

1 **BEFORE THE PUBLIC UTILITY COMMISSION**
2 **OF OREGON**

3 **UM 1675**

4 In the Matter of)
5 IDAHO POWER COMPANY,) **IDAHO POWER COMPANY'S REPLY**
6 2017 Annual Smart Grid Report.) **COMMENTS**
7 _____)

8 **I. INTRODUCTION**

9 Idaho Power Company ("Idaho Power" or "Company") respectfully submits these
10 Reply Comments to the Public Utility Commission of Oregon ("Commission"). These Reply
11 Comments respond to comments submitted by the Commission Staff ("Staff") on December
12 20, 2017 ("Staff Comments").

13 Idaho Power requests that the Commission accept the Company's 2017 Smart Grid
14 Report ("2017 Report") as having met the requirements of Order No. 12-158 established in
15 Docket No. UM 1460 and Order No. 17-076 established in Docket No. UM 1675. In addition
16 to satisfying the Commission's requirements, the Report responds to the recommendations
17 adopted by the Commission in the 2016 Smart Grid Report proceeding.¹

18 **II. DISCUSSION**

19 In these Reply Comments, the Company responds to Staff's recommendations and
20 Staff's request for clarification in specific areas.

21 **A. Residential Time of Day ("TOD") Pilot**

22 In its comments, Staff requested that the Company "compile proposals and pertinent
23 research to provide Staff, and hold at least one more workshop with Staff before finalization
24 and presentation of the TOU program in March 2018."² Idaho Power continues to work with

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26 ¹Re Idaho Power Company's 2016 Smart Grid Report, UM 1675, Order No. 17-076 (March 2,
2017).

² Staff's Comments, p. 4.

1 Staff on a residential TOD pilot to be offered to Idaho Power's residential customers in
2 Oregon in response to Staff's Recommendation No. 2.³ Idaho Power held an initial webinar
3 with Staff on February 14, 2017, to share its original proposal for a TOD pilot rate design.
4 Idaho Power held two follow-up phone calls with Staff, on August 30, 2017, and December
5 14, 2017, to provide an update on the progress to date and align on next steps. The
6 Company plans to hold at least one more workshop with Staff before March 19, 2018, where
7 the Company will share its proposal for a residential TOD pilot rate design offering along
8 with a bill impact analysis. Idaho Power will include a discussion of the TOD pilot in its
9 presentation to the Commission at the special public meeting on March 19, 2018.

10 **B. Transmission Situational Awareness – Phasor Measurement Unit (“PMU”)**
11 **Installations**

12 In its response to Staff's Recommendation No. 4,⁴ the Company provided the final
13 Observability Study (“Study”) prepared by V&R Energy Systems Research Inc. in Appendix
14 D of the 2017 Report. The Company explained in the 2017 Report that the final
15 Observability Study identified 78 PMU locations that would provide complete observability
16 of the Idaho Power bulk electric system (“BES”), but that the Company had only partial
17 observability of the Idaho Power BES because not all 78 PMUs were in place. In the 2017
18 Report, the Company explained that approximately 44 PMUs were in place. Staff noted that
19 it was satisfied that the Company properly responded to Recommendation No. 4 but asked
20 that the Company “indicate in its reply comments if they plan on installing the additional 34

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23 ³ Staff's Recommendation No. 2 adopted in Order No. 17-076 requested Idaho Power “Host
24 additional workshops with Staff and other stakeholders for their input in finalizing the program design
of the TOD pilot.”

25 ⁴ Staff's Recommendation No. 4 adopted in Order No. 17-076 requested Idaho Power “provide
26 the final Observability Study and explain the final implications of the study as it applies to PMU
installations, the cost of the PMU installations, and how those PMU installations will benefit the Idaho
Power System.”

1 PMUs, and update the analysis of observability of the BES in a future report or comments
2 once the installation of all 78 PMUs are completed.”⁵

3 The observability study was performed to determine the number of PMUs to cover all
4 361 substation busses in Idaho Power’s transmission system, including all 138 kilovolt (“kV”)
5 load service substations. However, the Company’s focus is the observability of the major
6 generation plants and bulk transmission system -- defined as the 500, 345, 230, and some
7 138 kV substation busses. Therefore, Idaho Power does not plan to install PMUs at all 78
8 identified busses to create observability at all the load service substations. The Company
9 will continue to evaluate optimal PMU placement for the synchrophasor applications
10 implemented and report such additions through future Smart Grid reports.

