

**BEFORE THE
PUBLIC SERVICE COMMISSION OF UTAH**

**IN THE MATTER OF THE CONSIDERATION
OF THE AMENDMENT OF 16 U.S.C.
SECTION 2621 - CONSIDERATION AND
DETERMINATION RESPECTING CERTAIN
RATEMAKING STANDARDS FOR ELECTRIC
UTILITIES BY THE ENERGY POLICY ACT
OF 2005**

DOCKET NO. 06-999-03

**CELLNET TECHNOLOGY, INC. AND HUNT TECHNOLOGIES, LLC
COMMENTS
TO THE DPU WORKING DOCUMENT REGARDING TIME-BASED
METERING AND COMMUNICATIONS STANDARD**

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AND NOW COMES **Scott H. DeBroff, Esquire** of Smigel, Anderson, & Sacks LLP LLP, on behalf of his clients, **Cellnet Technology, Inc.** ("Cellnet") and **Hunt Technologies, LLC** ("**Hunt**") and offers the following Initial Comments to the Commission's request for Comments to the Division of Public Utilities' Working Document relating to the Time-Based Metering and Communications Standard in the above captioned docket and they aver the following:

1. Based upon our review of the language in the Working Document, we would like to offer the following language as inserted into the DPU's working draft.
2. Please find our comments below:

**Cellnet and Hunt Comments to the DPU Working Document
Time-Based Metering and Communications Standard
Division of Public Utilities
November 9, 2006**

I. PURPA Time-Based Metering and Communications Standard:

- (A) Not later than 18 months after the date of enactment (February 8, 2007) each electric utility **shall offer each of its customer classes, and provide individual customers upon customer request, a time-based rate schedule** under which the rate charged by the electric utility varies during different time periods and **reflects the variance**, if any, in the utility's **cost of generating and purchasing electricity at the wholesale level**. The time-based rate schedule **shall enable the electric consumer to manage energy use and cost through advanced metering** and communications technology.
- (B) The types of time-based rate schedules that may be offered under the schedule referred to above include, among others –
- i) **Time-of-Use pricing** whereby electricity prices are set for a specific time period on an advance or forward basis, typically not changing more often than twice a year, based on the utility's cost of generating and/or purchasing such electricity at the wholesale level for the benefit of the consumer. Prices paid for energy consumed during these periods shall be pre-established and known to consumers in advance of such consumption, allowing them to vary their demand and usage in response to such prices and manage their energy costs by shifting usage to a lower cost period or reducing their consumption overall;
 - ii) **Critical Peak Pricing** whereby time-of-use prices are in effect except for certain peak days, when prices may reflect the costs of generating and/or purchasing electricity at the wholesale level and when consumers may receive additional discounts for reducing peak period energy consumption;
 - iii) **Real-Time Pricing** whereby electricity prices are set for a specific time period on an advanced or forward basis, reflecting the utility's cost of generating and/or purchasing electricity at the wholesale level, and may change as often as hourly; and
 - iv) **Credits** for consumers with large loads who enter into pre-established peak load reduction agreements that reduce a utility's planned capacity obligations.
- (C) Each Electric utility subject to subparagraph (A) **shall provide each customer requesting a time-based rate with time-based meter** capable of enabling the utility and customer to offer and receive such rate, respectively.

- (D) Refers to timing
- (E) Applies to third-party marketers
- (F) ...each State regulatory **authority shall**, not later than 18 months after the date of enactment of this paragraph **conduct an investigation** in accordance with section 115(i) and issue a decision whether it is appropriate to implement the standards set out in subparagraphs (A) and (C).

II. Analysis

A. Purposes of the standard

- a. EAct Title I purposes (as stated in the 1978 law) addressed by the standard
 - i. Conservation of energy supplied by electric utilities
 - ii. Optimal efficiency of electric utility facilities and resources
- b. Possible goals that time-based rates could help meet
 - i. Reduced peak load demand
 - ii. Increased reliability of the system
 - iii. More efficient use of current capacity
 - iv. Reduced total demand
 - v. Mitigated price spikes
 - vi. Mitigated market power
 - vii. Lower consumer bills
 - viii. Reduced emissions

B. Prior state actions addressing the standards and whether they can be considered comparable

- a. This standard is different than the others regarding prior state action.
- b. “For the smart metering standard (EAct section 1252), the prior state action by the state commission or unregulated utility must have been conducted in a proceeding considering implementation of the standard or comparable standard *within the previous three years* before enactment, or the state’s legislature voted on implementation of the standard or comparable standard also with the previous three years before enactment (EAct section 1252(i)).” From Reference Manual pages 32-33

C. Costs and benefits associated with the standard

- a. Costs
 - i. Investments in technology and administration to implement
 - ii. Consumer education – changing consumer behavior to gain benefits
 - iii. Balancing of risk, inconvenience, production interruption
- b. Benefits
 - i. To the extent that it meets the goals above
- c. Analysis is required to determine whether smart metering benefits for all customers would outweigh the costs of providing.

- d. Analysis is required to determine what type of demand response meters and programs to what class of customers would be most effective in meeting the goals listed.

D. Recommendations regarding adoption of the standards

- a. ~~An analysis could not be completed in time to determine whether smart metering benefits for all customers would outweigh the costs of providing demand response programs.~~ **An analysis can be completed within the time frame as the relative time for completion of review of the standards is August 8, 2007. From the Congressional staff down through most state commissions, the language that indicates an 18 month window of completion is not relevant and is overruled by other deadlines for activities in the Act.**
 - b. **Therefore, based on the August 2007 completion date, we recommend that this Commission proceed with an examination of whether the EPACT requirements should be adopted or if an alternative “Utah” standard should be adopted or that we should take other action related to this subject.**~~it not be adopted since the standard must be implemented by February 2007.~~
 - c. However, we recommend that a study be immediately conducted to decide if an equivalent “Utah” standard should be adopted. This recommendation complies with subparagraph F.
- E. Criteria and measurements to determine utility adherence to the standards if adoption is recommended
- a. To be determined by study

Respectfully submitted,

Dated: **November 27, 2006**

By: _____

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