BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF IDAHO POWER COMPANY FOR AUTHORITY TO INCREASE ITS RATES AND CHARGES FOR ELECTRIC SERVICE TO ITS CUSTOMERS IN THE STATE OF IDAHO.	)	CASE NO. IPC-E-11-08

IDAHO POWER COMPANY

DIRECT TESTIMONY

OF

DARLENE NEMNICH

Q. Please state your name and business address.

A. My name is Darlene Nemnich. My business address is 1221 West Idaho Street, Boise, Idaho.

Q. By whom are you employed and in what capacity?

A. I am employed by Idaho Power Company ("Idaho Power" or "Company") as a Senior Regulatory Analyst.

Q. Please describe your educational background.

A. In May of 1979, I received a Bachelor of Arts degree in Business Administration with emphases in Finance and Economics from the College of Idaho. In addition, I have attended the electric utility ratemaking course offered through New Mexico State University's Center for Public Utilities as well as various other ratemaking courses sponsored by the Edison Electric Institute.

Q. Please describe your work experience with Idaho Power.

A. In 1982, I was hired as an analyst in the Resource Planning Department. My primary duties were the calculation of avoided costs for cogeneration and small power production contracts and the calculation of costs of future generation resource options. In 1989, I moved to the Energy Services Department where I performed economic, financial, and statistical analyses to determine the cost-effectiveness of demand-side management programs. I stayed in that general area designing, implementing, and

evaluating programs until 2000, when I was promoted to Energy Efficiency Coordinator. In that capacity, I coordinated the Company's effort to grow customer programs and education in energy efficiency promotion. I was responsible for complying with regulatory and financial requirements in the area of energy efficiency. In 2003, I was promoted to Energy Efficiency Leader where I managed the Company's demand-side management effort, including strategic planning, design and development of programs, regulatory compliance, and overall management of the department. In 2006, I left the Company to pursue personal opportunities. In April 2008, I returned to the Company as a Senior Regulatory Analyst in the Regulatory Affairs Department. My duties as Senior Regulatory Analyst include the development of alternative pricing structures, analysis of the impact on customers of rate design changes, and the administration of the Company's tariffs.

Q. What is the purpose of your testimony in this matter?

A. My testimony will address the Company's rate design proposals for residential customers taking service under Schedules 1, 3, 4, and 5.

Q. Are you sponsoring any exhibits?

A. Yes. I am sponsoring the following exhibits relating to residential rate design:

Exhibit	Description
Exhibit No. 45	Calculation of Proposed Rates
Exhibit No. 46	Typical Monthly Billing Comparison

Q. What are your overall objectives in arriving at the proposed rate design?

A. As indicated in Mr. Michael J. Youngblood's testimony, the Company's two primary objectives with regard to rate design are to establish prices that primarily reflect the costs of the services provided and to provide customers with cost-based price signals designed to align with and encourage the efficient use of energy.

Q. What are the Company's Residential Service schedules?

A. The Company has four Residential Service schedules, Schedules 1, 3, 4, and 5. Schedule 1 is available to all customers taking service for general domestic use. Schedule 3 is available only to master-metered mobile home parks included on the Company's list of "grandfathered" mobile home parks.

Schedule 4, the Energy Watch Program, is a critical peak pricing rate option, and Schedule 5, the Time-of-Day Program, is a time-of-use rate option. Both Schedules 4 and 5 are optional time-variant pricing options and are currently available only to residential customers in the

Emmett Valley area who have Advanced Metering Infrastructure equipment installed.

Q. What is the annual revenue requirement to be recovered from Residential Service customers?

A. The annual revenue requirement to be recovered from all Residential Service customers, which includes Schedules 1, 3, 4, and 5, is $412,939,501, as shown in Mr. Larkin's Exhibit No. 38. This is an overall increase for the residential class of 8.83 percent.

Q. What are the changes that the Company is proposing to the current rate design for Residential Service?

A. For all of the residential tariffs, the Company is adjusting each of the billing components to move closer to its cost of service and recover the revenue assigned to each class. This includes a proposal to increase the Service Charge from the existing $4.00 per customer per month to $5.00 for all residential schedules. Also, for the Company's critical peak pricing and time-of-day residential schedules, Schedules 4 and 5, respectively, the Company is proposing modifications to the rate design in order to provide continuity with the Company's future plans for residential time variant pricing.

I. SCHEDULE 1

Q. Please describe the present rate structure for Residential Service under Schedule 1.

A. Residential Service customers taking service under Schedule 1 pay a monthly Service Charge of $4.00. Schedule 1 currently includes a three-tiered inverted block Energy Charge rate for each of two seasons, summer and non-summer. The summer season includes the months of June, July and August and the non-summer season includes all other months of the year. During the summer season, customers pay a base Energy Charge of 7.1026 cents per kilowatt-hour ("kWh") for the first 800 kWh of energy used, 8.6530 cents per kWh for energy used between 801 and 2000 kWh, and 10.3836 cents per kWh for all additional kWh over 2000 each month. During the non-summer season, they pay an Energy Charge of 6.6259 cents per kWh for the first 800 kWh of energy used, 7.3621 cents per kWh for energy used between 801 and 2000 kWh, and 8.4662 cents per kWh for all additional kWh over 2000 each month.