11 **C. Customer Relationship Management (“CRM”)**

12 In its response to Staff’s Recommendation No. 6,⁶ the Company explained in the
13 2017 Report that the upgrade of its Customer Relationship and Billing (“CR&B”) system was
14 completed in January 2017. The CR&B upgrade made it possible for Idaho Power to move
15 forward with the integration of the CRM module within CR&B. The CRM will provide Idaho
16 Power benefits specific to improved communication and marketing tools and tactics. In the
17 2017 Report, the Company reported that the CRM integration was expected to occur in
18 quarter 1 of 2018. In its comments, Staff requested that the Company “provide an update
19 on CRM January 2018 integration in its special public meeting report in March 2018, as well
20 as other project updates in the 2019 Smart Grid Report.”⁷ Since the project update in the

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22 ⁵ Staff’s Comments, p. 4.

23 ⁶ Staff’s Recommendation No. 6 adopted in Order No. 17-076 requested Idaho Power “track
24 the progress of the CRM application and the CR&B upgrade and provide a robust narrative, complete
25 with costs and benefits, describing how it intends to utilize CRM for personalized demand side
26 offerings or energy management abilities, if any.”

⁷ Staff’s Comments, p. 5.

1 2017 Report, Idaho Power has made significant progress in developing the CRM system
2 that includes four main components:

- 3 • Customer Preference Database: The Controlling the Assault of Non-Solicited
4 Pornography and Marketing Act of 2003⁸ (“CAN-SPAM”), a law that sets the rules
5 for commercial email, establishes requirements for commercial messages, gives
6 recipients the right to have companies stop emailing them, and spells out
7 penalties for violations. CAN-SPAM regulation requires certain functions to be
8 in place to honor email recipients’ preferences. Idaho Power’s Customer
9 Preference Database function is a systematic, backend method to manage email
10 recipients’ preferences, which sets the foundation for a customer-facing
11 preference portal. The preference portal allows customers the ability to manage
12 their communication preferences.
- 13 • Segmentation: The Segmentation function provides the ability to divide
14 customers into groups for marketing and communications using demographics,
15 housing characteristics, program participation, behavior, and other data.
- 16 • Campaign Management: The Campaign Management tool will allow the
17 Company to better track and manage marketing campaigns, as well as analyze
18 marketing effectiveness. It provides employees with visibility into these
19 campaigns to help respond to customer inquiries.
- 20 • Enhanced Communications: To help better communicate with its customers and
21 respond to customer preferences, Idaho Power is planning to use email
22 communications and text alerts. The CRM system will integrate with the
23 Company’s text and email vendors.

24 To date, Customer Preference Database and Segmentation components are
25 complete and Idaho Power will begin to utilize the Customer Preference Database and

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⁸ U.S. Code, Title 15, Chapter 103 §§ 7701–7713.

1 Segmentation components of the CRM this 1st quarter of 2018. The Company will also
2 build out the Campaign Management tool and integrate that tool with the vendors selected
3 to deliver text and email communications. The Company anticipates that Campaign
4 Management and Enhanced Communications will be fully developed and implemented in
5 the 2nd quarter of 2018. The CRM system will initially focus on residential customers but
6 will expand to incorporate business customers. Idaho Power will provide an update on CRM
7 integration in its presentation to the Commission at the special public meeting on March 19,
8 2018 and in its 2019 Smart Grid Report

9 **III. CONCLUSION**

10 The Company appreciates the opportunity to provide these comments and respond
11 to questions raised by Staff. The Company requests that the Commission accept its 2017
12 *Smart Grid Report* as having met the requirements of Order Nos. 12-158 and 17-076
13 established in Docket No. UM 1675.

14 Respectfully submitted this 23rd day of January 2018.

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17 LISA D. NORDSTROM
18 Attorney for Idaho Power Company

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CERTIFICATE OF SERVICE

UM 1675

I hereby certify that on January 23, 2018, I served a true and correct copy of IDAHO POWER COMPANY'S REPLY COMMENTS upon the following named parties by the method indicated below, and addressed to the following:

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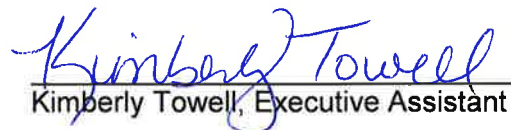
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