

July 20, 2018

Mark L. Johnson  
Executive Director and Secretary  
Washington Utilities and Transportation Commission  
P.O. Box 47250  
1300 S. Evergreen Park Drive S.W.  
Olympia, WA 98504-7250.

**Re: Avista Proposed Revisions to Tariff Schedule 80, Customer Choice for Smart Meter Installation, Docket Nos. UE-180418 & UG-180419**

The Energy Project (TEP) respectfully provides these additional comments for the Commission's consideration of this matter at the July 26, 2018, Open Meeting. Consistent with the Commission's recent Policy Statement in Docket No. U-180117, on May 14, 2018, Avista proposed revisions to its tariff schedules 80 (electric) and 180 (natural gas), in order to provide certain residential customers with an option to opt-out of smart meter installation. The Energy Project previously filed written comments to the Commission on June 21, 2018, based upon Avista's initial filing. During the past month, Avista has made some significant revisions and improvements to its original filing based upon discussions with stakeholders, including the extension of choice to residents of multi-plexes up to four units. Avista now proposes that the opt-out program operate as a pilot program, with examination and review after two years. This generally seems to be a reasonable approach. While The Energy Project appreciates the progress that has been made, some concerns remain. Most importantly, TEP continues to recommend elimination of the proposed monthly meter reading charge for customers receiving energy assistance that elect to opt-out of an Advanced Metering Infrastructure (AMI) meter.

For customers electing to opt-out of an AMI meter, Avista now proposes an additional charge of \$5 per month for meter reading, and plans to read opt-out meters on a quarterly basis. We appreciate that this represents a significant reduction from the initial proposal of \$20 per month. However, an additional \$5 per month, or \$60 per year, still represents a hardship and barrier for low-income customers that would most likely preclude them from considering the choice to opt-out of a smart meter. As we noted in our June comments, our understanding is that Avista is able to identify which of its customers are receiving energy assistance through LIRAP, LIHEAP, or Avista's Project Share or any other income eligible assistance program, so this should be administratively feasible without requiring additional eligibility determinations.

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Accordingly, The Energy Project recommends that, in order to make opt-out a realistic option, any customer receiving such energy assistance who elects to opt-out of AMI should have the monthly meter reading fee waived. In our view, the cost impact to Avista from offering such a waiver is likely to be minimal. Such a waiver is responsive to the guidance in the Commission’s Customer Choice Policy Statement that utilities should consider “creative solutions to further alleviate the opt-out fee impact” noting that “even minor utility bill increases can create hardships for those with limited resources.”<sup>1</sup> Adoption of the fee waiver for the term of the pilot would provide an opportunity to evaluate the impact of the waiver on customer behavior and on cost to the Company. The waiver could be revisited at the end of the pilot.

A second issue of interest to The Energy Project is the question of providing timely and effective notice to customers so that they can be fully informed of their options regarding AMI. Clear customer communication is a key element of an effective pilot, making “customer choice” a reality in practice. Recognizing this, Avista’s initial letter (May 14, 2018) has a section addressing “Customer Communications” explaining in general terms the plans for a “comprehensive customer communication effort across a range of channels.” While the overall approach appears to have promise, The Energy Project believes it would be desirable to have a written statement in the record detailing the specific actions to provide notice that will be taken under this plan, and the timing of the actions. Review by UTC Consumer Protection Staff of the Avista informational materials is an important element of the plan. Given the significance of the issues, TEP would request that materials also be shared with Public Counsel and The Energy Project for comment concurrently with the Staff review.

As we discussed in our prior comments, one aspect of this tariff filing that remains unclear is whether Avista will necessarily incur meter-reading costs above the levels recovered in existing rates, for meter reading activity associated with opt-out customers. Avista’s initial filing and revised filing letters do not discuss whether the company anticipates reducing rates in the future to reflect reduced meter reading costs before AMI is fully deployed, or whether the Company plans to assess the monthly fee only after AMI is fully deployed and operational. To the extent that meter reading costs remain in rates, imposing an additional fee for meter reading may result in over-recovery if other rates are not adjusted. The monthly customer charge, in particular, is designed to recover direct customer-related charges, including metering and billing.



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<sup>1</sup> *In the Matter of the Commission Inquiry into Customer Choice for Advanced Meter Installation*, Docket U-180117, Policy and Interpretive Statement on Customer Choice for Advanced Meter Installation, ¶23

Finally, The Energy Project believes it is important to keep in mind that no finding or determination has been made by the Commission regarding the prudence of Avista's expenses and investments to deploy AMI.<sup>2</sup> Prudence issues will be examined in a future general rate case. Rulemaking proceedings addressing a range of other AMI consumer protection issues are expected in the coming months. These are additional reason why the pilot approach is appropriate in this matter.

Thank you for your consideration of these points. The Energy Project will have a representative in attendance at the July 26, 2018, Open Meeting.

Sincerely,



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<sup>2</sup> *In the Matter of the Petition of Avista Corporation For An Accounting Order Authorizing Deferred Accounting Treatment Related to Advanced Metering Infrastructure and Approval of Depreciation Rate*, Dockets UE-170327/UG-170328, Order 01 (September 14, 2017), ¶¶16-17 (approval of deferred accounting for some AMI costs “in no way constitutes preapproval of the Company’s AMI investment, and the Commission makes no finding regarding the prudence of the investment”)