho Power's energy use per customer decreased, in part due to increased energy efficiency, and the company under-collected fixed costs from both residential and small general service customers. The filing proposes to collect an additional \$5.2 million for one year. Therefore, these two customer groups are proposed to receive a 0.0529 cents/kilowatt-hour (kWh) charge beginning June 1.

### Advanced Metering Infrastructure (AMI)

Responding to a changing technological environment and past directives from the IPUC, Idaho Power is installing advanced metering across its service area. Installation of AMI will reduce operating costs associated with meter reading and improve meter reading accuracy, outage monitoring and management, and electricity theft detection. It will eventually allow customers to monitor electric prices and become more energy efficient by adjusting their usage to take advantage of lower price periods. AMI will also allow more customers to participate in more programs, such as our A/C Cool Credit air conditioner cycling program. If approved, this action will increase residential, small business and irrigation customers' rates uniformly by an average of 1.37 percent, and would produce an estimated \$11.2 million in additional revenue per year.

### Overall Impact of These Actions

If approved, these requests collectively will have differing impacts on the rates paid by our customers. The table below shows the average change:

	Residential Service	General Service	Large-Power Service	Irrigation Service	Overall Change
ERFunding	1.97%	1.89%	1.73%	1.92%	1.91%
FCA	1.35%	0.09%	0.00%	0.00%	0.64%
AMI	1.35%	1.36%	0.00%	1.47%	1.37%
<b>Overall Change</b>	<b>5.17%</b>	<b>3.34%</b>	<b>1.78%</b>	<b>3.39%</b>	<b>3.92%</b>

For a typical residential customer using 1,050 kWh of electricity each month, the monthly bill would increase by \$3.99 per month during June, July and August and by \$3.89 during non-summer months.

Idaho Power's applications are proposals open to public review and comment and subject to IPUC approval. They are available on the company's Web page at [www.idahopower.com/idahoratefilings](http://www.idahopower.com/idahoratefilings). Copies also are available at Idaho Power offices or at the Idaho Public Utilities Commission office in Boise.