

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

PROCEEDING NO. 20AL-0094E

IN THE MATTER OF ADVICE LETTER NO. 1820 ELECTRIC OF PUBLIC SERVICE COMPANY OF COLORADO TO IMPLEMENT AN OPTIONAL SCHEDULE INTERVAL DATA METER OPTION FOR RESIDENTIAL AND SMALL COMMERCIAL CUSTOMERS TO BECOME EFFECTIVE ON APRIL 6, 2020.

**RECOMMENDED DECISION OF
ADMINISTRATIVE LAW JUDGE
MELODY MIRBABA
PERMANENTLY SUSPENDING TARIFF SHEETS AND
REQUIRING COMPLIANCE FILINGS**

Mailed Date: July 9, 2020

I. STATEMENT, BACKGROUND, FINDINGS, AND CONCLUSIONS

A. Background.

1. On March 6, 2020, Public Service Company of Colorado (Public Service or the Company) filed Advice No. 1820 – Electric to implement Schedule Interval Data Meter Option in the Company’s Colorado P.U.C. No. 8 – Electric tariff, with Sheet Nos. 119 and 119A (Advice Letter).¹ Public Service filed direct testimony and attachments with its Advice Letter filing. See Hearing Exhibits 101, 102, and 103.

2. Also on March 6, 2020, Public Service filed a Motion for Approval of Alternative Form of Notice, which the Commission granted on March 20, 2020. Decision No. C20-0186-I.

3. On March 26, 2020, Colorado Public Utilities Commission Trial Staff (Staff) filed a Notice of Intervention of Right.

¹ Only the procedural history necessary to understand this Decision is included.

4. During its weekly meeting on April 1, 2020, the Commission suspended the tariff sheets' effective date for 120 days per § 40-6-111(1), C.R.S., through August 3, 2020 and referred the matter to an Administrative Law Judge (ALJ) for a hearing.

5. On April 8, 2020, the Colorado Office of Consumer Counsel (OCC) filed a Notice of Intervention of Right. And, on April 14, 2020, Staff filed an Amended Notice of Intervention.

6. The ALJ further suspended the effective date of the tariff sheets to December 11, 2020, scheduled a hearing on the merits of this matter, and established a procedural schedule. Decision Nos. R20-0354-I issued May 8, 2020 and R20-0393-I issued May 27, 2020.

7. On June 18, 2020, Public Service filed Supplemental Direct Testimony of Steven P. Berman with attachments (Hearing Exhibit 104).

8. On June 19, 2020, the OCC and Staff each filed Notices of Withdrawal of Interventions (Notices). The Notices both indicate that Public Service has satisfied the OCC and Staff's questions and concerns with the above-captioned advice letter, and that neither intervener will participate further in this proceeding. In reaching these conclusions, the OCC and Staff both state that they rely on Hearing Exhibit 104, Mr. Berman's Supplemental Direct Testimony and Attachments.

9. Also on June 19, 2020, Public Service filed a Motion to Vacate the Procedural Schedule (Motion). Because this matter is no longer contested, the Motion seeks an order vacating the procedural schedule and hearing and for the ALJ to issue a recommended decision on the merits of this matter without a hearing.

10. On June 22, 2020, the ALJ vacated the procedural schedule and hearing. Decision No. R20-0454-I.

B. Proposed Charges.

11. As explained above, the OCC and Staff have withdrawn their interventions and objections to the Advice Letter and proposed tariff sheets. As such, this matter is not contested. The ALJ finds that Public Service has submitted a sufficient evidentiary basis on which to make a decision in this matter, including its direct and supplemental direct testimony. See Hearing Exhibits 101, 102, 103 and 104 (and attachments thereto). Because this matter is no longer contested, and the record contains a sufficient evidentiary basis to render a decision, the ALJ will consider the proposed Advice Letter and tariff sheets based on the record without a formal hearing. See § 40-6-109(5), C.R.S., and Rule 1403, 4 CCR 723-1.

