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IDAHO PUBLIC
UTILITIES COMMISSION

To: Idaho Public Utilities Commission

Re: IPC-E-02-12

Comments and protest

From: Don Campbell
P.O. Box 70
Idaho City, Idaho 83631

If there were ever a matter before the Public Utilities Commission that is in the wrong place at the wrong time it's the *Time of Use Pricing* for Idaho Power Customers. No matter how rates are structured the customer loses. It has been tried and failed by several other power companies (see attached newspaper article).

1. Idaho Power does not have a crisis requiring drastic measures. Idaho Power's costs for power only rises during a few hours on a limited number of days in the summer. To subject Idaho Power customers to time of use pricing for those few hours a year seems ridiculous.
2. The tremendous increase in cost of metering, billing, administration, and confusion for customers far outweighs any benefit derived from this proposal.
3. Most customers cannot shift power usage to other day parts. Working families have very little time for household functions requiring power usage. The average family is just not going to be able to change their daily schedule without great sacrifice.
4. Idaho Power's cost of buying off-system power for a few hours a year is now below historic levels with no indication that those rates will rise. Idaho Power spends most of the year in excess with power to spare (and sell to others).
5. Idaho Power customers have done a wonderful job of conserving power and will continue to do so in the future. Look at the figures. Power consumption per customer is at the lowest level in several years and will continue to drop in the future.
6. Time of use pricing is nothing more than a giant headache for Idaho Power customers...another headache that we don't need. Remember, we're still seriously suffering from the massive rate increases caused by the power crisis back in December of 2000. It's time that the Public Utilities Commission does something for the public instead of Idaho Power's bottom line.





Thursday, October 24, 2002, 12:00 a.m. Pacific

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Program leaves PSE users feeling burned

By Peter Lewis

Seattle Times consumer-affairs reporter

For more than a year, Kay Kirk has turned her life upside down, losing sleep to do laundry and dishes late at night. All the while, she expected a payoff in the form of a lower power bill from Puget Sound Energy.

Her grand savings from July through September: 44 cents.

"We got conned," said Kirk, who received her usage summary yesterday. Actually, Kirk, of Renton, should count herself lucky. Of the roughly 270,000 customers participating in the utility's so-called time-of-use pilot program, 90 percent saw their bills increase during the past three months, Puget Sound Energy said yesterday.

On average, time-of-use customers paid 80 cents a month more during that period than regular "flat-rate" customers — those who pay the same rate regardless of time of day.

During the past three months, those who paid more averaged 88 cents a month more; those who paid less averaged monthly savings of 43 cents, said utility spokesman Grant Ringel.

For a program billed as having "a big payoff," many customers felt cheated and are opting out.

About 3,000 have quit the program since receiving their first usage summaries in the mail this month, Ringel said. That sudden falloff represents about 25 percent of the total who have quit the program since it started in May 2001.

The summaries were mailed under a rate-settlement case with the Washington Utilities and Transportation Commission that the utility agreed to in June. Quarterly summaries will be mailed from now on.

Does Puget Sound Energy believe it misled customers?

"If they don't feel they're getting value for the program — either savings or other values — they should feel very comfortable about opting off," Ringel said. "The program is completely about customer choice."

Molly Devlin, of Mercer Island, is among those who chose to leave the program. "I was game," she said. "I only did laundry on Sundays to take advantage of the lower rates. I ran my dishwasher after 10 p.m. I was one gung-ho off-peak power user."

But when Devlin examined her summary, she saw she had paid \$3.02 more for July to September than if she'd paid a flat rate.

"I wonder how many people even bothered to look at the PSE notice," she said. "A survey of my neighbors verified that everyone is paying more under the TOU (time-of-use) program."

Making difference isn't easy

That many customers ended up paying more comes as no surprise to Simon ffitch, an assistant state attorney general who advocates on behalf of consumers on utility issues.

"We've had a concern from the very beginning that it's not a cost-effective program, and we think that the data that is now coming out is tending to bear that out," ffitch said yesterday.

It's no deal, ffitch said, because it's very difficult for residential customers — who constitute the vast majority of the program's participants — to change their usage enough to make a significant difference.

Given that difficulty, and the almost 1.5-cent difference between the economy rate of 5 cents per kilowatt hour and the peak rate of 6.4 cents per kilowatt hour, most time-of-use customers end up paying more. By comparison, the flat rate is 5.6 cents per kilowatt hour.

Every time Bev McCullough, of Vashon Island, did the laundry late at night, she looked at the flier she had taped to her washer and dryer. Puget Sound Energy sent it when she joined the program 18 months ago.

"Shifting your electrical use HAS A BIG PAYOFF," the notice says. "By shifting some of your electricity use to the off-peak hours, you reduce the need for PSE to buy electricity at expensive peak rates. And that helps keep costs low for everyone."

But when McCullough opened her summary, she saw that she lost \$1.69. "I was just shocked to see that I have diverted half of my electrical use to be after 9 a.m. and before 6 p.m. and no laundry until Sunday and have been very faithful about that, and have lost money," she said.

"I called PSE to talk about it and the person answering the phone said they were getting inundated with calls."

Data posted on Web

To be fair to the utility, ffitch said, the cost-comparison data has been available to PSE customers on the Web since the program started. "That information has been available to people that want to take the trouble," ffitch said. "But that's the key. People lead busy lives. It's hard to spend time and do that math, and this (the mailed summary) provides it to them in a more convenient form."

The utility's time-of-use pilot program is set to end next September, ffitch noted. Under the settlement agreement, a group including state regulators, the attorney general and the utility will critique the program and is scheduled to release conclusions by July.

When it was established, the program was limited to customers whom the utility had provided with

so-called "smart meters," which transmit usage data. The selection process resulted in participation of less than a third of the utility's 950,000 electrical customers in eight Western Washington counties plus Kittitas County in Central Washington.

Once the program was ready, eligible customers were automatically included and now pay \$1 a month to help cover administrative costs. They may opt out at no charge. Since July, eligible customers are no longer added by default and instead must opt in.

Peter Lewis: 206-464-2217 or plewis@seattletimes.com.

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