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UTILITIES COMMISSION

February 5, 2008

Ms. Jean D. Jewell, Secretary
Idaho Public Utilities Commission
P. O. Box 83720
Boise, ID 83720-0074

RE: 2007 Energy Watch and Time-of-Day Programs Annual Report
Case No. IPC-E-07-05

Dear Ms. Jewell:

Enclosed please find eight copies of Idaho Power Company's Energy Watch and Time-of-Day Programs Annual Report. This report is filed in compliance with Idaho Public Utilities Commission Order No. 30292.

If you have any questions regarding this report, please direct them to me at 388-2848 or to Courtney Waites at 388-5612.

Sincerely,

Maggie Brilz
Director, Pricing

MB
Enclosures

c: Ric Gale
Courtney Waites
P&RS/Legal files

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IPC-E-07-05

2007 ENERGY WATCH AND TIME-OF-DAY PROGRAMS ANNUAL REPORT

February 5, 2008

Background

On April 12, 2007, the Idaho Public Utilities Commission (IPUC) approved Idaho Power's application to continue offering on an ongoing basis two time-variant energy pricing programs for customers with Advanced Meter Reading (AMR) capability in the Emmett and Letha areas: the Energy Watch program and the Time-of-Day program. These two programs were initially approved as pilot programs in March 2005 and were authorized by the Commission to continue through April 1, 2007.

Program Descriptions

Energy Watch – The Energy Watch program is a simplified critical peak pricing program in which customers pay a flat energy rate in June, July and August other than during Energy Watch events, when participants pay a significantly higher rate. The Energy Watch events can be called on up to ten weekdays between June 15 and August 15. If called, the Energy Watch event runs between the hours of 5:00-9:00 p.m. and the electricity rate increases to 20¢ per kWh. During all other hours, participants pay a rate equal to the 0-300 kWh energy rate under Schedule 1.

When an Energy Watch event was called, participants were notified by telephone and/or email by 4:00 p.m. the day preceding the Energy Watch event. The Company utilized live operators for the notification call for the first Energy Watch event, notifying customers of the Energy Watch event date and times. After the initial Energy Watch event, the Company used the autodialing system to deliver recorded messages about the next Energy Watch events.

Time-of-Day – The Time-of-Day program has two seasons: the summer season and the non-summer season. The summer season runs June 1 through August 31 and has three pricing blocks. There are no time differentiated blocks for the non-summer season.

The following chart outlines the time blocks and pricing used during the summer of 2007:

Time-of-Day Program Summer Pricing 2007			
Price Block	Days	Hours	Cents/kWh
On-Peak	Mon – Fri	1 p.m. – 9 p.m.	8.3279¢ / kWh
Mid-Peak	Mon – Fri	7 a.m. – 1 p.m.	6.1060¢ / kWh
Off-Peak	Mon – Fri	9 p.m. – 7 a.m.	4.5145¢ / kWh
Off-Peak	Sat, Sun, July 4 th	All hours	4.5145¢ / kWh

On the Time-of-Use program, customers who shift their energy consumption from the daytime hours to the late evening and weekend hours are rewarded by paying the lowest rate for electricity.

Program Enrollment

As of September 2007, Idaho Power had 58 customers participating in the Energy Watch program and 86 customers participating in the Time-of-Day program. The participation rate for summer 2007 showed a decrease of 4.6% over the 2006 summer season. However, 80% of the customers currently enrolled in one of the programs have been participants since 2005 when the programs were first offered.

Program Operation

The Energy Watch and Time-of-Day programs were operated in the same way during 2007 as they were in previous years. The Company notified all program participants of the Idaho Public Utilities Commission's approval of Idaho Power's application to continue offering the programs on an ongoing basis in April, reminding customers of ideas to reduce energy usage during the summer months. Likewise, in May, bill inserts were sent to all customers living in the Emmett and Letha areas soliciting their participation in one of the programs.

