

To: The Public Service Commission of Utah
From: Utah Clean Energy
Date: January 24, 2007
Subject: Utah Clean Energy's Comments on the Division of Public Utilities' Recommendations Regarding EAct 2005 Amendments to PURPA – Time-Based Metering and Communications Standard – Docket No. 06-999-03.

Thank you for the opportunity to provide comments on the Division of Public Utilities' Recommendations Regarding EAct 2005 Amendments to PURPA – Time Based Metering and Communications Standard – Docket No. 06-999-03. Please contact Sarah Wright with any questions (801) 363-4046.

1. Analysis: Smart Metering Standard

Utah Clean Energy appreciates the analysis undertaken by the Division to determine if SEC. 1252 SMART METERING of the EACT 2005 should be implemented by the Commission.

1.1 Division Recommendations

The Division recommends that the Smart Metering standard not be adopted by the Commission at this time. They propose that a cost-benefit study be performed to determine the cost effectiveness of a smart metering program and alternative approaches.

1.2 Utah Clean Energy Response

Utah Clean Energy believes time-based metering may be a valuable tool for reducing peak load and increasing overall energy efficiency. At present, customers in all classes are currently able to request and receive some form of time-of-day pricing. However, there has been limited adoption of these options, especially in the residential and small commercial sectors. Additionally, advanced metering and communications technology is limited to certain customer classes.

Utah Clean Energy believes efforts to adjust Rocky Mountain Power (the Company)'s current Time-of-Day Rates Schedules could serve to encourage increased participation. Utah Clean Energy also believes that smart metering with two-way communication, which would be necessary to implement critical peak pricing or real-time pricing, could prove to be beneficial to the Company in managing peak load.

2. Recommendation

In response to the Division of Public Utilities' recommendation to not adopt the Time-Based Metering and Communication Standard since the standard must be implemented by February 2007, Utah Clean Energy supports this recommendation on the premise that a study be immediately conducted to decide if an equivalent standards should be adopted.

Utah Clean Energy recommends that this study address the rate structure of the current time-of-use tariff, examining the potential to adjust time-of-use rates as needed to provide more of an incentive for residential and small commercial customers to participate in time-of-use pricing programs.