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DEPARTMENT OF COMMERCE  
Office of Consumer Services

MICHELE BECK  
*Director*

To: Public Service Commission

From: Office of Consumer Services  
Michele Beck, Director  
Cheryl Murray, Utility Analyst

Date: September 4, 2014

Subject: In the Matter of Rocky Mountain Power's 2014 Smart Grid Monitoring Report. Docket No. 14-035-80

On July 1, 2014, Rocky Mountain Power (Company) filed its 2014 Annual Smart Grid Monitoring Report (2014 Report) and appendices with the Utah Public Service Commission (Commission). The 2014 Report is filed in compliance with the Commission's November 30, 2011 order in Docket No. 08-999-05.

On July 8, 2014, the Commission issued a notice of filing and comment period allowing interested parties to submit comments on the Company's 2014 Report on or before Thursday, September 4, 2014, and reply comments on or before Thursday, September 18, 2014.

Following are initial comments of the Office of Consumer Services (Office) regarding the 2014 Report.

### Comments

It is the Office's opinion that the Company has again provided an informative, well written document containing a breadth of information regarding various aspects of Smart Grid. Available information related to Smart Grid continues to evolve as more utilities institute components of Smart Grid and/or smart meters.

The Company's definition of Smart Grid has not changed and much of the 2014 Report is similar to previous reports. The Office is unaware of any significant shifts or widely accepted advances in Smart Grid so this is not unexpected. Although there seems to be some agreement on a general understanding of what constitutes Smart Grid there is on-going work and discussions related to determining the elements, equipment and tools for

creating a Smart Grid that will be most advantageous based on the needs and requirements of individual utilities. Continued monitoring of these activities and developments by the Smart Grid team will enable the Company to make appropriate, timely decisions to serve the needs of its customers.

#### *Utah 2014 Addendum*

One of the electronically filed documents provided by RMP with the 2014 Report was the Utah 2014 Addendum which contains, among other items a document labeled "PacifiCorp 2014 Smart Grid Report Index" with a Report Requirement Table. This document identifies requirements from prior Commission orders, the related subject of discussion and specifies where the required information can be located in the 2014 Report. The Office appreciates the inclusion of the appendix as one of our recommendations regarding the 2013 Report was that such a document be provided with future reports. This table proved useful in helping to determine compliance with prior Commission orders. The Office's assessment of the completeness of the 2014 Report and compliance with Commission orders will be addressed later in these comments.

The Office notes that all pages of the 2014 Addendum are classified by the Company as confidential. Some of the documents in the Addendum contain costs and certain other information that the Office would not challenge as being confidential, however the Office asserts that a list of Commission requirements and the page numbers where the information is located in the 2014 Report should not be confidential. If in fact the Company does consider portions of the information to be confidential the Office recommends that the Company include a redacted and a confidential version of the Addendum with its next filing. Also, the Office questions the need to classify the page with the "DSM Response for Utah 2013 Smart Grid Report" as confidential especially since similar information was provided as a public document in an addendum to the 2013 Smart Grid Report. The Office recommends that in future reports the Company be more judicious in classifying documents and information as confidential.

#### *Compliance with Commission Orders*

The Office was able to locate the information identified on the Report Requirement Table either within the 2014 Report or in the provided 2014 Addendum.

In responding to Commission requirements the Company identifies the relevant potential projects that are being reviewed or studied by the Company to determine if they can be implemented in a cost effective manner and what benefits they are expected to provide. Projects that have been or are being implemented by the Company are also identified. The Utah 2014 Addendum includes the costs associated with some but not all projects. The Company specifies that a preliminary cost benefit analysis should be available in spring 2015.

Also, the Company is still analyzing the costs associated with a potential two-way Advanced Metering Infrastructure (AMI) in Oregon based on the Oregon Public Utility Commission's interest in a two-way advanced metering system rather than an AMR solution such as is used in Utah, Washington and Wyoming. The Company notes that a strategy is scheduled to be delivered by the Metering and Smart Grid departments by October, 2014.

The Office looks forward to reviewing the new information in the next Smart Grid Annual Monitoring Report, if not sooner.

### *Additional Requirements*

As stated above the Company provided a Report Requirement Table in the 2014 Addendum to its filing. In addition to the items listed on the Table the Commission's November 30, 2011 Order also specified two other requirements: 1) "All future smart grid annual reports should be included as a discussion item at the next DSM advisory group meeting following submittal of the report"; and 2) "...in future filings we direct the Company to provide the worksheets and assumptions supporting the Financial Summary or other such analyses validating its results."<sup>1</sup>

Regarding item 1: The Office notes that the Company and the DSM Advisory Group have not met since the 2014 Report was filed; therefore there has not been an opportunity to include it as a discussion item. The Office suggests that the Smart Grid team contact the DSM team to ensure that the required discussion takes place at the next DSM Advisory Group meeting.

Regarding item 2: Although not identified as a requirement on the Report Requirement Table the Company did provide the worksheets and assumptions supporting the financial summary as required.

