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IDAHO PUBLIC
UTILITIES COMMISSION

VIA HAND DELIVERY

May 12, 2008

Ms. Jean Jewell
Commission Secretary
Idaho Public Utilities Commission
472 W. Washington St.
Boise, ID 83702

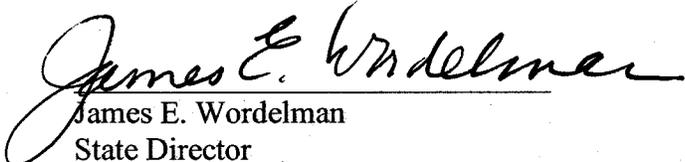
Re: Case No. AVU-E-07-09-- AVISTA Revised Application to Implement A Pilot Program for Remote Disconnects and Reconnects

Dear Ms. Jewell:

Enclosed, you will find an original and seven (7) copies of AARP's comments in response to AVISTA's Revised Application to Implement a Pilot Program for Remote Disconnects and Reconnects filed on April 28, 2008. Electronic copies have been sent via email to Avista and the Community Action Partnership Association of Idaho.

Please contact me at 208-855-4001, or Janee Briesemeister of AARP's Government Relations and Advocacy staff at 512-480-2426 if you have any questions.

Sincerely,


James E. Wordelman
State Director

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IDAHO PUBLIC UTILITIES COMMISSION

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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

COMMENTS OF AARP REGARDING
THE REVISED APPLICATION OF AVISTA CORPORATION FOR THE
AUTHORITY TO IMPLEMENT A PILOT PROGRAM FOR
REMOTE DISCONNECTS AND RECONNECTS
May 12, 2008

AARP Idaho submits the following comments regarding the Revised Application of Avista Corporation for the Authority to Implement a Pilot Program for Remote Disconnects and Reconnects. AARP is a non-profit membership organization for people aged 50 and over. AARP has more than 184,000 members in the State of Idaho.

AARP submitted comments in opposition to the Avista pilot at the time the original proposal was made last autumn. At the time, AARP argued that Avista's application should be denied because remote disconnection is an unwise public policy that would increase risks to customer health and safety, especially among older and disabled customers. In addition, we enumerated our concerns with the terms of the pilot, a reduction in consumer protection and concern over the lack of specificity in the evaluation criteria. Community Action Partnership Association of Idaho (CAPAI) submitted comments expressing similar concerns. Subsequently the Commission ordered workshops for parties to discuss the pilot and address concerns.

AARP participated in the workshops and other informal conference calls with Avista and CAPAI over the course of the several months. The Revised Application is largely the result of these discussions. We appreciate Avista's openness to the concerns

raised by AARP and CAPAI. The Revised Application is a considerable improvement over the original application in terms of design and evaluation. Most significantly, Avista has agreed to tighten the criteria for qualification for the pilot and to exempt the most vulnerable customers (those on CARES) from the pilot.

AARP has worked in good faith during these discussions. However, the proposal before the Commission is a pilot, which by definition is a test or trial of a new or unproven idea. Although we are substantially in agreement with the Revised Application¹ AARP would like to emphasize that our willingness to work with Avista to improve the terms of the pilot should not be viewed as an endorsement of remote disconnection of service. As stated in our initial comments, faster and easier disconnection of service has implications far beyond dollars and cents savings for the utility.

For example, although Idaho has a winter disconnection moratorium which is not waived by the pilot, summer temperatures can impact the health of older and medically fragile customers. Research shows that during times of extreme weather or high energy prices when bills increases above normal, consumers often forgo necessities such as food and medication in order to pay bills. If older and disabled customers on limited incomes fall behind on bills during the summer and are disconnected, their health is put at risk. Currently in Idaho 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 could lose service under the pilot than currently do.

AARP urges the Commission to carefully consider our additional comments below when debating whether to go forward with the pilot. Should the pilot be undertaken, the Revised Application ,with the additions suggested by AARP in these comment, will give the Commission better information on which to review the pilot to

¹ See our comments below regarding clarification of language regarding selection of participants. We also re-propose evaluation criteria which we recommended but was not included in the Revised Application.

determine whether remote disconnection should be continued or abandoned, and the consumer protection issues raised by remote disconnection.

