

RECEIVED

2010 MAY -3 AM 10: 23

IDAHO PUBLIC  
UTILITIES COMMISSION



April 30, 2010

Jean Jewell, Commission Secretary  
State of Idaho  
Idaho Public Utilities Commission  
Statehouse  
Boise, ID 83720

Re: AVU-E-07-09

Dear Ms. Jewell:

Attached for filing is an electronic copy of the "Summary Study on Avista Utilities Remote Reconnect/Disconnect Pilot." An original and 7 copies is being provided via overnight mail.

On April 25, 2008, Avista requested that the Commission approve a pilot program for "Remote Disconnect/Reconnect" and requested 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 pilot was intended to implement a system for remote disconnection and reconnections, without the need for an employee visit to the affected premises.

On July 30, 2008, the Commission, in Order No. 30603 stated that "Upon the expiration of the 18-month approved term for the pilot program, Avista shall prepare and file a detailed report with the Commission documenting its findings and utilizing the data identified in its Revised Application, as well as any other useful and relevant data which could be used to assess the effectiveness of the remote disconnect and reconnect program in reducing the Company's overall operating costs, enhancing employee safety or improving the quality of service to its customers."

The 18-month pilot program expired on January 29, 2010. Per the reporting requirements of the pilot program as detailed in the Company's filing and the Commission Order No. 30603, Avista requested 90 days to complete and report on the results of the pilot program.

The Company requests that we continue the terms of the pilot to include the limited waiver of the above mentioned rule for the customers that are currently participating and currently have a remote switch installed until such time that the Commission has had the opportunity to assess the effectiveness of the remote disconnect and reconnect program.

If you have any questions regarding this letter, please let me know or you can contact Greg Paulsen at 509-495-4976.

Sincerely,

*/s/Linda Gervais*

Linda Gervais  
Manager, Regulatory Policy  
State and Federal Regulation  
Avista Utilities  
509-495-4975  
[linda.gervais@avistacorp.com](mailto:linda.gervais@avistacorp.com)



RECEIVED  
2010 MAY -3 AM 10:23  
IDAHO POWER  
UTILITIES COMPANY

# Summary Study on Avista Utilities Remote Reconnect/Disconnect Pilot Case No. AVU-E-07-09

---



## Introduction

---

In compliance with Idaho Public Utilities Commission (hereinafter the Commission or Staff) Order No. 30603, Avista Utilities provides its summary study on its Remote Reconnect/Disconnect (hereinafter referred to as remote switch or service switch) Pilot Program. The 18 month pilot began July 30, 2008 and completed January 29, 2010.

The need to disconnect non-paying electrical customers or to avoid a potential safety risk is nothing new for utilities, but the tools of today allow for more efficient handling of these arrears or unique situations. Due to large service areas and long feeders in the Company's Idaho service territory, significant windshield time is required to manually disconnect these customers. Today's technology allows real-time remote disconnection and reconnection of meters, providing significant cost savings and reducing the utility's exposure to potentially dangerous situations.

According to research conducted by Chartwell in 2005, over 50% of electric utilities are either presently using or are considering deploying remote reconnect/disconnect solutions to help lower costs and improve customer service, particularly for seasonally occupied and hard to access customers. In their October 2008 study "Making a Case for Remote Connect/Disconnect, Chartwell stated "...demand for smart meters with internal service switches that can be activated by commands sent along the AMI network is on the rise. Most meter manufactures now make meters with an internal, remotely activated connect/disconnect service switch. Plus, as part of the RFP process, many utilities planning for AMI are including criteria for remote disconnect meters. ...many within the industry note that regulators are more supportive of remote connect/disconnect than in past years; in some cases they are requiring it as part of the AMI/demand response strategy criteria."

Sensus Metering Systems of Raleigh, N.C., reports that 71% of its 2008 electric utility RFPs required remote connect/disconnect. In comparison, in 2007, only 35% of electric utilities required remote connect/disconnect.

## Background

---

Avista originally filed its application seeking approval to implement a one-year pilot program for remote reconnects and disconnects with the Commission 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 approved the 18 month-pilot on July 30, 2008 in Order No. 30603.

Customers selected for the pilot included customers with 200 amp services that met at least one of the following criteria:

- Premises where employee safety is a concern, i.e., customers who have threatened to harm Avista employees or property, premises where there is a danger from animals, or premises that have an obstructed access to the meter;
- Customers who have previously had two field collection visits or disconnection in the preceding 12 months; and
- Excluded were Avista 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.

The Company proposed in its original application to keep the current authorized reconnection fee at \$24 during regular business hours and \$48 after hours. Certain Parties, however, believed that Avista would see a savings in cost by not having a field representative on site and asked that these costs be passed to the customer. Even though Avista continued to believe that the customers who cause the Company to incur additional expense should bear those costs, for purposes of the pilot, the Company agreed to reduce the charge to 50% of the normal

reconnect fees. This resulted in fees for participating customers of \$12 during normal business hours and \$24 if reconnection was performed after hours.

