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**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF THE )  
APPLICATION OF AVISTA )  
CORPORATION FOR THE )  
AUTHORITY TO IMPLEMENT A PILOT )  
PROGRAM FOR REMOTE DISCONNECTS )  
AND RECONNECTS )**

**CASE NO. AVU-E-07-09**

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IDAHO PUBLIC UTILITIES COMMISSION

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**COMMENTS OF AARP IDAHO IN OPPOSITION  
TO THE APPLICATION OF AVISTA CORPORATION FOR THE AUTHORITY  
TO IMPLEMENT A PILOT PROGRAM FOR  
REMOTE DISCONNECTS AND RECONNECTS  
October 25, 2007**

Pursuant to Order No. 30437, AARP Idaho submits the following comments in opposition to the Application of Avista Corporation for the Authority to Implement a Pilot Program for Remote Disconnects and Reconnects, which requires the waiver of certain customer protection rules. AARP is a non-profit membership organization for people aged 50 and over. AARP has nearly 180,000 members in the State of Idaho.

AARP Idaho opposes approval of the Avista pilot and urges the Commission to deny it. Avista's application should be denied because it is deficient: the company has not provided sufficient information regarding the pilot, such as costs to ratepayers. In addition, the proposal is poor public policy and increases risks to health and safety.

**I. Avista's proposed pilot should be denied because the application is deficient.**

**A. Avista has provided no cost information.**

Avista is proposing to purchase and install approximately 600 devices which enable remote disconnects and reconnects. Nowhere in its application does Avista disclose the cost of these devices or the cost of installation. Neither does Avista state how it intends to recover the costs of these devices, whether it intends for shareholders to cover the costs of this pilot, or if it will ask the Commission to require ratepayers to cover the expense through rates, through a surcharge to all customers, or through a surcharge on pilot participants. These are key questions, which should not be left for a future date. For this reason alone the pilot proposal should be denied.

**B. Avista has provided inadequate information regarding how pilot participants will be chosen.**

Avista's application states that customers selected for the pilot will include customers with 200 amp services that meet at least one of the following criteria: have had multiple disconnects, are located in rural areas, or otherwise occupy premises where the Avista employee may be "at risk." That is all the information the company provides. It does not state the criteria for determining what constitutes "multiple" disconnects; it does not state the criteria for determining what constitutes "employee risk"; it does not identify the rural areas that would be targeted. In addition, Avista does not indicate what percentage of pilot participants would fall into each category.

At least three problems arise due to the lack of specificity regarding pilot participants. First, there is no assurance that vulnerable customers, such as older customers, the disabled and ill, low income, or families with young children, will not be included in the pilot. Access to utility service is a health and safety issue for all, but evidence shows that these groups are most susceptible to serious illness and risk death if they lack access to adequate heating in the winter and cooling in the summer. For example, a rural household of seniors may not have access to transportation to a payment center and be put at serious risk if service is disconnected because a utility employee is not sent to the home to accept payment prior to disconnection. Mail may also be slower in rural areas, thus disadvantaging customers who now have to rely on mail service to be informed of a disconnection. Lower income households (and others) may not have telephones, and therefore would not receive the interactive voice response notice prior to disconnection. The interactive voice response may not be an effective means of notification for those who are hard of hearing or have limited English. AARP submits that households including vulnerable customers should not be included in a pilot.

Second, Avista has not justified why these criteria were chosen, as opposed to other criteria. Although the categories may seem to make sense at first blush, Avista has again not provided any cost data to compare the costs of disconnecting service to customers falling into these categories with the cost to disconnect other customers. Nor has the company provided a shred of data to justify that the investment in these meters would be offset by other savings.

Finally, a properly designed pilot would, in addition to justifying how the participants are chosen, ensure proper sampling. That is, there would be consideration given to ensuring that no group is over-represented or under-represented in the pilot. For each of these reasons the pilot should be denied based on a deficient application.

**C. There is no customer education component of the proposed pilot**

Avista's application says nothing about whether or how customers who have been chosen (they will not have volunteered) will be notified of the new devices installed on their meters or that certain customer protection rules will be waived with regard to their service. Avista has not indicated that it would change the language of the notice given to

customers, therefore customers in the pilot are not likely to know that their service will be disconnected remotely and they will not have the opportunity to pay a utility worker in person on the day of disconnection. Educational materials and disconnection notices should include an explanation of the new procedure and indicate which of the current customer protections are being waived for pilot participants (who have not volunteered). Again, because significant customer protection rules will be waived, it is essential for customers to have information regarding the pilot. Avista's application is deficient and should be denied.

