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BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH

In the Matter of: 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

**COMMENTS AND RECOMMENDATIONS
OF THE UTAH ASSOCIATION OF
ENERGY USERS ON PURPA TIME-BASED
METERING AND COMMUNICATIONS
STANDARD**

The Utah Association of Energy Users (“UAE”) submits the following comments and recommendations regarding the Smart Metering Standard evolving from the 2005 EPA Act Amendments to the Public Utilities Regulatory Policies Act (“PURPA”).

Executive Summary

The UAE recommends the Public Service Commission (“Commission”) adopt the Smart Metering Standard (“Standard”) in concept, but not the timing to the extent implementation is required by February 8, 2007. In adopting the Standard, the Commission should indicate its intent to move forward with all cost-effective measures and direct PacifiCorp to complete a cost benefit analysis as soon as practicable.

Detailed Comments

EPAct 2005 requires state commissions and utilities to begin consideration of five standards within two years, and subsequently to make decisions whether or not to adopt each of those standards by August 8, 2008. By adopting the Smart Metering Standard, the Commission will be making a firm commitment toward what appear to be very clear benefits for Utah ratepayers, as delineated in the Division of Public Utilities' (Division) comments.

The Smart Metering Standard is the first to be examined, with implementation slated by February 8, 2007. While UAE recognizes that this date cannot be met, it supports the adoption of the Standard by the Commission as a commitment to move the process forward in an expedited, yet meaningful way.

Section 1252 of EPAct 2005 recommends that all electric utilities offer time-based rates, time-based metering and communications to any customer who makes a request. The UAE does not believe that any equivalent standard currently exists in Utah.

Investigation

UAE recommends that PacifiCorp be directed to conduct cost/benefit analyses as soon as practicable for residential, commercial and industrial customers. Time-of-use pricing (TOU), critical peak price (CPP), and real-time pricing rates (RTP) should be examined for each customer group. In addition, the Commission should direct PacifiCorp to separately study cost effectiveness for current customers and new customers, including consideration of requiring new customers to pay some of the incremental cost of any necessary new metering equipment.

Large consumers often have their own management systems and compatible metering equipment that may compliment the utility's equipment to maximize demand response and energy efficiency.

UAE believes there are many potential benefits to be achieved with Smart Metering, including:

- Less demand on the system:

- Reduced peak load demand
- Increased reliability
- More efficient use of current capacity
- Reduced total demand
- Mitigated price spikes
- Lower consumer bills
- Reduced emissions

- Economic benefits:

- Lower ongoing costs for meter reading
- More accurate meter reads
- Tamper and theft detection
- On demand reads
- Disconnect/connect labor
- Outage response accuracy
- Cost-based rates

TOU Rates

Due to the inherent instability in electricity prices, a tariff that uses a fixed rate sends less accurate price signals to the consumer. TOU pricing would give a more realistic vision of actual cost by notifying the consumer of certain times that energy usage is expected to be at its peak.

CPP Rates

With peak rates at the very highest for energy usage, CPP rates can help consumers define their usage on weekdays in the summer season by reducing or shifting energy usage away from the noon to 6 p.m. peak period (or some other defined peak period) during CPP events.

RTP Rates

RTP will give consumers the most accurate, up to date information and allow them to manage their loads accordingly. An RTP structure provides consumers the ability to realize the actual cost of electricity consumed at a specific time. Energy users could then respond to energy price signals and benefit grid congestion by utilizing an hourly program. RTP gives large consumers the ability to have the most impact on load reduction at the most critical peak times, which could result in eliminating the need for building or utilizing an existing peaking plant.

Conclusion

Based on the significant potential for energy savings and other benefits that could be realized from the implementation of effective advanced metering, UAE recommends the Commission adopt the first PURPA amended standard for Smart Metering and direct PacifiCorp to move forward quickly with an analysis of cost effectiveness separately for new and existing meters.

Dated this 24th day of January 2007.

Hatch, James & Dodge

/s/ _____
Gary A. Dodge,
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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was sent by email this 24th day of January, 2007, to the following:

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