## Scope of the Pilot

---

The pilot program included the installation of approximately 600 remote disconnect collars using a combination of Two-Way Automatic Communication System (TWACS®) and Paging technologies. TWACS® is a technology that allows communications across power lines to a reconnect/disconnect collar at the electric meter. A map of the service points is provided in the Appendices to this study. This capability allowed remote disabling/enabling of the electric service from Avista's office. TWACS® switches provide notification back to the Company dispatch office as to whether or not the signal to reconnect/ disconnect was successful. The wireless Paging switches were used in areas that were not covered by the TWACS® network and allowed communication to a collar at the electric meter which allowed remote disabling/enabling of the electric service. Paging switches do not provide a notification of switch status back to the Company's dispatch office. The proposed pilot intended to implement a system for remote disconnection and reconnections, without the need for an employee visit to the affected premises.

Anticipated benefits included:

- reducing operating and maintenance expenses related to multiple disconnections and reconnections for urban and rural accounts;
  - productivity gains of employees by eliminating multiple trips to customer homes for collections;
  - enhanced employee safety;
  - quicker response time to reconnect service leading to increased customer satisfaction;
- and

- recognizing a reduction in bill defaults and write-offs by encouraging prompt consumer payment over time.

## Customer Notification

---

In order for the pilot to be effective and achieve the desired results, Avista requested a waiver of rule IDAPA 31.21.01 (311.03) and (311.04) for those accounts included in the pilot program. Specifically, at the time the disconnect device was installed, an Avista employee would make an attempt to personally contact the customer and a special notice was left with the customer (if personal contact was made) or on the premises (if customer was not home). The Company worked with Staff to develop the special notice, this notice is included in the Appendices to this report.

The next time the customer was eligible for disconnection, the Company would not be required to physically visit the premises to disconnect or reconnect the meter. However, the Company let the customer know of the disconnection or reconnection by following its current notification process<sup>1</sup>, but without otherwise sending an employee to the premises.

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

---

<sup>1</sup> 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.

## Reporting Requirement & Summary of Results

Measurement & evaluation is integral to defining benefits of a pilot program and identifying areas for improvement or modification. The data collection process for the pilot was a manual effort due to the process changes associated with working with new technology and the relative size of the pilot level programming. The results provided are shown as participant or non-participant. For purposes of the study, Avista has included Residential Rate Schedule 001 information only. The reason the other rate schedules are not captured in this study is because of a very small participation, their complexity, and the minimal amount of relevant data. An account can have multiple meters and rate schedules associated to that account; 98% of the pilot participants are on residential rate schedule 001. Avista believes this study captures all relevant data from its participants. The following is the data that Avista and the interested parties defined to be collected throughout the pilot. This data has been collected as effectively as possible:

- The total number of customers selected for the pilot, the reason for selection, and the month of installation of disconnection device.

Participants															
	2008				2009								Total		
	9	10	11	12	1	2	3	6	7	8	9	10		11	12
BAD DOG				1	1	3	2								7
SAFETY			2				3				3				8
METER ACCESS			3	5		2									10
QUALIFYING EVENT	17	150	145	66	67	119	4	1	2	1	3	1	1	1	578

The average number of Idaho residential electric customers during the pilot period was 104,500. The system automatically assigns, in order, the value of a qualifying event<sup>2</sup> if a service switch should be installed in that specific service territory. Due to the programming logic, the majority of the participants landed in the qualifying event category. However, many of the service visits

<sup>2</sup> A qualifying event is a customer who had previously had two field collection visits or disconnection in the preceding 12 months.



that resulted in the install of a remote collar would have qualified the accounts for a remote switch based on a safety or meter access through field observation.

- The total number of disconnect devices installed by type (TWACS® or Paging) and by month.

	2008				2009										
	9	10	11	12	1	2	3	6	7	8	9	10	11	12	Total
<b>PAGING</b>	2	91	120	55	42	102	7		1		4	1	1		426
<b>TWACS®</b>	15	62	35	17	26	24	2	1	1	1	2			1	187
															613

This number of disconnect devices is higher than the number of participants because Avista may have installed multiple collars at the same premise at different times for a number of reasons including: process, technology, and device failure.

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

<b>Participants</b>																	
	2008			2009												2010	Total
	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	
<b>BROKEN ARRANGEMENT</b>								1	1					1			3
<b>NON PAYMENT BALANCE</b>	1	14	18	87	69	78	83	64	63	56	51	33	46	47	34	42	786
<b>RETURNED PAYMENT</b>	2	3	3	1	1	6	9	1	4	2	1	2	3	2		1	41
<b>BALANCE&amp;DEPOSIT</b>		10	10	24	17	31	29	29	27	19	10	17	9	13	7	8	260
																	1,090

