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October 5, 2015

Via Electronic Mail

Steven V. King
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-144155 - Comments of Avista Utilities

Dear Mr. King,

Avista Corporation, dba Avista Utilities (Avista or Company), submits the following comments in accordance with the Washington Utilities and Transportation Commission's (Commission) Supplemental Notice of Opportunity to File Written Comments (Notice) issued in Docket U-144155 on September 4, 2015.

On February 18, 2015, the Washington Utilities and Transportation Commission (Commission) filed with the Code Reviser a Preproposal Statement of Inquiry (CR-101) to consider adoption of rules within Washington Administrative Code (WAC) 480-90-178 and WAC 480-100-178, Billing requirements and payment date. This rulemaking considers establishing standards for all regulated energy companies to investigate and issue a retroactive corrective bill for meter errors including, but not limited to, those created by stopped, slowed, erratic or unassigned usage.

The Commission received written comments on the CR-101 on March 23, 2015. In addition, a workshop with interested stakeholders was held on May 20, 2015. Following this workshop the Commission issued a second Notice of Opportunity to Submit Written Comments and revised draft rule with comments due on July 21, 2015. Avista appreciates the iterative process taken by the Commission to attempt to reach consensus on the language of the draft rules and believes the language of the current draft rules is a great improvement over the initial draft.

Avista supports the intent of the draft rules and offers the following responses to the specific question's included in the Notice.

1. Please provide the three most recent years of data regarding the number of corrected bills issued for under-billed amounts due to meter failure or malfunctions, or unassigned energy usage meters that exceeded six months in duration. Please provide the information in the following format:

Response:

Year	Residential		Non Residential		Total Revenue
	Number of accounts issued corrected bills exceeding six months	Total amount billed in excess of six months*	Number of accounts issued corrected bills exceeding six months	Total amount billed in excess of six months*	Company's total revenue
2012	8	\$3,019	2	\$555	\$625,675,220
2013	5	\$2,932	1	\$332	\$651,307,499
2014	4	\$1,258	1	\$3,823	\$675,386,929

*The dollar amounts included in the table represent the sum of total amount re-billed to customers who were issued corrected bills in excess of six months.

2. Please provide the three most recent years of data regarding the number of corrected bills issued for under-billed amounts due to all other billing errors (excluding meter tampering, fraud and estimated bills.) Examples include: corrected bills for incorrect prorated bills: mislabeled meter bases; incorrectly installed meters; incorrect billing rate schedules; and incorrect billing multipliers. Please provide the information in the following format:

Response:

Year	Residential		Non Residential		Total Revenue
	Number of accounts issued corrected bills exceeding six months	Total amount billed in excess of six months*	Number of accounts issued corrected bills exceeding six months	Total amount billed in excess of six months*	Company's total revenue
2012	0	\$0	4	\$34,123	\$625,675,220
2013	1	\$2,137	0	\$0	\$651,307,499
2014	0	\$0	0	\$0	\$675,386,929

* The dollar amounts included in the table represent the sum of total amount re-billed to customers who were issued corrected bills in excess of six months.

3. The rationale for requesting the exclusion of non-residential customers from the six month billing correction limitation is unclear.
 - a. Please provide additional rationale and examples of why it is important to exclude non-residential customers.
 - b. Please provide an explanation of the terms “small business customer,” “commercial customer,” “large commercial customer,” and “industrial customer.”
 - c. Please provide the following additional data regarding seasonal commercial customers. Also, please provide an explanation of how seasonal commercial customers pose a problem for companies to identify and correct billing problems.

Response: Avista believes the draft rules, as written, should apply to residential and non-residential customers. Typically, the terms that describe commercial customers are in reference to the rate schedule a customer is being billed for service. For example, “small business customer” or “commercial customer” refers generally to Avista’s Schedule 11, General Service customer. “Large Commercial Customer” generally refers to Avista’s Schedule 21, Large General Service customer and “Industrial Customer” generally refers to Avista’s Schedule 25, Extra Large General Service customer. Avista is not able to separate seasonal commercial customers from all commercial customers, thus we are unable to provide the data requested.

- Please provide the most recent three years of data for corrected bills related to over-billing.

Response:

Year	Residential		Non Residential	
	Number of accounts issued refunds exceeding six months	Total amount of refunds in excess of six months*	Number of accounts issued refunds exceeding six months	Total amount of refunds in excess of six months*
2012	24	(\$9,351)	5	(\$5,064)
2013	27	(\$7,171)	1	(\$3,444)
2014	62	(\$3,479)	10	(\$18,058)

* The dollar amounts included in the table represent the sum of total amount re-billed to customers who were issued corrected bills in excess of six months.

- Please describe all current procedures in place to prevent and identify billing errors resulting from: incorrect prorated bills; mislabeled meter bases; incorrectly installed meters; incorrect billing rate schedules; or incorrect billing multipliers.

