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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

IN THE MATTER OF THE INVESTIGATION OF THE COSTS AND BENEFITS OF PACIFICORP'S NET METERING PROGRAM	Docket No. 14-035-114 ROCKY MOUNTAIN POWER'S REPLY COMMENTS
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INTRODUCTION

On November 8, 2017 the Public Service Commission of Utah (“Commission”) received comments recommending changes to the Tariff Sheets submitted as part of Rocky Mountain Power’s October 24, 2017 Compliance Filing. The Commission further invited interested parties to submit any reply to those comments on November 13, 2017. Rocky Mountain Power (the “Company”) hereby responds to those comments in this Reply.

SUMMARY OF RECOMMENDATIONS

The Company recommends the Commission approve the Tariff Sheets filed on October 24, 2017, as they comply with the settlement stipulation approved by the Commission on September 29, 2017. In this Reply, the Company responds to objections raised by certain parties in their November 8, 2017 comments.

More specifically, the Company recommends the Commission approve the Company's Tariff Sheets as filed based on the following:

1. The \$200 meter fee included in the Company's Compliance Filing is appropriate and properly included in the Company's Compliance Filing.
2. The bi-directional profile meter is appropriate as it is widely used and is standard throughout the electric industry and will provide the necessary data required for Transition Customers at a reasonable cost.
3. Schedule 136 is not required to include a special condition for meter aggregation for transition customers and UCE's objection regarding aggregation is premature.
4. The modifications proposed by the Office of Consumer Services ("OCS") to the Tariff language are unnecessary at this time.

RESPONSE TO PARTIES COMMENTS

1. *The \$200 meter fee included in the Company's Compliance Filing is appropriate and properly included in the Company's Compliance Filing.*

The Company included a \$200 meter fee in its Compliance Filing. Vivint Solar, Inc. ("Vivint"), and Utah Solar Energy Association ("USEA") object to the meter fee as being higher than they believed it would be based on settlement negotiations. These objections are unfounded.

Though the Company unequivocally disputes Vivint and USEA’s characterization of representations made during negotiations, the Commission does not need to determine whose version of facts is correct. Basic contract law and the parole evidence rule preclude attempts like those of Vivint and USEA to supplant, alter or explain clear and unambiguous terms to an agreement with evidence of alleged verbal statements made prior to execution of an agreement. *See generally, Tangren Family Tr. v. Tangren*, 182 P.3d 326, 330 (Utah 2008) (Parole evidence of pre-signing statements inadmissible to vary a writing that is a “final expression of one or more terms of an agreement”). Significantly, neither party refers the Commission to a place in the Stipulation where any reference is made to an alleged \$60 meter fee. Rather, the clear and simple terms of the Stipulation—wholly ignored by both objecting parties—stated that the fee would be the incremental cost of the new meter. (See Settlement Stipulation at p. 6, ¶17).¹

On October 16, 2017, the Company provided a detailed reconciliation of its proposed meter fee to the cost of a meter for the current net metering program. As detailed in that reconciliation, there were two reasons for the difference between these two values. First, the cost of a profile meter capable of measuring imports and exports on a 15 minute interval basis (or any interval other than instantaneous) for the new program is more costly than current net meters. Second, in the NEM Breakout COS, allocations to net metering and non-net metering residential customers are based upon the full cost, including both labor and materials of installation for allocation purposes. This difference in total cost is not the same as the incremental cost of installation, since only the existing meter itself can be redeployed - not the labor. The meter will have to be re-installed again on another residence.

¹ In addition to violating basic contract law, the reference to alleged statements made during negotiations (denied by the Company) violates the confidentiality agreement of the parties participating in those discussions and should be ignored by the Commission.

Further, the State’s third-party investigator, the Division of Public Utilities (“Division”), concluded in its comments that “the Company has provided the parties with a reasonable explanation of the \$200 cost associated with the 15-minute interval meter versus the currently used standard bi-directional meter.”

