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December 28, 2018

VIA ELECTRONIC FILING

Public Utility Commission of Oregon
Filing Center
201 High Street SE, Suite 100
P.O. Box 1088
Salem, Oregon 97301

RE: Tariff Advice No. 18-12
Implementation of Schedule 5 – Residential Service, Time-of-Day Pilot Plan (Optional)

Attention Filing Center:

Idaho Power Company (“Idaho Power” or “Company”) herewith transmits for filing Original Sheet Nos. 5-1, 5-2, and 5-3 with a proposed effective date of June 1, 2019, requesting approval to implement a new, optional residential service offering, Schedule 5, Time-of-Day Pilot Plan (“TOD Pilot Plan”). The Company’s request to implement a time-variant pilot pricing program for Oregon residential customers is filed in accordance with ORS § 757.202 and Public Utility Commission of Oregon (“Commission”) Order No. 18-266 issued in Docket No. UM 1675.

Background

In 2012, Idaho Power began conducting a time-variant pricing pilot, called the Time-of-Day (“TOD”) pilot, in its Idaho service territory. The intent of the pilot was to analyze and determine participant behavior modifications and revenue impacts of time-variant pricing. Depending on the results of the pilot, which were expected mid-2014, the Company stated it would potentially expand the pilot to other areas of its service territory. As such, in Order No. 13-481 adopting Idaho Power’s 2013 Annual Smart Grid Report,¹ the Commission recommended Idaho Power provide an update on the TOD pilot as part of its 2014 Annual Smart Grid Report.

In compliance with Order No. 13-481, and as part of the 2014 Annual Smart Grid Report, Idaho Power reported results of the final behavior impact study performed on the TOD pilot. The impact study findings included a response rate to pilot plan solicitation of 1.3 percent and indicated there was no statistically significant change in overall energy consumption observed in the study participants on the TOD rates.² In its final memo, Commission Staff recommended that Idaho Power report on the progress of its evaluation of TOD pricing plans in the 2015 Annual Smart Grid Report. The Commission adopted Staff’s recommendation with Order No. 15-053.

¹ All of the Company’s annual smart grid reports are filed in Docket No. UM 1675.

² 2014 Annual Smart Grid Report, pp. 18-20 and Appendix D.

As part of the 2015 Annual Smart Grid Report, Idaho Power expressed concern about implementing a TOD rate similar to the Idaho rate design for its Oregon residential customers prior to any customer experience with seasonal pricing.³ The Company believes seasonal rates are an essential prerequisite to prepare customers for the more complicated aspects of a TOD rate. Both the Company and Staff agreed that there are potential benefits from TOD rates and Staff recommended Idaho Power work with Staff to investigate, design, and implement a TOD pilot that may include behavioral components that could be offered to Idaho Power's Oregon residential customers if determined feasible. The Commission adopted Staff's recommendation with Order No. 16-045.

The Company continued its investigation, analysis, and development of a TOD program throughout 2016, and in early 2017, Idaho Power shared with Commission Staff a draft proposal for a TOD pilot for Oregon residential customers. The Company presented two cost-based options for TOD rate designs. The first included an \$8 service charge with differentials between peak and off-peak periods based on differences in net power supply expenses ("NPSE") during those same periods; the second included a \$12 service charge and larger differentials between peak and off-peak rates when compared to the first option, and is also based on NPSE. In Order No. 17-076 issued on March 2, 2017, accepting the 2016 Annual Smart Grid Report, Idaho Power was encouraged to complete its design of a TOD pilot.

During the first and second quarters of 2018, Idaho Power hosted a series of phone conversations with Staff, outlining potential TOD structures and moving towards a completed pilot. On July 5, 2018, the Commission issued Order No. 18-266 accepting the 2017 Annual Smart Grid Report and recommended the Company continue to work with Staff and other stakeholders for input in finalizing the program design of the TOD pilot, taking into consideration the suggestions made by Staff. If determined feasible, the Commission recommended Idaho Power file a proposal for a TOD pilot by December 31, 2018, and report any findings in the 2019 Smart Grid Report.