12. The Company proposes to implement an optional rate schedule for customers who wish to receive an Interval Data Meter instead of the standard Advanced Meter Infrastructure meter (Advanced Meter), beginning when the Advanced Meter is rolled-out in 2021. Advice Letter, 1. The Company seeks an effective date of April 6, 2020 for the proposed optional rate schedule; the effective date has been suspended to December 11, 2020. *Id.*; Decision No. R20-0393-I. The Advice Letter filing does not require the Commission to determine the Company's revenue requirement. Advice Letter, 2. It will not change the base rates charged to customers or result in a net revenue change. *Id.*

13. An Advanced Meter measures, stores, and transmits metering quantities, including energy usage information at a customer level with two-way communication between the Company and the Advanced Meter. Hearing Exhibit 101, Attachment SPB-1 at 1. An Interval Data Meter measures and stores metering quantities, including energy usage information at a customer level, but does not transmit or communicate that information to the Company, and instead must be manually read to obtain energy use data. *Id.* The Company's current meters do

not allow customers to participate in time of use rates, but Interval Data Meters do. Hearing Exhibit 101, 12: 8-15. As such, a customer who opts-out of an Advanced Meter still must receive a new meter, the Interval Data Meter. *Id.* The Company chose an Interval Data Meter without a radio frequency communication feature because, in its experience, customers who opt out of Advanced Meters do so based on concerns with the radio frequency transmission from Advanced Meters. Hearing Exhibit 101, 10: 6-16. The Company seeks to use non-communicating Interval Data Meters to address this customer concern. *Id.* at 10: 13-16.

14. This Advice Letter filing arises out of a prior Commission proceeding in which the Commission granted the Company a Certificate of Public Convenience and Necessity (CPCN) for certain distribution grid enhancements, including using Advanced Meters. Hearing Exhibit 101, 8: 8-17; Decision No. C17-0556 issued June 21, 2017 in Proceeding No. 16A-0588E.

15. In the Company's CPCN proceeding, the Commission approved and clarified a Settlement Agreement that requires the Company to allow customers to opt-out of having an Advanced Meter installed. Hearing Exhibit 101, 8: 13-21; Decision No. C17-0556 at ¶ 25. The Agreement requires that opt-out customers be allocated the costs of deploying, reading, and managing the replacement meters. Hearing Exhibit 101: 8: 20-23—9: 1. The Settlement Agreement also requires the Company to file an advice letter on or before the fourth quarter of 2018² to establish the tariff for the customers who opt-out of Advanced Meter installation, and to

² The Company made that filing, but the Commission denied the Company's request for alternative form of notice due to missing information. Hearing Exhibit 101, 9: 9-17. The Company provided that information in January 2019, but later withdrew the advice letter filing because its customer communication and education plan was not fully developed given that its deployment would not occur until 2021. *Id.* at 9: 17-22. The Company then proposed to file another advice letter closer to deployment, and ultimately filed the advice letter in this proceeding. *Id.* at 10: 4- 12.

consider methods to mitigate the cost impact on opt-out customers for manual meter reading. *Id.* at 9: 1-8. Advanced Meter installation will begin in 2021. *Id.* at 9: 20-22.

16. The Company proposes that customers who choose the Interval Data Meter Option (Schedule IDMO) be allocated the costs of manually reading the Interval Data Meter. Schedule IDMO customers who live within the Denver Metro service area, (including Boulder), will pay a monthly meter reading charge of \$11.84. Advice Letter, 2.

