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### Utility argues for digital meters

### Commissioners, others concerned about plan's effect on rates

By <u>JENNIFER ROBISON</u>
LAS VEGAS REVIEW-JOURNAL

Hearings began Monday in the integrated-resource plan that power utility NV Energy has filed with the Public Utilities Commission of Nevada.

At issue during this week's hearings is the utility's \$301 million Advanced Service Delivery initiative, which would replace 1.45 million electric meters across the state with digital meters that would help ratepayers track power consumption and enable NV Energy to charge flexible rates based on peak use.

NV Energy presented its case Monday, with executives declaring written testimony, and commission staff and companies intervening in the case following up with questions.

If Monday's cross-examinations were any indication, then commissioners, agency staffers, consumer advocates and interveners seem most concerned about how Advanced Service Delivery will affect rates. They also asked several questions about a lower-cost alternative to the initiative and sought to establish that existing metering is reliable and effective.

NV Energy has obtained \$138 million in federal stimulus funds to help finance Advanced Service Delivery. The rest of the funding might have to come from higher rates in a future filing.

Paul Stuhff, a senior deputy attorney general who works for the state Bureau of Consumer Protection, quizzed NV Energy's interim chief financial officer, Kevin Bethel, on whether the utility should be at "risk of recovery" if Advanced Service Delivery's costs exceed its benefits.

Bethel responded that the commission could address Advanced Service Delivery's cost-benefit equation in the utility's next general rate case, scheduled for filing in December 2010.

Stuhff also asked Bethel twice if NV Energy's current metering and distribution system is reliable.

Bethel said it was, and Stuhff answered that "regulatory risk" should come with replacing a system that works.

Stuhff asked Bethel about other major expenses the utility expects to include in its next general rate case.

Investments in NV Energy's \$683 million Harry Allen plant in Apex will be among the significant projects included in the general-rate application, Bethel said. Some of the plant's construction costs have already been accounted for in existing NV Energy rates.

Staffers and officials, including Commissioner Alaina Burtenshaw, also pointed to a separate NV Energy contingency plan if the commission doesn't approve Advanced Service Delivery.

The alternative proposal calls for \$23 million over three years to augment NV Energy's budget for energy-conservation programs such as Cool Share, a voluntary program through which NV Energy temporarily raises the thermostat in the home during peak hours to conserve energy during highuse periods.

If the commission gives the go-ahead to Advanced Service Delivery, NV Energy would run a pilot program involving 10,000 ratepayers to test "dynamic," or variable, pricing based on high-use periods. Ratepayer participation in dynamic-pricing tests would be optional.

The company testified that it has 3,600 consumers signed up for NV Energy's Time of Use program, through which customers can save money by voluntarily reducing power use from 1 to 7 p.m. from June to September.

Also testifying Monday was NV Energy President and Chief Executive Officer Michael Yackira.

Yackira said customers benefit from energy-conservation efforts both as individual ratepayers, because their power bills drop, and as a general group, because of peak-demand reduction.

NV Energy "does not receive direct benefits other than not having to raise capital" to build power plants, Yackira said. "It's a benefit, but an oblique benefit."

Yackira added that NV Energy has enough power-generation capability through ownership or purchasing contracts to provide power at peak consumption without problems or issues.

Commission staff members also asked Yackira whether NV Energy was positioned strategically to address potential federal regulations governing greenhouse-gas emissions.

NV Energy is in a "good" position thanks to investments in "highly efficient" plants that yield less carbon dioxide, as well as investments in renewable energy, Yackira said.

The hearings are scheduled to resume at 9 a.m. today inside the commission's offices. Gary Smith, NV Energy's project director of smart technologies and a key architect of Advanced Service Delivery, is scheduled to testify early.

NV Energy's integrated-resource plan is a 20-year outline that details how NV Energy expects to obtain, finance and distribute electricity. Hearings related to another major plan component, a \$510 million, 235-mile transmission line to link NV Energy's northern and southern power grids, are scheduled to start June 1.

To view NV Energy's integrated-resource plan, visit www.puc.nv.gov. Click on "docket info" and select "electric dockets." Choose dockets 10-02009 and 10-03023. For more information, call the commission at 486-2600.

Contact reporter Jennifer Robison at jrobison@reviewjournal.com or 702-380-4512.

