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Chair, WUTC

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Subject: Docket UE-060649  
Smart Metering and Time of use rates.

I would like to go on record as opposing the commissions findings on smart metering and time of use rates.

Meeting peak demand is a significant cost to the utility industry. When this cost is buried within a postage stamp rate, the buyer is shielded from this cost. If he is shielded from it he doesn't do anything about it.

I would like to share an experience I had when I was in a high level position at the James River Paper Mill in Port Angeles when it was sold to Daishowa, a Japanese Co. (later sold to Nippon Paper Ltd). While the total mill salaried headcount was cut to the bone, the size of the cost accounting section tripled. The Japanese simply could not imagine how one could control costs if you didn't know where each penny was going. No more catch all accounts, no places to bury expenditures. While I detested working for the Japanese, I have never accused them of being stupid.

I know that the utilities are not enthusiastic about time of day metering. However, they have no problem with metering and charging the customer for low power factor. The difference is that the consequences of poor power factor comes out of their own pocket while the cost of peaking reserve is easy to pass on to the consumer via the rate structure.

It is well known that a hydro based electric supply peaks easily, at minimal incremental expense as long as water is available. However, we are becoming more thermal based and less hydro based all the time. Peaking with steam cycle thermal is costly, and only a little better with combustion turbines. To ignore time of day costs of generation is a SERIOUS error in judgement.

Before BPA and now smart meters, most electric water heaters had time switches on them. BPA put an end to that.

The tools available today are the best ever to manage peak load. Holden Village, a off grid Lutheran Church Retreat off of Lake Chelan with a water

short hydro electric plant, has a computerized load shed scheme that gives an annual load factor in excess of 95%. If PSE saw this they would think they were in Disneyland.

I assure you, a simple, straight forward time of day rate structure, along with TIME for the market place to respond will yield great benefit for all of us, even residential customers. While the smart meter may be too expensive for the little old lady, a sealed water heater time switch, or an electric stove with a load shed for peak limiting, is not complicated or expensive.

I find the thinking of the commission not very enlightened or forward thinking on this matter. I respectfully ask you to reconsider your position.

Please let me know if there is something I could do to help.

Yours truly,



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