17. The Company's vendor, Tru Check Inc., (Tru Check), performs meter reading for the Denver Metro service area. Hearing Exhibit 104, 11: 2-15. The charges for manually reading meters within the Denver Metro service area are the actual costs incurred; Tru Check determined those costs. Advice Letter, 2; Hearing Exhibit 104, 11: 2-20. The Company selected Tru Check as the lowest bidder on a request for proposal that the Company issued. Hearing Exhibit 104, 11: 2-15. The Company has contracted with Tru Check to read meters for approximately 22 years, and finds Tru Check's meter reading accurate and efficient. *Id.* at 11:16-19. The Company also submits that given Tru Check's long-standing experience manually reading meters, it is familiar with the cost required to perform this work. *Id.*

18. The Company proposes that Schedule IDMO customers who live outside the Denver Metro service area pay a monthly meter reading charge of \$23.64. Advice Letter, 2. The Company's own meter technicians will complete all manual meter reading outside the Denver Metro service area. Hearing Exhibit 104, 11: 15-16. This proposed charge represents the Company's average cost incurred for meter reading outside the Denver Metro service area. Hearing Exhibit 103, 11: 13-15. The Company submits that it is not feasible to determine a specific cost incurred for each Schedule IDMO customer living outside the Denver Metro service area. Advice Letter, 2; Hearing Exhibit 104, 13: 20-22—14: 1-2.

19. The Company also proposes that customers pay a \$46.00 trip charge for removing or installing meters. This is the amount the Company charges as a “Trip Charge” through its Tariff Sheet No. 25 in Colorado PUC no. 8 – Electric (in the Schedule Charges for Rendering Services). Advice Letter, 2. In addition, the Company proposes that customers electing to receive the Interval Data Meter before an Advanced Meter is installed on their premises will receive a one-time waiver of the trip charge, and that those electing the Interval Data Meter after an Advanced Meter is installed will pay the \$46.00 trip charge for the Company to remove the Advanced Meter and install the Interval Data Meter.³ *Id.*

20. Customers with an Interval Data Meter who move and wish to continue to opt-out of an Advanced Meter at their new location will be charged the \$46.00 trip charge twice: once to remove the Interval Data Meter from the customer’s original location and install an Advanced Meter, and once to remove the Advanced Meter from the customer’s new location, and replace it with an Interval Data Meter, unless the new location does not already have an Advanced Meter. Hearing Exhibit 104, 12: 13-23—13: 1.

21. The Company submits that it has worked to mitigate customer opt-out costs by: (a) issuing an RFP and selecting the lowest cost bidder (Tru Check) to perform manual meter reading; and (b) making reasonable choices as to the frequency that Interval Data Meters will be manually read. Hearing Exhibit 103, 11: 16-22—12: 1-12. The Company will also provide educational information to customers to help address concerns they may have with Advanced Meters, and to promote the benefits of Advanced Meters. Hearing Exhibit 102, 18: 3-21.

³ When the Company removes an Interval Data Meter and Advanced Meter from a customer’s location, it tests the meters to ensure they are operating within acceptable parameters, and have not exceed their service life. If so, the meters are returned to the Company’s inventory and may be used to service other customers. Hearing Exhibit 104, 15: 10-16.

22. In addition, the Company researched opt-out costs across the country, and found that they are generally higher than the amounts it proposes to collect from customers. Hearing Exhibit 103, 12: 13-20. For example, the Company determined that manual meter reading costs an average of \$30.61 per month, per premise, and that meter exchange costs an average of \$131.00 per customer. *Id.*

23. For all the reasons the Company provides as outlined above, the ALJ concludes that the proposed monthly meter reading and trip charges are reasonable and in the public interest. Similarly, for all the reasons the Company provides as outlined above, the ALJ also finds that the Company has taken reasonable and appropriate measures to mitigate customer opt-out costs.

C. Annual Reporting.

24. The Company agrees to annually report to the Commission data on: (1) the number of customers who opt-out and anticipated future opt-out numbers; (2) the reasons customers provided for opting out; (3) the geographic breakdown of opt-out areas; (4) the total amount of meter reading and trip charges collected; and (5) the amount of dollars spent on the opt-out program. Hearing Exhibit 104, 24: 1-6. The Company will work with Staff to identify an appropriate proceeding within which to provide this annual report. *Id.* at 23: 22-23—24:1. The ALJ finds that reporting the identified data is reasonable and in the public interest, and will require it. This Decision does not specify the appropriate proceeding within which such reports should be filed, and instead allows the Company and Staff to work together to determine that.

