

Avista Corp.
1411 East Mission PO Box 3727
Spokane, Washington 99220-3727
Telephone 509-489-0500
Toll Free 800-727-9170

RECEIVED
08 APR 28 AM 9:05
IDAHO PUBLIC
UTILITIES COMMISSION



April 25, 2008

Jean Jewell, Secretary
Idaho Public Utilities Commission
W. 472 Washington Street
Boise, ID 83720

Re: AVU-E-07-09 - Avista Corporation's Revised Application to Implement A Pilot Program for Remote Disconnects and Reconnects

Dear Ms. Jewell:

Enclosed for filing with the Commission is an original and 7 copies of the Company's revised application requesting approval of a "Remote Disconnect/Reconnect Pilot Program" and a request that the Commission provide the Company with a limited waiver of IDAPA 31.21.01 (311.03) and (311.04) [Utility Customer Relation Rules] for the term of the pilot.

The Company requests that this filing be processed under the Commission's Modified Procedure rules.

Please direct any questions on this matter to myself at (509) 495-4975 or Greg Paulsen at (509) 495-4976.

Sincerely,

A handwritten signature in cursive script that reads "Linda Gervais".

Linda Gervias
Manager, Regulatory Policy
Avista Corporation
linda.gervais@avistacorp.com

Enclosures

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UTILITIES COMMISSION

DAVID J. MEYER
VICE PRESIDENT AND CHIEF COUNSEL FOR
REGULATORY AND GOVERNMENTAL AFFAIRS
AVISTA CORPORATION
P.O. BOX 3727
1411 EAST MISSION AVENUE
SPOKANE, WASHINGTON 99220-3727
TELEPHONE: (509) 495-4316
FACSIMILE: (509) 495-8851

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION) CASE NO. AVU-E-07-09
OF AVISTA CORPORATION FOR THE)
AUTHORITY TO IMPLEMENT A PILOT)
PROGRAM FOR REMOTE DISCONNECTS)
AND RECONNECTS)

REVISED APPLICATION OF AVISTA CORPORATION

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I. INTRODUCTION

Avista Corporation, doing business as Avista Utilities (hereinafter Avista or Company), at 1411 East Mission Avenue, Spokane, Washington, respectfully requests that the Commission approve a pilot program for "Remote Disconnect/Reconnect" and requests that the Commission issue in its order providing the Company with a limited waiver of IDAPA 31.21.01 (311.03) and (311.04) [Utility Customer Relation Rules] for the term of the pilot. The revised proposed pilot is intended to implement a system for remote disconnection and reconnections, without the need for an employee visit to the affected premises.

The Company requests that this filing be processed under the Commission's Modified Procedure rules.

Communications in reference to this Application should be addressed to:

David J. Meyer, Esq.
Vice President and Chief Counsel for
Regulatory and Governmental Affairs
Avista Corporation
P.O. Box 3727
1411 E. Mission Avenue, MSC-13
Spokane, WA 99220-3727
Phone: (509) 495-4316
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Kelly Norwood
Vice President - State and Federal Regulation
Avista Corporation
P.O. Box 3727
1411 E. Mission Avenue, MSC-7
Spokane, WA 99220-3727
Phone: (509) 495-4267
Fax: (509) 495-8856

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II. BACKGROUND

Avista originally filed its application seeking approval to implement a one-year pilot program for remote reconnects and disconnects with the Idaho Public Utilities Commission (IPUC) (hereinafter the Commission or Staff) on August 30, 2007. The Company also requested a limited waiver of IDAPA 31.21.01 (311.03) and (311.04) [Utility Customer Relation Rules] for the term of the pilot. The Commission authorized the use of Modified

1 Procedure and established a comment deadline. Commission Staff filed comments
2 supporting the Company's application. The American Association of Retired People
3 (AARP) and Community Action Partnership Association of Idaho (CAPAI) (referred to as
4 the "Parties") filed comments opposing the Company's application. In Order No. 30471, the
5 Commission ordered the Parties to conduct workshops to further refine the details of the
6 program.

7 The Parties attempted to resolve any remaining issues through two different
8 conference calls, and a formal workshop that was held March 27, 2008 in Boise, at which all
9 Parties were represented. The Company and Parties were able to resolve all remaining issues
10 through this process. Among the issues resolved were: program criteria; the distinction
11 between urban and rural customers; form of customer special notice; an evaluation plan; and
12 cost recovery.

13 The purpose of this Revised Application is to reflect the consensus reached on the
14 remaining issues with respect of the pilot program.

