



Avista Corp.

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

Via: UTC Web Portal

March 29, 2019

Mark L. Johnson
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-180525 – Comments of Avista Utilities

Dear Mr. Johnson,

Avista Corporation, dba Avista Utilities (“Avista” or “Company”), submits the following responses in accordance with the Washington Utilities and Transportation Commission’s (“Commission”) Notice of Request for Additional Information (“Notice”) issued in Docket U-180525 on March 18, 2019 regarding the Commission’s “Rulemaking to modify existing consumer protection and meter rules to include Advanced Metering Infrastructure (AMI).” Pursuant to the Notice, Avista appreciates the opportunity to respond to the following:

Request No. 1. Investor-owned electric utilities operating in this state have implemented or researched processes and procedures for ensuring that the company does not remotely disconnect certain customers and that it has authorized all remote disconnections of electric service. Please identify and describe those processes and procedures, including but not limited to how they are effective in preventing unauthorized remote disconnects.

Avista Response: Avista’s process for disconnecting customers, pursuant to WAC 480-100-128 and as outlined in its tariff Schedules 70 and 170, remains the same for both

Received
Records Management
03/29/19 13:54
State Of WASH.
UTIL. AND TRANSP.
COMMISSION

manual and remote disconnects. For its more vulnerable populations, the Company's "CARES" Department¹ handles each customer on a case-by case basis, only approving disconnection if all other options have been exhausted.

After being notified that a CARES customer is eligible for disconnection, a CARES representative evaluates the account thoroughly and calls each customer to find the best course of action for their particular situation, be it a specialized payment arrangement or coordination with the appropriate assistance agencies. Depending on the extenuating circumstances, a CARES representative may also elect to place a hold on the pending disconnect, or they may send a serviceman to the customer's premise to leave a notice for payment. These notices range from a 5-day, 2-day, or 24-hour notice, and provide the customer with additional time to make arrangements or pursue available resources.

For customers on life support, the CARES Department follows the collections process above, combined with the additional considerations listed below:

- A customer with both electric and natural gas service is only eligible to have gas service disconnected.²
- If a customer has electric service only and is unable to make arrangements to bring the account current, two additional notification letters are sent to the customer
- If no arrangement or payment is made to satisfy the account, a CARES representative creates a new account ("Prior Obligation") for the customer and transfers the delinquent balance owing to that account. The Prior Obligation account then follows the write-off path and, if left unpaid, is ultimately referred to a collection agency.

With the implementation of AMI, the meters installed for larger commercial customers will not have a remote disconnect switch. Disconnects for these customers will be handled in the same manner in which they are handled today, and disconnected manually. These customers are also handled similar to CARES customers, with a representative from the Company's commercial team reviewing the account and, again, initiating additional contact prior to approving disconnection.

Request No. 2. Other states have addressed how to require or otherwise establish the extent to which data collected from smart meters is sufficiently aggregated to permit usage and disclosure of that data without revealing customer-specific information. Please identify those states and describe the methodologies, definitions, regulations, or requirements each state has adopted.

¹ Avista's Customer Assistance Referral and Evaluation, ("CARES") Department works with customers experiencing circumstances such as medical crisis, unemployment, family hardships, or other special conditions that may impact the customer's ability to pay their utility bill.

² Even with the implementation of AMI, natural gas meters do not have remote disconnect capabilities

Avista Response: For purposes of this response, the Company had some limited research done and have provided it as Appendix A.

As for Avista, we currently collect, and in the future will collect information from each meter that includes usage and store this information in our systems. The specific information about the customer that is personally identifiable (e.g. the customer's name, account number, address, and usage) is considered "Customer Information" per our Data Classification policy, and we handle this information according to this classification, which includes access restrictions, marking requirements, storage requirements (both electronic and physical), transmission requirements (electronic and physical), destruction requirements, and requirements for any disclosure to a third party. Also, per our Customer Information Privacy Policy we do not disclose this information except (i) in cases where we are formally requested by federal, state or local government agencies or law enforcement, in response to a subpoena or other operation of law, or to collection agencies in the event of non-payment of utility bills; and (ii) with the customer's consent.

