Avista Corp.
1411 East Mission P.O. Box 3727
Spokane, Washington 99220-0500
Telephone 509-489-0500
Toll Free 800-727-9170

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Via Electronic Mail

Steven V. King
Executive Director and Secretary
Washington Utilities & Transportation Commission
1300 S. Evergreen Park Drive S. W.
P.O. Box 47250
Olympia, Washington 98504-7250

Re: Docket No. U-144155 - Comments of Avista Utilities

Dear Mr. King,

Avista Corporation, dba Avista Utilities (Avista or Company), submits the following comments in accordance with the Washington Utilities and Transportation Commission's (Commission) Notice of Opportunity to Submit Written Comments (Notice) issued in Docket U-144155.

On February 18, 2015, the Washington Utilities and Transportation Commission (Commission) filed with the Code Reviser a Preproposal Statement of Inquiry (CR-101) to consider the adoption of rules within Washington Administrative Code (WAC) 480-90-178 and WAC 480-100-178, Billing requirements and payment date. The proposed rules would establish standards for all regulated energy companies to identify and correct stopped meters and unidentified energy usage, and provide incentives for companies to make appropriate resource allocation to reduce retroactive bill duration related to the forgoing circumstances. The Commission filed the CR-101 under Docket U-144155.

The Commission's notice, dated February 20, 2015, is seeking written comments from interested persons related to rules to encourage regulated utilities to identify and correct faulty meters in a timely fashion. The following is in response to the Commission's specific questions:

1. Please provide the average number of meters in service from 2012 to 2014.

	Average Number of Meters in Service		
	2012	**2013**	**2014**
Electric	236,644	238,379	241,041
Gas	149,331	150,460	152,109

2. Please provide three years of historical data showing the following:

a. Total number of retroactive bills and length of the retroactive bills for stopped meters.

The counts are for accounts with a stopped meter identified and rebilled

	Number of Accounts		
# of Months Retroactively Billed	**2012**	**2013**	**2014**
1	64	6	40
2	18	5	15
3	11	15	7
4	10	7	6
5	2	3	3
6	3	0	0
7	2	0	2
8	0	0	0
9	1	2	0
10	0	0	0
11	1	1	0
12	1	0	0
24	1	0	0
Total Accounts	114	39	73

b. Total number of unidentified energy usage[1] meters.

The following are accounts with unidentified energy usage and rebilled:

	Number of Accounts		
# of Months Retroactively Billed	**2012**	**2013**	**2014**
1	919	1,096	962
2	345	394	346
3	111	125	99
4	37	43	42
5	8	26	14
6	5	7	3
7	3	1	1
8	0	3	1
9	0	0	0
10	0	0	0
11	0	0	0
12	0	0	0
Total Accounts	1,428	1,695	1,468

3. What is the company's policy regarding bill settlement for metering errors?

Response: Avista follows the Commission rules[2] from its Idaho jurisdiction when determining bill settlement for metering errors. WAC 480-100-183 (5) under "Complaint meter tests" is the only rule in Washington that provides some guidance.

The Company makes every effort to settle incorrect bills that are due to metering errors. If the Company is able to determine the specific date the meter error began or occurred it will correct billings back to that date, not to exceed three years. If it is unable to determine the

[1] Accounts with use on a meter and no open account.
[2] I.D.A.P.A. RULE 204.02 Rebilling Time Period - If the time when the malfunction or error can be reasonably determined and the utility determines the customer was undercharged, the utility may rebill for a period of six (6) months unless a reasonable person should have known of the inaccurate billing, in which case the rebilling may be extended for a period not to exceed three (3) years. Utilities shall implement procedures designed to monitor and identify customers who have not been billed or who have been inaccurately billed.

date the meter error began or occurred, it will refund charges or collect charges for a period not to exceed three years.

4. Does the company have a billing threshold before investigating zero-read meter readings or unidentified energy usage? If so, please provide information on the company's minimum billing threshold.

Response: Yes it does. There are system edits that identify when normal historical use on a meter peaks or lowers, indicating that further investigation of the meter could potentially be necessary. Also, there are system edits that identify when there is usage on a meter, however no open account. The thresholds for these edits are as follows:

- Accounts with zero use will hit the commercial report after one month of no use and the residential after three months of no use.
- Accounts with use on a meter and no open account (unidentified energy usage) should be disconnected if the use is more than 100 kWhs or 10 therms.