15 16 **III. SCOPE OF PROPOSED PILOT PROGRAM**

17 This pilot program will include the installation of approximately 600 remote
18 disconnect collars using Power Line Carrier (PLC) and wireless paging as the
19 communication protocol. PLC is a technology that allows communications across power
20 lines to a disconnect/reconnect collar at the electric meter. This capability allows remote
21 disabling/enabling of the electric service from Avista's office. The wireless paging allows
22 communication to a collar at the electric meter which allows remote disabling/enabling of the
23 electric service. The specifications for disconnect collars and the wireless paging collar are

1 included as Attachment A. The Company proposes that the pilot's duration be eighteen
2 months from the time the last collar is installed.¹

3 Increased employee safety is an advantage of the program. Dangerous pets,
4 treacherous driving conditions, obstructed and unsafe meter access and potentially
5 confrontational customer contacts can be greatly reduced by utilizing this technology.

6 In the Company's original application, there was a distinction made between "urban"
7 and "rural" installations. After further discussion with the Parties, the Company agreed to
8 eliminate this distinction for purposes of the pilot.

9 Customers selected for this pilot will include customers with 200 amp services that
10 meet at least one of the following criteria:

- 11 • Premises where employee safety is a concern, i.e., customers who have
12 threatened to harm Avista employees or property, premises where there is a
13 danger from animals, or premises that have an obstructed access to the meter;
- 14 • Customers who have previously had two field collection visits or
15 disconnection in the preceding 12 months; and
- 16 • Excluded will be CARES customers, customers subject to the moratorium,
17 who are on a winter payment plan; who have provided medical certificates, or
18 who have made satisfactory payment arrangements.

19
20 The Company proposed in its original application to keep the current authorized
21 reconnection fee at \$24 during regular business hours and \$48 after hours. Certain Parties,
22 however, believed that Avista would see a savings in cost by not having a field representative on

¹ By way of further background, in 2005, the Company began a four-year project to convert all natural gas and electric meters to AMR in the State of Idaho. Nearly 180,000 natural gas and electric meters have been automated. Over 139,000 natural gas and electric meters were automated using radio-based technology and 40,000 were automated utilizing power line carrier (PLC) technology. Electric meters on the PLC system are read automatically, and do not require a meter reader or mobile unit to collect the meter reading. The Company believes this technology could provide the opportunity for operational savings by reducing or eliminating both regular and after-hours service calls due to reconnecting or disconnecting service at the meter. In the case of an after-hours reconnect, the service can be remotely activated within minutes as opposed to hours in the more remote areas, thus providing faster response to customers and eliminating the need to send a service person to the premise on overtime.

1 site and asked that these costs be passed to the customer. Even though Avista continues to
2 believe that the customers who cause the Company to incur additional expense should bear
3 those costs, for purposes of the pilot, the Company has agreed to reduce the charge to 50% of
4 the normal reconnect fees. This will result in fees for participating customers of \$12 during
5 normal business hours and \$24 if reconnection is performed after hours.

6 The reasonable capital costs of this pilot would be included in Avista's normal cost of
7 operation and the Company will propose that the costs be spread among all rate classes in its
8 next general rate case. The avoided costs achieved would be returned to customers, as well,
9 through the rate making process.

10 11 **IV. CURRENT NOTIFICATION PROCESS**

12 Avista's current process to disconnect and reconnect an account requires that an
13 employee be dispatched to drive to the customer's premises, disconnect the service and leave
14 a disconnect notice in a conspicuous location. A "disconnect" consists of the removal of the
15 electric meter, installation of insulated boots, and reinstallation of the meter. If there is a
16 safety risk to the employee, the disconnection will occur at the nearest upstream device² from
17 the electric meter. Once the account is brought back into good standing, or has been opened
18 by a new customer, an employee is dispatched to drive back to the site to restore the service.

19 Avista continually looks for ways to reduce costs and provide a safe work
20 environment for employees. It is believed that this project will reduce employee field trips to
21 repeated delinquent accounts, enhance employee safety (avoidance of employee risks
22 associated with, e.g., dangerous animals, etc.), allow quicker restoration of service, and
23 ultimately encourage timely customer payment, thereby reducing customer account balances.

² An upstream device includes equipment such as a fuse or service wire that can be opened or cut to interrupt the circuit and stop the flow of energy.

