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***VIA ELECTRONIC FILING  
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January 24, 2007

Utah Public Service Commission  
Heber M. Wells Building, 4<sup>th</sup> Floor  
160 East 300 South  
Salt Lake City UT 84111

Attention: Julie P. Orchard, Commission Secretary

Re: Docket 06-999-03  
Energy Policy Act 2005 Amendments to PURPA  
Rocky Mountain Power Comments on Division of Public Utilities'  
Recommendations concerning Time-Based Metering and Communications  
Standard

On January 8, 2007, the Division of Public Utilities (Division) submitted a memo to the Public Service Commission of Utah outlining its recommendations regarding the Public Utilities Regulatory Policies Act (PURPA) Time-Based Metering and Communications Standard enacted by the Energy Policy Act of 2005. On January 9, 2007, the Commission issued an invitation to interested parties to submit written comments responding to the Division's recommendations. Rocky Mountain Power appreciates the opportunity to respond to the Division's memo and submits the following comments for consideration.

**Recommendation**

In its memo, the Division recommends

“that the Smart Metering standard not be adopted by the Utah Public Service Commission at this time... (but) that further study into this issue be made since there are several possible benefits that could accrue to the Utah electric system from the effective use of advanced metering. Investigation should be made to evaluate whether such benefits outweigh the cost of implementing smart metering and/or whether other approaches could bring similar benefits at a lower cost.... [W]e recommend that PacifiCorp conduct a business case (cost/benefit analysis) for categories of customers, residential, commercial, and industrial, for which a business case has not been previously made. Each of these customer categories should also be examined for the three types of time based rates identified in the PURPA proposed standard: time-of-use pricing (TOU), critical peak price (CPP), and real time pricing (RTP). ”

Rocky Mountain Power agrees with the Division's recommendation that adoption of this standard is not necessary in Utah. Rocky Mountain Power further believes that an extensive set of cost benefit analyses and other investigations, as recommended by the Division, is not a useful endeavor at this time.

## **Background**

Currently, time-based rates are available to all Rocky Mountain Power customers. Rates differ by season for all customers in Utah, and time of day rates are also available. Time of day service is mandatory for all customers over 1 MW. All smaller commercial, industrial, governmental, and agricultural customers may take service under optional time of day tariffs if they so choose. Residential customers also have access to time of day service through the optional time of day service rider.

Rocky Mountain Power also offers credits for consumers with large loads who enter into pre-established peak load reduction agreements through Schedule 71, Energy Exchange Program, which enables the Company to pay for specific load curtailments at critical times based on customer commitment. In addition, service is provided under special contracts that reflect price discounts or billing credits for pre-established peak load reduction agreements as well as real time pricing options under certain conditions.

As part of the Rate Design Stipulation in the Docket 06-035-21, Rocky Mountain Power has committed to further analyze, discuss, and make recommendations on the on-peak and off-peak time periods and the price differential between on-peak and off-peak energy charges in our time-of-use rate schedules. Rocky Mountain Power recommends that any additional study of time based metering and pricing should be incorporated into these discussions arising from the commitments in Docket 06-035-21 rather than mandating additional studies.

Rocky Mountain Power believes that little will be gained from the cost and effort of an additional residential study. The Company has offered optional time of day rates for residential customers for over 20 years. While the residential time of use tariff has been modified several times to make it more attractive to customers, participation has been minimal. The Company filed a full report on the residential TOD program in December 2005. It showed that customers obtained very small savings through the program. While over half of all customers were aware of the program and while 86% of non-TOD participants thought it was important that the Company offer the program, only about one-twentieth of one percent (0.05%) of all eligible participants enrolled. Given the recent study and its thoroughness, we do not believe an additional study is appropriate or cost effective.

While Rocky Mountain Power complies with the time-based provisions of the proposed PURPA standard, the company does not currently have the metering and communication systems that "... enable the electric consumer to manage energy use and cost through advanced metering and communications technology." Rocky Mountain Power has reviewed the "smart" metering experience of other regional utilities, most notably Idaho Power and Puget Sound Energy, and has found no measurable benefit for advanced metering systems that justify the increased cost over mobile automated meter reading systems. Based on the experience of these other utilities, Rocky Mountain Power does not believe the benefits of incorporating such technologies into our

metering and communication systems would justify the cost for the majority of our customers at this time.

**Conclusion**

In conclusion, Rocky Mountain Power agrees that the Commission not adopt the Time-Based Metering and Communications Standard proposed in the Energy Policy Act. The Company also does not believe it is appropriate to mandate additional studies and investigations of these issues within this docket at this time.

It is respectfully requested that all formal correspondence and Staff requests regarding this filing be addressed to:

By e-mail (preferred):            datarequest@pacificorp.com

By regular mail:                    Data Request Response Center  
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By fax:                                (503) 813-6060

Informal questions should be directed to Dave Taylor at (801) 220-2923.

Sincerely,

Jeffrey K. Larsen  
Vice President, Regulation

cc:    Division of Public Utilities  
      Committee of Consumer Services