Q. Please describe the Company's proposal to increase the Service Charge.

A. The Service Charge is intended to recover costs that do not vary with the amount of energy or capacity used. This includes the investments in the service line and meter as well as billing costs.

Historically, the Service Charge has been well below the unit cost, meaning that the Service Charge, from a cost-of-service standpoint, has under-collected the customer-related fixed costs associated with this rate component. Consistent with the Company's rate design objective to move the individual rate components closer to the cost of providing electric service, the Company is proposing to increase the Service Charge to $5.00 per month.

Q. How does the proposed $5.00 Service Charge compare with the cost-of-service results?

A. The $5.00 per month Service Charge represents approximately 24 percent of the cost-of-service result of $20.94 shown at line 60 on page one of Mr. Matthew T. Larkin's Exhibit No. 36.

Q. How long has this Service Charge been $4.00 per month?

A. The $4.00 Service Charge amount has been unchanged for the Company's Idaho customers for five years, since June 2006. During that time, the Company's cost-of-service studies have always resulted in a service charge unit cost greater than the $4.00 amount. Because the Service Charge has remained at the same level, the additional fixed costs are being recovered through the volumetric rate, the Energy Charge. This has resulted in overall rate design for residential schedules that is

consistently misaligned with cost-of-service values, which in turn sends distorted price signals to customers. This misalignment of costs in rate components increases intra-class subsidies, causing some customers to pay more than the cost to serve them, and some customers to pay less than the cost to serve them.

Q How does your proposal to increase the Service Charge to $5.00 compare with service charges of other utilities in Idaho?

A. The other two investor-owned utilities in the state have similar charges currently set at $5.00 per month. Avista Corporation has a $5.00 Basic Charge for its residential service customers in Idaho and Rocky Mountain Power has a $5.00 Customer Service Charge for its residential service customers in Idaho.

Q. Is the Company proposing any changes to the design of the Energy Charge rate for Schedule 1?

A. No. The Company is proposing to maintain the three-tier inverted block rate Energy Charge structure for both the summer and non-summer seasons and to keep the tier blocks at the current levels. However, when applying the increase needed to reach the revenue requirement, slightly more of the increase was applied to the Energy Charge tiers in the summer season than the non-summer season. In addition, Idaho Power is proposing no increase to the third

tier Energy Charge in the non-summer season. The primary reason for applying slightly more of the increase in the summer months is that the cost-of-service is higher in the summer than in the non-summer season. This difference is illustrated on page one of Exhibit No. 36 of Mr. Larkin's testimony, where the average summer unit cost of energy is 7.8329 cents per kWh, as compared to the non-summer average unit cost of energy of 5.4571 cents per kWh.

Q. What are the reasons for proposing no increase to the third-tier Energy Charge in the non-summer months?

A. The Company is proposing no increase to the third-tier Energy Charge during the non-summer months in part because the cost to serve is lower in those months. Further, the proposed design was developed with an eye toward not exacerbating the customer equity and service issues discussed in Mr. Youngblood's direct testimony.

Q. Please summarize the Company's rate design proposal for Schedule 1.

A. In addition to the Service Charge being set at $5.00 per month the Company proposes the following Energy Charge rates. During the summer season, the Company proposes customers pay a base Energy Charge of 7.7493 cents per kWh for the first 800 kWh of energy used, 9.4410 cents per kWh for energy used between 801 and 2000 kWh, and 11.3297 cents per kWh for all additional kWh over 2000 each

month. During the non-summer season, customers would pay an Energy Charge of 7.1983 cents per kWh for the first 800 kWh of energy used, 7.9981 cents per kWh for energy used between 801 and 2000 kWh, and 8.4662 cents per kWh for all additional kWh over 2000 each month.

The Company's proposed rate design for Schedule 1, Residential Service is shown on page one of Exhibit No. 45.

Q. What impact will this rate design proposal have on Residential Service customers taking service under Schedule 1?

A. The typical monthly billing comparison for Residential Service customers taking service under Schedule 1 appears on page one of Exhibit No. 46. This comparison shows that the proposed increase is slightly higher in the summer months. The highest users during the non-summer months see a smaller increase, which illustrates the results of not increasing the third-tier Energy Charge in the non-summer season. In addition, this comparison shows the impact of realigning the Service Charge closer to the true cost of service for all use levels.

This rate design continues to provide an incentive for customers to use their electric energy efficiently, mitigates some of the issues being experienced with the current rate structure discussed in Mr. Youngblood's direct testimony, and moves rates closer to the cost to serve.

Q. Are you proposing any other changes to Schedule 1?

A. No.

II. SCHEDULE 3

Q. Do you propose any rate design changes for Schedule 3, Master-Metered Mobile Home Park Residential Service?

A. No. The only changes to Schedule 3 are an increase in the Service Charge from $4.00 to $5.00 per month and a uniform increase in the Energy Charge rate to achieve the required revenue for that schedule. The Company's proposed rate design for Schedule 3 is shown on page two of Exhibit No. 45.

III. SCHEDULES 4 AND 5

Q. Please describe the Company's current time variant pricing schedules.

A. Schedule 4, the Energy Watch Program, is a fixed-price critical peak pricing option in which participants pay a flat rate for all kilowatt-hours used during the summer months except for those kilowatt-hours used during an Energy Watch Event. During an Energy Watch Event, the rate is currently nearly three times higher than the flat rate. Energy Watch events may be called on to ten weekdays a year between June 15 and August 15 during the hours of 5:00 p.m. to 9:00 p.m.