1 Avista currently conducts disconnect/reconnect services in compliance with Idaho
2 Utility Customer Relation Rule IDAPA 31.21.01 (300 through 313), which include the
3 following:

4 IDAPA 31.21.01 (311.03) – **Opportunity to Prevent Termination of**
5 **Service** - Immediately preceding termination of service, the employee designated to
6 terminate service shall identify himself or herself to the customer or other responsible
7 adult upon the premises and shall announce the purpose of the employee's presence.
8 This employee shall have in his or her possession the past due account record of the
9 customer and shall request any available verification that the outstanding bills are
10 satisfied or currently in dispute before this Commission. Upon presentation of
11 evidence that outstanding bills are satisfied or currently in dispute before this
12 Commission, service shall not be terminated. The employee shall be authorized to
13 accept full payment, or, at the discretion of the utility, partial payment, and in such
14 case shall not terminate service. Nothing in this rule prevents a utility from
15 proceeding with termination of service if the customer or other responsible adult is
16 not on the premises at the time of termination.

17 IDAPA 31.21.01 (311.04) – **Notice of Procedure for Reconnection Service** -
18 The employee of the utility designated to terminate service shall give to the customer
19 or leave in a conspicuous location at the service address affected a notice showing the
20 time of and grounds for termination, steps to be taken to secure reconnection, and the
21 telephone numbers of utility personnel or other authorized representatives who are
22 available to authorize reconnection.
23

24

25 V. PROPOSED NOTIFICATION PROCESS

26 In order for this pilot to be effective and achieve the desired results, Avista requests a
27 waiver of rule IDAPA 31.21.01 (311.03) and (311.04) for those accounts included in the pilot
28 program. Specifically, at the time the disconnect device has been installed, an Avista
29 employee would make an attempt to personally contact the customer and a special notice will
30 be left with the customer (if personal contact is made) or on the premises (if customer is not
31 home). The Company has worked with the parties to develop the special notice as provided
32 as Attachment B.

33 The next time the customer is eligible for disconnection, the Company would not be
34 required to physically visit the premises to disconnect or reconnect the meter and would not
Revised Application of Avista Corporation
Case No. AVU-E-07-09

1 be required to give the customer (or leave in a conspicuous location at the service address
2 affected) a notice showing the time of, and grounds for, termination. However, the Company
3 will let the customer know of the disconnection or reconnection by following its current
4 notification process³, but without otherwise sending an employee to the premises.

5 All meters with the device attached will be flagged as part of a pilot program and
6 entered into the Company's customer service system. The Company will continue to be
7 otherwise compliant with rule IDAPA 31.21.01 (311.03) and (311.04) with all customers not
8 included in the pilot who have been disconnected or reconnected.

10 VI. MEASUREMENT AND EVALUATION

11 Measurement & evaluation is integral to defining benefits of a pilot program and
12 identifying areas for improvement or modification. Avista and the parties have worked
13 together to define what should be included in the Company's report at the conclusion of the
14 pilot program. The Company's evaluation plan will include, but is not limited to, the
15 following:

16 All data collected will be for the duration of the pilot program. Individual customer
17 data for program participants will be available upon request. Evaluation criteria may require
18 some manual collection of data and will be collected and evaluated as completely as possible.

³ The bill is mailed and due within 15 calendar days, after which the Company allows a 3-day grace period for payments to post. A Past Due Notice is mailed after the grace period ends, dated 7 calendar days later. The Final Notice is mailed 3 business days before the past due notice expires. The Interactive Voice Response System (IVR) then calls the customer on the day the notice expires.

1 **For program participants:**

2
3 The total number of customers selected for the pilot by rate schedule, the reason for
4 selection, and the month of installation of disconnection device;

5
6 The total number of disconnect devices installed by type (TWACS or Nighthawk) and
7 by month;

8
9 The total number of remote disconnections by month, rate schedule, and reason for
10 disconnection (e.g., non-payment of bill or failure to pay deposit);

11
12 The total number of customers by rate schedule who were remotely disconnected
13 during the pilot period:

- 14
15 a. Never
16 b. Once
17 c. Twice
18 d. Three or more times
19

20 The total number of customers who were remotely disconnected and received a
21 LIHEAP benefit one or more times during the pilot period;

22
23 The total number of instances by rate schedule where a customer was not reconnected
24 within 24 hours following a remote disconnection;

25
26 By device type, the total number of instances where the disconnection device failed
27 to:

- 28
29 a. Disconnect a customer following remote activation
30 b. Reconnect a customer following remote activation
31

32 By rate schedule, the minimum, maximum and average length of time from remote
33 disconnection to remote reconnection;

