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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 AN ORDER) CASE NO. AVU-E-18-10/
AUTHORIZING APPROVAL OF PROPOSED) AVU-G-18-06
IDAHO SERVICE QUALITY PROGRAM AND)
ASSOCIATED REVISIONS TO ITS ELECTRIC)
AND NATURAL GAS TARIFFS.) COMMENTS OF THE
COMMISSION STAFF**

COMES NOW the Staff of the Idaho Public Utilities Commission, by and through its attorney of record, Edward Jewell, Deputy Attorney General, and in response to the Notice of Application and Notice of Modified Procedure issued in Order No. 34161 on October 3, 2018, in Case No. AVU-E-18-10/AVU-G-18-06, submits the following comments.

BACKGROUND

On September 10, 2018, Avista Corporation (“Avista” or “Company”) filed an Application seeking approval of the Company’s proposed Service Quality Measures Program and authorization to revise its associated electric and natural gas tariffs, Schedule 85 and Schedule 185 respectively. The Company filed an amended Application on October 5, 2018 changing the name of the program to the Idaho Service Quality Program (“ISQ Program”).

The Company submitted the proposed ISQ Program as required by Commission Order No. 33953. Under the proposed ISQ Program, the Company will track and report to the

Commission annually its performance in meeting thirteen electric measures and nine natural gas measures. The Company requests Commission approval of its proposed ISQ Program with an effective date of November 1, 2018.

STAFF REVIEW

Staff worked with the Company to develop the proposed Idaho Service Quality Program. Some program provisions vary depending on the type of service provided (gas or electric). The program for electric service consists of four customer service measures, seven customer guarantees, and two electric system reliability measures. The gas service program consists of four customer service measures and five customer guarantees. All costs associated with the payment of customer service guarantees are paid by Avista shareholders. Staff Attachment A provides a list of measures and guarantees. Staff recommends approval of the ISQ Program as proposed by Avista.

Program Design

The Idaho program was designed using the current Washington program as a template. Though Idaho's proposed program is similar to Washington's, there are a number of differences. The changes build upon the Company's experience in running the program in Washington since 2015. Modifications were made to clarify the metrics and tailor the program to Idaho. Significant substantive differences are discussed below.

1. Average Response Times to Emergencies

In Idaho, the Company's average response time to electric system emergencies will not exceed 65 minutes. In Washington, the average response time should not exceed 80 minutes. For gas system emergencies in Idaho, the Company's average response time will not exceed 55 minutes. The average response time to gas emergencies is the same in Washington. As part of discussions with Staff, the Company provided the most recent average response time to electric and gas emergencies in Idaho; 41 minutes for electric and 40 minutes for gas. Based on the information provided by the Company, the proposed response times are not stretch goals for the Company. With that said, Staff does not oppose the proposed response times as the initial benchmarks. Staff intends to monitor actual response times and may recommend different benchmarks as more data becomes available in the future.

2. Tracking and Reporting Commission Complaints

In Washington, the Company is required to measure and report on the number of complaints per thousand customers filed with the Washington Utilities and Transportation Commission. The benchmark used is 0.04 complaints per 1000 customers. After discussions with Staff, the Company did not include this measure in its Idaho proposed programs. While resolving customer complaints in a timely and effective manner is a critical function for any utility, Staff believes the metric used in Washington is not particularly meaningful. In the future, Staff may recommend the addition of one or more measures regarding complaints.

3. Customer Satisfaction Survey

As part of the electric and gas programs in Washington, the Company's contractor conducts a customer satisfaction survey that asks customers about the Company's telephone service (call center) and field services. The Company's measure of satisfaction is derived using data from the Company's entire service territory (Idaho, Oregon, and Washington). The Washington program requires the Company to report Washington specific data, if possible. Based on discussions with Staff, the Company did not include a requirement for Idaho specific data. Staff believes that in this context, measuring total company performance is sufficient.

Comparison to Rocky Mountain Power's Program

Rocky Mountain Power (RMP) has maintained a service quality program in Idaho since 2005. The program consists of six customer service standards and seven customer service guarantees. Staff compared Avista's proposed electric program to RMP's Idaho program. Upon review, Staff found that Avista's proposed program and RMP's program are very similar. The proposed customer guarantees align with the guarantees and associated credits that RMP has with regard to connecting service, maintaining appointments, customer notification, etc. However, there are some differences between the two programs. The significant differences are discussed below.

1. Electric System Reliability

RMP has a reliability improvement process in place. Avista's program does not have a similar provision.

2. *Restoring Service*

RMP has a network performance standard regarding restoring electric service after outages due to supply loss or damaged distribution equipment. The benchmark is to restore service to 80% of customers within 3 hours. Avista's program does not have a similar benchmark.