Non-Participants																			
	2008					2009												2010	
	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	Total
BROKEN ARRANGEMENT	1	3	1	2				1	4	4	6	5	3	3	4	3			40
NON PAYMENT BALANCE	333	430	312	247	149	244	362	632	722	564	630	488	407	317	352	436	229	398	7,252
RETURNED PAYMENT	17	20	16	14	4	4	8	20	31	7	25	18	16	13	13	18	7	7	258
BALANCE & DEPOSIT	72	110	85	64	26	52	48	116	155	139	158	136	132	118	108	137	52	79	1,787
DEPOSIT	1			1	1								1			1	1	1	7
																			9,344

- The total number of customers who were disconnected during the pilot period:  
Once  
Twice  
Three or more times

Participants				Non-Participants			
<b>Residential Accounts Disconnected during Pilot by Number of Disconnections</b>				<b>Residential Accounts Disconnected during Pilot by Number of Disconnections</b>			
	<b>1</b>	<b>2</b>	<b>3+</b>		<b>1</b>	<b>2</b>	<b>3+</b>
<b>001</b>	168	104	178	<b># Accts</b>	6,486	1,012	258

The high number of participants where the remote switch was used for disconnect three or more times is a result of the qualifying event criteria. Customers who had two field collections visits or disconnection in the proceeding 12 months is an indicator that the customer has consistently not make satisfactory payment prior to collections rather than an occasionally slow paying customer and therefore, are less likely to change their behavior following the installation of the service switch.

- The total numbers of customers who were disconnected and received a LIHEAP benefit one or more times during the pilot period.

Participants		Non-Participants	
Accounts disconnected during the Pilot & Received LIHEAP	107	Accounts disconnected during the Pilot & Received LIHEAP	1,236
% of Pilot Participants Disconnected during the Pilot	16%	% of Pilot Participants Disconnected during the Pilot	19%

The percentage of LIHEAP recipients disconnected during the pilot for both participants and non-participants, demonstrates that the use of remote technology was not used to target any customer group including customers receiving Energy Assistance.

- The total number of instances where a customer was not reconnected within 24 hours following a disconnection. \*Accounts that closed at time of disconnect have been removed from the following counts.

Participants		Non-Participants									
<table border="1"> <thead> <tr> <th colspan="2"># instances</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>103</td> </tr> </tbody> </table>		# instances		Residential	103	<table border="1"> <thead> <tr> <th colspan="2"># instances</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td>1,819</td> </tr> </tbody> </table>		# instances		Residential	1,819
# instances											
Residential	103										
# instances											
Residential	1,819										

The number above represents approximately the same percent; this is a difficult number to compare since it is outside the Company's control as it relates to whether the customer paid or made satisfactory arrangements in order to restore their service, each customer has their own unique situation.

- By device type, the total number of instances where the disconnection device failed to:
  - Disconnect a customer following remote activation; and
  - Reconnect a customer following remote activation.

	Disconnect	Reconnect
Paging	41	9
TWACS®	7	5

Different failure modes were encountered during the pilot program. For the TWACS® service switches, the primary failure mode was a hardware failure in the service switch. For the Paging service switches there were two primary failure modes, the first mode was a hardware failure of the service switch, and the second was related to the paging service that was either intermittent or inconsistent.

- The minimum, maximum and average length of time from remote disconnection to remote reconnection.

Participants			Non-Participants		
Min	Max	Avg	Min	Max	Avg
8 min	293 hrs	9.5 hrs	12 min	725 hrs	22 hrs

The average time from remote disconnection to remote reconnection is again a difficult number to compare since it is outside the Company's control when it relates to when the customer paid or made satisfactory arrangements in order to restore their service.

- 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.

Participants			Non-Participants		
<b>Min</b>	<b>Max</b>	<b>Avg</b>	<b>Min</b>	<b>Max</b>	<b>Avg</b>
1 min	15 hrs	24 min	2 min	74 hrs	2.6 hrs

This data demonstrates the improved customer service provided to participating customers. Once the customer paid or made satisfactory arrangements, the service was reconnected in an average of 24 minutes as compared to 2.6 hours for non-participating customers.

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

Two complaints have been filed with the Commission for accounts with a remote switch installed. Neither of the complaints was regarding the remote switch technology.

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

Yes, customers that had the service switch installed were more likely to have a field request for disconnect during the year prior to the installation of the remote switch than in the year following installation.

Increase in the number of arrangements kept in the year prior to install of remote switch as compared to the following year.														
# Times	-6	-5	-4	-3	-2	-1	0	1	2	3	4	5	6	Total
# Accts	0	2	2	8	19	51	99	75	28	7	3	1		330
	<b>Prior to Install</b>						<b>82</b>	<b>After Install</b>						<b>149</b>

For example, the chart above illustrates: 35 accounts kept 2 more arrangements during the year following installations when compared to the prior year.

The number of payments made by all participant accounts increased after installation.

1 year prior to install	3,887 payments
1 year after install	4,235 payments

The criteria used for purposes of the pilot limited utilization of the service switch. Out of the 558 accounts participating, 202 customers closed their accounts. Often those customers opened new accounts and then the Company was unable to continue using the remote technology on the existing premises and therefore, lost the benefit and understanding of the impact the service switch may have had on their behavior.