The following summarizes the optional, voluntary TOD Pilot Plan, developed by the Company, Commission Staff, and the Oregon Citizens' Utility Board, that provides residential customers the option to take electric service with seasonal time-of-day energy rates.

Time-of-Day Pilot Plan

The intent of the TOD Pilot Plan is to introduce an optional pricing offering for Oregon residential customers that includes a time-differentiated rate design reflective of the cost to serve, which will motivate behavioral changes and encourage efficient utilization of Idaho Power's system. As such, the time-of-use periods were developed using a two-step process: First, the time-periods were built such that the pricing changes when the Company's NPSE changes, and next, the time-periods were further refined with consideration of program participants' ability to modify behavior. For example, Idaho Power's NPSE during the summer months are generally higher from 1 to 10 PM. Understanding that a nine-hour peak period that runs late into the evening hours would make it

³ 2015 Annual Smart Grid Report, pp. 55-56. Mandatory seasonal rates have existed in the Company's Idaho service territory since June 1, 2004.

difficult for customers to shift their energy usage to an off-peak period, the Company shortened the peak period to just six hours, opening some evening hours to off-peak pricing. The off-peak evening hours will allow program participants the opportunity to shift energy use that would have otherwise occurred during peak periods.

The proposed rate design maintains an \$8 a month service charge, equivalent to the service charge under the standard residential service offering, but introduces seasonal rates with prices that vary based on the time of day, including a higher energy charge during the peak period and a lower energy charge during the off-peak period. To design rates based on the cost to serve, Idaho Power set the seasonal differentials based on the results of the most recently filed class cost-of-service study,⁴ and established the peak and off-peak price differentials based on the Company's actual variations in NPSE. This results in a 64 percent differential between the summer and non-summer seasons and a one percent differential between the peak and off-peak periods.

The following summarizes the proposed pricing periods (listed in Mountain Standard Time) and associated energy charges:

	<u>Summer (June 1 – Aug 31)</u>	
Peak (Mon – Fri):	3 PM to 9 PM	13.1739¢
Off-Peak (all hours of weekends, holidays)	9 PM to 3 PM	13.0403¢
	<u>Non-Summer (Sept 1 – May 31)</u>	
Peak (Mon – Fri):	7 AM to 9 AM; 3 PM to 9 PM	8.0547¢
Off-Peak (all hours of weekends, holidays)	9 AM to 3 PM; 9 PM to 7 AM	7.9514¢

Although the differentials between peak and off-peak periods of the proposed rate design are small, the design is cost-based and will help minimize the financial impact to the Company resulting from implementation of an optional TOD Pilot Plan during a time when standard residential rates cannot be reset closer to the cost to serve.

Eligibility

Idaho Power is proposing to offer the TOD Pilot Plan on an optional, voluntary basis to Oregon residential customers who currently have Advanced Metering Infrastructure installed. In order to study customer behavior and limit the financial impacts to the Company due to implementation outside of a general rate case, the Company is initially proposing to cap the number of participants at approximately 2.5 percent of residential customers, or 375 participants. Idaho Power is committed to continuously monitoring TOD Pilot Plan participation and will keep the Commission apprised of enrollment counts if it begins approaching the cap.

⁴ *In the Matter of Idaho Power Company Request for General Rate Revision*, Docket No. UE 233, filed July 29, 2011.

Communication Plan

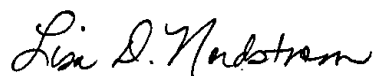
Idaho Power will solicit TOD Pilot Plan participation via postcard mailers. A draft of the postcard is included with this filing. The postcard will use pictorials to explain the pricing structure and time periods and will direct customers to the Company's website for more information or to sign up. Highlighted on the postcard is the option for customers to compare the TOD Pilot Plan pricing with the standard residential service pricing using an online comparison tool that estimates annual bill impacts resulting from participation. A comparison tool is currently available for customers in the Company's Idaho service territory to compare residential service offerings and has been beneficial in assisting customers to evaluate a time-variant pricing offering. The Company has begun the development of a comparison tool specific to Oregon residential service offerings with its vendor and will have the tool available for Oregon customers if the TOD Pilot Plan is approved. The postcard will also include a phone number and email address specific to the TOD Pilot Plan should customers need additional assistance.

