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RE: Docket U-180525 – Cascade Natural Gas Corporation’s Comments on Proposed Rulemaking to Modify Existing Consumer Protection and Meter Rules to Include Advanced Metering Infrastructure

In response to the Notice of Opportunity to File Written Comments issued by the Washington Utilities and Transportation Commission (“the Commission”) on July 10, 2018, Cascade Natural Gas Corporation (“Cascade” or “The Company”), a subsidiary of MDU Resources Group, Inc., submits the following written comments on the Commission’s proposed rulemaking to modify existing consumer protection and meter rules to include Advanced Metering Infrastructure (AMI) in Washington Administrative Code (WAC) Chapter 480-04 Public Access to Information and Records.

Cascade’s current meter reading system is classified as being Automatic Meter Reading (AMR), where AMR is defined as a single-purpose one-way communication network dedicated to receiving gas usage meter readings. A device located on a meter called an Encoder Receiver Transmitter (ERT) is used for this process. Cascade has implemented an ERT exchange project to replace aging ERTs across all Company districts. This is approximately a 2-year project. The replacement ERTs are not AMI capable. Cascade will be evaluating the possibility and feasibility of installing Fixed Network Technology over the next 2 to 3 years within its service territories. The fixed network implementation is one step closer to implementing AMI but Cascade would then be required to install new ERTs that would support AMI. As such, Cascade does not anticipate employing AMI technology in the near future.

With these facts in mind, Cascade responds to the following questions:

QUESTIONS FOR CONSIDERATION



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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?
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?



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- 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)?



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Response: In regard to questions 1 through 4 and customer data privacy, Cascade does not anticipate implementing a true AMI environment in the near-future. When Cascade is ready to implement AMI technology it will comply with cybersecurity guidelines as identified by Federal and State oversight committees along with the recommendations by the American Gas Association (AGA) to protect the privacy of its customers and the security of its infrastructure.

Cascade Natural Gas collects monthly natural gas energy volume information for billing purposes. Information such as customer addresses, account numbers and rate schedules are also maintained. This information is retained as archived information for review and historical information for customer and company knowledge. This information is not shared with third parties unless the customer authorizes the release of that information.

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?

Response: In regard to questions 5-7, Cascade believes its current system, even after improving it to add a fixed network for data collection, does not meet the Commission's definition of AMI. Therefore, the above questions in regard to prepaid services and customer deposits are not applicable to the Company's current or near-future plans.

Remote Disconnection

8. What are the advantages and limitations of remote disconnection?



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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?

Response: In regard to questions 8-12, the Company believes its current system, even after improving it to add a fixed network for data collection, does not meet the Commission's definition of AMI. Therefore, the above questions in regard to remote disconnection are not applicable to the Company's current or near-future plans.

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?

Response: In regard to questions 13-15, Cascade is not planning to install meters with AMI capabilities in the foreseeable future. Therefore, the above questions in regard to meters are not applicable to the Company's current or near-future plans.

Billing Requirements

16. In what circumstances do you believe estimating a customer's bill will be required with



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AMI?

17. Generally, what type of reporting will be available on customer bills as it relates to usage? More specifically:
- What mechanism in customers' bills will display customer-elected load curtailment and control?
 - What type of reporting will you provide as it relates to tamper and theft detection?
 - 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.

Response: In regard to questions 16-19, Cascade is not planning to install meters with AMI capabilities in the foreseeable future. Therefore, the above questions in regard to billing requirements are not applicable to the Company's current or near-future plans.

Customer Education

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

Response: In regard to question 20, Cascade is not planning to install meters with AMI capabilities in the foreseeable future. Therefore, the above question regarding customer education programs and AMI is not applicable to the Company's current or near-future plans.

Sincerely,

/s/ Michael Parvinen

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Attachments