34
35 By rate schedule, in instances where the customer was disconnected for non-payment,
36 the minimum, maximum and average length of time from when the customer paid or
37 made satisfactory arrangements and remote reconnection;

38
39 The total number and nature of inquiries, complaints, or comments (negative or
40 positive) received from customers who had a disconnection device installed;

41
42 Detailed analysis of costs, cost savings, and non-monetary benefits of pilot program;
43 and

44
45 Any evidence that installation of the disconnection device influenced customer
46 behavior (positive or negative).
47
48

1 **For non-participants**

2
3 The average number of customers by rate schedule during pilot period;

4
5 The total number of disconnections by month, rate schedule, and reason for
6 disconnection (e.g., non-payment of bill or failure to pay deposit);

7
8 The total number of customers by rate schedule who were disconnected during the
9 pilot period:

- 10
11 a. Once
12 b. Twice
13 c. Three or more times

14
15 The total number of customers who were disconnected and received a LIHEAP
16 benefit one or more times during the pilot period;

17
18 The total number of instances by rate schedule where a customer was not reconnected
19 within 24 hours following disconnection;

20
21 By rate schedule, the minimum, maximum and average length of time from
22 disconnection to reconnection; and

23
24 By rate schedule, in instances where the customer was disconnected for non-payment,
25 the minimum, maximum and average length of time from when the customer paid or
26 made satisfactory arrangements and reconnection.
27

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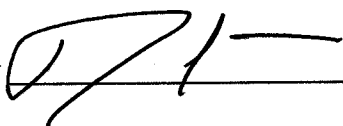
1 **VII. REQUEST FOR APPROVAL**

2 Avista respectfully requests approval of the "Remote Disconnect/Reconnect Pilot
3 Program" and requests that the Commission provide the Company with a limited waiver of
4 IDAPA 31.21.01 (311.03) and (311.04) [Utility Customer Relation Rules] for the term of the
5 pilot.

6
7 WHEREFORE Applicant respectfully requests the Commission issue its
8 Order authorizing the proposed pilot program, with this revised application being processed
9 under Modified Procedure.

10
11
12
13 DATED at Spokane, Washington, this 25th day of April, 2008.

14
15 AVISTA CORPORATION

16
17
18 By  _____

19 David J. Meyer

20 Vice President and Chief Counsel for
21 Regulatory and Governmental Affairs

STATE OF WASHINGTON)

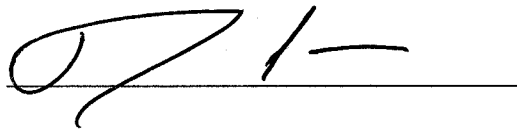
: SS

County of Spokane)

David J. Meyer, being duly sworn, on oath deposes and says:

That he is the Vice President and Chief Counsel for Regulatory and Governmental Affairs of Avista Corporation;

That he has read the foregoing Application, knows the contents thereof, and believes the same to be true.



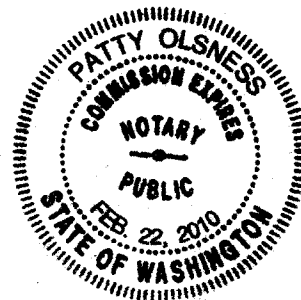
David J. Meyer

Subscribed and sworn to before me this 25th day of April, 2008.

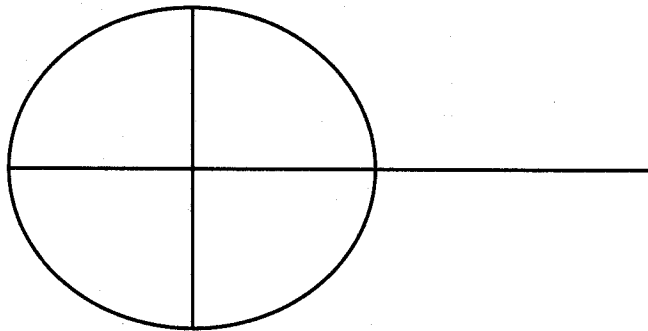


Notary Public in and for the State

Washington, residing in Spokane

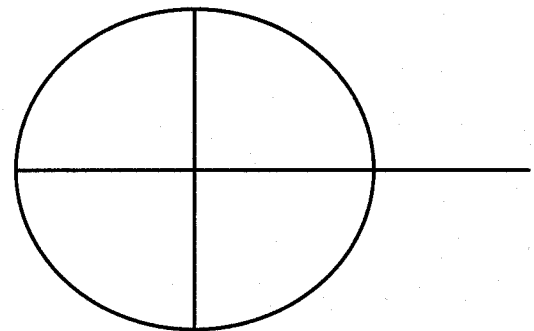


ATTACHMENT A



1-888-427-3403
www.avistautilities.com

IDAHO



1-888-427-3403
www.avistautilities.com

IDAHO

Your electric service was disconnected today. Your residence or business was selected to be part of a pilot program approved by the Idaho Public Utilities Commission. A device was installed on your electric meter to allow Avista to disconnect or reconnect your service remotely.

