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Attorney for the Commission Staff

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF AVISTA)
CORPORATION’S PETITION FOR A) **CASE NO. AVU-G-22-03**
TEMPORARY EXEMPTION FROM GAS)
SERVICE RULES 151 AND 152, UTILITY)
CUSTOMER RELATIONS RULE 203(3), AND) **COMMENTS OF THE**
ASSOCIATED TARIFFS) **COMMISSION STAFF**
)

STAFF OF the Idaho Public Utilities Commission, by and through its Attorney of record, Riley Newton, Deputy Attorney General, submits the following comments.

BACKGROUND

On June 28, 2022, Avista Corporation d/b/a Avista Utilities (“Company”) Petitioned the Commission for a temporary exemption from provisions of Gas Service Rules (“GSR”) 151 and 152, IDAPA 31.31.01.151-.152, Utility Customer Relations Rule (“UCRR”) 203, IDAPA 31.21.01.203, and Sections 24-5 of its tariff, No. 27, Schedule 170.

GSR 151 and 152 set forth requirements for the periodic testing of customer natural gas meters and standards for natural gas service. UCCR 203 provides stipulations regarding the issuance of corrected bills, including specifics regarding the rebilling time period to be used in the event that the time when a billing problem began cannot be reasonably determined.

The Company represents that, due to supply chain issues, there is and will continue to be insufficient new meters for new customers and to replace out-of-specification meters for existing customers. Since out-of-specification meters are detected by the Company's meter accuracy verification programs, the Company proposes to temporarily pause those programs, thereby reducing the attrition rate of its new-meter inventory.

STAFF REVIEW

Staff reviewed the Company's Petition, tariff, GSR 151 and 152, and UCRR 203, and responses to its Production Requests. Staff recommends that the Commission approve the Company's request for a temporary exemption from GSR 151 and 152, UCRR 203, and the applicable provisions of its tariff.

Testing

Consistent with industry practices, the Company tests three types of meters, including "diaphragm meters" (the meter type most used to serve residential loads and medium commercial loads) to verify performance of new and installed meters. Petition at 2-3. Meters that fail to meet the Company's standards are removed from service. *Id.* at 4. Staff confirmed the diaphragm meter attrition rate by reviewing the meter testing program's sampling frequency and the resulting meter failure data for 2020, 2021, and 2022 (to date). When the attrition rate is combined with the Company's spare meter inventory Staff concurs with the Company's conclusion that the status quo cannot be sustained.

Supply Chain

The Company represents that there are only two vendors who sell a compatible meter. The second vendor has a longer delay (70+ weeks) than the primary vendor (52 weeks). Response to Production Request No. 2. The Company states that borrowing or buying meters from other utilities was "not feasible due in part to the unique badging system required for each utility's meters." Petition at 6.

The Company has limited capacity to repair existing meters that are out-of-specification. The Company's meter vendor claims that "repair parts are available in limited quantities, depending on the part(s) required." Response to Production Request No. 1. Furthermore, the

Company states that its employees qualified to make repairs have “minimal capacity to do more work, as they are already incurring overtime to complete many of their existing responsibilities.” Response to Production Request No. 1. These employees may have more capacity if the Company’s meter verification program is suspended, so the Company should be encouraged to pursue in-house meter repair as an additional mitigation alternative. Staff believes that mitigation alternatives are likely insufficient, and therefore concurs with the Company’s proposal to suspend its accuracy verification programs. However, Staff also recommends that the Company continue to fully pursue mitigation alternatives.

Lastly, the Company proposes to suspend its meter accuracy verification programs through December 31, 2023, or sooner if a sufficient supply of replacement meters becomes available. The Company expects to receive the bulk of the replacement meters in the Spring of 2023. Because recent meter delivery dates have been missed by the Company’s vendor, Staff concurs with the Company’s proposal to tentatively extend the program suspension through the end of 2023 but end the suspension early if meters are received on time.

CSR and UCRR

The Company represents that UCCR 203(3)(a) limits the time which corrected billings can be sent to a customer to the six months preceding the date an error in the meter is discovered. Pausing its meter testing and replacement program, the Company indicates, will require that some customers whose meters eventually test outside the prescribed parameters will need to be rebilled for billings more than six months before the meter error was discovered.

Once it resumes its testing and replacement program, the Company predicts it will discover meters that resulted in overcharges or undercharges to customers. Thus, the Company requests permission to extend the rebilling period for customers who have been overcharged to 18-months from the time it resumes its testing program. Staff supports the Company’s request and believes it benefits customers. The Company explains that customers who have been undercharged will only be rebilled for up to six months. Based on previous years’ data, the Company estimates that if an average customer is overbilled for 18 months, the customer would receive a bill credit for \$26.10.

Tariffs

The Company requests a temporary exemption from the rules relating to meter testing and accuracy in Sections 24 and 25 of its natural gas tariff, Schedule 170. Staff reviewed the Company's tariff and, in a production request, questioned if "customer-requested meter tests" would be exempted as defined in Section 25 D of tariff Schedule 170. In response, the Company states that it "is not requesting a waiver of customer requested meter testing." Response to Production Request No. 8. Staff believes the Company's continuation of customer requested meter tests is in the best interest of customers.

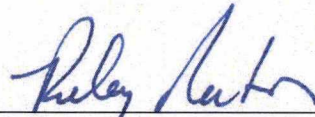
Finally, Staff notes that the Company's Petition requests temporary exemption from the requirement to replace meters that fail Company-initiated testing. However, Staff further notes that the Company's Petition does not request an exemption from the requirement to replace any non-functioning or otherwise defective meter discovered by the Company through other means, such as a customer requested meter test.

STAFF RECOMMENDATION

Staff recommends the Commission approve the Petition's request for a temporary exemption from the rules and tariff schedule that concern the testing and replacement of diaphragm meters, and require the Company to:

- 1) Notify the Commission about any material changes impacting the requested exemption.
- 2) Notify the Commission, prior to the planned exemption sunset date, if the exemption needs to be modified.

Respectfully submitted this 13TH day of September 2022.



Riley Newton
Deputy Attorney General

Technical Staff: Kevin Keyt
Jolene Bossard
Matt Suess
Jason Talford

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 13TH DAY OF SEPTEMBER 2022, SERVED THE FOREGOING **COMMENTS OF THE COMMISSION STAFF**, IN CASE NO. AVU-G-22-03, BY E-MAILING A COPY THEREOF, TO THE FOLLOWING:

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