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July 20, 2018

SENT VIA WUTC WEB PORTAL

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Re: Avista Tariff WN U-28, Schedule 80 “Meter Reading and Billing Practices,”
Dockets UE-180418 and UG-180419

Dear Mr. Johnson:

The Public Counsel Unit of the Washington State Attorney General’s Office (Public Counsel) respectfully submits these comments for consideration at the July 26, 2018, Open Meeting. Avista Corporation (Avista) proposes a revision to its Tariff Schedule 80 “Meter Reading and Billing Practices” to reflect the Commission’s Policy and Interpretative Statement on Customer Choice for Advanced Meter Installation (Policy Statement) and its upcoming Advanced Metering Infrastructure (AMI) deployment. Public Counsel has reviewed the filing and has the following comments. We appreciate the opportunity to comment on this filing and commend the Company’s willingness to work with interested parties.

Public Counsel’s Recommendation
Public Counsel recommends approving Avista’s proposed AMI Opt Out Pilot Program.

I. Removal of All Existing Meters to a Non-Communicating Digital AMI Meter

The Company’s initial filing states, “For Avista, the choice of retaining an analog/existing meter is not an option for our deployment.”¹ While the Company does provide its rationale for its decision in the filing,² this proposal is contrary to the Policy Statement. Specifically, the Policy

¹ Avista Initial Filing at 3 (May 14, 2018).

² The Company provides three explanations for this decision: (1) analog meters are no longer being manufactured, (2) this would cause the expansion in the number of manufactures and types of meters, and (3) a digital AMI meter with no communication provides the same choice as an existing meter.



To: Mark L. Johnson, Executive Secretary
Re: Avista Tariff WN U-28, Schedule 80 "Meter Reading and Billing Practices,"
Dockets UE-180418 and UG-180419
Date: July 20, 2018
Page 2 of 5

Statement states, "it is up to the company to select standard meter equipment appropriate for its operations. That said, the Commission nevertheless prefers that companies allow customers to retain the existing meter -- a company's standard meter at the time it was installed -- until that meter fails."³

Public Counsel generally considers replacing existing meters that are functioning well as potentially wasteful, especially if the meter has been installed in recent years. However, Public Counsel does not oppose the Company's proposal. Our understanding is that Avista intends to replace all meters based on its determination of the appropriate meter(s) to use as standard equipment. Replacing the existing analogue meters for the customers opting out will result in some standardization of meters going forward. Our understanding is that Avista has a large number of meter types and manufacturers, requiring specifically trained technicians for meter tests.⁴ Maintaining the newly installed AMI meters along with an unknown number of retained meters for those who opt out may cause logistical and personnel issues, and may also result in additional costs for all ratepayers. Replacing the analogue meters while also installing the new AMI meters may afford efficiencies in maintaining meters overall.

II. Applicable Participation in the Program

Avista's original filing allowed only single-family residential homes to participate in the Opt Out Program. However, the Company's July 17, 2018, revisions has now expanded the program to residential customers of duplexes and multi-plexes of up to four units. Public Counsel supports this amendment, as it will allow customers who want to opt out and who live in duplexes or certain multi-plexes to participate.

III. One-Time and Recurring Fees

Public Counsel is pleased with the Company's consistency with the Policy Statement regarding the fees associated with the program, as well as its willingness to work with stakeholders on an appropriate compromise associated with the opt out charges.

a. One-Time Fees

Avista will not charge a one-time fee for participation in the Opt Out program, if the participant opts out before the installation of a communicating AMI meter or within 30 days of the initial installation.⁵ However, if a customer requests to opt out after 30 days

³ *In re: the Commission Inquiry into Customer Choice for Advanced Meter Installation*, Docket U-180117, Policy and Interpretive Statement for Advanced Metere Installation (Policy Statement) ¶ 27 (Apr 10, 2018).

⁴ Avista Initial Filing at 3.

⁵ Avista Initial Filing at 4.

