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**BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH**

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Rocky Mountain Power's Proposed Tariff  
Revisions to Electric Service Regulation Nos.  
4 (Supply and Use of Service), 5 (Customer's  
Installation), 7 (Meeting), 9 (Deposits), 10  
(Termination of Service and Deferred Payment  
Agreement), 12 (Line Extensions), and Electric  
Service Schedule No. 300 (Regulation  
Charges)

Docket No. 18-035-T04

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**UAE REPLY COMMENTS**

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Pursuant to the Commission's December 20, 2018 Notice to Extend Comment Period, the Utah Association of Energy Users ("UAE") files these reply comments in response to the reply comments filed by Rocky Mountain Power ("RMP" or "Company") in this docket on December 12, 2018.

**BACKGROUND**

The Company's original filing in this docket sought to amend various tariff provisions, some in an effort to clarify vague or ambiguous language or to update references, and others to propose substantive changes. UAE's initial comments in this docket raised concerns that some

of RMP's proposed substantive changes would harm customers. UAE suggested various language changes to address its concerns. In reply comments, RMP accepted some of UAE's proposed changes, offered alternative wording for some, and rejected others. UAE files these reply comments in response to RMP's reply comments.

### **REPLY COMMENTS**

#### **A. Electric Service Regulation No. 12(3)(d) - Change in Line Voltage**

RMP initially proposed tariff language to the effect that, when RMP elects to change the voltage of a transmission line, all customers taking service from that line must upgrade their equipment as necessary to receive service at the new voltage. UAE expressed concerns that RMP's proposed language gave broad discretion to RMP to impose significant and potentially unreasonable costs on customers. UAE proposed that RMP be required to notify customers and justify any such voltage changes before significant costs should be imposed on unsuspecting customers.

In its reply, RMP argued that changing a line voltage is expensive and requires a significant process, but nevertheless offered some changes in response to UAE's concerns. For example, RMP agreed to provide notice to customers and to split the upgrade costs 50/50 for some customers. However, RMP continues to propose charging 100% of the upgrade costs to (1) new transmission-level customers, (2) customers whose contracts address the issue, and (3) customers whose load increases drove the need for the line voltage change. For other customers, the Company proposes the 50/50 split.

UAE appreciates RMP's concessions and sees them a move in the right direction. However, they do not fully resolve UAE's concerns. While the 50/50 cost-sharing proposal may

be reasonable in most circumstances, it may not be reasonable in certain circumstances. Commission-approved tariff language has the effect of law that must be followed precisely unless and until changed. Cementing a specific cost-responsibility under all circumstances is not reasonable. UAE can support 100% cost responsibility under some circumstances and a 50/50 cost-sharing under most circumstances, but recommends that the tariff language allow some leeway for those circumstances, should they arise, in which those arrangements might not be reasonable.

With respect to the three categories of customers proposed by RMP to bear 100% of the upgrade costs, UAE agrees that customers with increasing loads that drive the need for transmission upgrades should be fully responsible for their own facility upgrade costs. However, UAE does not agree that the other two categories of customers should be required to pay 100% of the costs in every circumstance.

UAE sees no proper basis for discriminating against new customers in this regard, and recommends that this Commission not distinguish between new customers and existing customers in this regard. In addition, UAE does not believe that the language included in some customer contracts and not in others should govern. At some point in the not-too-distant past, RMP started including a paragraph in its standard form Schedule 9 contracts (without seeking Commission approval for the same) that purports to require the customer to be 100% responsible for costs of facilities needed to take service at a different voltage. Other/older contracts may not include this language. It is UAE's experience that, when RMP offers a form Schedule 9 contract to customers, it often tells the customer that it is a standard form contract that cannot be changed. In any event, UAE believes that most customers are unaware that the language of these adhesion

contracts can be negotiated. UAE is aware of instances when customers who sought legal advice were able to soften this language imposing 100% cost responsibility.

UAE asserts that it is not a reasonable basis to discriminate between customers sophisticated enough to know that the language of the standard form adhesion contracts might be subject to negotiation (and who are willing to bear the expense of such negotiations) and those who are not as sophisticated. RMP's proposal to impose 100% cost responsibility on new customers and certain customers based on contract language should be rejected in favor of the presumptive 50/50 sharing arrangement for all customers other than those whose load growth necessitated the transmission upgrades. UAE submits that the general policy considerations inherent in these tariff changes should apply to all customers, whether or not they are existing or future customers and whether or not they understood the potential ramifications of contract language dealing with transmission upgrades or understood that the language was subject to negotiation.