## Detailed analysis of costs, cost savings, and non-monetary benefits of pilot program.

---

### *Costs*

The material costs for the pilot were \$130,406<sup>3</sup> and the projected labor savings was \$99,059<sup>4</sup>.

The projected labor savings were calculated with the following assumptions:

### Labor

Various craft categories perform normal collections activities depending upon the location. In the rural areas, collections are typically performed by lineman, as opposed to more urban areas where an outside serviceman (only performs collections work) performs this work. A blended rate for the categories was assumed at \$32.50/hour.

### Normal versus After Hours

---

<sup>3</sup> Includes all capital and materials loadings.

<sup>4</sup> Projected labor savings were calculated through the end of the pilot phase of the project (January 31, 2010). Labor savings continue to accrue each month as the devices are still installed in the field and utilized as collection events occur.

The various locations in Idaho have slightly varying normal work hours which determine whether the collections activity would be assumed to be “normal versus after hours.” After hours work requires a 2 hour minimum at 2 times the normal wage scale. For the purposes of calculations, normal hours were assumed to be any order completed between the hours of 8 a.m. and 4 p.m. Based on the diversity of deployment across urban and rural areas, and estimated labor savings of ½ hour/order was used during normal hours. A vehicle cost adder of \$10/order was added to the total cost also based on diversity of the areas served.

			Orders	Total
Reconnects	Normal	\$26.25	996	\$26,145
	After	\$140.00	310	\$43,400
Disconnects	Normal	\$26.25	1119	\$29,374
	After	\$140.00	1	\$140
			Total	\$99,059

***Non-Monetary Benefits***

Overall, Avista’s position is the Remote Reconnect/Disconnect Pilot has been an outstanding success. The monetary benefits captured above are reflective of anticipated results from a savings perspective. However, many of the benefits are not able to be captured by a single cost measurement. This section is meant to provide a description of some of the other benefits captured during the pilot. Challenges encountered during the pilot will also be discussed.

**Safety**

The single largest benefit for Avista employees that perform this work has been the ability to install these devices once and then not have to visit the home again. While a majority of our customers are understanding of the process, and hold no ill will toward our employees, there is a small segment that pose a real threat to our employees. Performing this work remotely

allows employees to avoid these potentially volatile situations. Over the past year, Avista has experienced a significant increase of confrontational customers across our service territory and is taking precautions to protect all of our employees. Multiple employees have commented regarding what a great tool the remote switch technology is for the safety of our field personnel.

### Customer

The majority of responses from customers that were contacted as a result of back office processes that were implemented (see *Process* below) had positive comments and were grateful that their power could be restored so quickly. Several mentioned that they didn't even see a company representative on their property to restore the power, at which point we would remind them they were equipped with the device that has allowed us to restore their power remotely.

### Employees

Often times, one of the best indicators of the success of a new program is acceptance by employees. This program has been an overwhelming success from that standpoint. As the pilot progressed and the target deployment of approximately 600 collars was reached, there was a flood of requests from employees and their managers to continue the program, especially from rural areas where collections work is typically performed by linemen as only a portion of their duties.

### Productivity/Efficiency

Avista's managers have been seeking creative ways to install these devices and yet stay within the guidelines of the defined pilot program and the IPUC rules (using only for restoring service) which is indicative of how much potential this program has to drive productivity/efficiency. This is especially true in rural areas where linemen are performing this work. By reducing the collections workload, these employees are better able to serve our customers by performing their primary function of line work.



## Washington

It is worth noting that in parallel with the Idaho pilot project, Avista implemented a remote disconnect program in our Colville, Washington and Othello, Washington service areas as a productivity measure. The rules in Washington State do not require on-site final notification before disconnection. Similar results to Idaho have been achieved in Washington; however, the understanding by company employees of when these devices could or should be deployed has been much easier because there are no stipulations regarding qualifying events. It is also worth noting that remote disconnects are installed whenever a potential safety concern arises anywhere in Avista's Washington service area.

## ***Challenges***

While the overall success of the pilot program outweighed any obstacles encountered, the pilot program did encounter some challenges along the way. The following outlines some of these challenges:

### Technology

The first challenge encountered was related to the paging technology utilized by the Nighthawk® remote disconnects. By design, the paging system is a one-way push system that doesn't provide any feedback. This presented challenges as back office dispatchers performing the remote reconnect/disconnect did not have confirmation that the device worked. This problem was quickly addressed by implementing a procedure whereby the dispatchers called the customer after issuing the reconnect command to confirm that their power had been restored. Another problem encountered with the paging system was inconsistent/intermittent coverage in certain areas compounded by some device failures.

### Process

As mentioned above, the back office dispatchers were forced to implement process changes due to some of the technology limitations of the paging technology. In an effort to catch some of the coverage issues and device failures at the time of installation, a process was

implemented to have field personnel call into the dispatchers and test the collars at the time of installation. If coverage didn't exist, or a device failed, it was resolved during the installation process. These process changes alleviated many of the issues, however there were still a small number of device failures or intermittent paging coverage that resulted in the devices having to be removed or replaced by field personnel.