The Company continues to face the challenge of the manual intervention involved when moving a customer on or off of one of these programs. As has been noted in previous reports, this process requires a 'virtual' meter exchange within the Company's Customer Information System and is very time consuming for our Customer Service Representatives. However, the Meter Data Management System (MDMS) that required manual intervention during the 2005 and 2006 seasons passed acceptance testing in early 2007 and successfully validated, estimated, and aggregated the hourly meter data.

For the Energy Watch program, Idaho Power's program managers met on a daily basis between June 15th and August 15th to analyze forecasted temperatures and system load or supply side issues to determine if an event would be called the next day. The Company called ten Energy Watch events between June 15th and August 15th. One

event was called in June, six in July and three in August, with two instances of consecutive events. The following is a list of the event days called:

JUNE	JULY	AUGUST
June 22 nd	July 11 th	August 8 th
	July 12 th	August 14 th
	July 18 th	August 15 th
	July 20 th	
	July 26 th	
	July 31 st	

When an event was called, an email was sent by 11 a.m. to those program participants who supplied an email address notifying them of the next day's scheduled event. This email also triggered the autodialing system which notified all program participants of the upcoming Energy Watch event by telephone. The following is a summary of the results by month of the telephone notification system that was completed by 4 p.m. on the day preceding an Energy Watch event:

	Calls Placed	Talked To Live person	Busy	No Answer	Other	Customer Hung Up
Jun-07	99	84	5	9	1	0
		85%	5%	9%	1%	0%

LIVE OPERATOR TOTALS	99	84	5	9	1	0
		85%	5%	9%	1%	0%

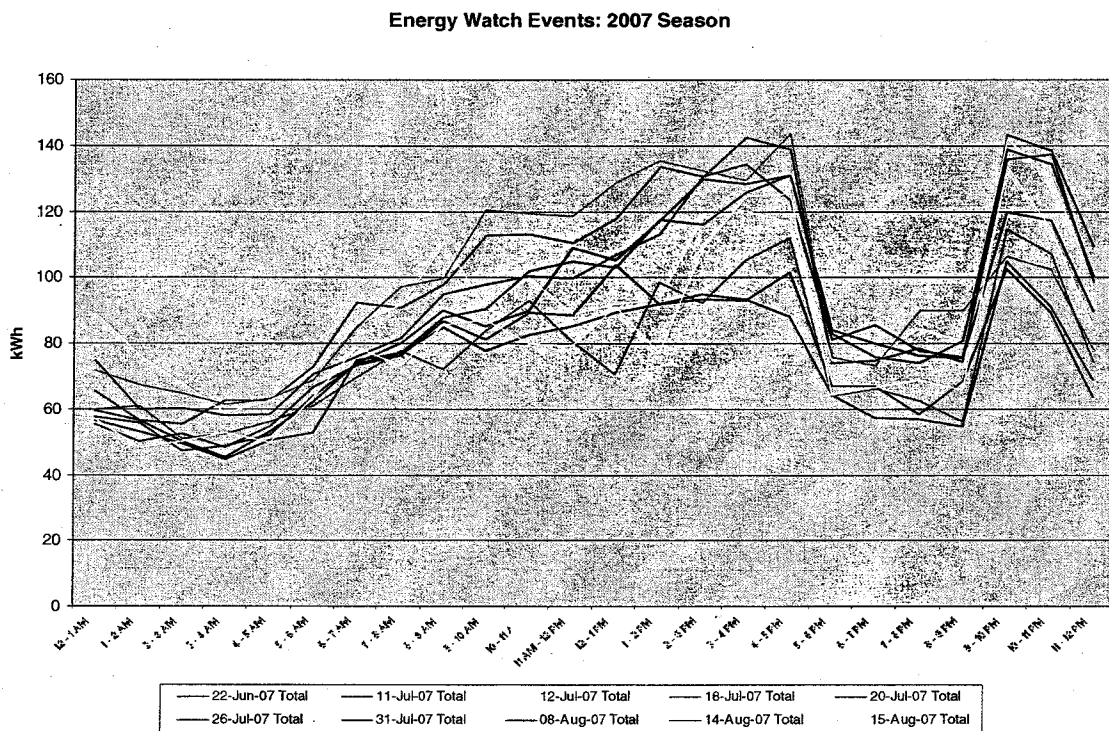
	Calls Placed	Left Message	Busy	No Answer	Other	Customer Hung Up
Jul-07	507	378	17	41	13	58
		75%	3%	8%	3%	11%
Aug-07	243	140	13	27	7	56
		58%	5%	11%	3%	23%