We also currently utilize aggregated, de-identified customer data for some of our energy efficiency programs, looking at overall behavior changes and associated energy consumption and reduction in order to effectively shape our current and new programs. In some cases we are asked to provide aggregated, de-identified customer information for other purposes, (such as public safety concerns with abandoned homes), and we analyze each request on a case by case basis and if approved, we require basic data sharing agreements with those outside parties.

In addition to the responses above, Avista would like to follow up on a few questions posed by the Commission at the March 18, 2019 workshop that, at that time, the Company did not have the requested information available to respond in detail. The following are the Company's responses to those inquiries:

When discussing remote disconnects at the workshop, the Company explained that threshold settings within its Meter Data Management (MDM) system and Head End System (HES) prevent unauthorized disconnects by setting limitations on the daily number of remote disconnects the system is allowed to complete. The Company did not have the exact daily threshold available at that time, but per Commission request has found that the existing AMI in Pullman, Washington currently has a daily threshold of 104 disconnects, comprised of 52 disconnects for nonpayment and 52 customer requested disconnects. Table Nos. 1 and 2 below illustrate the actual number of daily remote disconnects for nonpayment and remote disconnects per customer request, respectively, that occurred in Pullman from November 2017 through February 2019.

Table No. 1 – Daily Remote Disconnects for Nonpayment in Pullman, WA

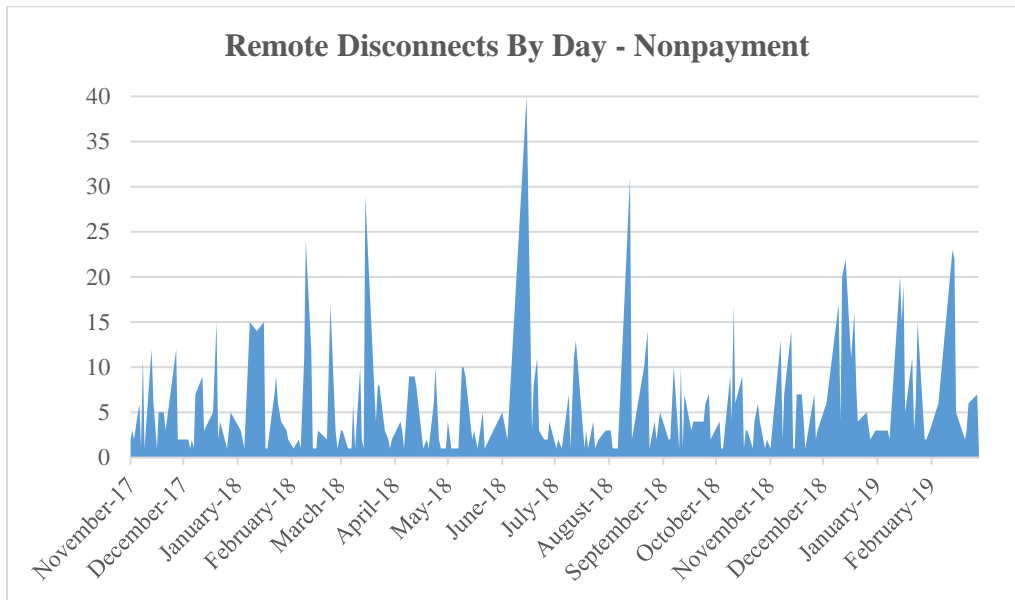
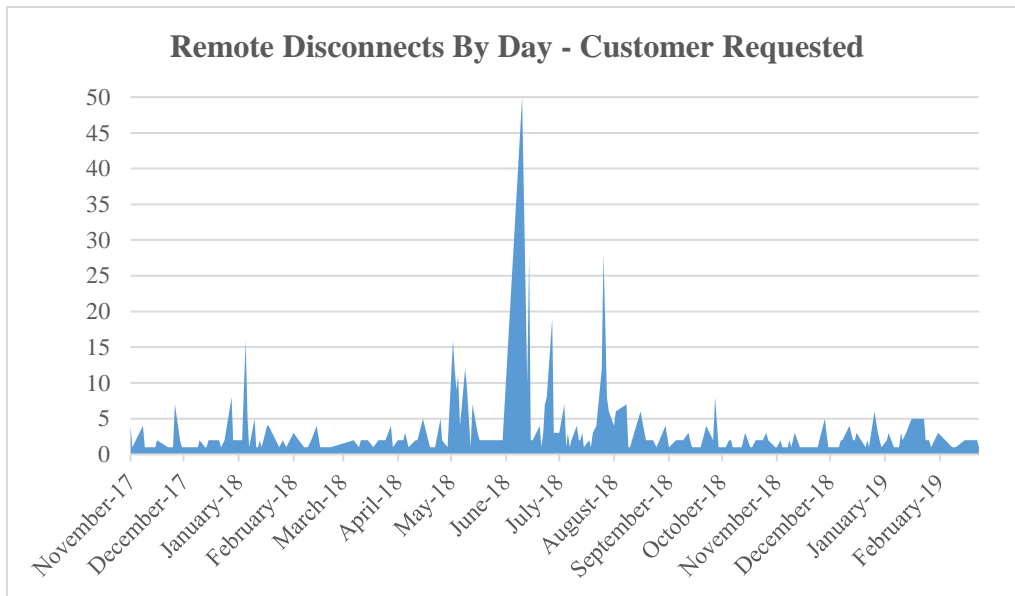


