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State of Utah
DEPARTMENT OF COMMERCE
Office of Consumer Services

MICHELE BECK
Director

To: The Public Service Commission of Utah

From: The Office of Consumer Services

Michele Beck, Director
Béla Vastag, Utility Analyst

Date: February 26, 2024

Subject: Docket 24-035-05 – OCS Comments

**Application of Rocky Mountain Power for an Exemption by Appeal
under Utah Admin. Code R746-210-4 and for Approval of a
Temporary Master Metering Contract**

INTRODUCTION

On January 24, 2024, Rocky Mountain Power (“RMP”) filed with the Utah Public Service Commission (“PSC” or “Commission”) a request for approval of a temporary master metering contract. On January 25, 2024, the PSC issued a Notice of Filing and Comment Period setting deadlines of February 26, 2024 for parties to file initial comments and March 12, 2024 for reply comments on RMP’s master metering request. Pursuant to the PSC’s Notice, the Utah Office of Consumer Services (“OCS”) submits these initial comments in this docket.

OFFICE OF CONSUMER SERVICES COMMENTS

Background on RMP’s Request for Approval of a Temporary Master Metering Contract

RMP is seeking an exemption under R746-210-4 to allow an RMP customer to temporarily master meter a multi-unit (72 units) residential apartment complex. The customer is the developer of the complex and claims it cannot have individual meters installed for each unit because the delivery of individual meter bases has been delayed to August 2024 due to supply chain issues. The developer is ready to sign leases and begin occupancy of the apartment complex in February 2024 but cannot do so without

electrical service that would be provided under the proposed temporary master metering arrangement. RMP's application claims that a delay in occupancy from February 2024 to August 2024 will cause "significant financial hardship to the Developer".¹

R746-210-4 states that a request for an exemption to allow an RMP customer to master meter requires the customer to show that the exemption will be "consistent with stated purposes of Title I of PURPA; i.e., conservation, efficiency, and equity."

R746-210-5 states: "Submetering, while giving consumers control over their energy consumption, still retains a primary objection to master metering; namely, that since customers of a master metered utility customer are not customers of a regulated public utility, **the Commission is without authority to provide redress where appropriate, such as in cases of service or billing problems.**" [emphasis added]

The Proposed Contract Lacks Adequate Ratepayer Protections

The OCS has reviewed RMP's proposed contract with the developer allowing for a temporary master metering arrangement (RMP Attachment 2 to the filing) and the OCS does not see how the contract meets the PURPA requirements or provides sufficient protections for the 72 tenants while they would be served and billed for electric service during this temporary arrangement (also see attached at the end of these comments RMP's response to OCS Data Request 1.2). The OCS finds that the contract is missing or fails to address the following issues:

- How will electric service billed by RMP under the master meter arrangement be equitably charged by the developer to each tenant.
- How will electricity costs for common areas and for the developer's own use be equitably allocated. The cost of the developer's usage should be assigned to and paid by the developer.
- If the developer begins to incur the monthly penalty for non-compliance with the contract, what will prevent the developer from passing the penalty on to the tenants.
- How will efficiency and conservation of electricity usage by the tenants and the developer be encouraged.
- How will the operation of the master metering arrangement and billing methods be transparently communicated to tenants, especially prior to tenants signing leases.
- The contract appears to be open-ended with no sunset date.
- The contract contains no reporting requirements to inform RMP and the PSC as to the status of the tenant's individual meter installations, that billing to individual tenants is equitable, that PURPA requirements of efficiency and conservation are being maintained or whether the developer has received complaints from tenants on service and billing issues.

¹ Paragraph 10 of RMP's Application.

RECOMMENDATION

The OCS appreciates the purpose of this request for temporary master metering due to supply chain delays that will cause financial difficulties for the developer. However, RMP's proposed contract with the developer provides inadequate protections for the tenants. Therefore, the OCS recommends the PSC only approve RMP's request for an exemption and the associated contract subject to the following conditions:

1. Require that the contract between the developer and Rocky Mountain Power be amended to include the following:
 - a. The tariff the developer's rates and charges will be based on while the apartment complex is receiving electrical service under the temporary master metering arrangement.
 - b. A detailed description of how master metered electricity charges will be equitably allocated to tenants and how tenants may file a complaint if they have issues with billing and service.
 - c. A requirement that the developer may not charge an administration fee on the electricity charges allocated to tenants.
 - d. A requirement that the developer may not charge tenants for any fees or penalties paid to RMP under Section 4 of the contract for failure to meet its obligations.
 - e. A plan to ensure that the PURPA requirements of efficiency and conservation are met, including how inefficient usage will be identified and addressed.
 - f. A revised requirement for developer communication with tenants which also explains that electricity service will be temporarily provided under a master meter arrangement, how the tenants will be allocated a portion of the monthly electricity costs and how a tenant may file a complaint. Include a requirement that this communication is to be provided prior to a tenant signing a lease agreement.
2. Require Rocky Mountain Power to file a notice in this docket when all tenants are on individual meters and the master metering contract has been terminated. Include in the notification a report on any unresolved tenant complaints concerning billing or service issues.
3. Require Rocky Mountain Power to file a monthly status update in this docket starting in September 2024 if the temporary master metering contract is still in place.

cc:

Jana Saba, Rocky Mountain Power

Chris Parker, Division of Public Utilities

OCS Data Request 1.2

R746-210-4 states that a request for an exemption to allow an RMP customer to master meter requires the customer to show that the exemption will be “consistent with stated purposes of Title I of PURPA; i.e., conservation, efficiency, and equity.” Paragraph 13 of RMP’s Application states “Equity, conservation and efficiency will not be negatively impacted because the terms of the Contract provide adequate measures to address PURPA regulations.” The OCS has reviewed the Contract contained in Confidential Attachment 2 to this filing and it is not clear how the Developer will achieve these PURPA requirements for the planned 72 tenants. Please provide:

- (a) An explanation of how the Contract specifically addresses each of the PURPA requirements:
 - i. Conservation,
 - ii. Efficiency, and
 - iii. Equity.
- (b) If the Contract currently does not address all of these PURPA requirements, please explain if and how the Contract will be updated to ensure that these requirements are all met.

Response to OCS Data Request 1.2

- (a) The Contract does not negatively impact the stated purposes of the Public Utility Regulatory Policies Act of 1978 (PURPA) because it requires the Rocky Mountain Power (RMP) customer to install individual meter bases once equipment is available to replace the temporary master metering facilities. Master metering will be in place for less than a year before the tenants will be individually metered in accordance with PURPA.
- (b) The Company believes that the Contract does meet the stated goals of PURPA because it requires the conversion of the multi-residential units to individual metering in short order after the meter bases are received by the RMP customer. Many sections of PURPA weigh costs and benefits of policies to assess their effectiveness. When weighed against the potential dead weight loss of an empty apartment complex that could otherwise be providing housing, short-term master metering under the specific circumstances faced by this RMP customer do not adversely impact the stated goals of PURPA.