AVISTA CORP.
RESPONSE TO REQUEST FOR INFORMATION

JURISDICTION:	WASHINGTON	DATE PREPARED:	07/01/2015
CASE NO.:	UE-150204 & UG-150205	WITNESS:	Don Kopczynski
REQUESTER:	Public Counsel/Energy Project	RESPONDER:	Larry La Bolle
TYPE:	Data Request	DEPT:	State & Federal Regulation
REQUEST NO.:	PC/EP – 058	TELEPHONE:	(509) 495-4710
		EMAIL:	larry.labolle@avistacorp.com

REQUEST:

According to Avista's Response to Public Counsel Data Request No. 52, Avista is proposing AMI specifically for Washington "because advanced metering (AMR) has already been implemented in Idaho and Oregon." Does this mean that Avista has concluded that AMI deployment in Oregon and Idaho is not cost-effective because there are insufficient expense reductions when considering the investments already made in AMR? Please explain your response and provide any analysis of the costs and benefits of AMI deployment in Oregon and Idaho prepared by Avista.

RESPONSE:

As explained in Avista's response to PC_DR_052 and PC/EP_DR_057, the Company is considering the deployment of advanced metering in Idaho, toward the end of the implementation period of its Washington advanced metering program. Since automated meter reading in Idaho currently provides some operational savings (compared with conventional metering currently in place in Washington), and since the Washington advanced metering deployment is a large project, operationally speaking, Avista plans to sequence the potential Idaho deployment to follow the Washington program. Avista would not consider the deployment of advanced meter capabilities for its natural gas system in Oregon as practical at this time, because the potential benefits to be realized for natural gas only service have already been largely captured by automated meter reading.

1) The meters installed in Pullman are the "first generation" of Itron AMI meters. They are firmware upgradeable, but the communications processors cannot be upgraded to support the latest networks built on IPv6 technology. There are support staffing and troubleshooting issues associated with operating and maintaining multiple networks, which are based on disparate technology platforms.

2) Using the first generation meters in Pullman would require Avista to continue to stock the first generation meters, in addition to whatever new AMI meter standard is developed. This means stocking a different meter type, of which there are 12 unique meter forms, for a small geographic area. This could lead to confusion, missing data, and additional field orders if the wrong type of meter is installed. It also would add to the overhead of the metering department and asset management.

3) The Pullman system is using the first-generation security-management system (known as Certicom). The system requires manual command prompt intervention, which requires significant staff hours to maintain and troubleshoot. A newer security management system for AMI, which is unified across the service territory, would reduce labor costs and allow for better security key management. Data security will be one of the top priorities for the AMI deployment.

4) System maintenance is another issue. If the Pullman system is not replaced, and since it will be different than any new system implemented, this will result in duplicated efforts around server maintenance, integration support, demand reset process, disconnect/reconnect process, and the billing system integration.