Vivint admits that “Vivint Solar and other residential solar parties originally proposed a \$60 fee to cover the incremental costs of the Meter, which in settlement was later changed to ‘the incremental cost of the bi-directional meter’ as part of the overall Stipulation.” While the Company will not elaborate on confidential settlement discussions, the Commission will recognize that if true, Vivint’s own statement shows that the language regarding meter fee changed during settlement from “\$60” to “the incremental cost of the bi-directional meter” which defeats its own objection. Vivint also argues that “RMP has asked the parties and the Commission to accept that it is just, reasonable, and accurate without review or analysis.” Vivint is free to make such an analysis, but makes no effort to do so nor does it provide any evidence that the Company’s calculation is inaccurate.

In addition, Vivint argues that the “the \$200 meter RMP is proposing to install gives customers no additional benefit.” This is not true. The profile meter enables each customer to be billed through a 15 minute netting of imported and exported energy. This billing structure provides greater financial value to customer generators than the alternative of instantaneous netting, because if they use energy during the interval in which they export, they will receive a reduction to retail energy charges which are generally higher than the export credit.

Lastly, Vivint argues that “RMP should not be permitted to unilaterally impose unexamined costs”. The Commission should note that the Division examined the costs and found them reasonable, as discussed above. Vivint or USEA could have presented meter cost

evidence if such was a disputed issue from negotiations (it was not). Had Vivint wanted a specific meter fee instead of the actual incremental value that the Company would calculate, it would not have signed the Settlement Stipulation with that provision.

Like Vivint, USEA makes allegations which the Commission should consider inadmissible, since they also concern confidential settlement discussions. USEA also makes no effort to analyze the value, nor did it ask data requests or otherwise attempt to get details on the Company's costs which the Company would have gladly provided. While USEA attempts to frame the Company as performing a "bait and switch" scheme with its calculation of the fee, the Commission should view USEA's attempt to invalidate the Company's calculation as a disingenuous effort to sabotage a key provision of the settlement which it signed onto—chiefly that the fee for the meter be based upon actual incremental cost.

Finally, while UCE does not dispute the cost of the meter, it argues that customer generators should get more value from their meter than simply billing them. It complains that the Company's meter will not provide customers with their usage profiles and will not inform them particularly of "how own-consumption correlates with system demand, e.g. how it affects system and substation peak demands." Through inclusion of additional bells and whistles in the metering provided to new customer generators is outside of the scope of this Compliance Filing and outside of what the settlement requires, UCE's comments are misplaced as described below.

2. *The bi-directional profile meter is appropriate as it is widely used and is standard throughout the electric industry and will provide all the necessary data required for Transition Customers at a reasonable cost.*

UCE challenges the Company's profile meter, comparing it to Xcel Energy's "bridge" meter option, which are being installed in Colorado. UCE cites several benefits to Xcel's meters, including 15-minute usage information and a purportedly lower cost, which they claim is less

than \$150 installed. UCE provides no basis for the \$150 installation cost. The Company has actually previously investigated the possibility of using the “bridge” meter for accounts requiring profile data and found the overall cost was too high to warrant its usage for this purpose. To enable “bridge” meters to be read by the drive-by meter reading system requires the addition and integration of Itron’s security manager (ISM) software to the head-end meter reading software. It is not an insignificant cost to integrate “bridge” meters into the drive-by meter reading system. Yet, UCE fails to recognize those costs. Furthermore, according to Xcel, the ability to share customer 15-minute usage information through “Insight” comes at a cost of \$258 per customer. This cost would be in addition to the meter and ISM costs. Accordingly, the Company’s profile meters will provide all the necessary data required to bill Transition Customers and at a much lower cost.

Utah Citizens Advocating Renewable Energy (“UCARE”) claims that the Company’s meters are “antiquated.”, UCE, in addition to UCARE, complains that “customers don’t have the right to access the data that they themselves have generated.” These claims are unfounded. The Company’s profile meter is a widely used and is standard throughout the electric industry. Currently, there are 22,136 of these meters profile meters installed throughout the Company’s service territory.