VIRTUAL OPERATOR TOTALS	750	518	30	68	20	114
		69%	4%	9%	3%	15%

Program Results

With the acceptance of the MDMS, Idaho Power was able to internally aggregate and analyze customer data for the 2007 summer season. The following is a breakdown of the results of the Energy Watch and Time-of-Day programs.

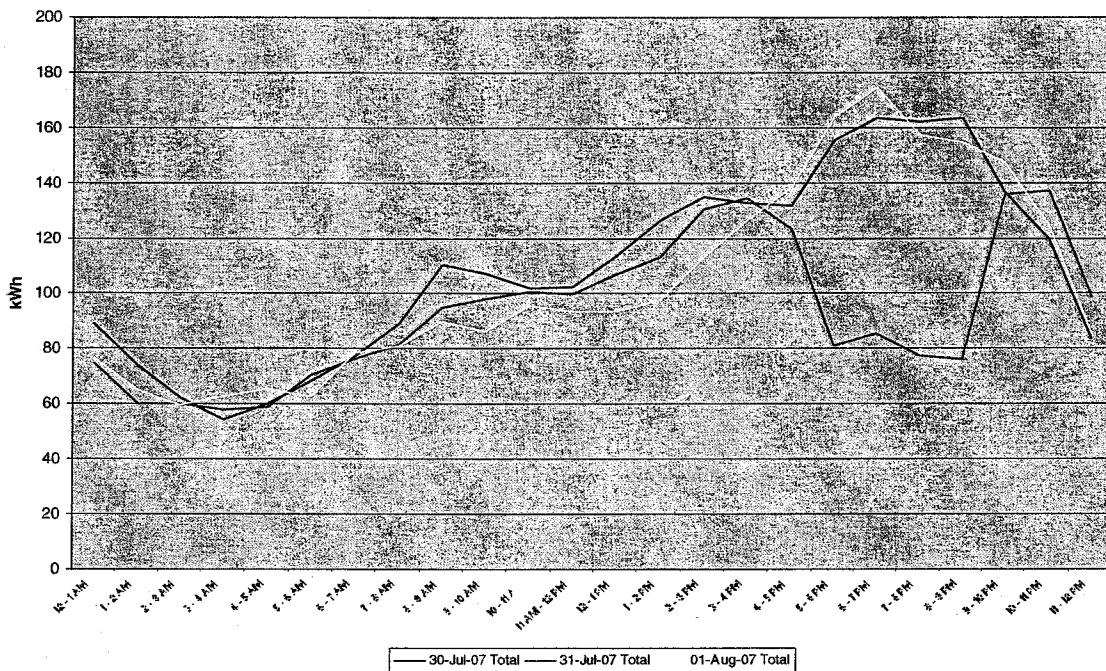
Energy Watch – In order to analyze the data of the Energy Watch customers, the customers' aggregate hourly usage for each of the days an Energy Watch event was called was graphed. The following chart details the load shape for the Energy Watch customers on event days.



