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“The Power of Friendly Service”

Memorandum

To: Public Service Commission

From: Dixie Escalante Electric

Subject: EAct 2005 Amendments to PURPA - Time-Based Metering and Communications Standard - Docket 06-999-03

The Energy Policy Act of 2005 (EAct2005) which was signed into law on August 8, 2005, included amendments to the Public Utility Regulatory Policies Act (PURPA) and added five new federal standards to PURPA section 111(d). The standards are regarding the following: Net Metering, Fuel Diversity, Fossil Fuel Generation Efficiency, Time-Based Metering and Communication, and Interconnection. PURPA states that “each state regulatory authority (with respect to each electric utility for which it has ratemaking authority) and each nonregulated electric utility shall consider each standard” and “make a determination concerning whether or not it is appropriate to implement such standard.”¹ The obligation to consider the new Federal standards of PURPA Title 1 only apply to electric utilities with retail sales greater than 500 million kilowatt hours two years before the specific calendar year. Dixie Escalante Electric’s retail sales during the period to be considered were less than 500 million kilowatt hours. While Dixie Escalante Electric is not obligated to consider the new Federal standards, it has considered the new standards and concluded that it is not in the best interest of its consumers to adopt and implement the Time-Based Metering and Communication (“Smart Metering”), at this time. Dixie Escalante Electric does offer its commercial customer’s off peak rates and irrigation customer’s interruptible rates.

Dixie Escalante Electric’s current power purchase contracts provide no energy price differentiation based on the time of purchase. The energy price is the same regardless of the time of purchase. Therefore, the purchase power cost benefits that might be expected from a Smart Metering program are not available to Dixie Escalante Electric or its consumers, at this time. In its normal course of business Dixie Escalante electric evaluates the costs and benefits of investments in new technology and implements those that bring clear and measurable savings to its consumers. Dixie Escalante Electric has concluded that the costs and benefits of implementing a Smart Metering program are not sufficiently known to warrant implementing such a program, at this time. The conservation and consumer cost reduction objectives of PURPA are supported by Dixie Escalante Electric and Educating consumers on investments and behaviors that result in the efficient use of energy is an important part of Dixie Escalante Electric’s consumer programs to accomplish the objectives of PURPA. An example of this is Dixie Escalante Electric’s rebate incentives for the installation of energy efficient heat pumps and water heaters.

If you have questions, please contact LaDel Laub at (435) 439-5311.

¹ PURPA section 111(a)