Response: Avista has many procedures in place to prevent and identify billing errors from occurring. From a system perspective, meter installs, changes, or removals are primarily completed through the Company’s Mobile Dispatch System. With this application we are able to set validation rules to ensure data integrity. These rules help in preventing errors from being entered in the system and to ensure that the proper equipment is being installed in the field. In addition, some of the specific procedures in place to prevent and identify billing errors are as follows:

- **Incorrect prorated bills** – Avista’s Customer Care & Billing system has built in functionality for the automated proration of bills. This functionality insures that bills are prorated correctly.
- **Mislabeled meter bases** – Avista requires all meter sockets in multi-unit dwellings with separate meters to be labeled. Avista will not install any meters at multi-metered facilities until each individual meter is properly labeled and each circuit is physically verified jointly by the installing electrician and Avista’s meter installer. The building owner is responsible for the proper identification of electric and natural gas meters, which includes making sure the building number/letter matches what was provided during the joint verification. In addition, for natural gas meters, each type meter is physically different from one another and labeled from the manufacturer with the meter size and model. When installing a natural

gas meter, the meter installation field order will specify the size of meter required to properly serve the customer.

- **Incorrectly installed meters** - Only Avista-owned metering equipment will be used to provide billing information. Avista uses Journeyman meter technicians who have completed three years of meter specific training to install meters. Each technician works with electricians and Customer Project Coordinators to provide the proper metering given the specific installation. When natural gas meters are installed, the natural gas service person verifies the piping and meter are level and plumb to ensure proper operation of the meter. Additionally, the pressure regulator setting is verified under both flowing and non-flowing conditions (actual values are entered into the meter installation field order). Lastly, the test hands on the natural gas meter index are visually checked to ensure they show natural gas usage before completing the meter installation field order.
- **Incorrect billing rate schedules** - For new installations, the rate schedule is entered by the employee in the office who creates the new premise (meter location) and field order. The meter technician reviews the billing rate schedule to make sure it is appropriate.
- **Incorrect billing multipliers** – For electric meters, the billing multiplier is determined by the meter technician who installs the meter based on the installation. The multiplier is written on the meter and is also documented as part of the field order completion. In the field order, the meter multiplier entered must be “1” if there are no Current Transformers (CTs) present or the order will not be allowed to be completed. If there are CTs present, the multiplier must match the CT ratio before the order can be completed. These verifications prevent field technicians from making mistakes while entering the multipliers. For natural gas meters, the meter multiplier is programmed by the meter manufacturer. Avista randomly samples new batches of meter orders when they are received from the manufacturer to ensure they are properly programmed. Avista also verifies the meter multiplier is correct in the field when performing certain types of work on gas meters already installed.

Lastly, Avista offers the following comments and suggestions on the proposed language of the draft rules.

- In Section 5(a), Avista proposes that the language in the first sentence, “a utility must issue a corrected bill to a customer to recover or refund billed amounts” be modified to read, “a utility **may** issue a corrected bill to a customer to recover billed amounts and must issue a corrected bill to a customer to refund billed amounts.” Avista proposes this modification as it is the same concept used in its Oregon jurisdiction. Essentially, this modification gives the utility flexibility to not back bill a customer who has been under-

billed, which is helpful in certain situations. For example, in a switched meter or mislabeled meter base situation, the customer that was under-billed may no longer be a customer of the utility. Also, there may be times when the under-billing may not be economic to issue the corrected bill. This flexibility would be both a benefit to the customer and the utility. Alternatively, the language would still require the utility to always refund any amount that has been over-billed.

- In Section 5(a) of draft rule the sentence “The utility must issue a corrected bill within 60 days from the date the utility discovered the under or over-billing.” is repeated twice. Avista proposes that one of the sentences be removed.
- In Section 6, Avista proposes that item (e), “The actions taken to eliminate the cause of the bill correction.” be removed. The reason for the bill correction is already included in part (a), therefore the Company does not believe this requirement will add additional value. Also, messaging is limited on a bill so the Company would propose to eliminate any requirements that may not be needed. Issuing a letter will be necessary in some situations, but also comes at an added cost.
- In Section 6(f), Avista proposes the language be modified to read as follows, “**When issuing a corrected bill for under-billing**, an explanation of the availability of payment arrangements...” The Company proposes this modification as payment arrangements do not apply to situations when a utility issues a corrected bill or refund for an over-billing. By adding this language it would allow the Company to utilize bill messaging as it is one less requirement to include when issuing a corrected bill for an over-billing.

Avista appreciates the opportunity to provide these comments. If you have any questions regarding these comments, please contact Shawn Bonfield at 509-495-2785 or shawn.bonfield@avistacorp.com or myself at 509-495-4975 or at linda.gervais@avistacorp.com.

Sincerely,

/s/Linda Gervais/

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