Schedule 5, the Time-of-Day Program, currently has three time periods during the summer months during which participants pay specific prices for energy consumption: (1) On-Peak; (2) Mid-Peak; and (3) Off-Peak. The Off-Peak rate is the lowest rate and the Mid- and On-Peak rates are 36 percent and 81 percent higher, respectively.

During the non-summer months, the Energy Charges for both Schedules 4 and 5 are the same three-tiered inverted block rate structure with the same rate levels as Schedule 1.

Q. Please describe the basic philosophy for the design of these time variant pricing rate options.

A. As Mr. Youngblood explains in his testimony, Idaho Power is envisioning that the Schedule 4 and 5 pricing options proposed in this filing will be offered to a larger group of residential customers in the near future. The Company's purpose in developing time variant pricing schedules is to give customers the option of paying rates that are more in line with the costs incurred by the Company to provide electric service to customers. These costs vary throughout the day and differ between the summer and non-summer months of the year. Idaho Power anticipates that some customers may respond to the time-of-day rates and modify their behavior and electric consumption in order to reduce their electric bills. However, in these designs

the rates were not set at a significantly high level with the exclusive intention of encouraging customers to shift load. Only the critical peak rate set for the Energy Watch hours are specifically designed to reduce or shift load. Rather, for Schedule 5, the time-of-day pricing option, rates are designed to reflect the costs of providing the energy.

Alternately, the Company has designed Schedule 4, the critical peak pricing option, to provide customers a strong price signal that encourages customers to reduce load during specific peak hours of the summer months in order to achieve demand reduction. The critical peak hour price is set very high to encourage all customers on this rate to reduce usage during Energy Watch hours.

The Company is proposing that both Schedules 4 and 5 have new time period definitions for the Energy Charge rate component and that the basic structure be the same for both schedules.

Q. What is the Company's proposal for the new time period definitions for Schedules 4 and 5?

A. For both the Company's time-of-day and critical peak pricing schedules, the Company is proposing to move to a two time period, time-of-day structure for the Energy Charge during the summer and non-summer months. Schedule 4, Energy Watch, will overlay an additional

critical peak pricing time period on top of the On-Peak time period during the summer months.

Q. What is the proposal for new time period definitions for both Schedules 4 and 5?

A. For the summer season, time periods are defined as On-Peak from 1:00 p.m. to 9:00 p.m. Monday through Friday and Off-Peak from 9:00 p.m. to 1:00 p.m. Monday through Friday and all hours on weekends and holidays. In addition, the critical peak time period is overlaid on top of the summer On-Peak period for the hours 5:00 p.m. to 9:00 p.m.

For the non-summer seasons, the two time periods are defined as Mid-Peak 7:00 a.m. to 9:00 p.m. Monday through Friday and Off-Peak 9:00 p.m. through 7:00 a.m. Monday through Friday and all hours on weekends and holidays.

Q. Why is a two block definition preferable to a three block definition?

A. Since the time when time-of-day rates were initially being offered by utilities, a "second generation" of design in these rates has developed that reflects the knowledge gained over the past decade or so. These second generation rates use a two block time-of-day design because they are believed to be easier for customers to understand, simpler to explain, and can reflect sufficient cost differences to which customers can respond. In fact, most

other utilities that offer time-of-day rates now have a two time block structure.

Q. What did the Company find when researching other existing time-of-day rate schedules offered?

A. Of the seventeen rate schedules offered by ten different utilities, all but three schedules had two time blocks during the summer season and two in the non-summer season. In fact, the time-of-day pricing option offered by Rocky Mountain Power in its Idaho service territory follows this pattern.

Q. How were the proposed time block definitions determined?

A. The proposed summer On-Peak time block is not changed from the current eight hour summer On-Peak time block definition. In the past few years, the Company has examined closely the timing of the highest peak hours during the summer and determined there is a high probability that future peak hours will be contained within the eight hour time period of weekdays from 1:00 p.m. to 9:00 p.m. This peak time is largely temperature and precipitation driven when irrigation pumps and air conditioning units are operating. This summer On-Peak time period designation maintains alignment between the residential time-of-day rate options and the time-of-day

rates offered to commercial and industrial customers. All other hours in the summer season are designated Off-Peak.

During the non-summer season, the higher rate will be during the fourteen hours of the Mid-Peak time period from 7:00 am to 9:00 pm. This non-summer peak time period is broader than the summer peak time period and encompasses more hours because in the non-summer season, the peak can occur either in the winter mornings when residential water heating peaks or in the evening when space heating peaks.

Moving the Energy Charge from a three-tiered inclining block rate to a two tiered time-of-day rate for both schedules 4 and 5 aligns these schedules closer to an hourly cost-of-service representation and provides uniformity across both seasons for time-of-use rates.

Q. Please explain the Energy Watch Event when the critical peak pricing component of Schedule 4 occurs.

A. Energy Watch events may be called up to ten weekdays a year between June 15 and August 15 during the hours of 5:00 p.m. to 9:00 p.m. During an Energy Watch Event, the rate is currently nearly three times higher than the On-Peak time period rates. Idaho Power is proposing that the critical peak price time block be overlaid on the time-of-day pricing. Participants in the Energy Watch pricing option will experience the normal time-of-day

pricing signals and, in addition, could have up to ten events called during a summer season.

