Summary of Key GPA Assumptions

GPA believes that 100% of smart meters must be in place to achieve the full benefits

Benefits include:

- o   Ability to read meters remotely and therefore reduce or use staff more effectively

- o   Ability to disconnect and reconnect remotely, reduces the need for a manned vehicle

- o   Improved consistency and increased data will improve GPA planning studies and cost of service

- o   Ability to detect tampering (theft) so reduce costs to customers

- o   Reduce line losses due to installation of RTU on feeder lines

GPA has issued a policy of not sharing or selling its customer data to 3rd parties to protect customers

However, GPA must offer an opt-out choice to residential customers so GPA developed the proposal summarized here.   Assumes 1,000 customers opt out

Up front Opt-Out Fee of $235   Total for 1,000 customers is $235,000

- •   Meter reading equipment and reconfiguring the meter $100,000 (using hand held product and scheme to reduce human error)

- •   Labor, benefits, vehicle costs, reading devices, reprogramming meter are all considered in this fee

Monthly Meter Read Fee of $20   Annually meter read costs each customer $240

2 people to complete the meter reads costs $92,000 and is capitalized as per other utilities and should be recovered in up front opt out fee

Meter read cost is comprised of:

- ▪   1 hour for reader and time to travel to each meter – assumes 2 hours per meter read costs $43/hour

- ▪   One vehicle costs $16,000 and translates to $23.81 per day

- ▪   Fuel is $5 per gallon, 15 MPG, 30 minute drive to the meter, $10.74/meter read

- ▪   Upload data is $12.29 per day

Opt out customers are banned from future pre-paid meter and EE programs because GPA says they need real time information and meter communication to implement

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Analysis of Fee Proposal

In the attached spreadsheet (and in the table below) Lummus Consultants tried to verify the up-front and monthly coststo chargeopt-out customers. The resultsare very close to what GPA proposes to charge.

Lummus Consultants offers the following questions relative to the program:

1) GWA may have only included the cost of one vehicle (see spreadsheet, we added an adjustment for two vehicles).

2) First year capitalized labor and other costs that may be capitalized such as development, advertising and the cost of meters need to be carefully monitored so that ratepayers that do not opt out are not subsidizing i those that do opt out. See footnotes in the attached spreadsheet.We assume that GPA will credit that cost of service for all fees collected from Opt-out participants so that its recovery is fair.

3) As the program moves out of its first year, will GPA adjust the one-time fee to reflect previous recovery or will it close the option?

4) It has not been necessary to have two-way communications to implement energy efficiency programs so we would suggest taking off that restriction but would agree that demand response programs would require two-way communications and not having the frequency turned on would preclude their participation.

So in conclusion we are supportive of the fees as proposed but would suggest that GPA should report back to the Commission as to the questions raised above. Maintaining a sufficiently high up-front cost is a good approach to encouraging customers to allow smart meters with communications.

Up front costs						
Development and advertising		$ 43,000	This value by goal seek to equal proposed charge			
Equipment and firmware		$ 100,000				
Year 1 meter reading labor		$ 92,000				

Total		$ 235,000				
Up-front cost per customer		235.00				
Proposed up-front charge		235.00				
Monthly costs						
			Annual			
		GWA	Lummus	Adjusting for 2 Vehicles		
Meter reading labor		92,000.00	92,000.00	92,000.00		
Meter reading vehicle		5,714.40	5,600.00	11,200.00	(it appears that GPA may	
Fuel		128,880.00	120,000.00	120,000.00	have only used the cost of	
Up-load meter data (each day)		2,949.60	2,949.60	2,949.60	one vehicle)	
		-------------	-------------	-------------		
Total		229,544.00	220,549.60	226,149.60		
No. of out-out customers		1,000.00	1,000.00	1,000.00		
$/customer/year		229.54	220.55	226.15		
$/customer/month		19.13	18.38	18.85		

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