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Attorney for the Commission Staff

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF )

IDAHO POWER COMPANY FOR APPROVAL )CASE NO. IPC-E-98-9

OF AN EXTENSION OF SCHEDULE 20)

“MARKET-BASED PRICING SERVICE PILOT)

PROGRAM” BY REVISING SCHEDULE 20)COMMENTS OF THE

FOR CUSTOMERS WHO CONTRACT FOR)COMMISSION STAFF

FIVE TO TEN MEGAWATTS OF FIRM LOAD.)

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COMES  NOW  the Staff of the Idaho Public Utilities Commission, by and through its attorney of record, Brad Purdy, Deputy Attorney General, and in response to the Notice of Application/Notice of Modified Procedure issued on July 10, 1998, submits the following comments.

On June 19,1998, the Idaho Power Company filed an Application for authority to revise its Schedule 20 “Market-Based Pricing Service Pilot Program.”  The original pilot program required customers to enroll prior to the end of 1997.  None of the ten eligible customers enrolled.  The revised pilot allows customers to enroll until August 1, 1999 by signing two to five year contracts.  Although the Company has revised its pilot program in a few areas, it is essentially the same program previously approved by the Commission.  Staff comments from the

previous case are Attachment 1 to these comments.  Idaho Power provided Attachment 2 with its work papers.  Attachment 2, under “Existing Features,” shows major program features of the currently approved Pilot Program.  The “Proposed Features” column summarizes the Company’s proposal in this case.  Staff attached its comments from the previous Schedule 20 case because, even with the changes shown on Attachment 2, Staff believes those comments to be applicable to this case.

RECOMMENDATION

Staff recommends approval of the revised Schedule 20 pilot program.  Staff supports the pilot because:  (1) eligible Schedule 19 customers continue to have the option of staying on Schedule 19, (2) the Commission has encouraged this type of experimentation, and (3) the customers, the Company and the Commission all have the opportunity to gain some experience with market-based pricing options.  Staff also believes that a small amount of useful information is obtained from such offerings even if no customers choose to participate.

After discussion with the Company, Staff proposes an effective date of August 17, 1998.

Respectfully submitted this                    day of July 1998.

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Brad Purdy

Deputy Attorney General

Technical Staff:  Keith Hessing

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