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UTAH DEPARTMENT OF COMMERCE

Division of Public Utilities

MARGARET W. BUSSE
Executive Director

CHRIS PARKER
Division Director

Action Request Response

To: Public Service Commission of Utah

From: Utah Division of Public Utilities

Chris Parker, Director
Brenda Salter, Assistant Director
Abdinasir Abdulle, Utility Technical Consultant Supervisor
Doug Wheelwright, Utility Technical Consultant Supervisor
Jeff Einfeldt, Utility Technical Consultant

Date: February 1, 2024

Re: **Docket No. 24-035-T01**, Proposed Tariff Changes to Electric Service Regulation No. 7 (Metering).

Recommendation (Approve)

The Division of Public Utilities (“Division”) recommends the Public Service Commission of Utah (“Commission”) approve the proposed tariff changes to Electric Service Regulation No. 7, Metering. (“Metering Proposed Tariff Changes” or “proposed changes”) filed by PacifiCorp dba Rocky Mountain Power (“RMP” or “Company”). The Company requests an effective date of April 15, 2024.

Issue

On January 22, 2024, RMP filed proposed tariff changes associated with Tariff P.S.C. No. 51, First Revision of Sheet No. 7R.5. The Commission issued an Action Request to the Division dated January 22, 2024 requesting the Division investigate the proposed changes, with an original due date of February 5, 2024. The due date was later extended to February 7, 2024. This memorandum serves as the Division’s comments and recommendations in this matter.

Division of Public Utilities

Heber M. Wells Building • 160 East 300 South • P.O. Box 146751 Salt Lake City, UT 84114-6741
www.dpu.utah.gov • telephone (801) 530-7622 • toll-free in Utah (877) 874-0904 • fax (801) 530-6512

Discussion

The purpose of the Company's filing is to propose changes to the Electric Service Regulation No. 7 ("Regulation 7"), specifically paragraph 5(c) dealing with sub-metering of a master meter. The Company's Regulation 7 contains the master metering standard that is consistent with R746-210 and PURPA.

The market environment surrounding data centers housing multiple tenants (aka "Co-location data centers"), and like tenant arrangements, are evolving and the Company has an increasing number of this type of customer. Co-located data centers have a single building owner that leases space for data processing racks. Co-location data centers can experience tenant turnover and ever-changing electrical service needs of the tenants. Currently, Regulation 7, 5(c) does not allow sub-metering except for grandfathered accounts. The language in Regulation 7 does not allow customers to sub-meter, which would allow for an accurate allocation of costs without a mark-up. The proposed change would provide the ability to charge for electrical service in a transparent, fair, and equitable manner.

The proposed tariff change would allow for sub-metering for large tenants within a facility containing a master meter. The proposed changes would allow RMP and the master metered customer to serve the fluid power needs of the larger tenants more efficiently, including fair and transparent billing methods. The proposed changes prevent the master metered customer from becoming its own utility by not allowing on-site generation except for backup energy or reliability purposes and not allowing additional costs to be added. The proposed changes also retain regulatory and Company oversight regarding providing energy to tenants, and fair, accurate, and transparent billing. Customers affected by these changes are likely to be sophisticated commercial entities.

Conclusion

The Company's Advice Letter complies with Utah Administrative Code R746-405-2(D), which requires a statement that the proposed tariff sheets do not constitute a violation of state law or Commission rule.

The Division concludes the proposed tariff changes to Electric Service Regulation No. 7 will promote accurate and transparent billing for electric service and will not result in increased

costs to ratepayers. The tariff changes will prevent unregulated energy generation and sale to customers and will retain regulatory authority and company oversight. The Division concludes the proposed changes to Electric Service Regulation No. 7 are just, reasonable, and in the public interest. The Division recommends the Commission approve RMP's proposed changes filed on January 22, 2024, with an effective date of April 15, 2024, as requested.

cc: Joelle Steward, PacifiCorp
Jana Saba, PacifiCorp
Michele Beck, Office of Consumer Services