

AMR/AMI Systems: The Regulatory Perspective

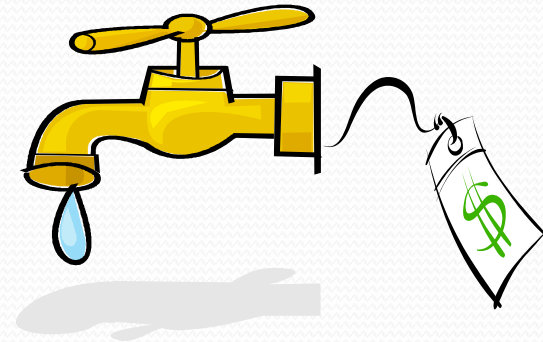
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Public Service Commission's Role

- Financial regulation of utilities (natural monopolies) in the absence of competition
- Electric, gas, **water**, and some wastewater utilities
- Authority includes setting rates and service standards
- Commission adjudicates customer complaints
- Promote energy and water conservation and efficiency



Public Water Utilities in Wisconsin

Utility Type

$$\begin{array}{ccccccc} 510 & + & 67 & + & 6 & = & 583 \\ \text{Municipal Systems} & & \text{Sanitary Districts} & & \text{Private Systems} & & \text{Public Utilities} \end{array}$$

Utility Size

$$\begin{array}{ccccccc} 78 & + & 140 & + & 365 & = & 583 \\ \text{Class A (4,000+)} & & \text{Class C (1,000-4,000)} & & \text{Class D (<1,000)} & & \text{Public Utilities} \end{array}$$

Why Is the PSC Interested in AMR/AMI Systems?

- Choice of meter system type left to the utility
- Cost:
 - **Wis. Admin. Code ch. PSC 184** requires approval prior to construction, acquisition, service extension, etc.
- Value:
 - Conservation initiative
 - Utility system efficiency
 - Customer service



PSC's Conservation Initiative

- Conservation rates
- Review and approval of utility water conservation programs
 - Voluntary programs
 - Great Lakes Compact compliance
- Water loss control standards
- **PSC 184.04:** Integrates conservation planning into PSC construction review for new wells & supply sources





**WATER EFFICIENCY
POTENTIAL STUDY
FOR WISCONSIN**

Prepared for the
**Public Service Commission of Wisconsin
and
Wisconsin Department of Natural Resources**

Camp, Dresser & McKee, Inc.
Milwaukee, WI
and
Water Accountability, LLC
Sussex, WI

