

**SMALL BUSINESS ECONOMIC IMPACT STATEMENT (SBEIS) QUESTIONNAIRE RESPONSES ISSUED ON AUGUST 30, 2019**

**Company name, contact person and contact information, and number of employees the company employees.**

<b>Company</b>	<b>Response</b>
Avista	Tara Knox, <a href="mailto:tara.knox@avistacorp.com">tara.knox@avistacorp.com</a> , 509-495-4325. Joe Miller, <a href="mailto:joe.miller@avistacorp.com">joe.miller@avistacorp.com</a> , 509-495-4546. Avista employs approximately 1,700 employees.
Cascade	Michael Parvinen, <a href="mailto:michael.parvinen@cngc.com">michael.parvinen@cngc.com</a> , 509-734-4593. Cascade employs approximately 342 employees.
Northwest Natural	Kyle Walker, <a href="mailto:kyle.walker@nwnatural.com">kyle.walker@nwnatural.com</a> , 503-226-4211 x5858. Northwest Natural employs approximately 1,140 employees.
Pacific Power	Ariel Son, <a href="mailto:ariel.son@pacificcorp.com">ariel.son@pacificcorp.com</a> , 503-813-5410. Pacific Power employs approximately 5,200 employees.
Puget Sound Energy	Birud Jhaveri, <a href="mailto:birud.jhaveri@pse.com">birud.jhaveri@pse.com</a> , 425-462-3946. Puget Sound Energy employs approximately 3,140 employees.

**1. Identify the rule number, *i.e.*, WAC 480-XX-060, of the draft proposed rule that you identify as having a cost impact.**

<b>Company</b>	<b>Response</b>
Avista	Regarding the SBEIS Notice, Avista does not anticipate the WAC 480-XX-010 through WAC 480-XX-070 informal draft proposed rules to have any significant cost impact that would affect the Company's revenue requirement from small businesses.
Cascade	WAC 480-XXX-030 (3) and 480-XXX-050
Northwest Natural	The Company finds that the informal draft revised rule number WAC 480-xxx-050 (1) would result in some amount of increased costs for NW Natural and its small business customers with each update of its cost of service study, which would be conducted at a minimum period of every five years. The rule number, as proposed, is as follows: WAC 480-xxx-050 (1) Cost of Service Study Inputs. The rate schedule usage data for any cost of service study must come from the best available source: advanced metering infrastructure (AMI); advanced meter reading (AMR); or, a load study. [Subsections (a)- (d) omitted for brevity.] To the extent that NW Natural does not have AMI or AMR deployed in such a way that can generate an appropriately sampled load study of its residential and small commercial customer classes on a daily basis as defined in informal draft revised rule WAC 480-xxx-030 (3), the Company would incur costs associated with administering, implementing, and deploying the AMI units or ARM technology.
Pacific Power	WAC 480-07-510(6), WAC 480-xxx-010WAC 480-xxx-020, WAC 480-xxx-030, WAC 480-xxx-040, WAC 480-xxx-050, WAC 480-xxx-060 and WAC 480-xxx-070
Puget Sound Energy	PSE expects that the draft proposed rules will have an additional cost impact to PSE. The proposed rules will require the Company to expend additional time and resources to prepare documents for filing with the Commission

