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VIA ELECTRONIC FILING

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COMMISSION

RE: Docket U-180117—Pacific Power & Light Company’s Comments

In response to the Washington Utilities and Transportation Commission’s (Commission) February 16, 2018 Notice of Workshop and Notice of Opportunity to File Written Comments (Notice), Pacific Power & Light Company (Pacific Power), a division of PacifiCorp, submits these comments regarding customer choice for smart meter installation.

The Commission requested written comments to address specific questions for consideration that were outlined in the Notice. The Company addresses each of these questions below.

Smart Meter Installation Opt-In/Opt-Out

1. Should companies be required to offer customers the choice to opt-out of smart meter installation at their premises? Alternatively, should customers affirmatively opt-in?

Pacific Power recommends that utilities be allowed to provide an opt-out option for customers who are not comfortable with smart meters or radio frequency (RF) technology in general. In Washington, Pacific Power currently has an opt-out option available for its AMR metering system. In Pacific Power’s experience, providing an opt-out option strikes an appropriate balance by allowing customers a choice without causing excessive inefficiencies or additional costs. Under an opt-in scenario, utilities would be required to track the enrollment choice for all customers and would see lower overall participation.

2. Should companies be required to offer all customer classes the choice to opt-out or opt-in for smart meter installation?

Pacific Power does not recommend requiring utilities to offer all customer classes an opt-out option, but sees the opt-out as primarily serving residential customers. But due to the fact that some residential customers may have small general services and/or well pumps on their premises, Pacific Power recommends that non-residential services, such as garages, shops, barns, or well pumps, located on residential properties, be eligible for the opt-out option.

3. What company estimates, if any, have already been developed for how many customers would choose to opt out or opt-in for smart meter installation?

Pacific Power has not completed analysis to estimate opt-out percentages at this time. Less than one percent of the company's customers have opted out of AMR metering.

Smart Meter Benefits

4. What challenges do the companies face based on different levels of opt-in and opt-out (e.g., 1 percent, 5 percent, 25 percent) and what smart grid benefits are either reduced or eliminated at these levels?

Pacific Power has not performed analysis regarding opt-out percentages and its impact on smart grid benefits at this time.

5. For those customers who select to opt-out of, or decline to opt-in to, smart meter installation, what types of services or benefits would they be forgoing?

Customers choosing to opt-out of smart metering will not have access to the following benefits:

1. Usage-Based Billing Alerts: Access to real-time communications when estimated monthly billings exceed a threshold set by the customer.
2. Interval Usage Data: Access to interval usage data that may help customers to better manage their energy use. This data would provide opportunities for customers to better understand their energy usage, determine if usage is higher or lower than average before billing occurs, and may also be applied to many third-party apps that provide a variety of ways to conserve energy.
3. Outage Management: With smart meters, the company would be alerted to power outages immediately, which could ultimately lead to faster restoration times.
4. Greater Privacy: The increased privacy and security associated with less need for the Company to access the customer's property.

Costs

6. What types of costs are associated with offering an analog/existing meter opt out option?

Pacific Power is not able to offer an analog meter option. Pacific Power's current standard meter is an AMR meter. Alternatively, the company can provide a non-RF digital meter installation for customers opting out of smart metering. For opt-out customers, the following fees would apply: An upfront opt-out fee, a monthly meter reading fee, and reconnection fees for non-RF meters on an as-needed basis.¹

7. Are costs a function of the number of customers choosing to opt-in or opt out?

¹ Reconnection fees for non-radio-frequency meters may be higher to reflect the need for a site visit to restore service.

The company has not performed analysis to determine how a greater or lesser volume of opt-out customers may impact costs.

8. Should all costs associated with the opt-out choice be paid by the individual customer making that election or should some portion of those costs be allocated to all ratepayers and/or to company shareholders?

Yes, all costs associated with the choice to opt-out should be paid by the customers choosing to opt-out. By opting out, these customers will require additional services that are not provided to the rest of the Company's customers.

Fees

9. What fees (one-time/recurring) should be assessed to customers who elect to opt-out and should the fees be assessed on a per-meter or per-location basis?
 1. A one-time opt-out fee to cover the costs of processing the opt-out request and any metering changes. (This fee should be paid at the time opt-out occurs.)
 2. Monthly meter reading fee. (Recurring)

In addition, customers who opt-out may be subject to higher service fees than customers with smart meters, due to the necessity to roll a truck.

10. If a monthly fee component is included, should there be a limited duration for companies to recover the incremental costs associated with the customer's choice to retain an analog/existing meter?

Since there will be regular opt-in and opt-out requests, Pacific Power recommends that all opt-out customers continue to bear the costs associated with the opt-out choice for as long as they remain opted out. This will protect the remaining customers from increased rates due to the costs caused by the customer who opts-out of smart metering.

11. If a one-time or up-front fee is required, should the companies be required to offer a payment plan?

Because the one-time or up-front fee is voluntary (*i.e.*, it is only incurred if the customer elects to opt-out), Pacific Power believes a payment plan offering should not be required. Rather, utilities should have discretion as to whether to include such offerings in their individual opt-out programs.

12. If recurring opt-out fees are assessed with each meter reading, should alternative meter reading schedules be adopted to reduce the opt out fees paid by the customer (e.g., bi-monthly, quarterly, or annually with budget billing)?

Pacific Power does not recommend this option. Customers benefit from regular monthly meter readings, which show actual usage and charges that reflect actual consumption. In

addition, budget billing is generally based on invoice history. If the invoice history is based on estimates due to an alternative meter reading schedule, it can be challenging to provide accurate monthly installment amounts to implement budget billing.

13. Should fees differ based on whether the customer is selecting to opt-out of a smart meter for a single service (e.g., electric or natural gas) or both services?

Pacific Power does not provide gas service.

14. Should there be a fee imposed on customers who elect to opt-out and later desire to have a smart meter installed?

Pacific Power does not recommend charging an additional fee at the time customers opt back in to smart metering.

15. Should opt out fees be a separate line item on a customer's bill?

Yes, opt-out fees should be a separate line item on the customer's bill to clearly show customers the cost of opting out.

Options

16. Should more than one opt out option be offered to customers who do not wish to have a wireless smart meter (e.g., a digital non-communicating meter)? If so, should the cost differ based on the type of meter selected?

Pacific Power would need to understand more specifics of which options were being offered to determine if there would be a cost differential between options.

17. Should customers with smart meters be offered the opportunity to relocate the smart meter to another location on their premises? If so, should the customer pay the cost of relocation?

Pacific Power provides an option for customers to relocate service under existing tariffs. Pacific Power supports the relocation of service for customer convenience as long as the customer pays the cost of relocation, and the new location of the meter meets service and access standards.

Customer Communication

18. What form(s) of communication should the companies employ to advise customers of their smart meter installation options, and what type of information should be communicated?

Customers should be provided with advance notice of the company's intent to schedule a smart meter installation so that any questions or concerns may be addressed before the

