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Attorney for the Commission Staff

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

**IN THE MATTER OF THE APPLICATION OF )  
AVISTA CORPORATION FOR AUTHORITY ) CASE NO. AVU-E-07-9  
TO IMPLEMENT A PILOT PROGRAM FOR )  
REMOTE DISCONNECTS AND RECONNECTS ) SUPPLEMENTAL COMMENTS  
 ) OF THE COMMISSION STAFF  
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The Staff of the Idaho Public Utilities Commission, by and through its Attorney of Record, Neil Price, Deputy Attorney General, in response to Order No. 30471 issued on December 4, 2007, submits the following comments.

**BACKGROUND**

On August 31, 2007, Avista Corporation filed an Application seeking approval to implement a one-year pilot program for the remote disconnection and reconnection of customers to its system. The Company also requested a limited waiver of Utility Customer Relations Rule 311.03 and .04 (IDAPA 31.21.01.03 and .04) related to the final customer notification prior to disconnection. The Company requested that its Application be processed by Modified Procedure. IDAPA 31.01.01.201-.204.

On September 19, 2007, the Commission issued a Notice of Application and Notice of Modified Procedure, establishing a deadline for the submission of comments and/or protests. Commission Staff filed comments supporting the Company's Application with certain conditions.

AARP, Idaho (AARP) and the Community Action Partnership Association of Idaho (CAPAI) filed comments opposing the Company's Application.

On December 4, 2007, the Commission issued Order No. 30471 and deferred judgment on the Company's Application. The parties were ordered to conduct workshops to further refine and develop the details of the program. Following the issuance of that Order, the parties informally communicated by e-mail and telephonically to discuss their concerns and address the following issues identified by the Commission:

- (1) The criteria for selecting customers for inclusion in the program;
- (2) The distinction(s) between urban and rural customers and any links with the Company's AMR distribution;
- (3) The notice, any special notice, and any customer education for those selected for participation;
- (4) The plan for evaluation of the pilot, including both technological and customer impacts;
- (5) Capital costs, cost recovery, reconnection fees, cost savings; and
- (6) The public interest issues surrounding the abandonment of the final, in-person home visit and opportunity to "pay at the door" prior to disconnection. *See* Order No. 30471 at 8.

Public workshops were originally scheduled for February 5 and 6, 2008, in Lewiston and Coeur d'Alene, but were cancelled to allow more time for discussion among the parties. A public workshop was held on March 27, 2008, in Boise, during which the parties reached tentative consensus. Representatives of Avista, the Commission Staff, CAPAI, and AARP attended the workshop. At the conclusion of the workshop, participants agreed to continue working informally on the issues of customer notification and identification of the data to be collected during the course of the pilot.

As required by Order No 30471, Avista submitted a Revised Application on April 28, 2008, that incorporates changes to the pilot agreed to during the workshop and subsequent communication among the parties. Staff generally agrees with Avista's revised proposal for a pilot program and continues to support the Company's request for a limited waiver of the appropriate Utility Customer Relations Rules (UCRR). Staff notes that effective April 2, 2008, the UCRR was revised and the sections in Rule 311 renumbered. The specific citations in both the Company's original and Revised Application (Rules 311.03 and 311.04) are no longer correct. The pertinent rules are now Rule No. 311.04 - Opportunity to Prevent Termination of Service and

311.05 – Notice of Procedure for Reconnecting Service. Staff recommends that a limited waiver be granted for Rule Nos. 311.04 and 311.05 (IDAPA 31.21.01.311.04 and 311.05).

Although Staff generally agrees with the proposal, there are a few elements of the Company's Revised Application that are either unclear or lacking in detail. Staff proposes a more specific program duration and clarification of when collars (the remote disconnection/reconnection devices) will be installed and which customers will be excluded from the pilot. Staff also addresses additional issues that were either previously mentioned in Staff's original comments filed in this case or discussed during the public workshop.

### **Pilot Program Duration**

In the original Application, Avista proposed a timeframe of one year for the pilot program. *See* Application at 1. In the Revised Application, the Company proposes a pilot duration of eighteen months from the time the last collar is installed. *See* Revised Application at 3. Staff supports a longer pilot period from that originally proposed by the Company to allow a sufficient amount of time for the Company to select customers, install the necessary equipment, and have enough experience to allow meaningful evaluation of the pilot. As described in the Company's Revised Application, however, the duration of the pilot is indeterminate because it is not known when the last collar will be installed. For that reason, Staff recommends a more definitive time period of eighteen months from the date of the Commission Order approving the pilot program.