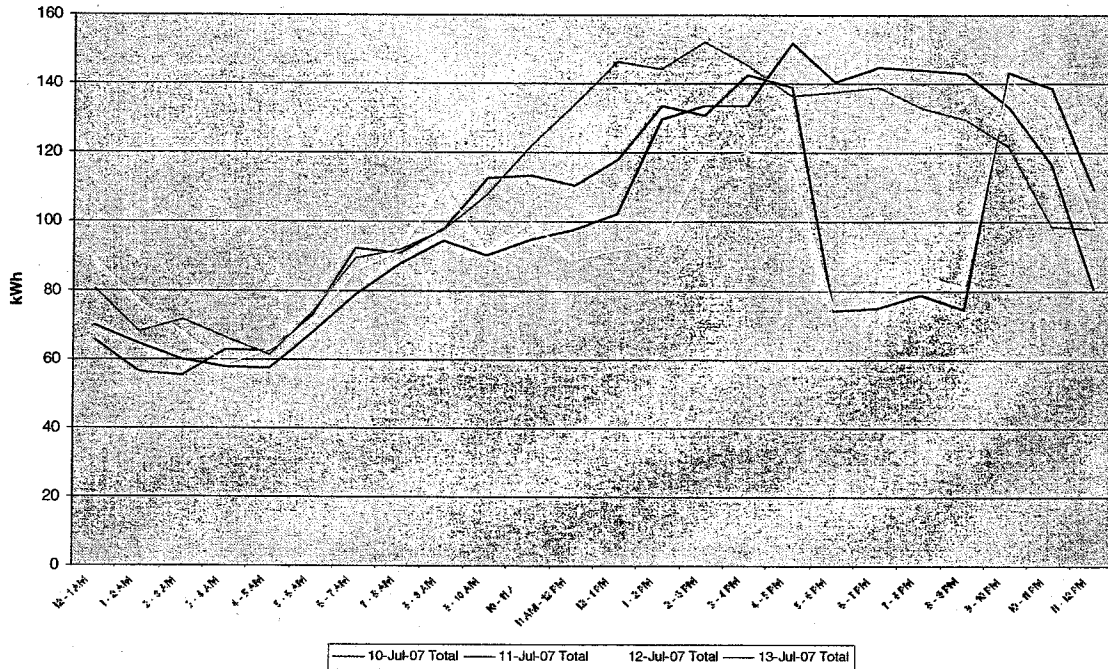
As can be seen from this graph, customers substantially reduced their load during the Energy Watch events.

To further analyze the data, the hourly usage for each day that an Energy Watch event was called was compared to the hourly usage for the day before and the day after an Energy Watch event. For those consecutive days on which Energy Watch events were called, the event day usage was compared to the usage the day before the events were called and the usage the day after the second event was called. Below are two event days that illustrate these scenarios:

Energy Watch Event #7: July 31, 2007



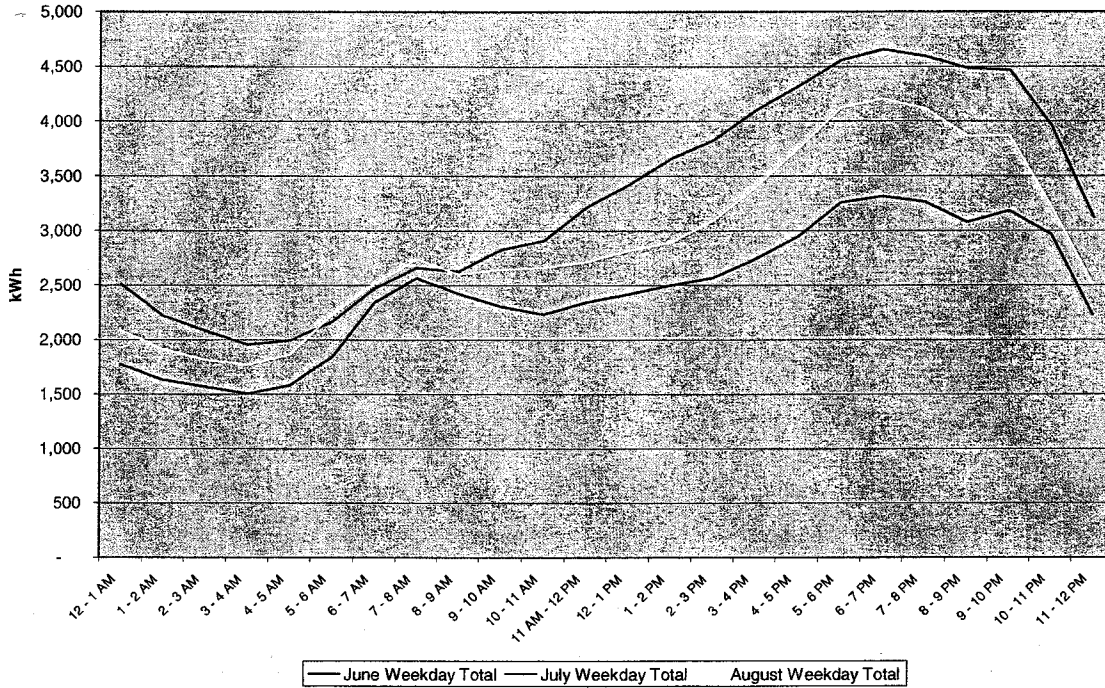
Energy Watch Event #2 & #3: July 11, 2007 & July 12, 2007



