

BEFORE THE PUBLIC SERVICE COMMISSION OF WYOMING

IN THE MATTER OF THE APPLICATION OF)
 LOWER VALLEY ENERGY, INC., FOR)
 APPROVAL OF REVISED RULES AND)
 REGULATIONS)

Docket No. 10012-59-CT-13
 (Record No. 13658)

ORDER
 (Issued December 23, 2013)

This matter is before the Wyoming Public Service Commission (Commission) upon the application of Lower Valley Energy, Inc. (Lower Valley or the Company) for approval of revised Rules and Regulations.

The Commission, having reviewed the application, its files regarding Lower Valley, applicable Wyoming utility law, and being otherwise fully advised in the premises, HEREBY FINDS and CONCLUDES:

1. Lower Valley is a public utility as defined by W.S. § 37-1-101(a)(vi)(C); and, as such, it is subject to the Commission’s jurisdiction under W.S. § 37-2-112.

2. On September 27, 2013, Lower Valley filed its application requesting approval of its revised Rules and Regulations. According to the Company, the changes to its tariffs will allow its members to opt out of having a smart meter at their home or business and establish a fee to manually read those meters. Table 1 presents the proposed new special fee for manually reading meters of its opt-out members.

Table 1

Fee Description	Current Rate	Proposed Rate
Manual Meter Reading	None	\$50.00

3. Lower Valley’s application was considered pursuant to due notice at the Commission’s open meeting of December 19, 2013. Wade Hirschi, Lower Valley’s Chief Financial Officer, appeared on behalf of the Company via telephone. Hirschi provided a brief summary of the Company’s proposed tariff changes explaining the revisions include a new opt-out provision allowing its members to decline having an electric smart meter installed and that the proposed fee of \$50 for manually reading non-smart meters was selected, in part, because it is equal to Lower Valley’s connection fee. In addition, Hirschi stated the changes requested in Tariff No. 3 are due to some of Lower Valley’s members expressing concern that smart meter technology would invade their privacy. As a result, Lower Valley’s Board decided to allow members to opt-out of having a smart meter at their location. In response to questioning, Hirschi explained the proposed fee is an estimate, based on the Company’s meter reading experience, it will take one meter reader 0.75 hours to read one meter. This was estimated to be the average period of time to reach a member’s premises/meter based on Lower Valley’s entire service area. The fee includes the average hourly rate for the Lower Valley personnel that would manually read meters, company overhead, which included the cost of meter reader benefits and transportation cost. Specifically, Table 2 depicts the costs associated with the opt-out meter reads.

Table 2

1	Hours to read meter (average)	0.75
2	Average meter reader hourly rate	\$ 32.10
3	Average transportation hourly rate	\$ 9.81
4	Average overheads hourly rate	\$ 26.20
5	Total average hourly rate (Sum Lines 2 - 5)	\$ 68.11
6	Cost of manual meter read (Line 5 X Line 1)	\$ 51.08

Hirschi stated that Lower Valley’s proposed fee rounds the calculation down from \$51.08 to \$50.00. The Commission expressed concern regarding whether the proposed fee of \$50.00 would be excessive. Accordingly, the Commission determined Lower Valley should provide an update in twelve months regarding the status of the opt-out program and its costs. Staff recommended that the Commission approve the Company’s application and require Lower Valley to file an opt-out program update with the Commission within 12 months of this *Order*.

4. The Commission finds and concludes, based upon the presentations made by Lower Valley and the analysis and recommendations of the Commission Advisory Staff, the Company's proposed revised Rules and Regulations are in the public interest and should be approved. The Commission also finds that Lower Valley should file a status report within 12 months of this *Order* providing an update of Lower Valley's opt-out program.

IT IS THEREFORE ORDERED:

1. Pursuant to open meeting action taken on December 19, 2013, the application of Lower Valley Energy, Inc., for approval of revised Rules and Regulations, is approved.
2. Lower Valley shall file a status report with the Commission regarding member participation and actual costs associated with its opt-out program no later than December 31, 2014.
3. This *Order* is effective immediately.

MADE and ENTERED at Cheyenne, Wyoming, on December 23, 2013.

PUBLIC SERVICE COMMISSION OF WYOMING

ALAN B. MINIER, Chairman

WILLIAM F. RUSSELL, Deputy Chairman

KARA BRIGHTON, Commissioner

(SEAL)

ATTEST:

LORI L. BRAND, Assistant Secretary