√ To AV. for Int.-Parties list √ Gen Ack sent 12/6/02

Jean Jewell

From: Ed Howell
Sent: Friday, December 06, 2002 7:13 AM
To: Jean Jewell; Ed Howell; Gene Fadness; Tonya Clark
Subject: Comment acknowledgement

WWW Form Submission:

Friday, December 06, 2002
7:12:49 AM

Case: IPC-E-02-12
Name: Mike Purcell
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E-Mail: grashpr@earthlink.net
Company: Idaho Power
mailing_list_yes_no: yes
Comment_description: For the most part I do not have disagreements with the findings in the time of-use meter study developed for IPCO. I do not support any time-of-use meter installations without a monetary connection-- i.e., a rate structure that supports advantageous use of the information given by the meters. Voluntary installation of meters or not, rate structures need to support the intention of off-peak use if meters are installed.

Idaho Power's system's weakest link is meeting peak load. That load is highest in summer. With current construction and buying practices, partly encourages by low power prices, that load is much higher than necessary since Idaho Power does not promote efficiency strongly enough. Even though people will still use air conditioning, etc. during these peak times, the peaks could be much lower with efficient appliances, with or without the complications of a time-of-use meter system and accompanying rate structure. So my first choice would be strong efficiency programs used in conjunction with time-of use meters.

That being said, I would still advocate a voluntary time-of-use meter system with accompanying rate structure alone instead of nothing. This option, while not as good as one that incorporates better appliance buying and construction habits, is better than no program at all. The peak power IPCO buys is the most expensive they buy and therefore the easiest to combat with conservation and efficiency program with real substance. Hence my suggestion of using time-of-use meters in conjunction with other substantial programs. CFL coupon programs are not substantial as far as I'm concerned.

The other part of IPCO's filing that concerns me is their insistence that they must be able to recoup revenue losses from a program such as this. To quote the "Consumer Connection" of October 2002, "Idaho Power, like many electric utilities, promotes energy efficiency measures to help meet capacity constraints, control costs and address environmental concerns." If this is so, why do they need to recoup revenue losses? Money spent on advertising campaigns designed to do nothing more than improve the image of the company (as opposed to something substantive like a program that reduces capital risks) seems a poor business choice since it cuts into net revenues as well.

There would be gains in all of the areas mentioned in the quote (per the study), yet IPCO's concern is revenue losses. I feel this is the reason they have avoided implementing real conservation programs for the last seven years and are trying to avoid doing so still.

However, revenue is not the measure by which IPCO or the PUC should be determining program validity. I feel it is net profits or return on investment. This program (voluntary time-of-use meters) would give customers a return on investment, and thus would benefit both the company (better company image without advertising) and customers. Revenue loss is offset by lower power and capital costs and higher company image. Requesting a method by which IPCO can recoup revenue is contrary to their own public claims about their conservation programs and disingenuous at best, lying at worst. If this program is adopted, there should be no predetermined method for make-up of revenue losses until they are proven to exist. Studies have proven wrong in the past.

Thank you for considering my comments.

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