5. Does the company have specific goals regarding the identification and resolution of stopped meters and unidentified energy usage meters?

Response: Yes it does. Regarding stopped meters, Avista has a "zero use" report that is used to help identify when a meter has no energy use. This daily report identifies issues as soon as possible to help reduce frequency and duration of any retroactive billing that would occur with stopped meters. If issues are detected, field personal are sent to investigate potential equipment failure and replacement of the meter, if necessary. The Company will bill/credit up to three years, or the exact date if it can be identified. Avista's goal is to identify stopped meters as soon as possible by working with our field personnel and monitoring usage reports.

For unidentified energy usage, it is the Company's goal to resolve these cases without having to send a serviceman in the field to disconnect the service. When a meter has unidentified energy usage that hits the threshold of 100 kWhs or 10 therms it starts an automated process which sends a series of two letters to the address requesting the resident contact the Company

to set up service, if the Company receives no response it will then send a serviceman to disconnect the service.

6. What types of reports does the company generate to help identify stopped meter and unidentified usage meter problems?

Response: As mentioned earlier, the report we use to identify unbilled usage is the "Zero Use" report. This report is reviewed daily by the Company's billing group. For unidentified usage meters, the process is automated with the Company's Customer Care and Billing system.

Additional Comments

Earlier this year the Company filed, in its General Rate Case[3] its plan to deploy an Advanced Metering Infrastructure (AMI). Related to this inquiry, the following are only some of the benefits associated with AMI that will help reduce the need for retro-active billing:

Theft Diversion
Currently, 80% of Avista's theft cases are represented by accounts where the customer has turned on an inactive meter or damaged the meter to the point where it stops reading. These circumstances can represent cases of complete diversion, where no usage at all is registered on the meter, partial diversion, and intermittent diversion. By taking advantage of meter alarming capability, coupled with powerful diagnostic analytics to identify meter locations where diversion is likely to be occurring.

Unbilled Usage
Unbilled usage occurs when an account has been inactivated, and there is no customer associated with the account, but where energy usage is still occurring at the premise. This unbilled usage is difficult to initially identify with conventional metering, and consequently, it can take several weeks to several months before each issue is resolved. Advanced meters can either be disabled when an account is closed to prevent unbilled usage, or the meter can trigger an alarm when usage is occurring during a period when there is no active customer account. In either event, the amount of unbilled usage can either be eliminated or substantially reduced.

Slow or Failing Meters
These meters, as the name implies, simply under-represent the actual energy that is used at a premise. Depending on the degree of error, slow and failing meters can be very

[3] Docket Nos. UE-150204 and UG-150205.

difficult to isolate with conventional metering. The longer the time the meter is not functioning properly the more complex the issue becomes to resolve.

Stopped Meters

When a meter appears to have stopped recording energy use, it is flagged for investigation by the Company's meter shop personnel. Unfortunately, the great majority of the time meters are reported as potentially stopped, there has simply been no use at the premise and the meter is working properly. This is what's known as a "false positive." Currently, Avista experiences these false positives in 85% of the cases investigated for electric meters and 95% for natural gas meters. Reducing the number of field visits to investigate these false positives represents the core savings opportunity associated with stopped meters. Avista predicts that better analytics enabled by advanced metering will result in the reduction of false positives to a rate of 40% for both gas and electric meters.

Billing Accuracy

Because energy use information is available from the advanced meter to the utility on a 5 – 15 minute interval, there is no longer a need to estimate bills during adverse weather, or for the processes of opening, closing or transferring utility service. The customer service representative can simply query the meter and receive an actual reading of the metered usage. In addition to doing away with the need to estimate usage, the energy-use information also equips the utility customer service representative with timely and meaningful usage data to assist customers during billing inquiries. This increase in convenience is valued by customers.

Avista appreciates the opportunity to provide these comments, and we look forward to participating in the workshop scheduled for May 20, 2015, and the issues related to this topic. If you have any questions regarding these comments, please contact me at 509-495-4975 or at linda.gervais@avistacorp.com.

Sincerely,

/s/Linda Gervais/

Manager, Regulatory Policy
Avista Utilities
linda.gervais@avistacorp.com
509-495-4975