	and for submission to parties during the discovery process. Currently, testimony is provided with cites to exhibits along with providing live links between those exhibits and work papers. Under the proposed rules, all testimony and exhibits must cite to work papers. Under the proposed rules, each spreadsheet must also include an index identifying its relationship with other spreadsheets. In addition, the rules propose consolidating all associated calculations necessary to support the results of the study in the same electronic workbook file. In regard to modeling structure, the proposed rules significantly expand the scale of the Company's existing cost of service modeling by requiring the disaggregation of rate classes, which have been accepted by the Commission for decades, to individual rate schedules that may have little to no distinguishing service characteristics. Finally, as it relates to underlying data, it appears that these draft rules would require PSE to incorporate potentially billions of additional usage data points in the development of its analysis.
<b>2. Explain why there will be an additional cost impact on the company.</b>	
<b>Company</b>	<b>Response</b>
Avista	N/A
Cascade	To comply with the proposed WAC 40-XXX-050, Cascade has examined its options and based on its preliminary analysis, believes the rate schedule usage information otherwise obtained with a “Load Study” (as defined under proposed WAC 480-XXX-030 (3)) can be completed in less time and at a lower cost using newly installed equipment and existing personnel. Cascade is currently scoping the use of newly installed Encoder Receiver Transmitters (“ERT”) in combination with reprogramming Mobile Meter Reading (“MMR”) equipment to take the readings necessary to effectively determine customer class usage over a designated period. By using the combination of ERT and MMR equipment, the Company believes it can minimize the study’s costs and maximize its benefits. Importantly, the Company also believes it can produce comparable and useful results over a reasonable period. As part of the scoping process, Cascade is evaluating the building of a Fixed Area Network (FAN) to enhance the collection of customer usage data and improve system operations. A FAN consists of a series of tower based “collectors” and “repeaters” that wirelessly pick up “daily consumption” reads from the ERTS installed on Cascade’s gas meters and transfers that usage data to Cascade’s Field Collection System for final integration into the billing system. Currently, Cascade collects meter usage data via a manual drive-by process using wireless technology built into the meters and vehicles. A FAN will replace the current process for collection of meter usage data with the wireless data gathering process covering a specific geographic location describe above. This will provide Cascade with daily consumption meter reads that will allow for improved efficiency and increase data accuracy. At this time, Cascade is scoping the FAN’s design, required technologies, and cost. In the Company’s five-year capital budget, we have included a preliminary estimate of \$5,000,000 for the FAN. If a FAN is determined to be cost-effective and technologically feasible, Cascade anticipates that its construction could be complete by 2024. Until then, Cascade will continue to use the existing mobile system.
Northwest Natural	Other cost elements associated with compliance of WAC 480-xxx-050 (1) would likely include, but not necessarily be limited to, the following: Consulting fees for study development, sample size, geographic dispersion and analysis

	of results; metering equipment, data collection, IT/cellular and programing; field workforce labor and vehicle costs for installations; and administrative costs associated with customer outreach.
Pacific Power	The company does not anticipate that the proposed rules will result in additional cost.
Puget Sound Energy	These additional requirements will add significant complexity to the preparation of documents for filing with the Commission and in discovery. The Company expects that additional legal, paralegal, and administrative and IT resources will need to be devoted to consolidate dozens of workbooks, determine the appropriate relationships and references on each page of testimony, exhibit and work papers submitted, significantly expand its existing modeling and manage the potentially billions of additional usage data points required in rule.
<b>3. Provide a detailed analysis of how you calculated the additional cost impact of each draft rule you identify as having an additional cost impact.</b>	
<b>Company</b>	<b>Response</b>
Avista	N/A
Cascade	See the response to Question 2, above.
Northwest Natural	The Company has not yet quantified the additional costs it would incur to comply with WAC 480-xxx-050 (1). It does have AMI and AMR already deployed for a subset of its customers, and deployment of any additional infrastructure would be a one-time cost. Incremental costs associated with data collection would occur every time metered data are collected; however, this cost is expected to be minimal. The Company would seek a tracker to ensure full cost recovery for the AMI system, the load study requirements, or any other incremental costs associated with the new cost of service rules, including interest. The Company would seek to spread cost recovery across all of its customer classes, which would include small businesses.
Pacific Power	N/A
Puget Sound Energy	While it is difficult to quantify the additional costs associated with the proposed rules, the Company anticipates additional internal resources, and potentially, outside legal and consulting resources dedicated to ensuring compliance with the new proposed rules. As written, the Company believes that the new proposed rules could double or triple the amount of time required to prepare and mark documents.
<b>4. Identify any draft proposed rule that may create a cost savings to the company compared to the current rule.</b>	
<b>Company</b>	<b>Response</b>
Avista	N/A
Cascade	The FAN system described in the response to Question 2 will provide additional efficiencies that include lower cost-per-read, an improved meter-to-cash revenue cycle, ability for off-cycle reads and theft or tamper detection

Northwest Natural	The Company has not identified at this time any informal draft revised rule that might create cost savings for its small business customers.
Pacific Power	The company does not anticipate that the proposed rules will result in savings.
Puget Sound Energy	PSE is not aware of any cost savings created by the proposed rules.