There is no change proposed for the Energy Watch hour definition.

Q. What was the process used for determining the rate levels and differentials for the Energy Charge rates for the new time periods?

A. Rate levels and differentials were first determined for Schedule 5 in order to establish rates that reflect, as close as possible, cost-of-service values. Then, this same basic rate structure was used as the foundation for the calculation for Schedule 4 rates. However, for Schedule 4 Energy Charges, in order to allow for the critical peak time period rate, the Energy charge rates set for Schedule 5 were lowered slightly.

Because the rate design for Schedule 4 builds on the rate design for Schedule 5, I will address the rate design for Schedule 5 first.

IV. SCHEDULE 5

Q. Please describe the present rate structure for Residential Service under Schedule 5.

A. Under Schedule 5, the Time-of-Day Program, customers pay a monthly Service Charge of $4.00. During the summer months, June through August, the Energy Charge customers pay during the On-Peak Period is 10.6215 cents

per kWh, during the Mid-Peak Period customers pay 7.8146 cents per kWh, and during the Off-Peak Period customers pay 5.8565 cents per kWh. During the non-summer months, September through May, the Energy Charge is a three-tiered inverted block rate similar to Schedule 1. The Energy Charge is 6.6259 cents per kWh for the first 800 kWh of energy used, 7.3621 cents per kWh for energy used between 801 and 2000 kWh, and 8.4662 cents per kWh for all additional kWh over 2000 each month.

Q. Please review the changes you are proposing for customers taking service on Schedule 5.

A. There are three proposed changes that impact customers taking Residential Service under Schedule 5: (1) the increase to the Service Charge, (2) the implementation of new time-of-day time block definitions for the Energy Charge; and (3) moving from tiered rates during non-summer months to time-of-day rates with two time periods for the Energy Charge. These structural changes to the Energy Charge were discussed earlier.

Q. Are you proposing to increase the Service Charge to $5.00 per month like that of Schedule 1?

A. Yes.

Q. Please describe how the Company determined the Energy Charge rate levels for Residential Service customers under Schedule 5.

A. With the overall goal to reflect cost-of-service rates, the Off-Peak Energy Charge for both summer and non-summer seasons was set to 6.6450 cents per kWh. This was calculated by averaging the summer and non-summer unit costs of 7.8329 and 5.4571 cents per kWh, respectively. These unit costs are shown on page one of Exhibit No. 36 of Mr. Larkin's testimony. These Off-Peak rates provide a floor value that is not dramatically different from current Off-Peak and first tier rates, providing stability in the rate structure for customers.

A differential of 81.4 percent was applied to the Off-Peak summer rate to calculate the On-Peak summer rate. This is the same differential used in the current Schedule 5 summer time-of-day rates. In addition, it is also an approximation of the On-Peak to Off-Peak summer differential that exists in the time differentiated alternate cost calculations used to determine the economic value of demand-side management programs. The non-summer differential is 27 percent between Mid-Peak and Off-Peak rates. The summer differential at 81.4 percent is much higher than the non-summer differential reflecting the higher summer peak costs.

Applying the summer differential of 81.4 percent to the Off-Peak Energy Charge rate of 6.6450 cents per kWh, results in the On-Peak rate of 12.0547 cents per kWh. This

rate level provides a rate signal to conserve or shift On-Peak usage.

This proposed rate design increases the overall differential between the average summer and non-summer seasonal rates from the current 7.2 percent to 14.5 percent and makes some movement towards the seasonal unit cost differential of 43.5 percent.

The rate design proposed for Schedule 5 is shown on page four of Exhibit No. 45.

Q. What impact does this rate design proposal have on Residential Service customers taking service under Schedule 5?

A. The typical monthly billing comparison for Residential Service customers taking service under Schedule 5 appears on page three of Exhibit No. 46. As shown in this comparison, the overall increase in rates necessary to achieve the revenue requirement is higher with this rate design in the summer months than the non-summer months. Customers with higher monthly usage may be attracted to this rate option.

V. SCHEDULE 4

Q. Please describe the current rate structure for residential service under Schedule 4.

A. Under Schedule 4, the Energy Watch Program, customers pay a monthly Service Charge of $4.00. During

the summer months, June through August, they pay an Energy Charge rate of 7.3366 cents per kWh, except for those kWh used during an Energy Watch Event. During an Energy Watch Event, the rate they pay is 20 cents per kWh. During the non-summer months, September through May, the Energy Charge is a three-tiered inverted block to the same as the non-summer Energy Charge rate of Schedule 1. Customers pay 6.6259 cents per kWh for the first 800 kWh of energy used, 7.3621 cents per kWh for energy used between 801 and 2000 kWh, and 8.4662 cents per kWh for all additional kWh over 2000 each month.

Q. What changes are you proposing for residential service that impact Schedule 4 customers?

A. There are three proposed changes to residential customers taking Residential Service under Schedule 4: (1) the increase to the Service Charge; (2) the implementation of the new time of day time period definitions for the Energy Charge for both seasons; and (3) a significantly higher increase to the critical peak Energy Charge rate.