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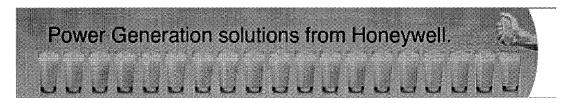
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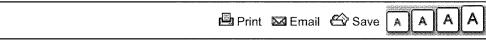
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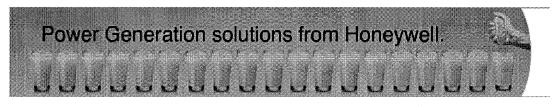
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June 8-10. Renewable Energy World Europe sponsored by PennWeil Corporation. Location: Amsterdam, Netherlands. Held in conjunction with POWER-GEN Europe. Contact: Amanda Kevan, (44) 1992-656645; E-mail: amandak@pennweil.com; Internet: www.renewableenergyworld-europe.com

June 16-18. Hidroenergia 2010 sponsored by European Small Hydropower Association. Location: Lausanne, Switzerland. Contact: E-mail: info@esha.be; Internet: www.esha.be,

June 30. CALL FOR ABSTRACTS: May 29-June 3, 2011. International Commission on Large Dams Annual Meeting. Location: Lucerne, Switzerland. Abstracts due June 30 via E-mail: swissdams@stucky.ch. Contact: (41) 21-6932385; Email: swissdams@stucky.ch; Internet: www.swissdams.ch.

July 27-30. HydroVision International sponsored by PennWell Corporation. Location: Charlotte, N.C., USA. Contact: (1) 918-831-9160; E-mail: registration@pennwell.com; Internet: www.hydroevent.com

Aug. 30-Sept. 3. Contractual and Legal Framework in Hydropower Development sponsored by the International Centre for Hydropower, Location: Trondheim, Norway, Contact: (47) 73-590780; E-mail: mail@ich.no; Internet: http://ich.no

Sept. 1-Dec. 31. The Process of Social Impact Assessment Online Training Program sponsored by the International Centre for Hydropower. Contact: (47) 73-590780; E-mail: mail@ich.no; Internet: http://ich.no.

Sept. 12-16. World Energy Congress sponsored by World Energy Council, Hydro-Québec, and Energy Council of Canada. Location: Montreal, Quebec, Canada. Contact: E-mail: info@worldenergy.org; Internet: www.montreal2010.ca

Sept. 22-23. ICOLD European Club Symposium: Dam Safety - Sustainability in a Changing Environment sponsored by Austrian National Committee on Large Dams. Location: Innsbruck, Austria. Contact: (43) 316-8738357; E-mail: secretary@atcold.at; Internet: www.iecs2010.tugraz.at.

Sept. 23-24. FLOW-3D World Users Conference. Location: Montreal, Quebec, Canada. Contact: Amanda Ruggles, (1) 505-982-0088; E-mail: info@flow3d.com; Internet: www.flow3d.com.

Sept. 23-24. Water Management 2010: Integrating Renewable Energy Sources sponsored by CEATI International. Location: Stockholm, Sweden. Contact: E-mail: workshops@ceati.com; Internet: www.ceati.com.

Sept. 27-Oct. 2. Small Hydro Resources sponsored by the International Centre for Hydropower. Location: Trondheim, Norway. Contact: (47) 73-590780; E-mail: mail@ich.no; Internet: http://ich.no.

Sept. 28-30. International Congress on Dam Maintenance and Rehabilitation sponsored by Spanish Society of Dams and Reservoirs. Location: Zaragoza, Spain. Contact: E-mail: sepremzaragoza2010@tilesa.es; Internet: www.damrehabilitationcongress2010.com

Oct. 13-14. British Hydropower Association Annual Conference 2010. Location: Glasgow, Scotland. Contact: E-mail: ellan.long@british-hydro.org; Internet: www.british-hydro.org.

Oct. 25-29. Risk Management in Hydropower Development sponsored by the International Centre for Hydropower, Location: Trondheim, Norway. Contact: (47) 73-590780; E-mail: mail@ich.no; Internet: http://ich.no

Nov. 2-4. Renewable Energy World Asia sponsored by PennWell Corporation. Location: Singapore. Held in conjunction with POWER-GEN Asia. Contact: (44) 1992-656616; E-mail: glenne@pennwell.com; Internet: www.renewableenergyworld-

Nov. 24-26. International Conference on Hydropower Plants sponsored by Vienna University of Technology's Institute for Energy Systems and Thermodynamics. Location: Vienna, Austria. Contact: (43) 1-5880130201; E-mail: office@viennahydro.com; Internet: www.viennahydro.com/2010.

Dec. 14-16. POWER-GEN International sponsored by PennWell Corporation. Location: Orlando, Fla., USA. Contact: (1) 918-831-9736; E-mail: pgiconference@pennwell.com; Internet: www.power-gen.com.

May 29-June 3, 2011. International Commission on Large Dams Annual Meeting. Location: Lucerne, Switzerland. Contact: Internet: www.swissdams.ch.

Dec. 6-8, 2011. POWER-GEN International sponsored by PennWell Corporation. Location: Las Vegas, Nev., USA. Contact: (1) 918-831-9736; E-mail: pgiconference@pennwell.com; Internet: www.power-gen.com.

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