To address the concerns discussed above, UAE recommends that the Regulation 12(3)(d) language proposed by RMP in its reply comments for transmission-level customers be changed to read as follows (with changes shown in redline format):

*When the Company has scheduled to increase the voltage of a transmission line, the Company shall give Customers taking transmission delivery service from that transmission line (Transmission Delivery Customers) at least twelve months advance written notice of the change.*

*Transmission Delivery Customers ~~whose substations began taking service after January 16, 2019, or, who request an increase in capacity that requires a change in the transmission voltage, or, when the substation was initially connected to the transmission system the service contract so provided~~ will, at their own expense, make the necessary changes to their equipment to receive service at the increased voltage.*

*For all other Transmission Delivery Customers, the Company must inform the Customer that it has the right to direct the Company ~~will~~ to select and retain an independent engineering firm, acceptable to the Customer, to determine the cost of upgrading the Customer's substation equipment, less salvage- and, unless unusual circumstances warrant a different arrangement, ~~The~~ Company will pay to the Customer fifty (50) percent of the estimated costs to upgrade the substation equipment for the voltage change. The Transmission Delivery Customer will make the necessary changes to their equipment to receive service at the increased voltage.*

**B. Electric Service Regulation No. 12(3)(e) – Reduction in Contract Capacity or Demand**

In its tariff filing, the Company proposed language for a new Electric Service Regulation No. 12(3)(e). UAE filed comments proposing various revisions to that language and, in its reply comments, the Company responded to UAE's proposed revisions. The Company's organized its reply comments into the following categories: 1) Review Period, 2) 30-day Notice, 3) Customer Demonstration of Future Demand, and 4) Dispute Resolution Process. UAE's reply comments adopt the same organizational structure.

1. Review Period

The Company asked the Commission to decline to adopt UAE's proposal that the review period for peak usage be set at 48 months, rather than the Company's proposal of a 36-month review period. The Company asserts that a 36-month review period is consistent with its contracts with transmission customers. UAE is aware that, while certain contracts use a 36-month review period, others use a 48-month review period. UAE continues to believe that a 48-month review period is appropriate for these purposes for the reasons set forth in UAE's November 20, 2018 comments in this docket.

## 2. 30-day Notice

The Company has revised its proposed language to incorporate UAE's suggestion of a 30-day notice period. UAE appreciates RMP's acceptance of this language and believes this 30-day notice period is necessary to allow customers to adequately respond if and when the Company proposes to change a customer's contract minimum demand. UAE recommends that the Commission adopt the language on this issue proposed by the Company.

## 3. Customer Demonstration of Future Demand

The Company revised its proposed language to adopt UAE's suggestion that a customer may dispute a proposed contract minimum demand change and may demonstrate that the Company should continue to reserve capacity for the customer. UAE believes this process is necessary to provide adequate safeguards for a customer that plans to increase its demand requirements and requests that the Commission adopt the language on this issue proposed by the Company.

## 4. Dispute Resolution Process

The Company agrees that a customer may utilize the informal and/or formal dispute resolution processes to address any remaining disputes between the customer and the Company related to this matter, but proposes that the Commission not adopt UAE's suggestion that the regulation expressly state that these options are available. The Company asserts that these processes are available whenever a dispute between a customer and the Company arises and, therefore, need not be written into every regulation. UAE notes that certain existing tariff provisions expressly state that a customer has the option to utilize the informal and/or formal dispute resolution processes to resolve disputes with the Company. Moreover, it is not clear that

customers are always aware of these rights. UAE still recommends inclusion of notice of this right but, at a minimum, asks the Commission in its order to expressly acknowledge that the dispute resolution processes are available to a customer should a dispute with the Company arise on this matter.

**C. Electric Service Regulation No. 12(5)(b) – Deduct Service**

The Company's reply comments acknowledge that its proposed Electric Service Regulation No. 12(5)(b) does not apply to "current" deduct arrangements. The Company proposes to add language to state that the new provision applies only to "new Deduct Service installations" beginning January 16, 2019. UAE appreciates the Company's acknowledgement that this change should not apply to existing deduct service *arrangements*, but is concerned that the proposed term "new Deduct Service *installations*" may be unclear and could be interpreted to include situations in which existing deduct service arrangements undergo upgrades or modifications, or where existing deduct service arrangements should logically extend to additional future services.