Q. Are you proposing to increase the Service Charge to $5.00 per month like that of Schedule 1?

A. Yes.

Q. For the Energy Charge rate structure are you proposing to implement a time-of-day rate for both seasons for Schedule 4 as described earlier?

A. Yes. For Residential Service customers taking service under Schedule 4, the Company is proposing to implement a time-of-day rate structure with two time periods during the summer season and two time periods in the non-summer season. These are described in detail in the previous section. In addition, a critical peak price is overlaid on this basic rate structure for Schedule 4.

Q. Please describe your rate design proposal for the Energy Charges for Schedule 4.

A. The starting point for the rate design structure for the Energy Charge for Schedule 4 is the rate design structure proposed for Schedule 5. Having the same basic rate structure for both time variant pricing options sends cost-of-service price signals to customers on both schedules and provides rate stability for those customers who may want to change between options.

To calculate the Energy Charge time-of-day rates for both summer and non-summer, the Company started with the exact same rates used for Schedule 5 Energy Charge rates. The Company then reduced them uniformly by 5 percent. This reduction provides a lower rate during all non-critical

peak hours to customers for the option to raise the rates during critical peak hours.

The next step for calculating Schedule 4 Energy Charge rates is to determine a rate level for the critical peak price that will encourage customers on this rate to reduce their energy use during Energy Watch events, while at the same time providing lower rate levels during the rest of the year. Traditionally, the critical peak rate has been set at least four times higher than the summer Energy Charge rates during Energy Watch hours.

Q. How did you determine the rate for the critical peak Energy Watch hours?

A. A critical peak rate should be set high enough to deter customers from using energy during those hours. When Schedule 4 was first implemented in 2005, the critical peak rate was set approximately four times higher than the summer Energy Charge rates. Over the years the summer Energy Charge was slowly increased while the critical peak rate was not. In this filing, Idaho Power is again proposing a critical peak rate that is almost four times higher than the summer Energy Charge rates.

The rates proposed in this filing for Schedule 4 result in a differential of 249 percent between the critical peak rate and the summer On-Peak rate. Idaho Power set the critical peak rate at 40 cents per kWh

because it sends a strong price signal to customers and it aligns these rates with the original structure.

Q. Was the previous structure of setting the critical peak four times higher than the summer Energy Charge successful in discouraging customers from using electricity during the Energy Watch events?

A. Yes. Although the program currently has a limited number of participants which may not be representative of the whole residential class, these participants have consistently and significantly reduced their energy usage during Energy Watch events.

Q. Have you compared Idaho Power's proposed rates to other critical peak pricing offerings from other utilities?

A. Yes. Of the eight different utilities we found with critical peak offerings, the critical peak rates ranged from 28.5 cents per kWh to $1.30 per kWh with an average of 62 cents per kWh. The average differential was 340 percent between the critical peak pricing rate and the On-Peak Energy Charge. Idaho Power's proposed rate of 40 cents per kWh and the differential of 249 percent are well under this average.

Q. Please summarize your rate design proposal for Schedule 4.

A. The rate design proposal for Schedule 4 is included on page three of Exhibit No. 45. Under the proposed rate design, the Service Charge is $5.00 per month. The Energy Charge during the Energy Watch Event hours would increase to 40 cents per kWh. In the summer months, June through August, the Energy Charge customers pay during the On-Peak Period is 11.4519 cents per kWh and during the Off-Peak Period customers pay 6.3127 cents per kWh. During the non-summer months, September through May, the Energy Charge customers pay during the On-Peak Period is 8.0175 cents per kWh, and during the Off-Peak Period, customers pay 6.3127 cents per kWh.

Q. What impact does this rate design proposal have on Residential Service customers taking service under Schedule 4?

A. The typical monthly billing comparison for Residential Service customers taking service under Schedule 4 appears on page two of Exhibit No. 46. Similar to the Schedule 5 billing comparison, the increase in rates is higher in the summer season than in the non-summer season.

Q. Do you have any changes to the tariff language for any of the Residential Service schedules?

A. There is no tariff language changes proposed for Schedules 1 or 3. However, as explained by Mr. Youngblood in his testimony, the Company is proposing

tariff language changes to Schedules 4 and 5 in preparation for offering these tariffs to more customers in the future. The Company is proposing to eliminate the service limitation requiring at least 300 kWh per month usage for a customer to be eligible for this tariff. The Company is adding language clarifying the process of getting on and off the Schedules. In addition, the Company is adding language that specifies when a customer who has been on either Schedules 4 or 5 and elects to go off of the schedule, that customer is not eligible to return to that same schedule for one year. This limitation is designed to prevent customers from hopping on and off of these schedules during seasons when their particular usage results in a lower bill, but then opting for another schedule when their bill goes up.

Q. Are there any other limitations to participation in Schedules 4 and 5?

A. Yes. In order to avoid potential double counting of demand reduction and double paying of an incentive, Idaho Power is proposing language to Schedule 4 so that those customers participating in the A/C Cool Credit program are not eligible for Schedule 4. In addition, because Schedule 5 is designed to be cost based, customers can participate in both Schedule 5 and Schedule 84, the Company's net metering schedule. However, because

it is anticipated that electricity generating facilities could not dramatically increase usage to take advantage of the critical peak pricing, net metering customers are prohibited from taking Schedule 4 service.

