

Service Date: July 10, 2018



STATE OF WASHINGTON

UTILITIES AND TRANSPORTATION COMMISSION

1300 S. Evergreen Park Dr. S.W., P.O. Box 47250 • Olympia, Washington 98504-7250

(360) 664-1160 • TTY (360) 586-8203

July 10, 2018

**NOTICE OF OPPORTUNITY TO FILE WRITTEN COMMENTS
(By September 7, 2018)**

Re: Rulemaking to modify existing consumer protection and meter rules to include Advanced Metering Infrastructure
Docket U-180525

TO ALL INTERESTED PERSONS:

On July 10, 2018, the Washington Utilities and Transportation Commission (Commission) filed with the Code Reviser a Preproposal Statement of Inquiry (CR-101) to modify existing consumer protection and meter-related rules to accommodate regulated utility deployment of Advanced Metering Infrastructure (AMI) technologies. The Commission filed the CR-101 in Docket U-180525.

This rulemaking is necessary to modify existing rules in WAC 480-100 (Electric Companies) and WAC 480-90 (Gas Companies) relating to consumer protection and meters that are directly impacted by AMI technologies.

BACKGROUND

Over the past decade, federal legislation in support of smart grid development has provided a framework encouraging states and electric utilities to modernize the electric grid to prepare for future energy demands.¹

As of December 2016, more than 70 million advanced meters have been installed across the U.S., with more than 62 million serving residential customers.² As early as 2009, the Commission began to examine smart grid technologies and their impacts on Washington's regulated utilities and their customers due to the newly enacted federal standards outlined in the

¹ These laws include The Energy Policy Act of 2005 (EPAAct 2005), The Energy Independence and Security Act of 2007 (EISA), and the American Recovery and Reinvestment Act of 2009 (ARRA).

² U.S. Energy Information Administration (EIA) website. Available at <https://www.eia.gov/tools/faqs/faq.php?id=108&t=3>. Retrieved May 18, 2018.

Energy Independence and Security Act of 2007, Public Law 110-140 (EISA).³ A formal rulemaking in Docket U-090222 resulted in a new rule (WAC 480-100-505) that required regulated electric utilities to file a smart grid technology report by September 1 of each even-numbered year beginning in September of 2010.⁴ These reports required specific information regarding each electric utility's consideration of smart grid technologies, anticipated deployment costs, overall cost-effectiveness, and numerous other components.

In 2018, the Commission once again examined the implications of AMI for the specific purpose of gathering information and reviewing options concerning the policy of customer choice for meter installation. The Commission issued its Policy and Interpretive Statement on Customer Choice for Advanced Meter Installation on April 10, 2018, in Docket U-180117.⁵ Other policy issues — including, but not limited to, data privacy, remote disconnection, and customer notification — were held for consideration in this rulemaking.

QUESTIONS FOR CONSIDERATION

Responses to the following questions will assist the Commission in conducting its inquiry:

Data Privacy

1. What information pertaining to customers' energy usage do companies currently collect, retain, or share with third parties?
 - a. What incremental or different information will companies collect or retain with the implementation of AMI?
 - b. Under what circumstances would sharing customer information be necessary for companies to provide utility service?
 - i. What specific information would it be necessary for companies to share to provide utility service?
 - ii. With whom or with what organizations would it be necessary for companies to share such information?
 - c. If not necessary for providing utility service, what information do companies anticipate sharing with third parties for the benefit of customers, and for what specific purpose should the utility share the information with third parties?

³ EISA Section 1307 amended PURPA Section 111(d) to establish a new, three-part Standard 18. Specifically, Part A required the consideration of smart grid investments.

⁴ WAC 480-100-505 contained a sunset clause that expired after the filing of the report due September 1, 2016.

⁵ Avista filed its proposed tariff revision related to customer choice for smart meter installation on May 14, 2018, which is currently scheduled to come before the Commission during its regularly scheduled July 26, 2018, open meeting in Docket UE-180418.

2. With respect to the information provided in response to Question #1, please respond to the following:
 - a. What kind of historical data, and for what time period, should companies maintain information in order to comply with regulatory reporting needs (load studies, conservation and energy efficiency, reliability)?
 - i. How will companies dispose of customers' energy usage information collected from AMI when it is no longer needed or used?
 - b. What rights do or should customers have with respect to their energy use data (co-owners of the data, right to access, right to share with third-parties)?
 - i. What type of customer notice should be required regarding the collection, storage, use, and disclosure of customer data (within a company and with third-parties)?
 - ii. How should the companies be required to obtain customer authorization to share data?
3. How will companies manage and protect customers' energy usage data generated by AMI technologies?
 - a. How should the rules differ for individual customer data and aggregated use data?
 - b. What data collected by AMI should be classified as personally identifiable customer information (PII)?
 - i. How should the rules differ for Anonymous Personal Usage Information (defined as data not explicitly classified as PII that may reveal details, patterns, or other insights into the personal lives, characteristics, or activities of individual customers)?
 - c. How have companies evaluated cyber security risks in the planning, design, or implementation of the AMI system?
 - i. Did your evaluation cause any changes to the plan or procurement of system components? How?
 - ii. If you are using a third-party vendor for any portion of the AMI network, have you evaluated your supply chain for the necessary data security protections? Are there contractual requirements?
 - iii. In the event of a cyber security incident that impacts AMI meters or back office systems, what is your plan to mitigate the rate impact to customers?
 1. Are you purchasing (or do you plan to purchase) cyber security insurance for this project? Does this protection extend to third-party vendors in the event the breach of customer data is beyond your firewall?
 - d. Should the companies be required to report any breach of customer data to the Commission? If not, what set of parameters or threshold is appropriate to require reporting of a breach?