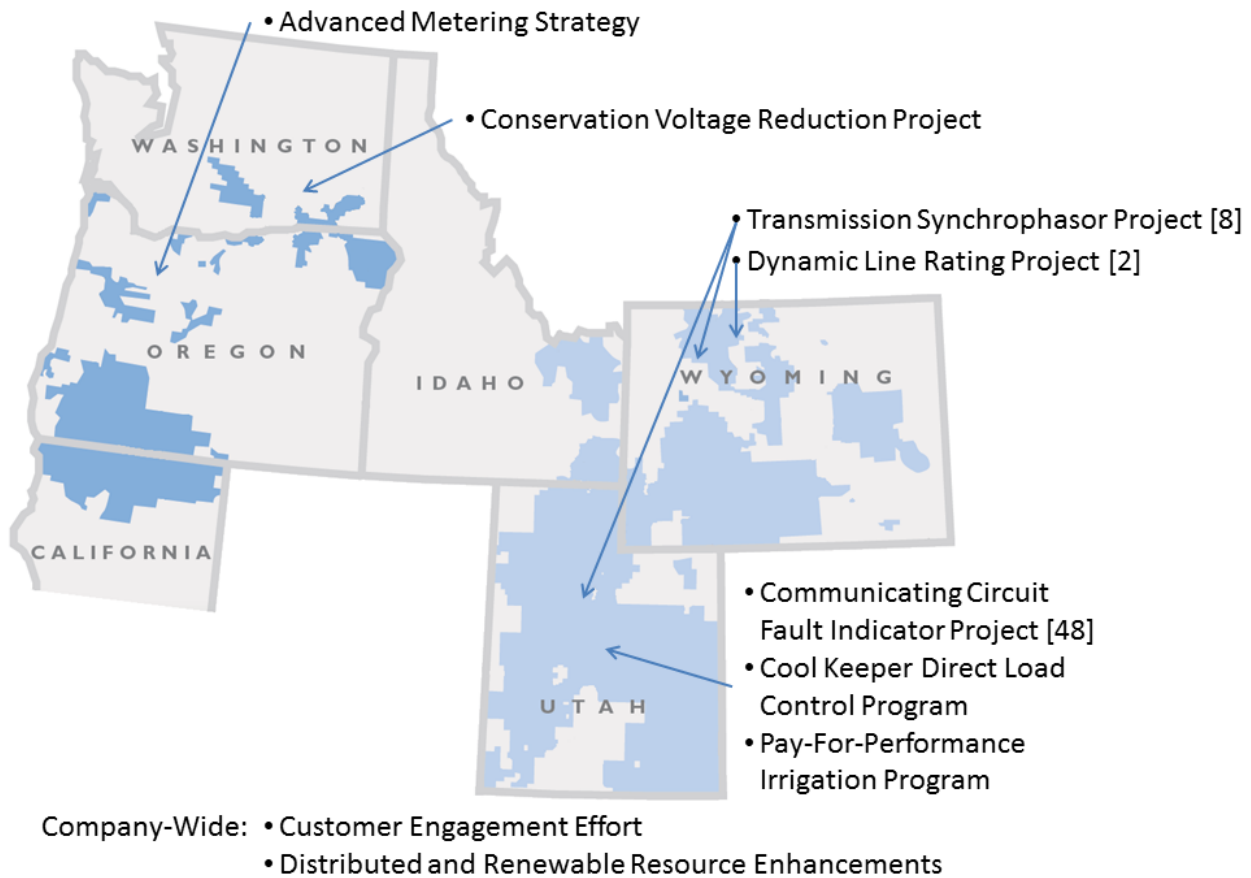
The Office recommends that the Company include these two requirements on the Report Requirement Table in future reports.

### *Incomplete Detail on Figure 9, Page 37*

Figure 9 is a map showing "smart grid projects by state". The Office observes that Figure 9 does not provide a complete picture of the projects identified. For example, the pay-for-performance irrigation program is identified as a Utah program on the map, however the description in the 2014 Report states that it is a Utah and Idaho program. Also, the Dynamic Line Rating Project is shown for Wyoming but the description of the project identifies one in Wyoming and one in Idaho. Figures 10 and 11 provide more detail regarding the two projects in those states. The Office views these as minor points since a full reading of the 2014 Report provides more detail. Our intention here is to call the Company's attention to the discrepancy for future reports.

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<sup>1</sup> Docket No. 08-999-05, Report and Order, November 30, 2011 pages 9 - 10.



### Conclusion

The Company states “The net present value of implementing a comprehensive smart grid system throughout PacifiCorp’s territory is negative with current conditions. However, we have implemented specific projects and programs that have a positive benefit [sic] our customers, as well as pilot projects”.

The Office supports the Company’s approach of being mindful of the cost to ratepayers of potential Smart Grid requirements and specifically the cost associated with implementing Smart Grid projects prematurely. The Office believes that monitoring smart grid projects and developments across the country and implementing cost effective technologies that can fit with the Company’s current system and accommodate future modifications toward Smart Grid are appropriate steps that should be continued until more information is available.

September 4, 2014

### **Office Recommendation**

The Office recommends that the Commission acknowledge the Company's 2014 Report as complying with Commission requirements. The Office also recommends that in future reports the Company include on its Report Requirement Table the two additional requirements from the Commission's November 30, 2011 Order as identified above. Finally, the Office recommends that the Company more carefully identify what information is properly categorized as confidential in its addendum.

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