



State of Utah
Department of Commerce
Division of Public Utilities

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MEMORANDUM

TO: Public Service Commission

FROM: Division of Public Utilities
Chris Parker, Division Director
Marialie Martinez, Customer Service Manager

DATE: July 05, 2012

RE: 12-035-86 – In the matter of Formal Complaint of Caithness
Condominium HOA vs. Rocky Mountain Power

Recommendation: Dismiss Complaint

Complaint Analysis:

Caithness Condominium HOA in behalf of Mr. Joel Smith filed an Informal Complaint with the Division of Public Utilities (Division) on May 08, 2012 claiming that Rocky Mountain Power (RMP) refuses to acknowledge a prior discussion that was agreed upon in regards to master metering.

The condominium building is 103 years old and operates on its original power system. In 2010, the HOA hired an engineering firm to assess what needs to be done and to evaluate a total replacement of the building's electrical system. Mr. Smith claims that two of the RMP representatives he met with in 2010 verbally agreed that a master meter can be done. The HOA submitted the plan and specifications to the engineering firm following the meeting.

However, Mr. Smith states that when he met two other RMP representatives in 2011, he was informed that each apartment units must have its own meter. The company is requiring thirty-four individual meters for the building. Mr. Smith states that there are no more adequate flat surfaces left in the building to install individual meters in each apartment units. He also adds that the HOA is unable to afford this project financially.

Company Response:

RMP states that the company has no record of a verbal agreement to allow the Caithness Condominium HOA for master metering. There is record of a June 2010 request from Mr. Smith inquiring about upgrading service at the 86 B Street address. A meeting took place on June 10, 2010 and the customer informed the estimator they were considering upgrading from a 200 amp installation to a 1200 amp installation. The customer was advised that a load sheet was needed before the job could be planned. On June 18th 2010, the customer was again reminded that a load sheet was needed. The request did not go further beyond the initial meeting and after no additional contact from the customer, the request was closed.

On October 31st 2011, Mr. Smith called in a new request indicating the HOA wanted to upgrade electrical service to the building. An onsite meeting was held on November 2, 2011. The estimator was told the building had been a hotel prior to it being changed to condominiums. The HOA now needed to upgrade the electrical service to allow for additional load to each unit, along with air conditioning. Mr. Smith was advised that a completed load sheet was needed before the requested work could be designed and estimated. He was also informed that his request for a new installation would need to follow code and applicable rules and tariffs, which requires installation of individual meters to each unit. Mr. Smith tried to convince the estimator that he received verbal permission to master meter at the June 2010 meeting. In February 2012, the request was closed due to inactivity.

There have been multiple requests created for new service at the location over the last few years. Requests are closed out when there is a lack of activity on a request, typically after 90 days, which is what happened in this case. There is no record of an agreement to master meter the condominiums. In terms of lack of flat surfaces on the building, the Company would work with the customer and can allow a free-standing metering installation. However, none of the past requests, or the current request, has progressed to the point of a firm written estimate or design as RMP is still waiting for the load sheet.

On April 13th 2012, a request was initiated by Far-West Electric, and then later, on May 3rd 2012 by Hunt Electric. Both contractors indicated they were bidding on the project to do the electrical work. The estimator relayed the same basic requirements to each contractor, which is, a load sheet is still needed, master metering is not an option, and each unit plus the common areas would need to be metered, for a total of thirty-six individually metered services.

Master metering is no longer allowed because the construction of new or remodeled installations and the maintenance of electrical facilities must conform to applicable codes, provisions, rules, ordinances, and requirements set forth by governments, agencies, and the utility. Master metering is restricted by the federal Public Utility Regulatory Policy Act (PURPA) – Standards for Master-Metered Multiple Tenancy Dwellings, which was a standard adopted by the Commission, R746-210-1.

The customer's request will involve installing new electrical service to the building requiring government and Company inspections prior to switching the power on. A building permit will

likely be required before the electricians commence work as well. When new service is installed, the installation is required to adhere to current code and requirements.

Also note that when the hotel was converted to condominiums, the Company was not aware of the changes because the electrical system was not converted at that time. Although hotels, motels, nursing homes and other “transient multiple occupancy buildings” are exempted under the rule that prohibits master-metering, condominiums are not exempted, and require individual metering.

Division Review and Recommendation:

Caithness Condominiums HOA has not shown that RMP is in violation of any Administrative Rule, Utah Law, court ruling, Commission ruling or RMP Tariff.

The Standards for Master-Metered Multiple Tenancy Dwellings R746-210-1, Section 113 of PURPA 16 USCA states: “To the extent determined appropriate under Section 115(d), master metering of electric service in the case of new buildings shall be prohibited or restricted to the extent necessary to carry out the purpose of this Title.” Section 115(d) states: “Separate metering shall be determined appropriate for any new building for purposes of section 113(b)(1) if – (1) there is more than one unit in such building, (2) the occupant of each such unit has electric energy used in such unit, and (3) with respect to such portion of electric energy used in such unit, the long-run benefits to the electric consumers in such building exceed the costs of purchasing and installing separate meters in such building.”

The Division therefore recommends that the complaint filed by Mr. Joel Smith in behalf of the HOA against Rocky Mountain Power be dismissed.

CC: Joel Smith
Caithness Condominium HOA
1390 Thornton Avenue
Salt Lake City UT 84105-1611
joelsmith@sierramanagement.com

Eric Holje – Regulatory Analyst
Rocky Mountain Power
4171 West Lake Park Blvd
Salt Lake City UT 84120
eric.holje@pacificorp.com