Based on these results it is apparent that customers are reducing their usage during Energy Watch events.

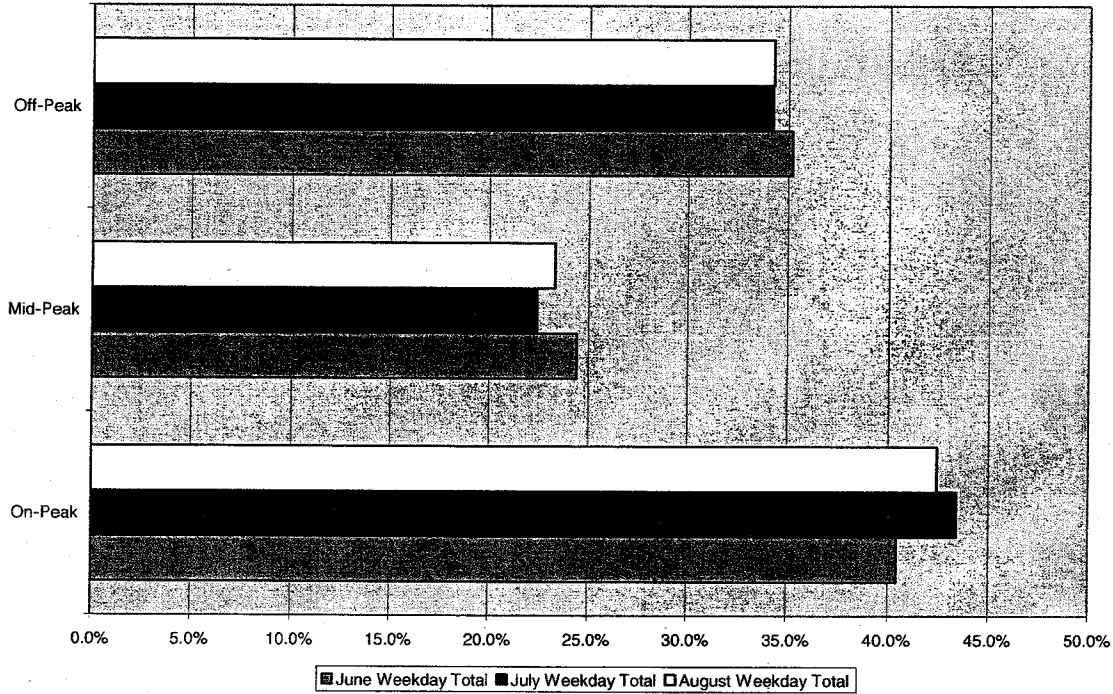
Time of Day – In order to analyze the data of the Time-of-Day customers, the total weekday (excluding Independence Day) hourly energy usage for the Time-of-Day customers during the 2007 summer season by month was totaled. The chart below shoes the total weekday usage by hour for each of the three summer months.

Time of Day: 2007 Season



To evaluate what impact, if any, the Time-of-Day rates had on customers' usage patterns during on-peak periods, the hourly usage data was grouped by on-peak, mid-peak and off-peak time periods and compared with the percent of energy consumed during each of those periods, by month. Below is a summary of that data for 2007 weekdays (excluding Independence Day).

