

August 28, 2015

Utah Public Service Commission

160 Broadway # 4

Salt Lake City, Utah 84111

This is a letter regarding Rocky Mountain Power's (RMP hereafter) proposed rate hike to owners of Solar Electric Power Panels. We believe the RMP proposed to levy an across the board monthly charge of \$ 4.95 on those of us who installed solar power panels over the past few years is not only unfair but also capricious and arbitrary in nature. As your organization seeks fairness in regulating the electric utilities in Utah, we appeal to you.

Background:

We purchased our solar electric generating system in the summer of 2009; we paid approximately \$ 22,400 for the system. At the time we purchased it there was the understanding that there would be no charge for the rare occasions when our electric generating system would actually produce more than our home needed and actually sell power back onto the electric grid. We believe there was an "implied contract" between us and RMP at the time. Now RMP wants to modify the implied contract to their benefit. Spokesman Paul Murphy for RMP claims the issue is "*Fairness*" in that we do not pay for the cost of transmission of electricity back on the electric grid. Please allow us to elucidate our opinion of *Fairness* regarding this issue.

- 1 We do not think it is Fair that RMP can now change the terms of the implied contract.
- 2 We feel the charge of \$ \$4.95 per month is entirely arbitrary and capricious and not at all founded in fact or the actual cost of transmission of small amounts of electricity we produce and sell back.
- 3 We feel this is a heavy handed attempt by RMP to fatten their profits at the expense of environmentally minded citizens that installed these green systems of electricity generation.
- 4 We feel this attempt by RMP should be soundly rejected by your administration.

Please consider the following regarding the fairness of this proposal:

There are winter months when we produce zero or perhaps only 1 KWH of electricity (Please see attached invoice to us from RMP). How can the transmission of that single KWH of power possibly cost \$ 4.95 ?

Is that cost Fair?

The infrastructure built to provide and transmit power was installed and paid for over the past decades by the money we and others in the State of Utah paid to RMP —*on which UP&L made handsome profits every year.* To charge us for using the system we and other customers paid for over the past

decades means *we are now being charged twice* for the already installed infrastructure. Is that Fair? RMP will gain profits twice on the cost of infrastructure development. *Is that Fair?*

Over the past 5 and a half years since we installed our system we “sold back onto the grid” a total of only 2998 KWH of power (as of July 2015). Had we been charged \$ 4.95 per month for those 67 months we would have paid \$ 331.65 for just the transmission of those KWH. This is more than the total cost of production, transmission, administration, billing, etc.(plus the handsome profit HP&L makes on their operations) combined. This is a ridiculously high cost. RMP *could not exist if their cost of transmission were even a small fraction of that amount. Is that fair?*

We ask that you please intervene on the part of those of us who in good faith bargained with RMP to be partners in bring green energy to Utah and strike down their very UNFAIR attempt to fatten the wallets of the very rich.

So, what do we propose that we feel would be fair?

Proposal A:

We propose RMP charge us the very same fully allocated cost for transmission that they pay. It would be based on total KWH actually produced and sold back. Since we and other customers have already paid for the cost of electricity transmission infrastructure (on which RMP made a handsome profit) it is only fair we pay the same cost of transmission as RMP pays.

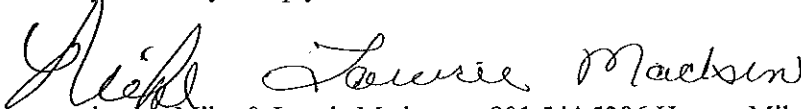
Proposal B:

Grandfather in all of us who entered into this implied contract with RMP years ago. Gee this seems fair. RMP could then advise all customers they will be charged for electricity transmission if they install any type of electricity generating system. They would know going in what additional charges they might have to pay. This sounds fair. It might totally kill the solar electric and any and all green transmission industry—*but at least it would be FAIR.*

Proposal C:

Leave things as they are. Use the same rules of the game as when we installed our systems. *Gee, this sounds Fair too.* It's called honesty.

We kindly ask that you reply to this letter.


Deepest thanks, Mike & Laurie Madsen. 801 544 5386 Home, Mike Cell: 801 710 7007

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Layton, Utah 84040

15946 01 AV 0.381 40-0

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Questions: Call
1-888-221-7070
24 hours a day,
7 days a week
rockymountainpower.net



BILLING DATE: Jan 28, 2015
ACCOUNT NUMBER: 24349128-002 6
DATE DUE: Feb 19, 2015
AMOUNT DUE: \$87.80



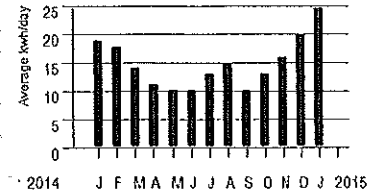
Your Balance With Us

Previous Account Balance	71.63
Payments/Credits	-80.00
New Charges	+96.17
Current Account Balance	\$ 87.80

Payments Received

DATE	DESCRIPTION	AMOUNT
Jan 9, 2015	Payment Received - Thank you	80.00
Total Payments		\$ 80.00

Historical Data - ITEM 1



Detailed Account Activity

ITEM 1 - ELECTRIC SERVICE

1748 N 2675 E Layton UT
Net Meter- 2 Kw Solar Schedule 135

METER NUMBER	SERVICE PERIOD From To	ELAPSED DAYS	METER READINGS Previous	Current	METER MULTIPLIER	AMOUNT USED THIS MONTH
51447054 ^M	Dec 26, 2014 Jan 27, 2015	32	28634	29434	1.0	800 kwh
51447054 ^S	Dec 26, 2014 Jan 27, 2015		2692	2693	1.0	-1 kwh
Total						799 kwh

M = Main Meter S = Subordinate Meter

Next scheduled read date: 02-25. Date may vary due to scheduling or weather.

NEW CHARGES - 01/15	UNITS	COST PER UNIT	CHARGE
Basic Charge - Single Phase			6.00
Energy Charge Winter Block 1	400 kwh	0.0888540	35.54
Energy Charge Winter Block 2	399 kwh	0.1034670	41.28
Renewable Energy Adjustment		0.0035000	0.27
Energy Balancing Account		0.0215000	1.65
Customer Efficiency Services		0.0338000	2.66
Home Electric Lifeline Program for 27 day(s)			0.17
for 5 day(s)			0.04

See reverse

Your Average Daily kwh Usage by Month

PERIOD ENDING	JAN 2015	JAN 2014
Avg. Daily Temp.	31	27
Total kwh	799	622
Avg. kwh per Day	25	19
Cost per Day	\$3.01	\$2.25

Effective Jan 1, 2015, the Utah Public Service Commission has approved a price change to fund the Home Electric Lifeline Program. This price is separately itemized on your statement and may include charges at old and new prices.

Low Income Home Energy Assistance Program (LIHEAP) funds are available to help income eligible customers with their winter heating bills. Call 211 to obtain the phone number for your local energy assistance office.

Late Payment Charge for Utah
A late payment charge of 1% may be charged on the delinquent balance per month

RETAIN THIS PORTION FOR YOUR RECORDS.

How can it cost \$ 4.95 to transmit 1 kwh?