### **When Collars Installed**

The Company states that customers selected for the pilot must meet at least one of three criteria listed in the Revised Application. *See* Revised Application at 3. The second criterion is customers who have previously had two field collection visits or disconnections in the preceding 12 months. *Id.* Staff wishes to further define this criterion with additional language that specifies a collar will be installed at a selected customer's location at the time of the *third* field collection visit or disconnection within the 12 month period.

### **Customers Excluded From Pilot**

The Company states that it will exclude from the pilot "CARES customers, customers subject to the moratorium, who are on a winter payment plan; who have provided medical certificates, or who have made satisfactory payment arrangements". *See* Revised Application at 3.

Staff's understanding of the Company's intent differs from the literal wording in its Revised Application. Staff agrees that customers who are in Avista's CARES<sup>1</sup> program should be excluded from the pilot. However, customers who declare eligibility for the moratorium or obtain a medical certificate during the pilot program would continue to be eligible for selection for the pilot, but if selected, they would not be disconnected during the time period covered by the moratorium or medical certificate as required by Commission rules. Likewise, customers who are on a winter payment plan or other type of special payment arrangement could be selected for the pilot but would not be disconnected as long as those payment arrangements were kept.

### **Reset Button**

Originally, it was Avista's intent to require customers who had been disconnected remotely to self-connect using a manual reset button on the meter before service was reactivated. *See* Attachment 1, page 2 of Application. In response to concerns expressed by the parties, Avista no longer intends to require customers to perform this final action before service is restored. When the conditions for reconnection are met and the customer requests reconnection, the Company will restore service remotely without requiring further action from the customer.

### **Door Hangar Envelope**

During the discussions at the March 24, 2008 workshop, participants discussed the necessity to provide an early warning to customers whose payment history or other actions could eventually meet the selection criteria for the pilot program. To accomplish this, the Company agreed to modify the "door hangar" envelope to include a brief explanation of the pilot program. A Notice of Disconnection is enclosed in the "door hanger" envelope and either given to the customer or, if the customer is not available, left on the premises during a field collection visit or disconnection. A customer who has already been selected for the pilot will receive a special notice designed for program participants. *See* Attachment A of the Revised Application. Staff recommends the Company work with the Staff to modify the envelope.

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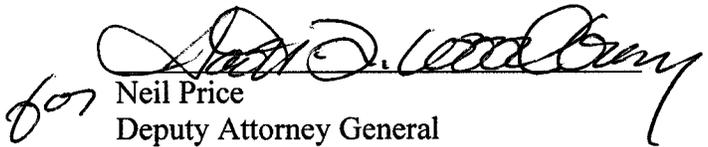
<sup>1</sup> Avista's Customer Assistance Referral and Evaluation Service (CARES) program provides assistance to customers who are having trouble paying their utility bills and can benefit from a more comprehensive and personal focus on their particular needs.

## RECOMMENDATIONS

Staff recommends that the Commission approve the proposed pilot and grant a limited waiver of Rules 311.04 and 311.05, UCRR, with respect to customers selected for the pilot under the following conditions:

- (1) The pilot program's duration be fixed at eighteen (18) months from the time the effective date of a Commission order approving the pilot;
- (2) The collar allowing remote disconnection and reconnection of service be installed at an eligible customer's premises in the event of a third field collection visit or disconnection during the previous twelve (12) months;
- (3) Automatic exclusion from the pilot program be limited to CARES customers;
- (4) Commission rules governing when and under what conditions customers' service can be disconnected continue to apply to all customers selected for the pilot;
- (5) The Company be directed to work with Staff to revise the "door hanger" envelope used when leaving a Notice of Disconnection at a customers' service location to include a description of the pilot program.

Respectfully submitted this 12<sup>th</sup> day of May 2008.

  
Neil Price  
Deputy Attorney General

Technical Staff: Nancy Hylton  
Grace Seaman  
Beverly Barker

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## CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 12<sup>TH</sup> DAY OF MAY 2008, SERVED THE FOREGOING **SUPPLEMENTAL COMMENTS OF THE COMMISSION STAFF**, IN CASE NO. AVU-E-07-09, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:

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CERTIFICATE OF SERVICE