TOD Pilot Plan Results Reporting

Because Idaho Power's request is to implement a pilot plan that includes a rate design that is reflective of the cost to serve, while encouraging behavioral change and increasing efficient utilization of its system, the Company is committed to reporting on the results of the TOD Pilot Plan as part of its smart grid reporting requirements. Idaho Power will notify the Commission of efforts to solicit participation, enrollment counts, changes in energy consumption of pilot program participants, and any other pertinent information as part of future smart grid reports. Because preparation and finalization of Idaho Power's 2019 Smart Grid Report (to be filed October 1, 2019) will occur coincident with commencement of the TOD Pricing Plan, the Company expects to first report results of the pilot in the 2021 Smart Grid Report.

In order to allow time for the upgrade of internal systems and processes and to coincide with annual rate changes, the Company respectfully requests that implementation of the new Schedule 5, Residential Service Time-of-Day Pilot Plan (Optional), become effective on June 1, 2019. If you have any questions regarding this filing, please contact Senior Regulatory Analyst Courtney Waites at (208) 388-5612 or cwaites@idahopower.com.

Sincerely,



Lisa D. Nordstrom
Lead Counsel

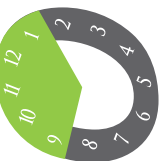
LDN/kkt
Enclosures

We offer our customers options for how to do business with us — whether choosing paperless billing, monthly budget payments or participating in our energy efficiency programs. The **Time Of Day** pricing plan is one more option available to you in managing your Idaho Power account.



Is the **Time Of Day** pricing plan right for me?

Time Of Day



Idaho Power is offering a voluntary **Time Of Day** pricing plan for selected Oregon residential customers who have smart meters.

You now have a choice!



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Shift

Learn about **Time of Day**



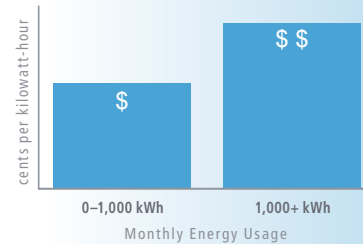
On the Time Of Day pricing plan, shifting your energy use to the time of day when prices are less, may or may not result in an annual savings on your electric bill.

You can decide if this plan is right for you by reviewing your energy use and comparing your current Standard pricing to new Time Of Day pricing. For example, if your monthly bill is less than \$122 per month, it may be best for you to stay on the Standard pricing plan.

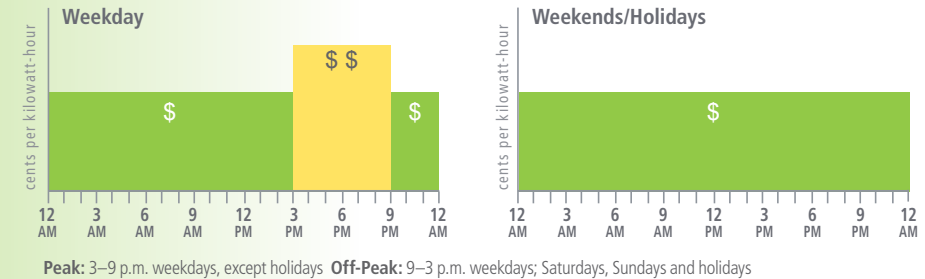
By choosing to shift or use less energy during high-demand times of the day, you can help reduce the demand on the electric system, and possibly reduce your overall power bill.