D. Education and Customer Outreach.

25. Before installing Advanced Meters, the Company plans to directly inform customers of their opt-out option 90, 60, and 30 days before installing Advanced Meters. Hearing

Exhibit 102, 17: 1-5. Starting with the 90-day notice, the Company will provide access to educational information through its website on opt-out costs and instructions; the 60-day and 30-day notices will direct customers to information sources and will provide the telephone number and email address to opt-out. *Id.* at 17: 6-13. In addition to direct customer communication, the Company will provide opt-out information and frequently asked questions on its website, and at stakeholder and community outreach meetings. *Id.* at 17: 17-22—18: 1. The ALJ finds that this communication and education plan is reasonable and in the public interest.

E. Conclusions.

26. For the foregoing reasons and authorities, the ALJ finds that the Advice Letter and accompanying tariff sheets are reasonable, in the public interest, and should be approved. Because the original proposed effective date cannot be approved, the ALJ will permanently suspend the tariff sheets, and require the Company to file tariff sheets that are identical to the March 6, 2020 tariff sheets, but that include a different effective date.

27. In accordance with § 40-6-109, C.R.S., the ALJ recommends that the Commission enter the following order, and transmits to the Commission the record in this proceeding along with this written recommended decision.

II. ORDER

A. The Commission Orders That:

1. Public Service Company of Colorado's (Public Service or the Company) Colorado P.U.C. No. 8 – Electric tariff Sheet Nos. 119 and 119A filed on March 6, 2020 with Advice Letter No. 1820 are permanently suspended and may not be further amended. Consistent with the above discussion, the substance of those tariff sheets are approved.

2. The Company is required to annually report data as discussed in Hearing Exhibit 104, 23: 16-23—24: 1-10, and ¶ 24 above.

3. No more than 30 days after this Recommended Decision becomes a Commission Decision, if that is the case, Public Service must file compliance advice letter and tariff sheets that are identical to the March 6, 2020 tariff sheets, but that include a different effective date, on not less than two business days' notice. The compliance filings must be made in a new advice letter proceeding and comply with all applicable rules. In calculating the proposed effective date, the date the filing is received at the Commission is not included in the notice period and the entire notice period must expire before the effective date. The advice letter and tariff sheets must comply in all substantive respects to this Decision to be filed as a compliance filing on shortened notice.

4. Proceeding No. 20AL-0094E is closed.

5. This Recommended Decision shall be effective on the day it becomes the Decision of the Commission, if that is the case, and is entered as of the date above. This Recommended Decision shall be effective on the day it becomes the Decision of the Commission, if that is the case, and is entered as of the date above.

6. As provided by § 40-6-109, C.R.S., copies of this Recommended Decision shall be served upon the parties, who may file exceptions to it.

7. If no exceptions are filed within 20 days after service or within any extended period of time authorized, or unless the decision is stayed by the Commission upon its own motion, the recommended decision shall become the decision of the Commission and subject to the provisions of § 40-6-114, C.R.S.

8. If a party seeks to amend, modify, annul, or reverse basic findings of fact in its exceptions, that party must request and pay for a transcript to be filed, or the parties may stipulate to portions of the transcript according to the procedure stated in § 40-6-113, C.R.S. If no transcript or stipulation is filed, the Commission is bound by the facts set out by the administrative law judge and the parties cannot challenge these facts. This will limit what the Commission can review if exceptions are filed.

9. If exceptions to this Decision are filed, they shall not exceed 30 pages in length, unless the Commission for good cause shown permits this limit to be exceeded.

(S E A L)



ATTEST: A TRUE COPY

Doug Dean,
Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

MELODY MIRBABA

Administrative Law Judge