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Jean Jewell

From: Ed Howell
Sent: Monday, October 03, 2005 6:47 PM
To: Jean Jewell; Ed Howell; Gene Fadness; Tonya Clark
Subject: Comment acknowledgement

WWW Form Submission:

Monday, October 03, 2005
5:46:55 PM

Case: PAC-E-05-10
Name: Gerald Fleischman
Street Address: 10535 Hazeldale Ct.
City: Boise
State: ID
ZIP: 83713
Home Telephone: 208-376-2148
E-Mail: gfleisch986@hotmail.com
Company:

mailing_list_yes_no: yes

Comment_description: I read PacifiCorp's application for this surcharge. The programs PacifiCorp plans seem to be good ones. My only comment is the form of the surcharge, and after reading it I could not tell. It appears however to be a charge that is somehow divided among customers of a class and not based on the individual energy use of these customers. If this is the case, it is not good. The base charges need to be as low as possible to provide the greatest incentive for conservation and substitution to the customer/ratepayer. If the base charges, surcharges or fees can not be reduced through reduction in load, they lessen the incentive for conservation. The fees should be calculated as a percent of the energy use. If a customer used \$100 worth of electricity, for example, he or she would pay a \$1.50 DSM surcharge. If he or she used \$200 of electricity, the surcharge would be \$3.00.

I don't see any problem with the DSM programs, although if I looked in detail, I might. But the surcharge needs to be something that the customer can also reduce through conservation or substitution. Customers need information signals that tell them what to do. Higher electricity prices is one of the best signals there is, but the greater the percentage base fees are of the price, the less the incentive is for customers to conserve or innovate.

If the fee is being set the way I suggest, then sorry for taking your time. If it isn't, I encourage you to change it to a percentage of use. This should be very easy to calculate, and every customer understands a fee that would say for example "DSM Fee (1.5% of use)" of "DSM program fee (\$.001 / kWh). Having the fee charged in this ways allows the customer to reduce it also.

Thank you for your consideration.

Transaction ID: 1031746.55
Referred by: <http://www.puc.state.id.us/scripts/polyform.dll/ipuc>
User Address: 164.165.96.2
User Hostname: 164.165.96.2