In the future, Avista will not need to send a field representative to your service location to disconnect or reconnect service. You will not have the opportunity to pay a field representative at your door to avoid disconnection. No notice will be left for you at the service location following disconnection. Avista will continue to send notices and attempt to contact you by telephone in advance whenever it intends to disconnect service. It is very important that you call Avista to make sure all your contact information, including telephone number, is correct. You may reach Avista at the number below.

1-888-427-3403
www.avistautilities.com

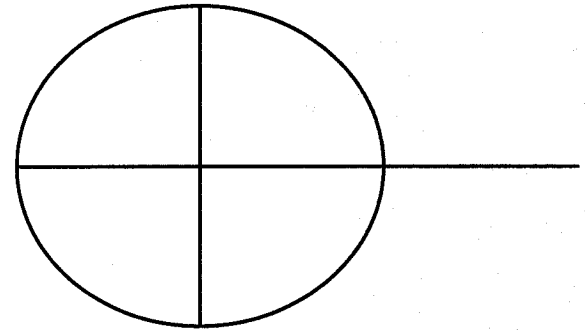
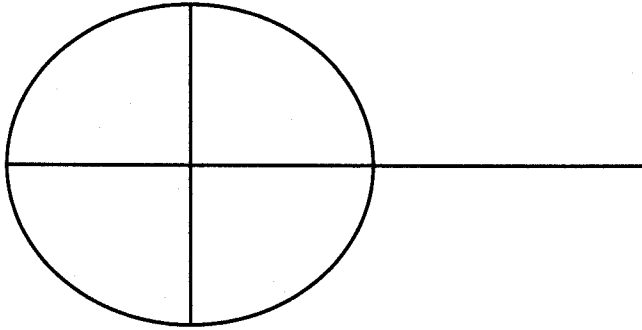
**SEE REVERSE SIDE FOR
IMPORTANT INFORMATION**

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1-888-427-3403
www.avistautilities.com

**SEE REVERSE SIDE FOR
IMPORTANT INFORMATION**



The remote disconnect/reconnect device installed on your meter will allow Avista to reconnect service more quickly. When the reason for the disconnection (such as non-payment of a past due bill) has been remedied, you will need to contact Avista to request reconnection. Your service will then be reconnected immediately by means of an electronic signal; you will not need to wait for a field representative to be sent to your service location. If you have any questions or experience problems at any point in the reconnection process, please contact Avista at the number below, 24 hours a day, 7 days a week.

The remote disconnect/reconnect device installed on your meter will allow Avista to reconnect service more quickly. When the reason for the disconnection (such as non-payment of a past due bill) has been remedied, you will need to contact Avista to request reconnection. Your service will then be reconnected immediately by means of an electronic signal; you will not need to wait for a field representative to be sent to your service location. If you have any questions or experience problems at any point in the reconnection process, please contact Avista at the number below, 24 hours a day, 7 days a week.

Important:

Important:

If your service is shut-off, you will be required to pay the amount past due, a deposit, and a reconnect fee.

If your service is shut-off, you will be required to pay the amount past due, a deposit, and a reconnect fee.

A medical certificate notifying Avista of a serious illness or medical emergency may delay termination.

A medical certificate notifying Avista of a serious illness or medical emergency may delay termination.

We are willing to make mutually satisfactory payment arrangements.

We are willing to make mutually satisfactory payment arrangements.

An informal or formal complaint concerning this action may be filed with the Idaho Public Utilities Commission – P.O. Box 83720, Boise, ID 83720-0074 (208) 334-0369 or toll free (800) 432-0369.

An informal or formal complaint concerning this action may be filed with the Idaho Public Utilities Commission – P.O. Box 83720, Boise, ID 83720-0074 (208) 334-0369 or toll free (800) 432-0369.

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www.avistautilities.com

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**SEE REVERSE SIDE FOR
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ATTACHMENT B