To: Mark L. Johnson, Executive Secretary
Re: Avista Tariff WN U-28, Schedule 80 "Meter Reading and Billing Practices,"
Dockets UE-180418 and UG-180419
Date: July 20, 2018
Page 3 of 5

from the initial installation, the customer will be assessed a \$75 fee. This is consistent with the Policy Statement and will not result in "double charging" customers for the cost of meters by participating in this program.⁶

Furthermore, Avista will not automatically exchange the non-communicating digital AMI meter when a customer moves out of a premise. Instead, the Company will first consult with the new customer/resident regarding their meter preference,⁷ as recommended in the Policy Statement.⁸

b. Recurring Monthly Fees

The Company's original filing proposed to maintain actual meter reads every other month, resulting in a \$20 recurring monthly fee.⁹ However, in Avista's revised July 17 filing, the charge was reduced to \$5 a month with actual monthly meter readings quarterly (and three-estimated monthly readings in between).¹⁰ Public Counsel supports the lower monthly charge, which will be charged to all customers who chose to opt out, and believes this price point will not be cost prohibitive. Moreover, we are comfortable that quarterly actual reads will not result in extreme true-ups, which may be more prevalent with biannual or annual actual true-ups.

Moreover, we support initiating the pilot program in September 2018 and commencing charges to opt out participants on March 1, 2019. It is our understanding that the Company will remove meter-reading costs from current rates on March 1, 2019. Delaying the monthly charge will ensure no "double charging" occurs for participants in the AMI Opt Out Pilot Program until meter reading costs are removed from current rates. Public Counsel requests that the Company be required to provide a compliance filing in this docket when those costs are removed from general rates (unless a cost recovery proceeding is underway).

Finally, it is Public Counsel's understanding that the new proposed \$5 monthly fee was a compromise between parties and does not follow the cost of service principles. We do have some concerns regarding the true costs of the program, which we assume to be higher than \$5 and, as a result, will be socialized to all Avista customers. However, given

⁶ The Policy Statement, paragraph 18, states, "Notwithstanding our preference that companies refrain from assessing one-time fees generally. It is reasonable to assess a one-time fee to customers who elect to opt out after the company has completed the advanced meter installation at their premise."

⁷ Avista Initial Filing at 4-5.

⁸ Policy Statement ¶ 17.

⁹ Initial Filing at 6.

¹⁰ Avista Revised Filing at 2 (Jul. 17, 2018).

To: Mark L. Johnson, Executive Secretary
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Dockets UE-180418 and UG-180419
Date: July 20, 2018
Page 4 of 5

that the proposed opt out program is a pilot, Public Counsel is comfortable that these costs will be tracked and evaluated later. We discuss this change further in the next section.

IV. Change from a Program Filing to a Pilot Program

In the revised July 17, 2018, filing, the Company proposed to alter the filing from a permanent program to a two-year pilot program, with a comprehensive status report following the two-year period. The comprehensive report will provide an update on the costs associated with the pilot, any customer problems, and any recommendations for a permanent tariff.¹¹

Public Counsel supports this change and believes that it will assist in understanding the extent any socialization of program costs. Additionally, initiating the AMI Opt Out Program as a pilot will aid in identifying any other needed changes to the tariff before a permanent tariff is approved. However, Public Counsel recommends the Company (1) provide an informal update on participation rates on March 1, 2019, and (2) provide additional informal biannual updates reporting the same metrics given in the comprehensive report. We believe the biannual reporting will provide more 'real-time' data and information on the true costs of the program, as well as whether an update in customer fees is required.

V. Customer Communication

Public Counsel appreciates that Avista provides a clear and detailed account of its customer communication on its AMI implementation through direct communication and additional resources.¹² We believe customers should know about the option to opt out and that such information should be included in the direct communications to customers.

Public Counsel supports Avista's AMI Opt Out Pilot Program. Our support of the pilot does not preclude further evaluation and argument regarding the prudence of Avista's AMI investment, once the Company seeks cost recovery. However, Public Counsel appreciates Avista's work in thoughtfully developing an opt out pilot program. We look forward to reviewing stakeholder comments and further discussion at the July 26, 2018, Open Meeting.

¹¹ Avista Revised Filing at 2-3.

¹² Avista Initial Filing at 8-9.

To: Mark L. Johnson, Executive Secretary
Re: Avista Tariff WN U-28, Schedule 80 "Meter Reading and Billing Practices,"
Dockets UE-180418 and UG-180419
Date: July 20, 2018
Page 5 of 5

If you have any questions about this filing, please contact Carla Colamonici at (206) 389-3040 or via email at CarlaC@atg.wa.gov. Alternatively, you may contact me at (206) 464-6595 or via email at Lisa.Gafken@atg.wa.gov.

Sincerely,



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