Q. Does this conclude your testimony?

A. Yes, it does.

BEFORE THE

IDAHO PUBLIC UTILITIES COMMISSION

CASE NO. IPC-E-11-08

IDAHO POWER COMPANY

NEMNICH, DI TESTIMONY

EXHIBIT NO. 45

Idaho Power Company
Calculation of Revenue Impact
State of Idaho
2011 General Rate Case Funding
Filed June 1, 2011

Residential Service
Schedule 1

Line No	Description	(1) Use	(2) Current Base Rate	(3) Current Base Revenue	(4) Proposed Base Rate	(5) Proposed Base Revenue	(6) Revenue Difference	(7) Percent Change
1	Service Charge	4,767,186	$4.00	$19,068,743	$5.00	$23,835,929	$4,767,186	25.00%
2	Mininum Charge	38,143	$2.00	$76,287	$2.00	$76,287	$0	0.00%
3	Energy Blocks							
4	Summer							
5	0-800 kWh	812,216,482	0.071026	$57,688,488	0.077493	$62,941,092	$5,252,604	9.11%
6	801-2000 kWh	345,712,888	0.086530	$29,914,536	0.094410	$32,638,754	$2,724,218	9.11%
7	Over 2000 kWh	57,903,518	0.103836	$6,012,470	0.113297	$6,560,295	$547,825	9.11%
8	Non-Summer							
9	0-800 kWh	2,302,960,245	0.066259	$152,591,843	0.071983	$165,773,987	$13,182,144	8.64%
10	801-2000 kWh	1,100,244,240	0.073621	$81,001,081	0.079981	$87,998,635	$6,997,554	8.64%
11	Over 2000 kWh	384,541,379	0.084662	$32,556,042	0.084662	$32,556,042	$0	0.00%
12	Total Energy	5,003,578,752		$359,764,460		$388,468,805	$28,704,345	7.98%
13	Total Revenue			$378,909,490		$412,381,021	$33,471,531	8.83%
14	Energy Efficiency Rider		4.75%	$17,998,201	4.75%	$19,588,098	$1,589,897	8.83%
15	FCA Revenue		0.001801	$9,011,445	0.001801	$9,011,445	$0	0.00%
16	PCA Revenue		0.000289	$1,446,034	0.000289	$1,446,034	$0	0.00%
17	Total Billed Revenue			$407,365,170		$442,426,598	$35,061,428	8.61%

Exhibit No. 45
Case No. IPC-E-11-08
D. Nemnich, IPC
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Idaho Power Company
Calculation of Revenue Impact
State of Idaho
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Master Metered Mobile Home Park
Residential Service
Schedule 3

Line No	Description	(1) Use	(2) Current Base Rate	(3) Current Base Revenue	(4) Proposed Base Rate	(5) Proposed Base Revenue	(6) Revenue Difference	(7) Percent Change
1	Service Charge	264.0	$4.00	$1,056	$5.00	$1,320	$264	25.00%
2	Mininum Charge	0.0	$2.00	$0	$2.00	$0	$0	0.00%
3	Energy Charge							
4	Total Energy	5,175,311	0.071794	$371,556	0.078100	$404,192	$32,636	8.78%
5	Total Revenue			$372,612		$405,512	$32,900	8.83%
6	Energy Efficiency Rider		4.75%	$17,699	4.75%	$19,262	$1,563	8.83%
7	FCA Revenue		0.001801	$9,321	0.001801	$9,321	$0	0.00%
8	PCA Revenue		0.000289	$1,496	0.000289	$1,496	$0	0.00%
9	Total Billed Revenue			$401,128		$435,591	$34,463	8.59%

Idaho Power Company
Calculation of Revenue Impact
State of Idaho
2011 General Rate Case Funding
Filed June 1, 2011

Residential Service - Energy Watch Program
Schedule 4

Line No	Description	(1) Use	(2) Current Base Rate	(3) Current Base Revenue	(4) Proposed Base Rate	(5) Proposed Base Revenue	(6) Revenue Difference	(7) Percent Change
1	Service Charge	510	$4.00	$2,038	$5.00	$2,548	$510	25.02%
2	Mininum Charge	1	$2.00	$1	$2.00	$1	$0	0.00%
3	Energy Charge							
4	Summer							
5	Energy Watch Hours	606	0.200000	$121	0.400000	$242	$121	100.00%
6	All other hours	148,289	0.073366	$10,879				
7	Non-Summer							
8	0-800 kWh	303,287	0.066259	$20,095				
9	801-2000 kWh	214,924	0.073621	$15,823				
10	Over 2000 kWh	76,833	0.084662	$6,505				
11	Total Energy	743,939		$53,423				
12	Proposed Energy Charge							
13	Summer							
14	On-Peak	53,384			0.114519	$6,113	$2,196	56.08%
15	Off-Peak	94,905			0.063127	$5,991	($972)	(13.96)%
16	Non-Summer							
17	Mid-Peak	285,621			0.080175	$22,900	$2,537	12.46%
18	Off-Peak	309,423			0.063127	$19,533	($2,527)	(11.45)%
19	Total Energy	743,939				$54,779	$1,356	2.54%
12	Total Revenue			$55,462		$57,328	$1,866	3.36%
14	Energy Efficiency Rider		4.75%	$2,634	4.75%	$2,723	$89	3.38%
15	FCA Revenue		0.001801	$1,340	0.001801	$1,340	$0	0.00%
16	PCA Revenue		0.000289	$215	0.000289	$215	$0	0.00%
18	Total Billed Revenue			$59,651		$61,606	$1,955	3.28%