Another process challenge was related to situations where a remote switch was installed on a meter and linked to an account in the customer service system following a qualifying event. The account was closed for a variety of reasons and a new account opened at the same premises. The remote switch was still physically installed on the meter; however, it was not identified on the new account because the new account had not yet had a qualifying event. At the next collection event a standard field order was generated and field personnel were sent to the premise. Upon arriving it was discovered that a remote switch was installed creating confusion for both the field personnel and the back office dispatchers.

## Company Proposed Outcome

---

Avista believes that a permanent waiver of Utility Customer Relations Rule - IDAPA 31.21.01 (311.03) and (311.04)<sup>5</sup> should be granted as it applies to the installation of a Remote Reconnect/Disconnect Device. Specifically, after the device has been installed, an Avista

---

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

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

employee would no longer be required to physically visit the premises to disconnect or reconnect the meter. However, the Company will let the customer know of the disconnection or reconnection by following its current notification process<sup>6</sup>, but without otherwise sending an employee to the premises. At the time of installation, a special notice that was developed with the assistance of the Commission Staff will be left at the premise. All meters with the device attached will be flagged as having the remote device and entered into the Company's customer service system.

The Company would like to continue to utilize the existing service switches for participating customers when they become eligible for disconnection for the following reasons:

- The safety, meter access and collection activity that qualified the premises for a Service Switch under the pilot still exist and therefore the switch continues to provide benefit to the Company and the customer.
- The cost to remove the remote devices that the Company installed as a result of the pilot would be significant.
- Many of the benefits accrued as a result of this program would be lost by removing the remote devices from participants, not to mention that the customers would have an interruption in their service to remove the device.

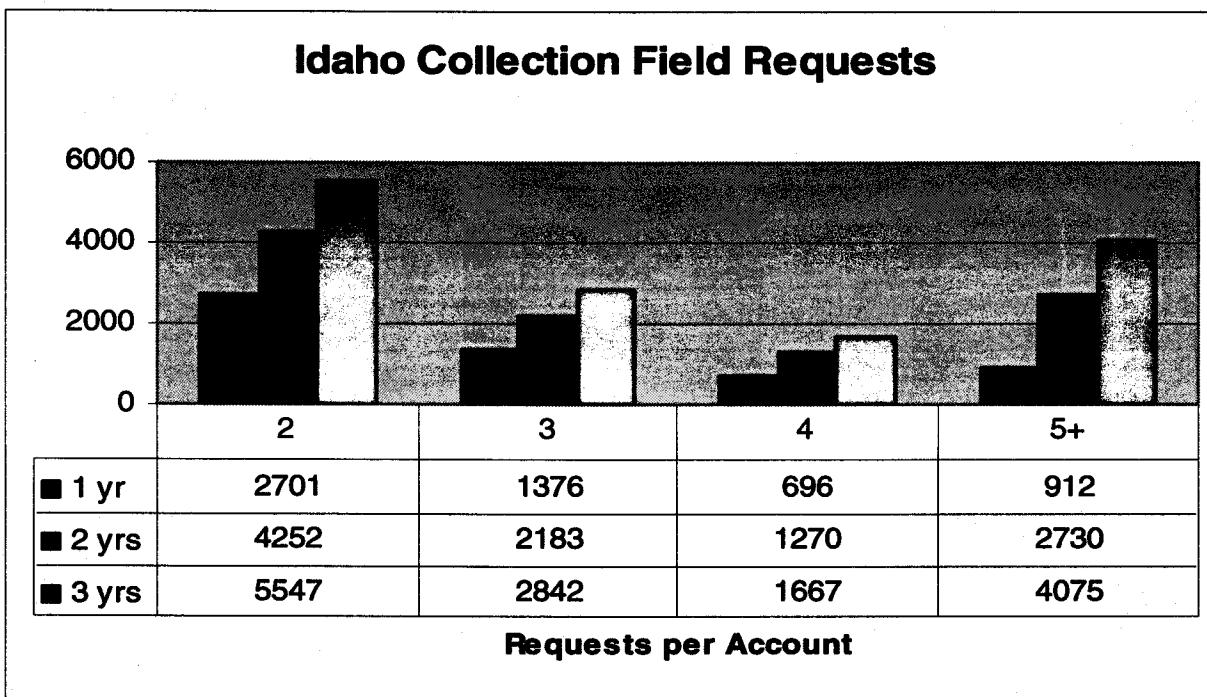
Many customers have grown comfortable with the idea of "curbside collections"—avoiding disconnection by paying at the last minute, even though they encountered substantial fees to do so. Customers who are familiar with the collections process also have learned that Avista only has a limited amount of time to work the disconnect order before it becomes "Too old to Work" and the order is cancelled. The two maps provided in the Appendix illustrate the location of the participant remote switches in red, and locations of non-participants where collection orders were 'too Old to Work' in green. Avista believes the data in this study has shown that having the remote device has had a positive impact on customer behavior and has improved service to the customer by significantly reducing the time between payment and reconnection of service.

