A RESOLUTION SETTING FORTH THE COMMISSION'S DETERMINATION REGARDING TIME-BASED RATES AND COMMUNICATIONS STANDARDS UNDER SECTIONS 111(d)(14) OF THE PUBLIC UTILITY REGULATORY POLICIES ACT, AS AMENDED BY THE ENERGY POLICY ACT OF 2005

FACTUAL BACKGROUND AND REASONS FOR ACTION

The Public Utility Regulatory Policies Act (PURPA 1978) was enacted in 1978 to encourage: (1) the conservation of energy supplied by electric utilities, (2) the optimization of the efficiency of use of facilities and resources by electric utilities, and (3) equitable rates to electric consumers (Section 101). On March 11, 1980, the District adopted a “Procedures Manual for Hearings under the Public Utility Regulatory Policies Act of 1978” by Resolution No. 80-6248. The District complied with the requirements of PURPA 1978 by holding a public proceeding to consider adoption of a series of standards under Section 111 and Section 113 of PURPA. A final order on hearings conducted pursuant to PURPA 1978 was adopted by the Board of Commissioners on April 28, 1980.

The Energy Policy Act of 2005 (EPAct 2005) was enacted on August 8, 2005. Section 1252 of EPAct 2005 amends Section 111(d) of the Public Utility Regulatory Policies Act of 1978 (PURPA) to require utilities to consider a new standard for time-based metering and communications. This section requires each electric utility to consider whether it is appropriate to offer each of its customer classes, and provide individual customers upon customer request, a time-based rate schedule under which the rate charged by the electric utility varies during different time periods and reflects the variance, if any, in the utility’s costs of generating and purchasing electricity at the wholesale level (Section 111(d)(14)).

Pursuant to EPAct 2005, the District was required to begin considering the PURPA time-based rates and communications by August 6, 2006 and to make a determination by August 8, 2007 as to whether it is appropriate to adopt the standard, in whole or in part, and offer such time-based rate and communication service, or to not adopt the standard.

To initiate consideration of these standards, District staff made a presentation to the Commission on July 24, 2006. The presentation described the proposed standards and set forth a schedule for public comment and hearing. On August 6, 2006, a legal advertisement notifying customers of an opportunity to submit public comment with regard to this standards appeared in The Wenatchee World. On October 13, 2006, an additional legal advertisement notifying customers of a hearing scheduled for November 13, 2006 appeared in The Wenatchee World. In addition, display advertisements inviting public comment and participation were placed in the paper on August 6, October 13, and
October 29, 2006. These advertisements indicated that written public comment was due November 1, 2006 and that interventions in today's hearing were due to the hearing's presiding officer by November 3, 2006. One public comment was received, and there were no requests for intervention. The legal notices and the public comment have been submitted for the hearing record.

On November 13, 2006, the properly noticed public hearing was held. Staff made a presentation to the Commission identifying staff recommendations relating to adoption of time-based rates and communications standards pursuant to sections 111(d) of PURPA.


With regard to PURPA standard 111(d)(14), staff reported that they have been evaluating technology that supports smart metering for the entire service territory as part of the automated meter reading (AMR) program which may be implemented by the District in the future. Staff suggests an AMR program would have both significant costs and benefits. District staff recommends that the Commission not adopt the net metering standard set forth under PURPA section 111(d)(11). Instead, staff recommends that further study and evaluation is necessary to better understand the benefits, technology and costs of time-based rates and communications (or smart metering) in conjunction with automated meter reading.

ACTION

IT IS RESOLVED BY THE COMMISSION OF PUBLIC UTILITY DISTRICT NO. 1 OF CHELAN COUNTY that:

Section 1. Pursuant to section 1252 of the EPAct 2005, the Board of Commissioners of Chelan County PUD has determined that it is not in the best interests of the District to adopt PURPA standard 111(d)(14) with regard to time-based rates and communications. District staff should continue to study and evaluate the benefits, technology and costs of time-based rates and communications (or smart metering) in conjunction with automated meter reading and report back to the Board at a future date.
Dated this 13th day of November 2006.

[Signatures]

President

Vice President

Secretary

Commissioner

Commissioner
Chelan County PUD commissioners will hold a hearing at 2 p.m. on Nov. 13, 2006, in the boardroom at 327 N. Wenatchee Ave., to consider adopting proposed standards for:

- Interconnection of third-party generation facilities to its electric utility delivery system
- Net metering service to electric consumers served by its electric utility delivery system
- Time-based metering and communications

If you plan to take part in the hearing, you must notify Carol Wardell, hearings officer, at 661-4316, by Nov. 3, 2006.

The federal Public Utility Regulatory Policy Act and the Energy Policy Act of 2005 require electric utilities to consider these standards. For details on how to take part in the hearing, please see the legal advertising in today's classified section of this newspaper or visit www.chelanpud.org and click on Public Utility Regulatory Policy Act.
The Wenatchee World is a legal newspaper published in Chelan County, Washington, and approved as such by the Superior Court of said County and State.

PUBLISHED ON: 10/13

TOTAL COST: 162.63
FILED ON: 10/13/06

Subscribed and sworn to before me this 26th day of Oct., 2006.

Notary Public in and for the State of Washington, residing in Wenatchee.
WENATCHEE, WASHINGTON

AFFIDAVIT OF PUBLICATION

STATE OF WASHINGTON
COUNTY OF CHELAN

THE WENATCHEE WORLD, WENATCHEE, WASHINGTON

PUBLISHED IN Chelan County, Washington, The Wenatchee World and approved as such by the Superior Court of said County and State.

ATTN: DINA
PO BOX 1231
WENATCHEE WA 98807-1231

REFERENCE: 33618
226747 Suzanne Grassel-NOTI

The Wenatchee World is a legal newspaper published in Chelan County, Washington, and approved as such by the Superior Court of said County and State.

PUBLISHED ON: 08/06

TOTAL COST: 415.80
FILED ON: 08/06/06

Subscribed and sworn to before me this ___ day of ____, 2006.

Notary Public in and for the State of Washington, residing in Wenatchee.