



Avista Utilities

Retired Electric Meters
Annual Report - 2017

Docket No. UE-160100

January 31, 2018

I. Introduction

In compliance with Order 01, in Docket UE-160100, Avista Corporation, respectfully submits its “Avista Retired Electric Meters Annual Report - 2017” to the Washington Utilities and Transportation Commission (UTC). This report is intended to comply with the requirements outlined below:

Order 01 in Docket UE-160100:

- (2) Avista Corporation must file with the Commission an annual report by January 31 of each year, beginning January 31, 2017, documenting the actual number of meters retired in the previous calendar year and the net book value of those meters at the time of retirement.

II. 2017 Meter Retirement Update

Avista is currently engaged in the deployment of Advanced Metering Infrastructure (AMI) for its electric and natural gas customers in Washington. The AMI project will build on the Company’s experience with automated meter reading (AMR) in Idaho and Oregon, and AMI in Pullman, Washington, to provide a range of customer benefits to all of Avista’s Washington operations. The project will deploy AMI to approximately 253,000 electric customers and 155,000 natural gas customers.

AMI includes advanced electric meters that are digital meters capable of two-way communication, and which are equipped with the ability to measure the incoming and outgoing flow of electricity from a customer’s premise in configurable intervals that range from 5 minutes to an hour. This communication capability means the meter can remotely transmit energy-use information to the utility and the customer, and can also receive and respond to signals sent from the utility to the meter. Advanced meters themselves are only part of an integrated metering system. The meter must be connected with specialized communication networks and information management systems in order to deliver value to the consumer. This entire system of meters, communications, and digital hardware and software systems is referred to as advanced metering infrastructure. Avista is planning to replace all of its existing Washington electric meters, the majority of which are conventional electro-mechanical meters, with a new advanced meter. The

analog register¹ attached to the existing natural gas meters will be upgraded with a new digital communicating module. But the natural gas meter itself will not be replaced.

In anticipation of replacing its existing electric meters, the Company filed an accounting petition with the Commission on January 20, 2015, which was subsequently amended on March 4, 2016. On March 15, 2016, the Commission granted the Company's petition subject to conditions, one of which was to annually report, as noted above, the number of electric meters retired each year, and the undepreciated value of those meters. The accounting petition was effectuated by the Company's execution of AMI contracts during 2016, which formally commenced the AMI project. In Order 01 in DOCKETS UE-170327 and UG-170328, the Commission approved the Company's request for like treatment of its natural gas meter analog registers, which are also included in this report for 2017.

The initial AMI implementation has focused on purchasing and installing a new meter data management system, which was placed into service during the Go Live operation in October 2017. The Company is currently installing the head-end software systems, and has completed contracts for the purchase of the advanced meters, communication modules and communications system hardware. Because the deployment of advanced meters and modules is entirely dependent on the enabling software and hardware systems being installed and tested, the Company did not deploy any advanced meters or natural gas communication modules in 2017, and therefore, it retired no electric meters or analog registers in 2017, related to AMI deployment. The Company plans to install advanced meters and modules on a test basis in early Q4 of 2018, and their full-scale deployment is planned to begin in 2019. Therefore, the Company does not have any retired meters or analog registers, or net book value of those meters and modules to report for 2017.

¹ The analog register provides the visual reading of the metered amount of natural gas that has been used by the customer.