Table No. 2 – Daily Remote Disconnects per Customer Request in Pullman, WA



Though the average number of daily disconnects during this time is 9 total disconnects per day (6 for nonpayment and 3 customer requested), it is evident that there is variability in the amount of disconnects being performed on a daily basis. As shown in the tables above, the

Company nearly reached its 104 daily threshold on June 15, 2018, as a result of halting all disconnects from June 4th to June 15th to resolve a system issue. The resulting disconnects were spread over a series of days once remote disconnect capability was reinstated, with that peak day encountering 90 total disconnects, 40 of which were a result of collections processes and 50 for customer requested stops. It is noteworthy, however, that with the rapid reconnect capabilities of AMI, 80% of these customers were reconnected within 1 minute of the customer requesting service, and 91% were reconnected within one hour.

With regard to Avista's smart meters having home area radio network capabilities (e.g. PSE's Zigbee radio functionality), the AMI system Avista is currently deploying does not use Zigbee protocol. The existing OpenWay system in Pullman, Washington does have this functionality, however, the Company has only run trial programs with it rather than utilize the functionality on a widespread basis. Our partner, Itron, has chosen to move away from the Zigbee protocol with the OpenWay RIVA meter that is now being installed in our Washington service territory. Still, WiFi communication protocol can be used to accomplish this same function and our meters do have the necessary communication components within the meter to utilize WiFi to accomplish in-home communication.

In response to an inquiry from the Commission about the existence of additional meter testing by external agencies, Avista initially responded that it is unaware of any government or external entities that also perform random sampling tests on its meters, but that it would confirm this assumption for the Commission. The Company has since confirmed that Avista does not participate in any third party meter testing nor are we aware of any government agency that does sample testing of utility meters. The Company follows procedures pursuant to the applicable WAC³, tariff Schedules 70 and 170, and best industry practice for testing the accuracy of our meters.

³ Chapter 480-100, Part V and Chapter 480-90, Part IV

Avista appreciates the opportunity to provide these comments, as well as the participation of all stakeholders in this proceeding, and we look forward to continued collaboration in this rulemaking process. Please direct any questions regarding these comments to me at 509-495-4975.

Sincerely,

/s/Linda Gervais

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