Time of Day Usage by Time Period

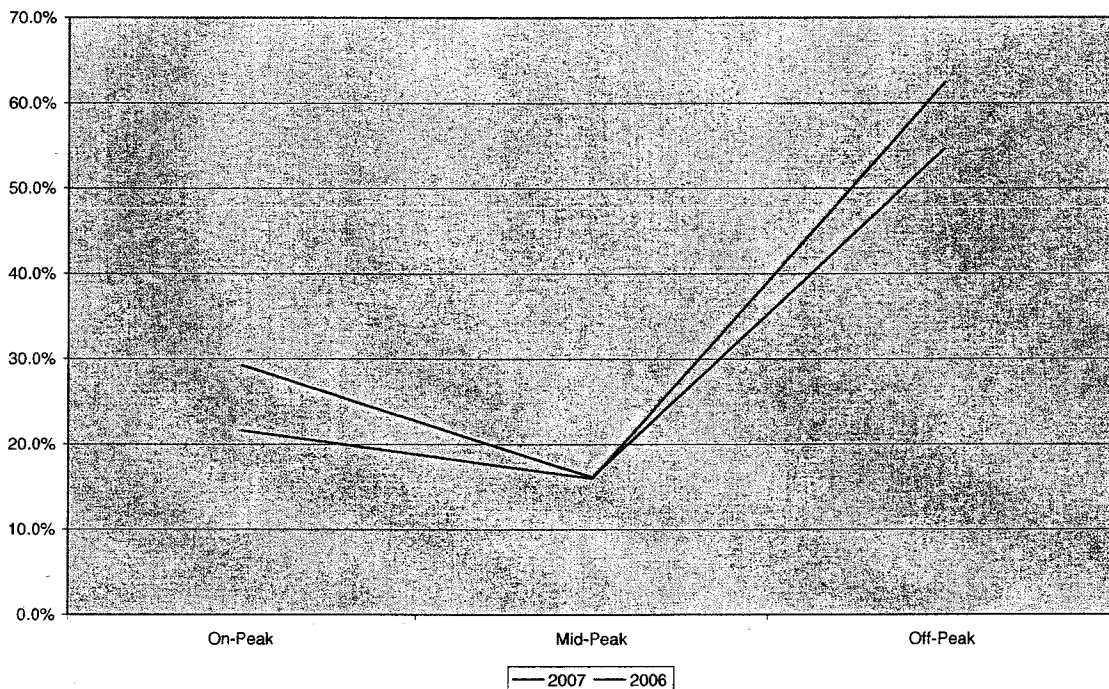


A comparison of the total 2007 summer usage by time period to the on-peak, mid-peak, and off-peak total 2006 summer usage was made to identify any changes in overall usage patterns. The chart below summarizes the percent of total use by time period by year.

Period	2006	2007
June		
On-Peak	21.6%	27.7%
Mid-Peak	17.7%	16.7%
Off-Peak	60.8%	55.6%
July		
On-Peak	20.7%	28.9%
Mid-Peak	14.2%	14.9%
Off-Peak	65.1%	56.2%
August		
On-Peak	22.8%	31.1%
Mid-Peak	16.7%	17.1%
Off-Peak	60.5%	51.8%

When compared to the total summer season time period usage in 2006, the 2007 time period usage shows a slight shift of off-peak usage to on-peak usage but continues to be consistent with the previous year's data. See below.

2007 vs. 2006 Time Period Usage



Future of the Energy Watch and Time-of-Day Programs

The Energy Watch and Time-of-Day programs continue to provide the Company with valuable information regarding customers' responses to time-variant pricing. It is apparent by the continued participation of customers that they are satisfied with both the Energy Watch and Time-of-Day programs. Consistent with the findings from previous analyses, Energy Watch program participants appear to reduce load during the Energy Watch events while the Time-of-Day program participants appear to not engage in load shifting. The Company's objectives for the 2008 season are to better educate customers on ways to reduce usage during high cost time periods as well as to increase participation in both the Energy Watch and Time-of-Day programs.