---

<sup>6</sup> 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.

Therefore, the request of the Company would be to remove the qualifying event criteria and instead allow the Company the discretion to install service switches on any customer that is eligible for disconnect. In order to support this process, and reduce confusion once there has been an account change, we would also propose attaching the remote switch to the premise instead of the account in the customer service system.

Under the terms of this pilot, Avista agreed to reduce the reconnection fee and after hours fee by 50% for participating customers. Going forward, Avista proposes to return to the full reconnect fee of \$24 and after hour's fee of \$48. The Company would need to make an investment in technology and back office support staff to expand the service switch program beyond the scope of the pilot. The Company continues to believe this should be paid for by the segment of customers where remote switches are being installed, rather than at the expense of all Idaho customers. The graph below shows Idaho collection field requests per account over a three year period and how they continue to increase:



## Conclusion

---

As demonstrated by the above data and benefits, Avista considers the Idaho Remote Reconnect and Disconnect project a success even though this pilot represented a very small sample. As with any pilot program, there were technical and process challenges that had to be worked through. Overall, both the TWACS® and Paging switches have proven to provide value for both the Company and its customers. Enhancing the program with the recommendations described in this report will make service switches a valuable tool for the safety of our employee's, the credit and collections process, and should provide enhanced customer service to all of Avista's customers by reducing the cost of collections and improving service restoration times.

Safety of our employees is Avista's top priority. The service switch provides a tool that can be used to help promote safety. As an example, aggressive dogs are often used to deter utility personnel from doing their jobs. Avista has encountered a situation where an angry homeowner threatened to release their "pit-bull" to specifically attack a serviceman. Others have been threatened with physical harm, sometimes with a gun in hand. Concern for safety is especially important when you consider these servicemen are unarmed and in some cases, can be carrying in excess of \$1,000 worth of collections on their route. There are also inherent safety risks anytime an energized meter is pulled.

The Company believes that the remote operation of service switches utilized for purposes of this pilot saved significant "windshield time" for servicemen, which translates into real dollars. An Avista serviceman can spend considerable time traveling to and from the residence in question. This accrues not only labor costs but vehicle fuel and maintenance costs. For rural communities, service calls to reconnect customers routinely happen after hours, incurring overtime labor charges and these disconnect activities often take serviceman away from other responsibilities that are crucial to the performance of the utility, adding opportunity costs into the equation.

**This pilot has also demonstrated that utilization of service switches were a benefit to the participating customers. On average, pilot participants had service restored six (6) times faster than non-participants. Participants expressed their satisfaction regarding the quicker response to the company dispatchers on multiple occasions.**

**Based on the results of this pilot study, Avista is hopeful that the Commission and concerned parties will understand the overall benefits that the service switch brings to Avista and its entire customer base and support the Company's proposed outcomes.**

