

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

In the Matter of Rocky Mountain Power's)
Proposed Changes to Regulation No. 7) DOCKET NO. 13-035-T03
"Metering" and Schedule No. 300)
"Regulation Charges" to Allow for Non-) ORDER
Standard Meters)

ISSUED: March 21, 2013

By The Commission:

On February 19, 2013, PacifiCorp, dba Rocky Mountain Power ("Company"), filed Advice Letter 13-03 requesting Public Service Commission of Utah ("Commission") approval of amendments to Electric Service Regulation No. 7, "Metering" ("Regulation 7"), and Electric Service Schedule No. 300, "Regulation Charges" ("Schedule 300") of the Company's P.S.C.U. No. 49 Tariff. The purpose of the proposed amendments is to accommodate customers who do not wish to have the Company's current standard metering device installed at their residence or attached to their home. The Company is requesting an effective date of April 1, 2013, for the proposed amendments. On February 19, 2013, the Commission issued an action request to the Utah Division of Public Utilities ("Division") to investigate the Advice Letter.¹

BACKGROUND

In 2007, the Company commenced a project to replace its then standard meters (analog meters in most locations) with new standard, mobile automated meter reading meters ("AMR"). AMRs provide one-way communication of meter data to a mobile device located in a vehicle which drives along the meter reading route each month to read the meters for billing purposes. The project was implemented in three phases and completed in 2011. The Company

¹ The Division's findings and recommendations are discussed below.

maintains the AMR project has resulted in numerous benefits to both the Company and its customers including improved meter reading accuracy, reduced meter reading costs, and reduced safety hazard exposures for employees.

POSITIONS OF THE PARTIES

The Company explains a limited number of customers have objected to the use of a meter with communications capabilities, based upon a belief that the radio frequency of the meter may be harmful to their health. The Company does not believe the radio frequency of the metering device causes harmful health effects and asserts research results provided by the Federal Communications Commission do not support the claims of these concerned customers. The Company, however, respects their beliefs and proposes the following accommodations to alleviate the concerns of these customers: Option # 1) an AMR meter relocation (“Meter Relocation”); Option #2) changing the AMR to a non-standard meter requiring manual meter reading (“Meter Replacement”); or Option #3) a combination of Meter Relocation and Meter Replacement. All of these would be performed at the individual customer’s expense.

The Company’s tariff currently allows for a customer to relocate a metering facility under Electric Service Regulation No. 12, “Line Extensions.” The Company is proposing to also include this option within Regulation 7 as a new paragraph 2, Non-Standard Metering Accommodation. The Company explains the costs to the individual customer for the meter relocation work will vary based on the specifications of each site; however, these costs generally will include: 1) the labor associated with removing the existing meter and installing the new meter at the new location, and 2) removing the service conductor from the old location

and installing a service conductor to the new location. Although unlikely, meter relocation costs may also include the cost to relocate the primary voltage conductor and a transformer. The Company states the average charge to the customer for the work performed by Rocky Mountain Power for a simple residential Meter Relocation is \$500. In addition, the customer will also be responsible for providing a meter base, and, depending on the specific relocation, may be required to provide some or all of the following: conduit, meter pedestal, riser with weatherhead, meter pole, and easements.

As indicated above, the proposed changes to Regulation 7 include language enabling a customer to have a non-standard meter (non-radio frequency meter) installed and manually read on a monthly basis. The changes also specify conditions under which the Company may revoke the accommodation of a non-standard meter.² For this optional service, a standard residential customer would be assessed an upfront, one-time charge of \$252 for the setting and removal of the non-standard meter, based on the average time for Company personnel to install and subsequently remove the non-standard meter at some future date, average travel time, average meter testing/restocking of the removed meter, and the incremental invoiced cost of the non-standard meter. All other rate schedules would be charged the actual cost but not less than \$252 per meter for this service. A monthly charge of \$22, based on the average time to read the meter and average incremental travel time, would then be assessed for a metering representative to be sent to the home each month to manually read and input the meter data into the Company's billing system.

² The conditions are: meter tampering; impeding Company access to meter for monthly meter reading, maintenance, or disconnection for non-payment of service; or service had been disconnected for non-payment twice within a 12-month period.

The above-mentioned charges are included in the proposed changes to Schedule 300.³ Additionally, the Company is proposing to eliminate the charge referred to as “Monthly meter rental fee” listed under the Special Services section of Schedule 300, as this charge is no longer assessed. The Company requests an effective date of April 1, 2013, for these changes.

On March 13, 2013, the Division and the Office of Consumer Service (“Office”) filed comments in this docket, and on March 14, 2013, the Office filed corrected comments.

The Office supports the proposed changes to Regulation 7 and Schedule 300 because the customer seeking the accommodation will bear the responsibility for all incremental costs, and those costs are not passed on to other ratepayers. The Office reviewed the costs for the three alternatives provided by the Company. Regarding Meter Relocation, the Office accepts the Company’s average meter relocation cost of \$500 as a baseline estimate. The Office indicates this option exists within the Company’s current Electric Service Regulations as a meter relocation.