- i. What timeframe should the companies be required to report the breach to the Commission?
 - e. Should the National Institute of Standards and Technology (NIST) cyber security standards form a basis for keeping customer data secure? If not, why?
4. How will customers have access to their energy usage information collected in AMI?
 - a. What platform will you use for customer data access?
 - b. How will you educate customers on viewing and using the platform?
 - i. Will the usage provided to customers be at the same granularity as programmed into the customer's smart meter? What type of outage reporting will you provide?
 - c. What time intervals will you use to send customers their energy usage data (near real-time, sub-hourly, daily)?

Prepaid Service and Customer Deposits

5. What kind of prepaid services will you implement for AMI customers?
 - a. Will companies keep separate accounting records for prepayment services associated with AMI?
 - b. Will the prepayments accrue interest?
 - c. How do companies anticipate changing deposit calculations based on information available from AMI technology?
 - d. How will you address the issue of customers receiving a double bill for the transition month, which will include both the closing bill for post-read billing and the first month of prepayment?
6. How will prepayment systems comply with notice requirements?
7. How will you incorporate energy assistance into prepayment agreements?

Remote Disconnection

8. What are the advantages and limitations of remote disconnection?
9. If the Commission allows remote disconnections for non-payment, in what circumstances would you remotely disconnect customers?
10. What percentage of current disconnection visits result in the customer making a payment to stop the impending disconnection after the service technician makes contact, but before service is disconnected?
11. Is it necessary to modify current rules governing disconnection or customer notice rules to allow companies to remotely disconnect and reconnect customers?
12. During what time of day should disconnection and reconnections occur (*e.g.*, before noon, 24 hours a day, or during business hours only)?
 - a. In the case of a customer disconnected for non-payment, how long will the company take to remotely reconnect service after payment has been received?

Meters

13. What meters will the companies be installing in Washington State (brand, make, model)?
 - a. What are the parameters for measuring and testing the accuracy of the meters?
 - b. What accuracy range do manufacturer(s) guarantee for those meter sets?
14. Are you aware of any health or safety concerns related to AMI?
 - a. What research have you conducted concerning health or safety for the meter sets you will be purchasing?
 - b. Please provide copies or electronic links to the research and any studies on which you have relied.
15. Please explain your current tampering and theft detection process.
 - a. How might AMI technology alter that process?

Billing Requirements

16. In what circumstances do you believe estimating a customer's bill will be required with AMI?
17. Generally, what type of reporting will be available on customer bills as it relates to usage? More specifically:
 - a. What mechanism in customers' bills will display customer-elected load curtailment and control?
 - b. What type of reporting will you provide as it relates to tamper and theft detection?
 - c. What type of reporting will you provide as it relates to voltage reduction?
18. Will the AMI system give customers the ability to program budget billing and conservation goals?
19. Explain the rate and bill flexibilities you will offer customers in conjunction with AMI deployment.

Customer Education

20. Please identify the policies and education programs will you use to inform customers about the following:
 - a. How to report suspected equipment malfunction.
 - b. How to get help reading usage, voltage reduction reports, and outage reports.
 - c. How to use the AMI technologies to curtail electricity use, and the potential to help control peak demand for all customer classes.

WRITTEN COMMENTS

Written comments in response to the Notice and the questions listed above must be filed with the Commission no later than 5 p.m., Friday, September 7, 2018. Pursuant to WAC 480-07-250(3), written comments must be submitted in electronic form, specifically in searchable .pdf format (Adobe Acrobat or comparable software). As provided in WAC 480-07-140(5), those comments

must be submitted via the Commission's web portal at www.utc.wa.gov/e-filing. If you are unable to submit documents via the portal, you may submit your comments by email to the Commission's Records Center at records@utc.wa.gov or by mailing or delivering an electronic copy to the Commission's Records Center on a flash drive, DVD, or compact disc that includes the filed document(s). Comment submissions should include:

- The docket number of this proceeding (U-180525).
- The commenting party's name.
- The title and date of the comment or comments.

The Commission will post all written comments on its website at the following URL address: www.utc.wa.gov.

If you have questions regarding this rulemaking, you may contact staff leads, Amy Andrews, at (360) 664-1304 or by email at amy.andrews@utc.wa.gov, or Rayne Pearson, at (360) 664-1136, or by email at rayne.pearson@utc.wa.gov.

Stakeholders will have further opportunity for comment. Information about the schedule and other aspects of the rulemaking, including comments, will be posted on the Commission's website as it becomes available. If you wish to receive further information on this rulemaking, you may:

- 1) Call the Commission's Records Center at (360) 664-1234.
- 2) E-mail the Commission at records@utc.wa.gov.
- 3) Mail written comments to the address below.

When contacting the Commission, please refer to Docket U-180525 to ensure that your placement on the appropriate service list(s). The Commission's mailing address is:

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

NOTICE

If you do not want to comment now, but do want to receive future information about this rulemaking, please notify the Executive Director and Secretary in one of the ways described above and ask to be included on the mailing list for Docket U-180525. If you do not do this, you might not receive further information about this rulemaking.

Mark L. Johnson
Executive Director and Secretary