**APPENDICES**

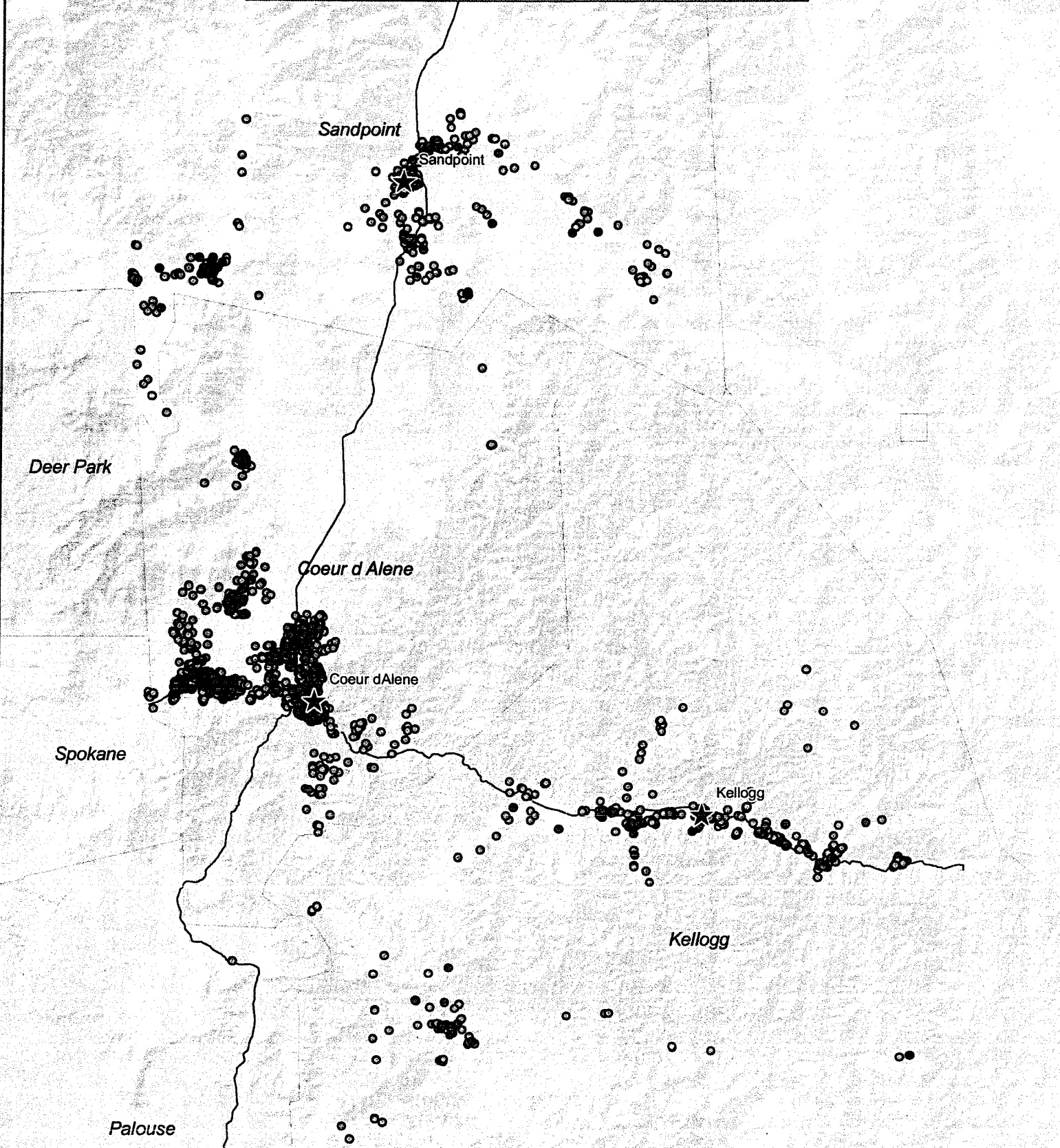
**AVU-07-09**

RECEIVED

2010 MAY -4 AM 10: 17

IDAHO PUBLIC  
UTILITIES COMMISSION

# ID Remote Switch Pilot North



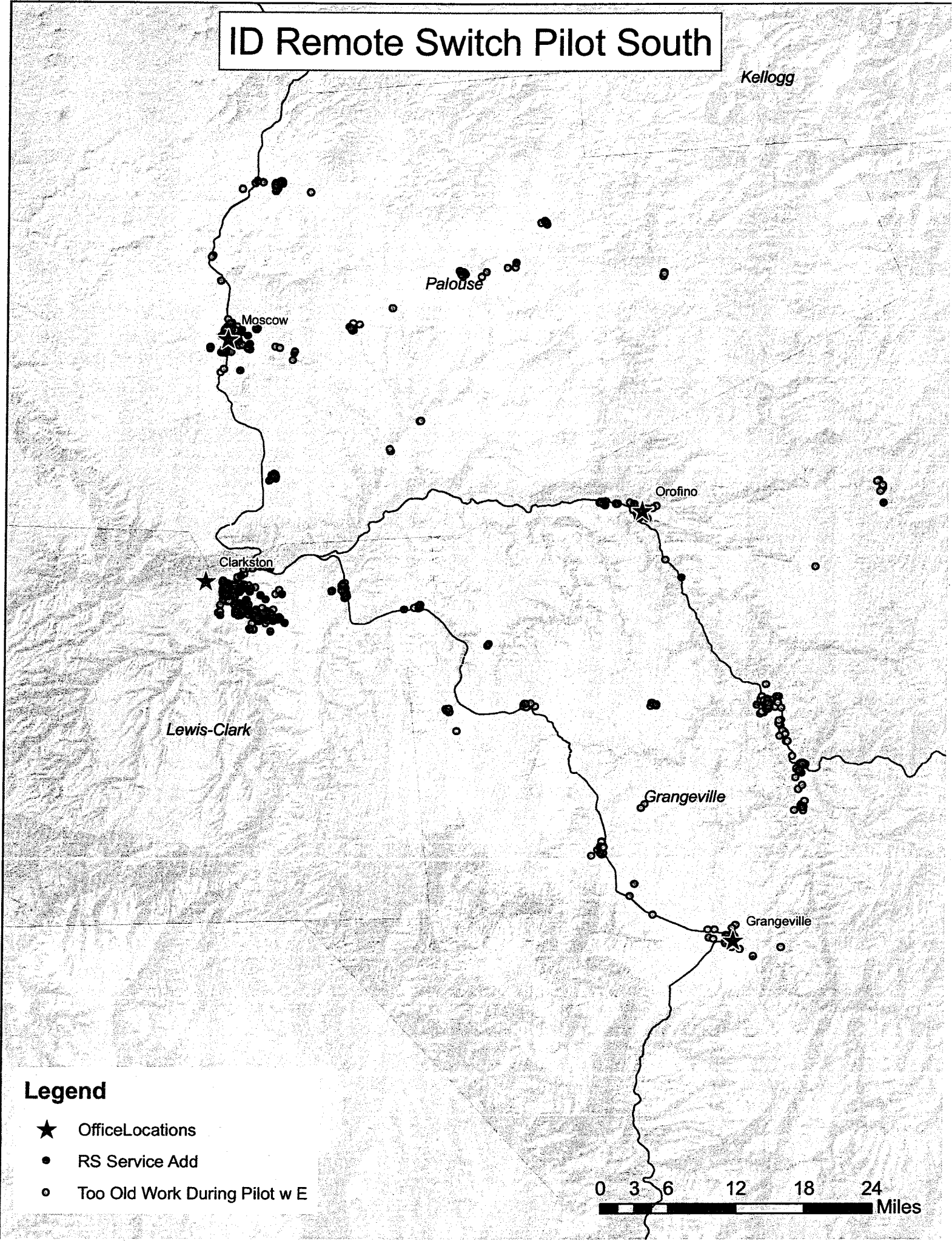
## Legend

- ★ OfficeLocations
- RS Service Add
- Too Old Work During Pilot w E





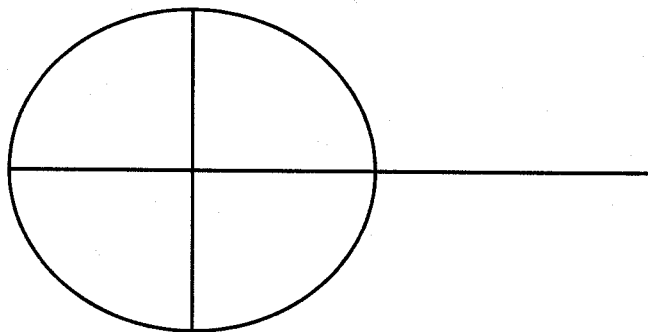
# ID Remote Switch Pilot South



## Legend

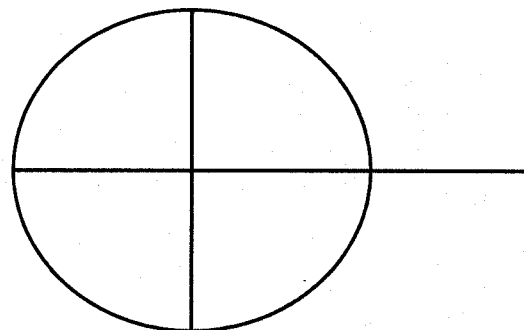
- ★ Office Locations
- RS Service Add
- Too Old Work During Pilot w E

0 3 6 12 18 24 Miles



**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**

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.

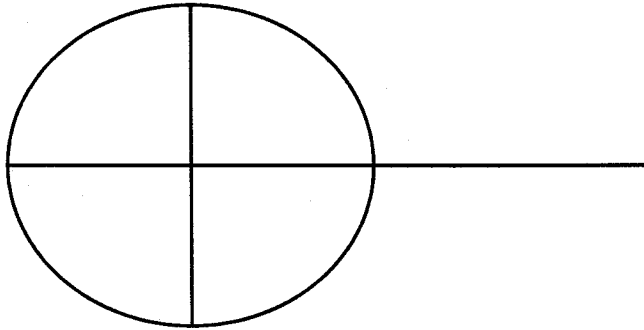
***In the future, Avista will not need to send a field representative to your service location to disconnect or reconnect service.*** You will not have the opportunity to pay a field representative at your door to avoid disconnection. No notice will be left for you at the service location following disconnection. 