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State of Utah

Department of Commerce

Division of Public Utilities

FRANCINE GIANI
Executive Director

CHRIS PARKER
Director, Division of Public Utilities

Action Request Response

To: Utah Public Service Commission

From: Utah Division of Public Utilities
Chris Parker, Director
Artie Powell, Energy Section Manager
Bob Davis, Utility Technical Consultant

Date: October 10, 2019

Re: **Not Approve with Recommendation, Tariff Sheet Changes, Docket No. 19-035-T14** – Rocky Mountain Power's Proposed Tariff Revisions to Electric Service Regulation No. 4, Supply and Use of Service.

Recommendation (Not Approve with Recommendation)

The Division of Public Utilities ("Division") recommends the Public Service Commission ("Commission") not approve Rocky Mountain Power's ("RMP") proposed revisions to Electric Service Regulation No. 4, effective January 1, 2020, and suspend the proposed changes to Electric Service Regulation No. 4 until such time as RMP can provide a sample of the billing process for small usage device customers. While the Division generally supports the proposed changes, the Division would like to meet with RMP and discuss how the billing will work.

Issue

On September 25, 2019, RMP filed with the Commission its proposed revisions to Electric Service Regulation No. 4, Supply and Use of Service, to include a new option for customers to receive non-metered service for small usage devices under certain circumstances. RMP requests an effective date of January 1, 2020. On September 25, 2019, the Commission

issued an action request to the Division requesting it to review RMP's filing and make recommendations. The Commission asked the Division to report back by October 10, 2019. On September 26, 2019, the Commission issued its Notice of Filing and Comment Period allowing comments on or before October 10, 2019 and reply comments on or before October 17, 2019. This memorandum represents the Division's response to the Commission's request to investigate RMP's filing.

Background

Wireless devices used in day-to-day communications continue to proliferate, requiring more bandwidth to meet demand. For example, the infrastructure needed to support these trends is changing from the current 4G Long Term Evolution ("4G") cell-site footprint to a meshed 5G Evolution ("5G") network footprint. Expansion of existing 4G technology and the next generation of wireless communication utilizing 5G technology requires the installation of small cell distributed antenna systems ("DAS"), or small usage devices, in addition to the traditional cell-site footprint. These small cell antennas and other devices used to support the Internet of Things ("IoT"), require much smaller footprints creating a network of antennas and base transmitter stations ("BTS"). This small footprint of small usage devices creates a metering problem for utilities and customers. In most cases, it is impractical to meter each small usage device due to its location or restrictions placed on such installations by local municipalities.

RMP's proposed change to Electric Service Regulation No. 4 adds a new option for customers deploying small usage devices as a non-metered service under certain circumstances.

Discussion

RMP proposes a new provision to allow unmetered service for small loads under two kilowatts. RMP claims that it can provide this service without affecting its operations while providing benefits to customers.¹ The communication industry, for example, continues to expand its 4G communications networks using traditional technologies such as cell tower sites and WiFi hotspots, etc. However, the next evolution of wireless communication infrastructure, 5G,

¹ Rocky Mountain Power, Docket No. 19-035-T14, Advice 19-14, September 25, 2019, pg. 1.

requires a network of small cell antennas placed two to three hundred feet apart to provide the higher bandwidths needed to move high volumes of information. These antennas receive and transmit information between devices and to and from the BTS, which in turn directs information to fiber or other communication infrastructure.

An important challenge to utilities and communication firms deploying these technologies is location, which is typically in dense commercial and populated city areas where it is difficult to install meter bases and other non-pole mounted equipment needed to support the antennas. For example, in many locations, local zoning prohibits supporting infrastructure such as meters and bases in or around sidewalks or in park strips for aesthetic and safety reasons, even if there is room for them.

RMP's proposal to add a section to Regulation No. 4, allows customers to install an unmetered, small usage device, as long as its total connected load does not exceed two kilowatts. RMP would perform the connection to its system as long as the installation meets all of RMP's design and installation requirements.

RMP proposes multiplying the total monthly capacity kilowatt ("kW") stated on the customer's application for each device by 730 hours to arrive at the kilowatt hour ("kWh") usage per month. However, RMP did not propose a rate structure or a current rate schedule to use to determine a customer's monthly bill. Currently there is not an electric service schedule that covers a non-metered flat rate for small usage devices. The Division understands from a phone conversation with RMP personnel that it intends to use Electric Service Schedule No. 23 rates to determine small usage device customer bills until such time as a rate structure can be determined for such customers. The Division concludes that small usage devices (as defined by the proposed changes) would qualify for service under Schedule No. 23. Even if RMP does use Schedule 23 to bill customers, it is not clear how RMP might render such a bill and how the customer service charge might be determined.

In review of RMP's advice letter for this matter, the Division reviewed Utah Administrative Code Rule 746- 405-2 (D) (3) (g), which requires a statement that the tariff sheets

proposed do not constitute a violation of state law or Commission rule. However, the rule also states that the filing of proposed tariff sheets shall of itself constitute the representation of the filing utility that it, in good faith, believes the proposed sheets or revised sheets to be consistent with applicable statutes, rules and orders. The filing does not appear to violate statute or rule.

Conclusion

The Division has reviewed RMP's application and proposed changes to Electric Service Regulation No. 4, effective January 1, 2020. The addition of Small Usage Device customers to the regulation is potentially necessary to accommodate changing or emerging technologies and, thus, the Division concludes it is in the public interest to do so. However, the Division does not fully understand the billing process for small usage device customers and recommends the Commission not approve RMP's proposed changes with the following recommendation:

Suspend Electric Service Regulation No. 4 to give interested parties the necessary time to understand the billing process for small usage device customers.

Cc: Joelle Steward, RMP
Jana Saba, RMP
Michele Beck, OCS