Summer June–August (For current rates, see idahopower.com/ORTOD)

Standard Pricing Plan

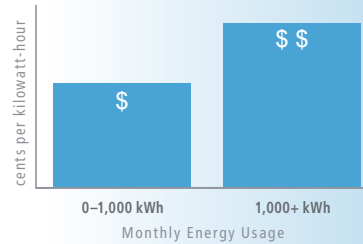


Time Of Day Pricing Plan

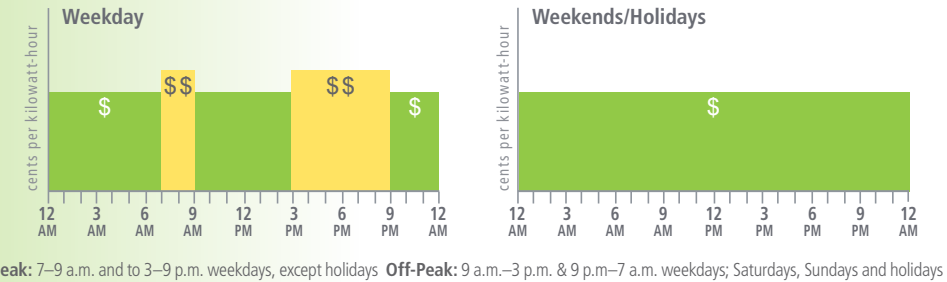


Non-Summer September–May (For current rates, see idahopower.com/ORTOD)

Standard Pricing Plan



Time Of Day Pricing Plan



Is it **Right for Me?**

1

Review Your Energy Use

You can see your energy use on your bill. You also can see it online when you register as an myAccount at Idaho Power's website: idahopower.com/ORTOD.

2

Compare Residential Pricing Plans

Use the online comparison tool to estimate what your annual bill may be. idahopower.com/ORTOD



3

Consider Ways to Shift

Determine how you might shift your energy use from higher priced Peak hours to lower priced Off-Peak hours. Ask yourself: Can I shift? Do I want to? Are you able to change your daily routine and energy use habits? How you shift electricity may be different from others depending on your lifestyle, family size and schedule.

Think about when you use major appliances. Can you shift when you use them? Shifting your energy use may be as simple as delaying the use of your dishwasher, oven or washing machine until late evening on weekdays, or any time on the weekend.

4

Sign Up

If you determine this new pricing plan option makes sense for you, consider enrolling at idahopower.com/ORTOD.

If you enroll and don't like the program plan, you can opt-out at any time. However, should you choose to leave the program plan, you must wait 12 months before you can re-enroll.

Questions?

Email your questions to Idaho Power at TOD@idahopower.com or call 208-388-5575.

SCHEDULE 5
RESIDENTIAL SERVICE
TIME-OF-DAY PILOT PLAN
(OPTIONAL)

AVAILABILITY

Service under this schedule is available at points on the Company's interconnected system within the State of Oregon to residential Customers where existing facilities of adequate capacity and desired phase and voltage are adjacent to the Premises to be served, additional investment by the Company for new transmission, substation, or terminal facilities is not necessary to supply the desired service, and Advanced Metering Infrastructure (AMI) is installed. Service under this pilot schedule is limited to no more than 375 metered service points.

The Residential Service Time-of-Day Pilot Plan is an optional, voluntary service that provides residential Customers the option to take electric service with seasonal time-of-day energy rates.

If a Customer requests to participate in this pilot schedule, the Customer will be placed on the schedule effective with their next billing cycle.

A Customer may terminate their participation on this schedule at any time. However, the Customer may not subsequently elect service under this schedule for one year after the effective date of cancellation. If a Customer requests to be taken off of the schedule, the Customer will be removed from the schedule as of the last meter read date.

APPLICABILITY

Service under this schedule is applicable to Electric Service required for residential service Customers for general domestic uses, including single phase motors of 7½ horsepower rating or less, subject to the following conditions:

1. When a portion of a dwelling is used regularly for business, professional, or other gainful purposes, or when service is supplied in whole or in part for business, professional, or other gainful purposes, the Premises will be classified as non-residential and the appropriate general service schedule will apply. However, if the wiring is so arranged that the service for residential purposes can be metered separately, this schedule will be applied to such service.
2. Whenever the Customer's equipment does not conform to the Company's specifications for service under this schedule, service will be supplied under the appropriate General Service Schedule.
3. This schedule is not applicable to standby service, service for resale, or shared service.

The Company shall have the right to select and reject pilot participants at its sole discretion.