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**

# **AVISTA®**

## **Utilities**



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:**

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.

**We are willing to make mutually satisfactory payment arrangements.**

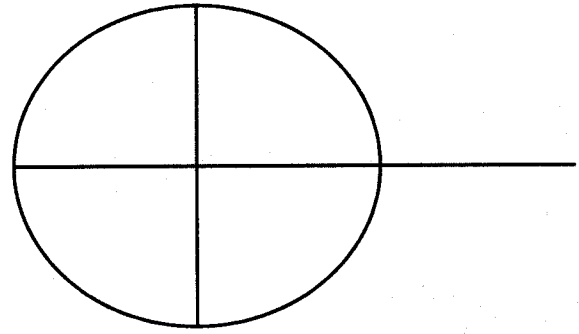
An informal or formal complaint concerning this action may be filed with the Idaho Public Utilities Commission – P.O. Box 83720, Boise, ID 83720-0074 (208) 334-0369 or toll free (800) 432-0369.

**1-888-427-3403**  
[www.avistautilities.com](http://www.avistautilities.com)

**SEE REVERSE SIDE FOR  
IMPORTANT INFORMATION**

# **AVISTA®**

## **Utilities**



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:**

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.

**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.

**1-888-427-3403**  
[www.avistautilities.com](http://www.avistautilities.com)

**SEE REVERSE SIDE FOR  
IMPORTANT INFORMATION**