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Idaho Power Company
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Residential Service - Time-Of-Day Program
Schedule 5

Line No	Description	(1) Use	(2) Current Base Rate	(3) Current Base Revenue	(4) Proposed Base Rate	(5) Proposed Base Revenue	(6) Revenue Difference	(7) Percent Change
1	Service Charge	882	$4.00	$3,528	$5.00	$4,410	$882	25.00%
2	Mininum Charge	1	$2.00	$2	$2.00	$2	$0	0.00%
3	Current Energy Charge							
4	Summer							
5	On-Peak	72,090	0.106215	$7,657				
6	Mid-Peak	42,914	0.078146	$3,354				
7	Off-Peak	136,937	0.058565	$8,020				
8	Non-Summer							
9	0-800 kWh	522,886	0.066259	$34,646				
10	801-2000 kWh	319,863	0.073621	$23,549				
11	Over 2000 kWh	83,918	0.084662	$7,105				
12	Total Energy	1,178,608		$84,331				
13	Proposed Energy Charge							
14	Summer							
15	On-Peak	90,699			0.120547	$10,933	$1,822	19.99%
16	Off-Peak	161,243			0.066450	$10,715	$796	8.02%
17	Non-Summer							
18	Mid-Peak	444,800			0.084395	$37,539	$6,195	19.76%
19	Off-Peak	481,866			0.066450	$32,020	($1,936)	(5.70)%
20	Total Energy	1,178,608				$91,207	$6,876	8.15%
21	Total Revenue			$87,861		$95,619	$7,758	8.83%
22	Energy Efficiency Rider		4.75%	$4,173	4.75%	$4,542	$369	8.84%
23	FCA Revenue		0.001801	$2,123	0.001801	$2,123	$0	0.00%
24	PCA Revenue		0.000289	$341	0.000289	$341	$0	0.00%
25	Total Billed Revenue			$94,498		$102,625	$8,127	8.60%

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BEFORE THE

IDAHO PUBLIC UTILITIES COMMISSION

CASE NO. IPC-E-11-08

IDAHO POWER COMPANY

NEMNICH, DI
TESTIMONY

EXHIBIT NO. 46

Idaho Power Company
Typical Monthly Billing Comparison
State of Idaho
General Rate Case
Filed June 1, 2011

Residential Service
Schedule 1

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
		Summer			Non-Summer			Avg Mth Cost -12 Mths		
Line No	Energy kWh	Current Revenue	Proposed Revenue	Percent Difference	Current Revenue	Proposed Revenue	Percent Difference	Current Revenue	Proposed Revenue	Percent Difference
1	0	4.00	5.00	25.00%	4.00	5.00	25.00%	4.00	5.00	25.00%
2	100	11.10	12.75	14.86%	10.63	12.20	14.77%	10.75	12.34	14.79%
3	200	18.21	20.50	12.58%	17.25	19.40	12.46%	17.49	19.68	12.52%
4	300	25.31	28.25	11.62%	23.88	26.59	11.35%	24.24	27.01	11.43%
5	400	32.41	36.00	11.08%	30.50	33.79	10.79%	30.98	34.34	10.85%
6	500	39.51	43.75	10.73%	37.13	40.99	10.40%	37.73	41.68	10.47%
7	600	46.62	51.50	10.47%	43.76	48.19	10.12%	44.48	49.02	10.21%
8	700	53.72	59.25	10.29%	50.38	55.39	9.94%	51.22	56.36	10.04%
9	800	60.82	66.99	10.14%	57.01	62.59	9.79%	57.96	63.69	9.89%
10	900	69.47	76.43	10.02%	64.37	70.59	9.66%	65.65	72.05	9.75%
11	1,000	78.13	85.87	9.91%	71.73	78.59	9.56%	73.33	80.41	9.65%
12	1,050	82.45	90.59	9.87%	75.42	82.59	9.51%	77.18	84.59	9.60%
13	1,100	86.78	95.31	9.83%	79.10	86.58	9.46%	81.02	88.76	9.55%
14	1,200	95.43	104.75	9.77%	86.46	94.58	9.39%	88.70	97.12	9.49%
15	1,300	104.09	114.20	9.71%	93.82	102.58	9.34%	96.39	105.49	9.44%
16	1,400	112.74	123.64	9.67%	101.18	110.58	9.29%	104.07	113.85	9.40%
17	1,500	121.39	133.08	9.63%	108.54	118.58	9.25%	111.75	122.21	9.36%
18	2,000	164.66	180.28	9.49%	145.36	158.57	9.09%	150.19	164.00	9.19%
19	2,500	216.58	236.93	9.40%	187.69	200.90	7.04%	194.91	209.91	7.69%
20	3,000	268.50	293.58	9.34%	230.02	243.23	5.74%	239.64	255.82	6.75%
21	4,000	372.33	406.87	9.28%	314.68	327.89	4.20%	329.09	347.64	5.64%
22	5,000	476.17	520.17	9.24%	399.35	412.56	3.31%	418.56	439.46	4.99%

Idaho Power Company
Typical Monthly Billing Comparison
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Residential Service - Energy Watch Program
Schedule 4