The Company plans to study the implementation of additional billing detail that would benefit all customers as opposed to a special system modification for a group of customers. This is under review for future system enhancement consideration. Until such time as any enhancement is completed, profile metering data is available upon request, as outlined in section 12R.11 of Electric Service Schedule 300. During the course of the net metering proceeding, many parties asserted that net metering customers should not be treated any differently than other

customers. UCE's assertion that Transition Program customers should have special access to billing information is contrary to this position. Instead, like any other customer with a profile meter, Transition Program customers will be able to receive billing data consistent with Service Schedule 300. As tools are developed that will enhance options for all customers, these tools will be made available to these customers as well.

3. *Schedule 136 is not required to include a special condition for meter aggregation for transition customers.*

UCE claims that the Company should be required to include language providing for meter aggregation. However, the referenced statute on aggregation applies explicitly to net metering, which program is discontinued as of November 14, 2017. Meter aggregation was not a component of the Settlement Stipulation. As stated in the cover letter that accompanied the Company's Compliance Filing, the Company plans to add a Special Condition for meter aggregation in the near term, but plans to include a fee for the administrative costs, which is under development, in addition to possible parameters that could minimize the fee. The Company does not intend to include a Special Condition for aggregation until the administrative fee is determined so customers are aware prior to signing up for meter aggregation. In any event UCE's objection is premature. No portion of the approved Settlement Stipulation mandates aggregation, and the requisite fee structure for such a program has yet to be finalized.

4. *The modifications proposed to the tariff language by the Office of Consumer Services ("OCS") are unnecessary.*

OCS outlined four recommended modifications to the Tariff language. The Company believes these are not necessary and responds as follows:

First proposed revision - add a specific term for Schedule 135 expiration: The Company does not agree this language should be included at this time because the legislature has prerogative over the term. The Tariff as filed by the Company references the Settlement

Stipulation as to term length. That is not in dispute. But ultimately the legislature will need to adopt legislation sun setting Schedule 135. Therefore, the additional language is not necessary.

Second proposed revision -further defining “Annualized Billing Period” in Schedule 135: The Company attempts to minimize changes in the Compliance Filing so that only those changes that are consistent with the compliance nature of the filing are reflected. Therefore, the proposed language is not needed. There has been no dispute as to the billing period and the requested language is unnecessary as it is already reflected in Schedule 135 in Special Condition 3.

Third proposed revision -regarding definition of “Electric Services Regulations”: The language as filed in the Company’s Compliance Filing matches the language of *all* of the Company’s other schedules in the Tariff. The Company does not believe it is appropriate to make the language in this section of the Tariff different from other rate schedules, which change would likely lead to more—not less—confusion. Accordingly, the Company opposes the requested change.

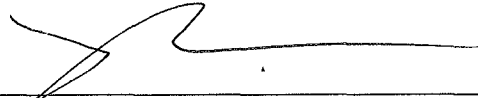
Fourth proposed revision-adding “aggregation” under Special Conditions: This recommendation also requests that the Company include meter aggregation in the Tariff. Meter Aggregation was addressed earlier in the Company’s Reply comments. It is premature to include aggregation in the Tariff Sheets at this time, though the Company intended to file to add aggregation added.

CONCLUSION

For all of the above reasons, the Company asks the Commission to accept the Tariff Sheets as filed, rejecting the objections and requests to reject, modify or suspend the filing contained in the comments of Vivint, USEA, UCE, UCARE and the OCS.

DATED: November 13, 2017

STOEL RIVES LLP

A handwritten signature in black ink, appearing to read 'D. Moscon', is written over a horizontal line.

D. Matthew Moscon

Attorneys for Rocky Mountain Power

CERTIFICATE OF SERVICE

This is to certify that a true and correct copy of the foregoing **ROCKY MOUNTAIN POWER'S REPLY COMMENTS** was served by email this 13th day of November, 2017, on the following:

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