3. *Responding to Commission Complaints*

RMP is required to: 1) respond to 95% of non-disconnect Commission complaints within three days; 2) respond to 95% of disconnect Commission complaints within 4 working hours; and 3) resolve 95% of informal Commission complaints in 30 days. There are no similar provisions in Avista's program.

4. *Providing Cost Estimates*

RMP is required to provide customers or applicants cost estimates for new service within 15 working days. Avista is required to provide the same documentation to customers within 10 business days.

5. *Resolving Meter Problems*

RMP is required to investigate and respond to reported meter problems or conduct a meter test and report the findings to the customer within 10 business days. Avista is required to investigate or conduct a meter test and report within 20 business days.

6. *Telephone Service*

RMP is required to answer at least 80% of customer calls within 30 seconds. Avista's program requires the Company to answer 80% of customer calls within 60 seconds.

Though there are a number of differences, Staff recognizes that each utility's program should be designed to provide meaningful information and incentives to maintain and improve customer service and system reliability for the benefit of the utility's customers. In the absence of past performance problems, Staff believes it is not necessary to add provisions similar to those identified above for system reliability, restoring service or responding to complaints. Staff believes the performance measures and guarantees in Avista's proposed Idaho programs are appropriate for Avista. Additionally, closely aligning the Idaho program with Washington's program will expedite the launch of its Idaho program. Staff will review Avista's program in the future and may recommend additional provisions and/or different benchmarks.

STAFF RECOMMENDATION

Staff recommends that the Commission approve Avista's proposed Idaho Service Quality Program and the associated tariff sheets submitted with its Application.

Respectfully submitted this 19th day of October 2018.



Edward Jewell
Deputy Attorney General

Technical Staff: Johnathan Farley
Kevin Keyt

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Customer Service Measures	
<u>Customer Service Measure (Electric and Gas)</u> Telephone Service	The Company will measure the level of customer satisfaction with the Company's telephone (call center) service with a goal of 90% of those customers surveyed reporting they were satisfied or very satisfied with the Company
<u>Customer Service Measure (Electric and Gas)</u> Field Services	The Company will measure the level of customer satisfaction with the Company's field service with a goal of 90% of those customers surveyed reporting they were satisfied or very satisfied with the Company
<u>Customer Service Measure (Electric and Gas)</u> Call Center Response	At least 80% of all customer calls will be answered within 60 seconds for the calendar year
<u>Customer Service Measure (Electric Only)</u> Response to Electrical System Emergencies	The Company's average response time to electrical system emergencies will not exceed 65 minutes for the calendar year
<u>Customer Service Measure (Gas Only)</u> Response to Natural Gas System Emergencies	The Company's average response time to gas system emergencies will not exceed 55 minutes for the calendar year
<u>Customer Service Measure (Electric Only)</u> System Average Interruption Frequency Index (SAIFI)	The Company will report the frequency of electrical system interruptions per customer for the calendar year
<u>Customer Service Measure (Electric Only)</u> System Average Interruption Duration Index (SAIDI)	The Company will report the duration of electrical system interruptions per customer for the calendar year

Customer Service Guarantees	
<u>Customer Service Guarantee (Electric and Gas)</u> Keeping Appointments*	The Company will keep mutually agreed upon appointments for service as scheduled within the windows of 8am-12pm or 12pm -5pm
<u>Customer Service Guarantee (Electric and Gas)</u> Providing Cost Estimates	The Company will provide customers and applicants cost estimates for new service within 10 business days upon receipt of all necessary information
<u>Customer Service Guarantee (Electric and Gas)</u> Responding to Bill Inquiries	The Company will investigate and respond to customer initiated bill inquiries at the time of initial contact; for those involving further investigation, the Company will respond within 10 business days
<u>Customer Service Guarantee (Electric and Gas)</u> Resolving Meter Problems	The Company will investigate customer reported problems or conduct a meter test and report the results to the customer within 20 business days
<u>Customer Service Guarantee (Electric and Gas)</u> Notification of Scheduled Interruptions*	The Company will provide customers with at least 24 hours notice prior to a scheduled interruption of service
<u>Customer Service Guarantee (Electric Only)</u> Restoring Service*	The Company will restore service to a customer within 24 hours after an interruption
<u>Customer Service Guarantee (Electric Only)</u> Turning on Power*	The Company will turn on power the same day the customer or applicant requests service
<u>Customer Service Guarantee (Gas Only)</u> Connecting Gas Service*	The Company will connect gas service on the same day the customer or applicant requests service

* Certain exceptions apply

CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 19th DAY OF OCTOBER 2018, SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN CASE NO. AVU-E-18-10 /AVU-G-18-06, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:

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SECRETARY