The Office reviewed the costs for Meter Replacement and notes the Company did not include restocking costs associated with the removal of the non-standard meter. The Office recommends a \$31.35 restocking cost be added to the Company’s estimated installation cost of \$252.29 presented in Company work papers associated with this filing, for a total cost of \$283.64. The Office indicates this cost, as well as the monthly charge of \$22 for manual meter reading, are reasonable accommodation costs.

³ The Company proposes a fee of \$252 in Schedule 300. The Company’s work papers included as an attachment to the Advice Letter indicate a total estimated installation cost of \$252.29.

The Office explains Option #3 is a combination of the features of Meter Relocation and Meter Replacement and results in an estimated average cost of \$752.29 (based upon the Company's estimated total cost of \$252.29 for Meter Replacement) plus a monthly fee of \$22 for meter reading. The Office points out this option is not described in the proposed tariff changes but exists as a combination of existing Electric Service Regulation provisions and the proposed Meter Replacement option.

The Office concludes, based upon its analysis, the costs for the three options are reasonable. Therefore the Office recommends the Commission approve the Company's requested changes with one amendment, namely that the meter replacement costs specified in the Meter Replacement option should be \$283.64 to include the missing re-stocking costs during the subsequent removal of the non-standard meter.

In its comments the Division notes the charges are designed to cover all incremental costs associated with the option chosen by the ratepayer. The Division states it has reviewed the Company's proposed charges and agrees with the Office's recommendation that meter restocking costs should be included in Option #2 thereby increasing the costs from \$252.29 to \$283.64. The Division also believes the Company's proposal to eliminate the monthly meter rental fee listed in the Special Services section of Schedule 300 is reasonable as the charge is no longer assessed. Therefore, the Division recommends the Commission approve the Company's proposed revisions to Regulation 7 and Schedule 300 with the Office's suggested modification to Schedule 300.

DISCUSSION, FINDINGS AND CONCLUSIONS

Since a request for a meter accommodation addressed in the Company's Advice Letter is voluntary, we agree the charges for these services should cover all incremental costs associated with the three options provided by the Company. Given the comments and recommendations of the Division and the Office are unopposed, and that meter accommodation appears to have no impact on other ratepayers, we determine the Company's proposed changes to Regulation 7 and Schedule 300 with the Office's recommendation to add a restocking fee to be in the public interest, and we approve them.

We note the revisions to Schedule 300 Sheet 1 characterize the \$252 charge for Meter Replacement as an "Installation Charge." The Meter Replacement Charge, however, includes costs not only for removal of the AMR and installation of a non-standard meter, but also for subsequent removal of the non-standard meter. For transparency, we direct the Company to change "Installation Charge" to "Installation and Subsequent Removal Charge."

In order to be informed of the initial use of meter accommodation options we request the Company provide a brief summary report in conjunction with the Company's next general rate case. The report should provide: 1) the number of customers who have elected each form of the non-standard meter accommodation authorized by these tariff changes; 2) the associated revenue collected by the Company broken out by meter relocation, non-standard meter installation, and manual meter reading fee; and 3) any other information the Company determines necessary to update the Commission on the status of non-standard meter accommodations.

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ORDER

NOW, THEREFORE, IT IS HEREBY ORDERED, that:

1. Changes to Electric Service Regulation No. 7, Metering, are approved as filed effective April 1, 2013.
2. Changes to Electric Service Schedule No. 300, Regulation Charges, with the Office's recommendations of adding a restocking fee, are approved effective April 1, 2013.
2. The Company shall file updated tariff sheets reflecting this decision by April 15, 2013. These tariff sheets shall be reviewed by the Division as soon as practicable thereafter.
3. The Company shall file a report on the use of meter accommodation options in conjunction with the next general rate case.

DATED at Salt Lake City, Utah, this 21st day of March, 2013.

/s/ Ron Allen, Chairman

/s/ David R. Clark, Commissioner

/s/ Thad LeVar, Commissioner

Attest:

/s/ Gary L. Widerburg
Commission Secretary
D#242835

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Notice of Opportunity for Agency Review or Rehearing

Pursuant to §§ 63G-4-301 and 54-7-15 of the Utah Code, an aggrieved party may request agency review or rehearing of this Order by filing a written request with the Commission within 30 days after the issuance of this Order. Responses to a request for agency review or rehearing must be filed within 15 days of the filing of the request for review or rehearing. If the Commission does not grant a request for review or rehearing within 20 days after the filing of the request, it is deemed denied. Judicial review of the Commission's final agency action may be obtained by filing a petition for review with the Utah Supreme Court within 30 days after final agency action. Any petition for review must comply with the requirements of §§ 63G-4-401 and 63G-4-403 of the Utah Code and Utah Rules of Appellate Procedure.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 21st day of March, 2013, a true and correct copy of the foregoing ORDER, was delivered upon the following as indicated below:

By Electronic-Mail:

Data Request Response Center (datarequest@pacificorp.com)
PacifiCorp

Dave Taylor (dave.taylor@pacificorp.com)
Rocky Mountain Power

By Hand-Delivery:

Division of Public Utilities
160 East 300 South, 4th Floor
Salt Lake City, UT 84111

Office of Consumer Services
160 East 300 South, 2nd Floor
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Administrative Assistant