## **II. Avista's proposed pilot should be denied because it is bad public policy.**

### **A. Maintaining service is a health and safety issue. Remote disconnection may raise the number of disconnections, impacting health and safety.**

Faster and easier disconnection of service has implications beyond pure dollars and cents for the utility. Research shows that during times of extreme weather or high energy prices when bills increase above normal, consumers often forgo necessities such as food and medication in order to pay bills. When they fall behind and are disconnected, health is put at risk. Although Idaho has a Winter disconnection moratorium, there are no protections for summer service. Extremely high temperatures are not unheard of in Idaho. The impact of heat on health is considerable. According to Dr. Eric Klinenberg, Associate professor of Sociology at New York University and author of "Heat Wave: A Social Autopsy of Disaster in Chicago", in typical years heat kills more Americans than all other natural disasters, including, earth quakes, hurricanes, tornadoes and flood, combined. Dr. Klinenberg reports that in an average year there are 400 heat related deaths in the US, compared to 200 for all other natural disasters. In addition Klinenberg estimates an average of 1,500 "excess deaths from heat", which he defines as deaths above the normal mortality number for a specified period of time, but not directly attributed to heat.

Currently, some percentage of accounts which are slated for disconnection are not actually disconnected because the customer makes payment at the time the utility employee arrives at the premises. With remote disconnection, such payment will not be available and therefore more households will lose service under the pilot than currently do. The Commission should understand that the pilot puts more households at risk of disconnection and therefore puts the health and safety of more households at risk because they will lose essential service.

### **B. The current consumer protection rules play an important role in maintaining health and safety.**

The Company in its application is requesting a waiver from a regulatory requirement that a utility employee designated to terminate service visit the premises in question and provide the customer with the opportunity to make full payment on a delinquent account. As stated above, there are some percentage of disconnections (it has

been represented to AARP that the number is 15%, but we cannot verify) that do not take place due to payment at the time of the premises visit. Further, elimination of the premise visit removes the opportunity for the utility employee to observe signs of a health or safety danger, such as a customer using a respirator or other medically necessary device requiring utility service.

The Commission should carefully consider what it means to remotely disconnect, for example, a household in a rural area without a premises visit. Imagine a household where friends and family are not in contact on a daily basis. It could be days or even weeks anyone realizes a rural household is in jeopardy because its utility service has been remotely disconnected. An employee site visit may cost dollars, but save lives.

**C. The terms of the pilot are skewed against customers, particularly because it does not include a waiver of reconnect fees.**

Avista's application is focused on potential savings of remote disconnect and reconnect, yet fails to indicate how those savings would be passed on to customers. The costs savings that Avista claims should flow to affected customers through a waiver of the reconnection fee. It is only fair that "quicker response time to reconnect service" should be accompanied by a waiver of the reconnection fee because a premise visit is no longer required.

**D. The terms of the pilot evaluation are skewed because it does not consider the impact on customers.**

Avista's proposed measurement and evaluation is focused on the company and ignores impact on customers, including their experience with the pilot, their understanding of the changed consumer protection rules, timeliness of reconnection after payment; the increase in the number of disconnections; comparison of the pilot group with other customers; the effectiveness of the modified notice, complaints, deaths and hospitalizations related to remote disconnection, etc.. Obviously, the proposed measurement and evaluation will not provide a complete picture of the pilot.

**II. If approved, certain conditions must be placed on the pilot.**

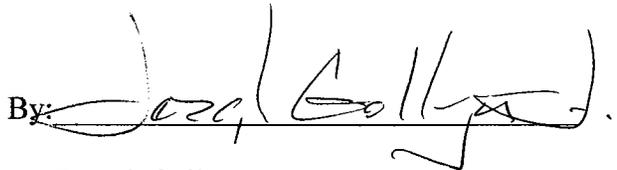
Avista's application is deficient on its face, fails to justify the need for the pilot, and is missing key facts relating to the pilot and should be denied. However, if the Commission chooses to move forward, it should do so only after subjecting the pilot to a number of conditions that are in the public interest:

- Shareholders should be required to cover the costs of the pilot.
- Costs of the meters and installation should be disclosed.
- Criteria for selecting customers for the pilot should be more detailed and disclosed.

- Vulnerable customers, including low-income, seniors, ill and disabled, and families with young children should not be included.
- All pilot participants should have telephones.
- The pilot should use representative sampling
- Reconnection fees should be waived and reconnection should occur within one hour of payment.
- A customer education program should be required
- Notices should emphasize that disconnection will be done remotely
- Telephone notice should be done by a live operator, not an IVR. The live operator should be able to take electronic payment and offer bill payment plans.
- Measurement and evaluation should include impact on customers and include at least the areas identified by AARP above.

For all of the reasons stated above AARP Idaho respectfully requests the Commission deny Avista's application.

Submitted on the 25<sup>th</sup> day of October, 2007

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