Comments on Revised Application

AARP seeks clarification of the customer selection criteria on page 3 of the application to ensure the language of the application accurately reflects the agreement of the parties. In addition, AARP re-urges the additional evaluation criteria submitted to Avista and Staff on April 14.²

A. Pilot Participants

The criteria by which Avista selected customers for participation in the pilot was one of key areas of concern for AARP in the original application. Selection criteria were discussed numerous times during the informal meetings and workshop. It is AARP's understanding that the outcome of those discussions is that customers selected for the pilot would be those 1) where safety is an issue; or 2) with two or more field collection visits or two or more disconnections in the previous 12 months. Avista agreed to exclude CARES customers.

AARP seeks clarification of language in the Revised Application at p. 3. lines 14-15, which states: "Customers who have previously had two field collection visits or disconnection in the preceding 12 months" (underlying added). We are assuming the use of the singular "disconnection" is a typo to be corrected and that Avista does not intend that customers with one disconnection during the previous 12 months would be included in the pilot. The agreement among Avista, AARP and CAPAI clearly was for two field collection visits or two disconnections.

² Email from Janee Briesemeister to Linda Gervais, Brad Purdy, Beverly Barker, Jim Wordelman and Terri Ottens, April 14, 2008, "RE: Avista Remote Metering Evaluation".

B. Evaluation of the Customer Impact

Avista states at p. 6, lines 11-12, that measurement and evaluation is integral to defining benefits of a pilot program and identifying areas for improvement or modification. AARP suggests that in addition, measurement and evaluation is essential for defining costs as well and for determining whether a program conducted under a pilot should be continued or abandoned. During our discussions with Avista and CAPAI, AARP made several specific suggestions regarding measurement and evaluation criteria. These have not been included in the Revised Application. Each of our additional suggestions is described below and the proposed evaluation criteria, including AARP's suggestions, is attached as Attachment A:

More Detailed Tracking of LIHEAP Customers: During discussions regarding the pilot, AARP and CAPAI expressed concern over the impact of remote disconnection on lower income customers, in addition to those on CARES. While it is not possible to track the income of all customers, it is possible to identify those who receive a LIHEAP benefit (and are thus lower income based on LIHEAP eligibility). The measurement criteria suggested in Avista's Revised Application would simply note the number of LIHEAP customers in the pilot. While this is helpful, it is not sufficient. To better evaluate the pilot, the number of LIHEAP customers should be tracked for each evaluation criteria. For example, compared to other customers, do LIHEAP recipients file more or less complaints about the pilot; do their reconnections take more time, less time or are they on par with other customers, etc. AARP made these recommendations during informal exchange of information with Avista. We urge the Commission to include this recommendation in the pilot evaluation.

Track CARES and age of customer: Avista has agreed to exclude CARES customers from the pilot. However, CARES customers are often identified by Avista at the time they make contact with the company over a billing issue. AARP had also suggested that Avista track those customers who are identified as CARES through the pilot program. That is, when a customer who is in the pilot contacts the company and it is determined that customer is CARES eligible, the customer should be put on CARES and removed

from the pilot. Similarly, it would be informative to know if older customers are more impacted by the pilot. For example, do older customers rely more on the field collection visit to pay their bills. AARP also suggested that Avista track customers who are age 64 or older, if know. That is, if customers who are in the pilot by virtue of the other criteria contact the company and indicate there is a senior in the household, that information should be tracked. AARP is not asking Avista to ask pilot customers for their age, but is asking Avista to track age if it becomes known in the course of the customer's contact with the company.

Costs and Benefits to be measured should be enumerated: The Revised Application at p. 7, lines 42-43, proposes to track "detailed analysis of costs, cost savings, and non-monetary benefits of pilot program." Such a criterion is far too general and does not tell Avista what data to capture or ensure the Commission will have the information it needs to evaluate the pilot. In our informal comments we suggested several specific criteria to be tracked. These include costs of software and personnel and specific changes in customer behavior. Indeed, the Commission may have other costs and benefits it would like to track. The concern is that the current language is far too broad and will not ensure that necessary information is available for the evaluation.

