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September 30, 2021

Amanda Maxwell
 Executive Director and Secretary
 Washington Utilities & Transportation Commission
 621 Woodland Square Loop SE
 Lacey, WA 98503

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 State Of WASH.
 UTIL. AND TRANSP.
 COMMISSION

RE: UE-180418 and UG-180419 – Avista Utilities Final AMI Opt-Out Status Report

Dear Ms. Maxwell:

In compliance with ¶ 4 of Order 01 in Docket Nos. UE-180418 and UG-180419, Avista Corporation, dba Avista Utilities (Avista or the Company), submitted its final “Bi-Annual Status Report” (Status Report) related to the Company’s Advanced Meter Infrastructure (AMI) Customer Opt-Out Pilot (Opt-Out Pilot) on November 30, 2020. At that time, the Company had not completed full deployment of its AMI systems; as such, Avista agreed to provide an additional “final” Status Report regarding its Opt-Out Pilot.

Avista’s Washington AMI project began in September of 2018 and is now substantially complete.¹ To date, over 408,000 electric meters and natural gas modules have been exchanged, reaching approximately 269,036 residential and commercial customers, with 2,325 customers having completed and returned the application to opt-out. To date, 223 of these customers have actually opted back in to the program. Table No. 1 below shows the number of meters installed each quarter since the beginning of 2019.

¹ There are still 181 AMI installments left to be completed.

Table No. 1 - AMI Meter/module installations as of 9/30/2021 by quarter:

Year	Quarter	Electric	Natural Gas	Total
2019	Q1	6,916	5,002	11,918
2019	Q2	29,003	17,265	46,268
2019	Q3	56,067	31,441	87,508
2019	Q4	46,418	29,530	75,948
2020	Q1	43,434	28,119	71,553
2020	Q2	37,693	19,121	56,814
2020	Q3	33,121	19,372	52,493
2020	Q4	3,494	959	4,453
2021	Q1	98	108	206
2021	Q2	743	38	781
2021	Q3	132	769	901

Table No. 2 below shows the number of opt-out customers by service type.

Table No. 2 – Number of Opt-Out Customers by Service

Customer Group	Opt-Out
Dual Fuel Customers:	1,371
Electric Only Customers:	920
Gas Only Customers:	34
Total Opt-Out Customers:	2,325

Of those customers that have chosen to opt out of receiving an AMI meter or module, around 39% of customers noted concerns relating to radio frequency, safety, or data privacy concerns as their reason for opting out, while approximately 61% of customers either did not provide a specific reason for their decision or they simply preferred to keep their existing meter and would not allow Avista personnel to access to their premise for purposes of installing a new communicating meter/module. Notably, 220 Opt-Out Pilot customers have been identified as having received energy assistance through the Company’s low-income assistance programs.

Regarding opt-out fees, the Company filed proposed revisions to its tariff Schedules 80 and 180 on January 6, 2020, requesting to increase the fee for customers who request to opt-out of receiving an AMI meter before installation, as well as to remove the charging of any upfront

fees for customers who opt-out within 30 days of installation.² The Commission approved an opt-out fee of \$10 per month, which the Company began charging on October 1, 2020.

With the installation of AMI now substantially complete, Avista has been able to optimize its meter reading routes and, in turn, update its total annual cost and per opt-out customer costs for the reading of meters for AMI opt-out customers on a quarterly basis. With these optimizations now in place, the Company's cost of reading opt-out customers' meters has changed from prior forecasts. This cost variation is primarily due to Avista's choice to deviate from its original plan of eliminating meter readers and utilizing existing meter technicians, local area representatives, or serviceman to conduct the reads; instead, the Company has retained its meter readers to perform these reads in order to save on labor costs. Meter reads are collected in batches relative to the customer's bill day, and thus are spread throughout the month, blending costs. The following table provides a breakdown of Avista's updated estimates regarding the average cost to read an opt-out customer meter.³

² Docket No. UE-200013.

³ Information presented in Table No. 3 is based on actual route data, configured to read the route in a single eight-hour day based on mileage between service points.

Table No. 3 – Estimated Average Cost to Read an Opt-Out Customer Quarterly

Number of Opt-Out customers:	2,325
Total number of miles:	6,558
Truck (Class 46) Cost per mile:	<u>\$2.00</u>
Total vehicle cost:	\$13,116
Number of Opt-Out Read Routes per Read Cycle:	43
Average Meter Reading Time (hrs) per Read Cycle:	344
Average Hourly Meter Reading Rate (loaded):	<u>\$58.50</u>
	\$20,124
Department Overheads:	\$8,600
Total Cost per read cycle:	<u>\$41,840</u>
Average cost to read per premise:	\$18.00

Due to the above changes in meter reading cost estimates, Avista finds it appropriate to modify its current \$10 monthly opt-out fee to better align with the actual meter reading cost being incurred. As such, the Company anticipates filing a request to decrease the aforementioned fee contained within its Schedules 80 and 180 no later than November 1, 2021.

Please direct any questions regarding this filing to me at 509-495-2782 or shawn.bonfield@avistacorp.com.

Sincerely,

/s/ Shawn Bonfield

Shawn Bonfield
Sr. Manager Regulatory Policy & Strategy