TYPE OF SERVICE

The type of service provided under this schedule is single phase, alternating current at approximately 120 or 240 volts and 60 cycles, supplied through one meter at one Point of Delivery. Upon request by the owner of multi-family dwellings, the Company may provide 120/208 volt service for multi-family dwellings when all equipment is Underwriters' Laboratories, Inc. approved to operate at 120/208 volts.

SCHEDULE 5
RESIDENTIAL SERVICE
TIME-OF-DAY PILOT PLAN
(OPTIONAL)
(Continued)

WATER HEATING

All electric water heating equipment, including water storage and tankless water heaters (hot water on demand), shall conform to specifications of the Underwriters' Laboratories, Inc. and the Company. The installation of the water heating equipment shall conform to all National, State, and Municipal Codes. No single electric water heating unit shall exceed 6 kW; and where two or more heating units are used, these units shall be so interlocked that not more than 6 kW can be connected at any one time.

Where electric water heaters not complying with these specifications are installed, the Customer will be required to pay the original installation or upgrade costs for any nonstandard facilities needed to supply the electrical capacity to meet the water heater demand. Water heating equipment must not impair or interfere with service to any other customer.

RESIDENTIAL SPACE HEATING

All space heating equipment to be served by the Company's system shall be single phase equipment approved by Underwriters' Laboratories, Inc., and the equipment and its installation shall conform to all National, State and Municipal Codes and to the following:

Individual resistance-type units for space heating larger than 1,650 watts shall be designed to operate at 240 or 208 volts, and no single unit shall be larger than 6 kW. Heating units of two kW or larger shall be controlled by approved thermostatic devices. When a group of heating units, with a total capacity of more than 6 kW, is to be actuated by a single thermostat, the controlling switch shall be so designed that not more than 6 kW can be switched on or off at any one time. Supplemental resistance-type heaters, that may be used with a heat exchanger, shall comply with the specifications listed above for such units.

SUMMER AND NON-SUMMER SEASONS

The summer season begins on June 1 of each year and ends on August 31 of each year. The non-summer season begins on September 1 of each year and ends on May 31 of each year.

TIME PERIODS

The time periods are defined as follows. All times are stated in Mountain Time.

Summer Season

Peak: 3:00 p.m. to 9:00 pm. Monday through Friday
Off-Peak: 9:00 p.m. to 3:00 p.m. Monday through Friday and all hours on weekends and holidays

Non-summer Season

Peak: 7:00 a.m. to 9:00 a.m. and 3:00 p.m. to 9:00 p.m. Monday through Friday
Off-Peak: 9:00 p.m. to 7:00 a.m. and 9:00 a.m. to 3:00 p.m. Monday through Friday and all hours on weekends and holidays

SCHEDULE 5
RESIDENTIAL SERVICE
TIME-OF-DAY PILOT PLAN
 (OPTIONAL)
 (Continued)

TIME PERIODS (Continued)

Holidays are New Year's Day (January 1), Memorial Day (last Monday in May), Independence Day (July 4), Labor Day (first Monday in September), Thanksgiving Day (fourth Thursday in November), and Christmas Day (December 25). If New Year's Day, Independence Day, or Christmas Day falls on Saturday, the preceding Friday will be designated a holiday. If New Year's Day, Independence Day, or Christmas Day falls on Sunday, the following Monday will be designated a holiday.

MONTHLY CHARGE

The Monthly Charge is the sum of the following charges, and may also include charges as set forth in Schedule 55 (Annual Power Cost Update), Schedule 56 (Power Cost Adjustment Mechanism), Schedule 91 (Energy Efficiency Rider), Schedule 93 (Solar Photovoltaic Pilot Program Rider), Schedule 95 (Adjustment for Municipal Exactions), and Schedule 98 (Residential and Small Farm Energy Credit).

Service Charge, per month	\$8.00
Energy Charge, per kWh	
Summer	
Peak	13.1739¢
Off-Peak	13.0403¢
Non-summer	
Peak	8.0547¢
Off-Peak	7.9514¢

PAYMENT

The monthly bill rendered for service supplied hereunder is payable upon receipt, and becomes past due 15 days from the date on which rendered.