For all of the reasons stated above AARP Idaho respectfully requests the Commission adopt the clarifications and revised measurement and evaluation language proposed by AARP in its consideration of Avista's Revised Application.

Submitted on the 12th day of May, 2008

By: 

James E. Wordelman
State Director

Appendix A:

Measurement and Evaluation Criteria with AARP's recommendations:

For program participants

Total number of customers selected for the pilot by rate schedule, by customers who received a LIHEAP benefit during or within 12 months of implementation of the pilot and by customers in a household with at least one member over 64 years of age, if known, reason for selection, and month of installation of disconnection device

Total number of disconnect devices installed by type (TWACS or Nighthawk) and month

Total number of remote disconnections by month, rate schedule, by customers who received a LIHEAP benefit during or within 12 months of implementation of the pilot and by customers in a household with at least one member over 64 years of age, if known, and reason for disconnection (e.g., non-payment of bill or failure to pay deposit)

Total number of customers by rate schedule by customers who received a LIHEAP benefit during or within 12 months of implementation of the pilot, and by customers in a household with at least one member over 64 years of age, if known who were remotely disconnected during the pilot period:

- a. Never
- b. Once
- c. Twice
- d. Three or more times

Total number of instances by rate schedule, by customers who received a LIHEAP benefit during or within 12 months of implementation of the pilot and by customers in a household with at least one member over 64 years of age, if known, where a customer was not reconnected within 24 hours following a remote disconnection

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

- a. Disconnect a customer following remote activation
- b. Reconnect a customer following remote activation

By rate schedule, by customers who received a LIHEAP benefit during or within 12 months of implementation of the pilot and by customers in a household with at least one member over 64 years of age, if known, the minimum, maximum and average length of time from remote disconnection to remote reconnection

By rate schedule, by customers who received a LIHEAP benefit during or within 12 months of implementation of the pilot and by customers in a household with at least one member over 64 years of age,, if known in instances where the customer was

disconnected for non-payment, the minimum, maximum and average length of time from when the customer paid or made satisfactory arrangements and remote reconnection.

Total number of customers who are placed in to CARES program during pilot period.

Total number and nature of inquiries, complaints, or comments (negative or positive) received from customers who had a disconnection device installed

Identification and detailed analysis of monetary and non-monetary costs, cost savings, and benefits of the pilot program accruing to program participants, the utility system (i.e., program non-participants), and the company's shareholders. Examples include, but are not limited to analysis as a result of the pilot of the following:

- Changes in the number and duration of service disconnections experienced by customers
- Changes in the number of payment agreements entered into
- Changes in the success rate of payment agreements
- Changes in the timeliness of customer payments
- Changes in credit and collection costs, including customer billing and notifications, and disconnection and reconnection costs
- Cost of disconnect device hardware
- Cost of disconnect device software
- Company staff/personnel cost associated with implementation of the program, delineated by task

Any evidence that installation of the disconnection device influenced customer behavior (positive or negative)

For non-participants

Average number of customers during the pilot period by rate schedule and by customers who received a LIHEAP benefit during or within 12 months of implementation of the pilot .

Total number of disconnections by month, rate schedule and by customers who received a LIHEAP benefit during or within 12 months of implementation of the pilot, and reason for disconnection (e.g., non-payment of bill or failure to pay deposit)

Total number of customers by rate schedule and by customers who received a LIHEAP benefit during or within 12 months of implementation of the pilot who were disconnected during the pilot period:

- a. Once
- b. Twice
- c. Three or more times

Total number of instances by rate schedule and by customers who received a LIHEAP benefit during or within 12 months of implementation of the pilot where a customer was not reconnected within 24 hours following disconnection

By rate schedule and by customers who received a LIHEAP benefit during or within 12 months of implementation of the pilot, the minimum, maximum and average length of time from disconnection to reconnection

By rate schedule and by customers who received a LIHEAP benefit during or within 12 months of implementation of the pilot, in instances where the customer was disconnected for non-payment, the minimum, maximum and average length of time from when the customer paid or made satisfactory arrangements and reconnection

Staff Assumptions

All data is for duration of the pilot program.

Individual customer data for program participants will be available upon request.

Data will be collected monthly.