				(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Summer Energy - kWh			Summer			Non-Summer			Avg Mth Cost -12 Mths		
Line No	Energy Watch	Summer	Non Summer	Current Revenue	Proposed Revenue	Percent Difference	Current Revenue	Proposed Revenue	Percent Difference	Current Revenue	Proposed Revenue	Percent Difference
1	0	0	0	4.00	5.00	25.00%	4.00	5.00	25.00%	4.00	5.00	25.00%
2	1	299	300	26.14	29.81	14.04%	23.88	26.39	10.53%	24.44	27.25	11.50%
3	2	398	400	33.60	38.29	13.95%	30.50	33.52	9.90%	31.28	34.72	11.00%
4	2	498	500	40.94	46.45	13.47%	37.13	40.66	9.50%	38.08	42.10	10.56%
5	2	598	600	48.27	54.61	13.14%	43.76	47.79	9.21%	44.88	49.49	10.27%
6	3	697	700	55.74	63.09	13.20%	50.38	54.92	9.00%	51.72	56.96	10.13%
7	3	797	800	63.07	71.26	12.98%	57.01	62.05	8.84%	58.52	64.35	9.96%
8	4	896	900	70.54	79.74	13.05%	64.37	69.18	7.47%	65.91	71.82	8.97%
9	4	996	1,000	77.87	87.90	12.88%	71.73	76.31	6.38%	73.27	79.21	8.11%
10	4	1,096	1,100	85.21	96.06	12.74%	79.09	83.44	5.50%	80.62	86.60	7.42%
11	5	1,195	1,200	92.67	104.55	12.81%	86.46	90.57	4.76%	88.01	94.07	6.89%
12	5	1,295	1,300	100.01	112.71	12.70%	93.82	97.70	4.14%	95.37	101.45	6.38%
13	6	1,394	1,400	107.47	121.19	12.76%	101.18	104.83	3.61%	102.75	108.92	6.00%
14	6	1,494	1,500	114.81	129.35	12.67%	108.54	111.97	3.15%	110.11	116.31	5.63%
15	8	1,992	2,000	151.75	170.80	12.56%	145.35	147.62	1.56%	146.95	153.42	4.40%
16	10	2,490	2,500	188.68	212.25	12.49%	187.68	183.28	-2.35%	187.93	190.52	1.38%
17	12	2,988	3,000	225.62	253.70	12.45%	230.01	218.93	-4.82%	228.92	227.62	-0.57%
18	16	3,984	4,000	299.49	336.61	12.39%	314.68	290.24	-7.77%	310.88	301.83	-2.91%
19	20	4,980	5,000	373.36	419.51	12.36%	399.34	361.55	-9.46%	392.84	376.04	-4.28%

Idaho Power Company
Typical Monthly Billing Comparison
State of Idaho
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Residential Service - Time-of-Day Program
Schedule 5

		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Monthly	Summer			Non-Summer			Avg Mth Cost -12 Mths		
Line No	**Energy kWh**	Current Revenue	Proposed Revenue	Percent Difference	Current Revenue	Proposed Revenue	Percent Difference	Current Revenue	Proposed Revenue	Percent Difference
1	**0**	4.00	5.00	25.00%	4.00	5.00	25.00%	4.00	5.00	25.00%
2	**300**	26.67	30.78	15.42%	23.88	27.52	15.25%	24.57	28.33	15.30%
3	**400**	34.19	39.37	15.15%	30.50	35.03	14.82%	31.43	36.11	14.89%
4	**500**	41.76	47.96	14.85%	37.13	42.53	14.55%	38.29	43.89	14.63%
5	**600**	49.33	56.55	14.64%	43.76	50.04	14.36%	45.15	51.67	14.44%
6	**700**	56.86	65.15	14.58%	50.38	57.54	14.22%	52.00	59.45	14.33%
7	**800**	64.43	73.74	14.46%	57.01	65.05	14.11%	58.86	67.22	14.20%
8	**900**	72.00	82.33	14.35%	64.37	72.56	12.72%	66.28	75.00	13.16%
9	**1,000**	79.52	90.92	14.34%	71.73	80.06	11.62%	73.68	82.78	12.35%
10	**1,100**	87.09	99.52	14.27%	79.09	87.57	10.72%	81.09	90.56	11.68%
11	**1,200**	94.62	108.11	14.26%	86.46	95.08	9.97%	88.50	98.33	11.11%
12	**1,300**	102.19	116.70	14.20%	93.82	102.58	9.34%	95.91	106.11	10.63%
13	**1,400**	109.76	125.29	14.15%	101.18	110.09	8.81%	103.32	113.89	10.23%
14	**1,500**	117.30	133.89	14.14%	108.54	117.60	8.34%	110.73	121.67	9.88%
15	**2,000**	155.06	176.85	14.05%	145.35	155.13	6.72%	147.78	160.56	8.65%
16	**2,500**	192.82	219.81	14.00%	187.68	192.66	2.65%	188.97	199.45	5.55%
17	**3,000**	230.58	262.77	13.96%	230.01	230.19	0.08%	230.16	238.34	3.55%
18	**4,000**	306.15	348.70	13.90%	314.68	305.25	-2.99%	312.55	316.12	1.14%
19	**5,000**	381.70	434.62	13.87%	399.34	380.32	-4.76%	394.93	393.89	-0.26%