

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

**IN THE MATTER OF THE INVESTIGATION)
OF TIME-OF-USE PRICING FOR IDAHO)
POWER RESIDENTIAL CUSTOMERS.)**

CASE NO. IPC-E-02-12

**NOTICE OF COMMENT
DEADLINES**

ORDER NO. 29291

PROCEDURAL BACKGROUND

In Case Nos. IPC-E-02-2 and -3, the Commission directed Idaho Power and the Energy Efficiency Advisory Group (EEAG) to “evaluate and report to the Commission on the viability of a Time-of-Use residential metering program by September 12, 2002.” Order No. 29026 at 22. After soliciting public comment on Idaho Power’s “Report on Residential Time-of-Use Pricing” (Report), the Commission declined to authorize residential time-of-use rates for Idaho Power customers. Order No. 29196. However, the Commission directed Idaho Power Company to begin replacing its existing manual read metering equipment as soon as possible with an automated meter reading (AMR) system. AMR allows the meter to be read remotely and thus significantly reduces operational costs. Anticipating the replacement process could be complete by the end of 2004, the Commission ordered Idaho Power to submit an implementation plan no later than March 20, 2003. *Id.*

On March 12, 2003, Idaho Power Company filed three petitions in this docket: 1) a Petition to Stay that portion of Order No. 29196 requiring the Company to submit the Advanced Meter Implementation Plan by the March 20 deadline; 2) a Petition for Confirmation that Order No. 29196 is or is not a final Order; and 3) a Petition for Reconsideration. The Commission granted the Company’s Petition for Stay and denied the Petition for Reconsideration of AMR issues as premature in Order Nos. 29210 and 29226, respectively. However, the Commission clarified and amended the interlocutory portions of Order No. 29196 so that a more complete record could be established on AMR issues.

To allow for further collaborative proceedings, the Commission stayed the Company’s Advanced Meter Implementation Plan filing requirement until: (1) a multi-party

implementation plan is endorsed by interested parties, (2) the Company unilaterally files its Implementation Plan, or (3) the Commission issues an Order revoking the Stay and sets a new filing date. Idaho Power filed its updated AMR analysis on May 9, 2003 in anticipation of the advanced metering public workshop, which was intended to allow interested parties to offer Idaho Power input on its AMR analysis, proposed timeline to install the system, and possible methods to recover the cost of the meters and their installation.

IDAHO POWER'S UPDATED AMR ANALYSIS

At the advanced metering public workshop on May 19, 2003, Idaho Power discussed the findings of its updated AMR analysis, the criteria it used for choosing AMR technology, and the costs associated with different technologies. The Company proposed implementing powerline AMR technology over a four-year period (2004-2007) at a cost of \$86.5 million. Under this scenario, Idaho Power predicted its customers would incur greater costs for the first six years of the project and would not break even until year 2024. The Company noted that this is longer than the life of many components comprising an AMR system.

In giving its recommendation, Idaho Power advised against implementing AMR because it is not a prudent investment at this time. According to the financial analyses it conducted in 2002 and 2003, the Company does not believe the cost of an AMR system is justifiable based on the savings achieved by eliminating the costs associated with manual meter reading processes. However, the Company intends to continue monitoring developments and conducting periodic assessments to determine the appropriate time for deployment. Over time, the Company predicted that AMR will become more cost-effective as employee costs increase with inflation and AMR technology costs decrease. Following the workshop, the Company encouraged participants to submit additional questions to Idaho Power for a written response.

NOTICE OF COMMENT DEADLINES

YOU ARE HEREBY NOTIFIED that although Order No. 29133 issued in October 2002 previously sought comment on the Company's initial TOU Report, we now seek comment on Idaho Power's May 9, 2003 updated AMR filing. In particular, the Commission seeks comment on the following issues:

1. Should the Commission direct the Company to implement AMR on its system?

2. How can advanced metering technology enable Idaho Power Company and ratepayers to make the most of future “smart grid” transmission and distribution technology?
3. As part of a wise investment, what features or technology should the Company employ?
4. Under what timeframe should the Company implement AMR?
5. How should the Company recover the costs associated with AMR?

YOU ARE FURTHER NOTIFIED that the **deadline for filing written comments or protests** with respect to Idaho Power’s May 9, 2003, updated AMR filing and the continued use of Modified Procedure in Case No. IPC-E-02-12 is **Friday, August 15, 2003**. IDAPA 31.01.01.202.02. Persons desiring a hearing must specifically request a hearing in their written protests or comments.

YOU ARE FURTHER NOTIFIED that the **deadline for Idaho Power Company to file written reply comments** with respect to this case is **Friday, August 5, 2003**.

YOU ARE FURTHER NOTIFIED that written comments concerning this Filing must be mailed to the Idaho Public Utilities Commission and the Idaho Power Company at the following addresses:

COMMISSION SECRETARY
IDAHO PUBLIC UTILITIES COMMISSION
PO BOX 83720
BOISE, IDAHO 83720-0074

Street Address for Express Mail:
472 W WASHINGTON ST
BOISE, ID 83702-5983

BARTON L. KLINE
MAGGIE BRILZ
IDAHO POWER COMPANY
P.O. BOX 70
BOISE, ID 83707-0070

Email: bkline@idahopower.com
mbrilz@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.state.id.us under the “File Room” icon. Once at the “File Room” page, select “File a Comment,” fill in the case number as it appears on the front of this document, and enter your comments. These comments must also be sent to the Applicant at the e-mail addresses listed above.

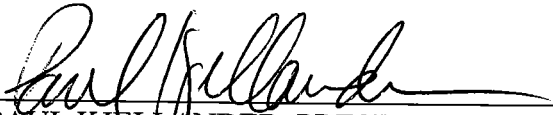
YOU ARE FURTHER NOTIFIED that if no additional written comments or protests are received within the deadline, the Commission will consider the matter on the record presented thus far and enter its Order without a formal hearing. If additional comments or protests are filed within the deadline, the Commission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

YOU ARE FURTHER NOTIFIED that Idaho Power's May 9, 2003 updated AMR filing can be viewed online at www.puc.state.id.us by clicking on "File Room" and "Electric Cases," or it can be viewed during regular business hours at the Idaho Public Utilities Commission, 472 West Washington Street, Boise, Idaho and Idaho Power Company located at 1221 West Idaho Street in Boise, Idaho (388-2200).

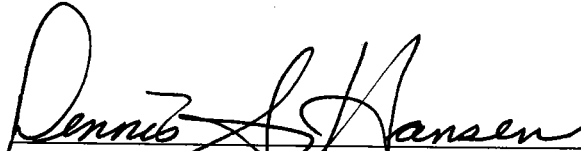
ORDER

As more particularly described above, IT IS HEREBY ORDERED that the Commission does solicit public, Company and Commission Staff written comment on the Company's May 9, 2003 updated AMR filing in accordance with the foregoing schedule.

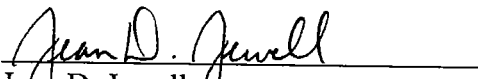
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 14th
day of July 2003.


PAUL KJELLANDER, PRESIDENT


MARSHA H. SMITH, COMMISSIONER


DENNIS S. HANSEN, COMMISSIONER

ATTEST:


Jean D. Jewell
Commission Secretary

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