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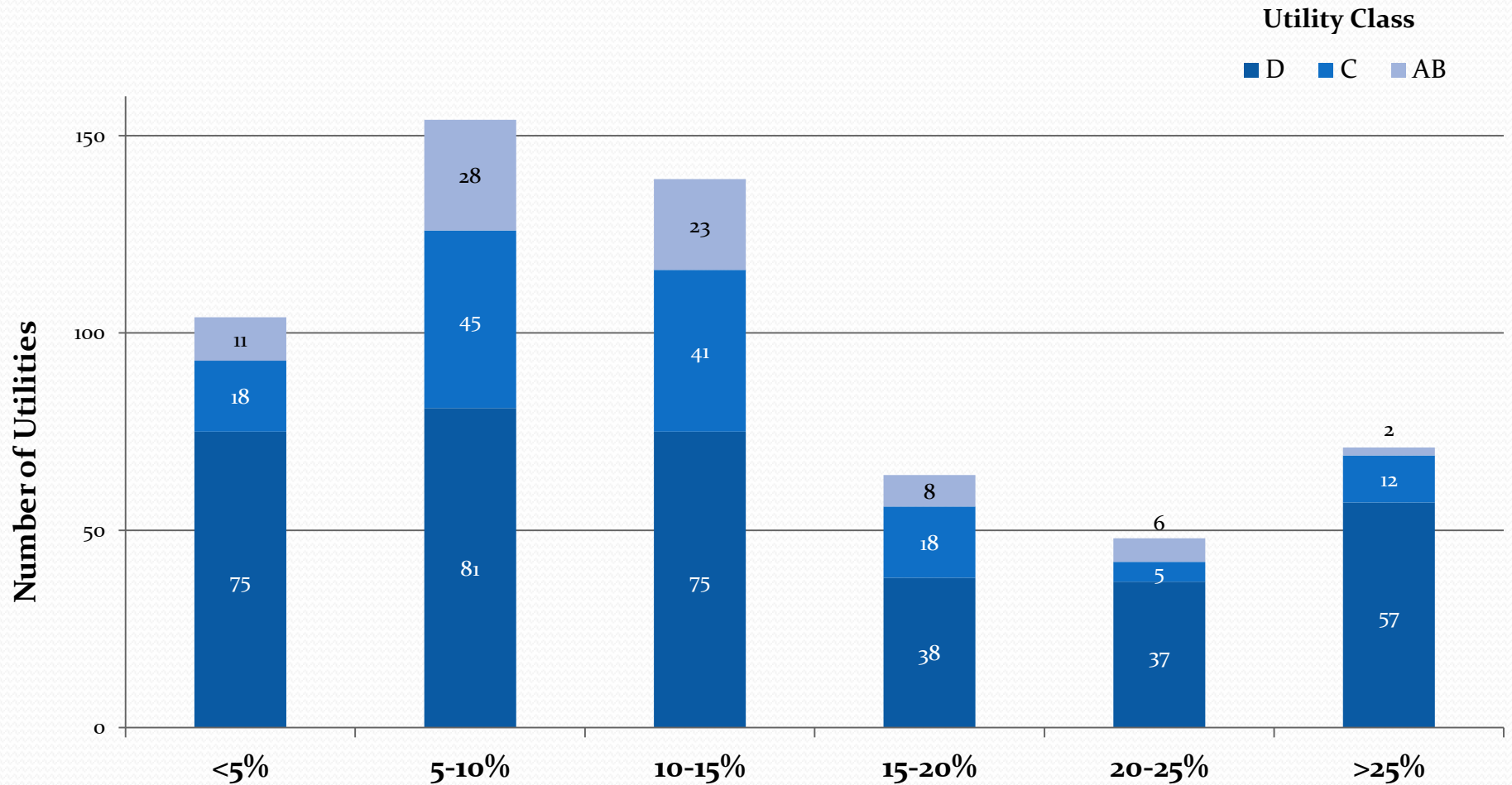
Study Identifies Potential Water Conservation Savings and Costs

Utilities could save more than 164 million gallons per day by 2030

MADISON— (December 1, 2011) **Reducing distribution system leaks and losses is the most cost-effective way for Wisconsin water utilities to achieve water savings**, according to a recently released report. The study evaluated the costs and benefits of implementing various conservation measures, such as toilet rebates and other customer incentives, sub-metering customers, updating plumbing codes, conducting customer water audits, implementing conservation-based water pricing.

The Public Service Commission (PSC) and the Wisconsin Department of Natural Resources (DNR) jointly funded the year-long investigation into potential statewide water savings under several water conservation scenarios. According to the final report, Wisconsin water utilities could save at least 164 million gallons per day by 2030 by implementing cost-effective and technically achievable water conservation measures.

Estimated Water Loss - 2012



AMR/AMI: Potential Pitfalls

- Make sure you receive PSC approval
- Data management capabilities
- Administrative costs
- “Smart meter” backlash
 - Health concerns
 - Privacy concerns



Commission Policy on AMR/AMI Opt-Outs

- Utilities should work with customers to determine if opt-out policy is necessary.
- If Utility decides to allow customers to opt-out:
 - Costs associated with installing, maintaining, reading non-standard meters should be fully allocated to those customers.
 - Costs associated with processing bills in non-standard manner should be allocated to those customers.
 - Utility should demonstrate that allowing customers to opt-out will not be detrimental to the goals of the meter program.

AMR/AMI: Benefits

- Water loss control and leak detection
- Data collection
 - Rate design
 - Construction authorization
 - Conservation program design
- Improved resolution of consumer complaints



PSC's Water Currents newsletter:
<http://psc.wi.gov/utilityInfo/water/newsletter/index.htm>