UAE is aware of UAE members and other customers with current deduct service arrangements in which the end-use deduct entity may change or new entities may be added from time to time. To avoid ambiguity or unreasonable outcomes, UAE recommends that the Commission adopt the language proposed by UAE in its initial comments by adding the following language at the end of the RMP proposed tariff language:

*"This Electric Service Regulation No. 12(5)(b) applies only to Customers or situations in which no existing end-use entity is receiving Deduct Service or similar services from a Customer as of January 1, 2019, and does not modify any existing agreements, arrangements or relationships for Deduct Service or similar services offered by existing Customers."*

**D. Electric Service Regulation No. 4(3) – Service to Tenants**

In its initial comments, UAE proposed a minor modification to Electric Service Regulation No. 4(3) regarding service to tenants. RMP apparently misunderstood the intent of UAE's suggestion, as its reply comments incorrectly suggest that UAE's proposed changes to Regulation 4(3) would apply only in the context of, and would change, the master-metering provisions in Regulation 7(5). RMP is incorrect. Nothing in Regulation 4 purports to (or does) restrict the applicability of the landlord-tenant language in that regulation to master-metered situations dealt with in Regulation 7(5). UAE's proposed changes were not intended to (and would not) change the current Regulation 7(5) in any way.

Regulation 7 deals only with "Metering" issues. Subsection 5, which addresses "Master Metering," requires sub-meters as a general rule "for a new building" if there are multiple units within a "single building," subject to certain exemptions that allow master metering under limited circumstances for transient facilities, residential multiple occupancy buildings and some commercial buildings.

Regulation 4 does not address master metering. Regulation 4 deals with "Supply and Use of Service," and subsection 3 addresses "Service to Tenants." UAE's proposed changes to Regulation 4(3) were not intended to apply to or affect the master-metering provisions of Regulation 7, and UAE has no objection to including language in Regulation 4(3) stating the same. UAE's proposed changes were intended to apply to situations in which RMP customers currently do, or may in the future, provide electric services secured from RMP to tenants located on their properties and involved in the same business enterprise and associated activities, as is expressly authorized in Regulation 4(3). UAE is aware of several UAE members and others who



currently provide electric services to tenants outside of any master-metering context. It is those customers and circumstances that UAE's changes were intended to address, to allow such landlords to charge their tenants based on the actual metered cost of electricity used.

UAE continues to recommend that, in those circumstances where service to tenants is permitted under Regulation 4(3), the language should be clarified to confirm that the landlord can charge the tenant the actual metered cost of electricity used. UAE submits that this change is reasonable and in the public interest and will further the objective of encouraging conservation by allowing tenants to know and be charged based on the precise amount of electricity used, without affecting master metering arrangements.

UAE proposes the following modifications to Electric Service Regulation No. 4(3):

**3. SERVICE TO TENANTS**

*The Company supplies electric service for the exclusive use of the Customer. The Customer shall not extend his/her electric facilities for service to other Customers or premises and shall not resell electric service to any other person or entity unless taking service under electric service schedules that specifically provide for reselling.*

*Electric power purchased by Customers shall be used solely by the Customer and its tenants involved in the same business enterprise and associated activities on the same premises. The cost of the electric service ~~shall~~ may either be absorbed, or reflected in the rent or in the price of the goods or services as an unidentifiable charge to the tenant, or, in the alternative, may be separately identified and charged to the tenant based on the cost of electricity utilized by the tenant each month. Such Customers may also enter into three party agreements to allow the Company to deliver power and energy to Customers' tenants through the Customers' electrical system. Nothing in this Regulation 4.3 affects or changes the master-metering provisions of Regulation 7.5.*

**CONCLUSION**

UAE appreciates the opportunity to provide reply comments and urges the Commission to approve the changes recommended herein. UAE remains willing to participate in technical conferences or other proceedings as appropriate.

DATED this 10<sup>th</sup> day of January 2019.

HATCH, JAMES & DODGE, P.C.



/s/  
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Certificate of Service  
Docket No. 18-035-T04

I hereby certify that a true and correct copy of the foregoing was served by email this day 10th day of January 2019 on the following:

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/s/

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