



Avista Corp.
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Spokane, Washington 99220-0500
Telephone 509-489-0500
Toll Free 800-727-9170

October 9, 2014

Jean D. Jewell, Secretary
Idaho Public Utilities Commission
P O Box 83720
Boise, ID 83720-0074

Dear Ms. Jewell:

Re: Case No. GNR-U-14-01 – Exemption from UCRR 311 – Joint Utilities Application and Testimony

Dear Ms. Jewell:

Enclosed for filing with the Commission is an original and seven (7) copies of Avista Corporation, doing business as Avista Utilities (hereinafter Avista or Company), at 1411 East Mission Avenue, Spokane, Washington, Direct Testimony in support of the above referenced Case No. Additional copies have been provided to the service list.

Please direct any questions on this matter to myself at (509) 495-4975.

Sincerely,

Manager, Regulatory Policy
Avista Utilities
linda.gervais@avistacorp.com
509-495-4975

Attachements

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2014 OCT 10 PM 2:39
IDAHO PUBLIC
UTILITIES COMMISSION

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IDAHO PUBLIC
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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE JOINT) CASE NO. GNR-U-14-01
PETITION OF AVISTA CORPORATION,)
IDAHO POWER COMPANY, AND ROCKY)
MOUNTAIN POWER COMPANY FOR AN)
EXEMPTION FROM UTILITY CUSTOMER) DIRECT TESTIMONY
RELATIONS RULE 311 (4) AND (5).) OF
) LINDA M. GERVAIS
)
_____)

FOR AVISTA CORPORATION

(ELECTRIC AND NATURAL GAS)

1 I. INTRODUCTION

2 Q. Please state your name, employer and business
3 address.

4 A. My name is Linda M. Gervais and I am employed as
5 the Manager of Regulatory Policy for Avista Corporation
6 (Company or Avista), at 1411 East Mission Avenue, Spokane,
7 Washington.

8 Q. Would you please briefly describe your
9 educational background and professional experience?

10 A. Yes. I earned a Bachelor of Science degree in
11 Business Administration from Kennedy Western University.

12 I joined the Company in June of 1993. Over the past
13 21 years I have served in a number of different roles,
14 including contract construction, and demand-side-
15 management. I have spent approximately 12 years in the
16 Rates Department with involvement in Commission
17 rulemakings, compliance, integrated resource planning,
18 low-income issues and other aspects of state and federal
19 policy. In 2007, I became the Manager of Regulatory
20 Policy.

21 Q. What is the purpose of your testimony in this
22 proceeding?

1 A. Avista is among the utilities filing a joint
2 petition for an exemption from IDAPA Utility Customer
3 Relations Rules (UCR) 311 (4) and (5). Specifically, UCR 311
4 (4) and (5) state:

5 **04. Opportunity to Prevent Termination of**
6 **Service.** Immediately preceding termination of
7 service, the employee designated to terminate
8 service shall identify himself or herself to the
9 customer or other responsible adult upon the
10 premises and shall announce the purpose of the
11 employee's presence. This employee shall have in
12 his or her possession the past due account record
13 of the customer and shall request any available
14 verification that the outstanding bills are
15 satisfied or currently in dispute before this
16 Commission. Upon presentation of evidence that
17 outstanding bills are satisfied or currently in
18 dispute before this Commission, service shall not
19 be terminated. The employee shall be authorized
20 to accept full payment, or, at the discretion of
21 the utility, partial payment, and in such case
22 shall not terminate service. Nothing in this rule
23 prevents a utility from proceeding with
24 termination of service if the customer or other
25 responsible adult is not on the premises.

26
27 **05. Notice of Procedure for Reconnecting Service.**
28 The utility employee designated to terminate
29 service shall give to the customer or leave in a
30 conspicuous location at the affected service
31 address, a notice showing the time of and grounds
32 for termination, steps to be taken to secure
33 reconnection, and the telephone numbers of
34 utility personnel or other authorized
35 representatives who are available to authorize
36 reconnection.

37
38 My testimony will describe the Company's experience
39 with a limited waiver of UCR 311 and explain why it should

1 be allowed to perform remote disconnection/reconnection in
2 its Idaho service territory.

3 Q. Are you sponsoring any exhibits in this
4 proceeding?

5 A. Yes. I am sponsoring Exhibit No. 1, Schedule
6 Nos. 1 and 2. Schedule No. 1 includes the Company's
7 Petition for limited waiver and Schedule No. 2 includes
8 the Company's Updated Summary Report, both filed in Case
9 No. AVU-E-07-09.

10 II. REQUEST FOR EXEMPTION

11 Q. Didn't Avista request a limited waiver of UCR
12 311 in another Case?

13 A. Yes. Avista originally filed its application
14 seeking approval to implement a one-year pilot program for
15 remote reconnects and disconnects with the Idaho Public
16 Utilities Commission (IPUC) on August 30, 2007 in Case No.
17 AVU-E-07-09. The Company also requested a limited waiver
18 of Utility Customer Relations Rule 311.04 and 311.05
19 (IDAPA 31.21.01.311.04 and .05) related to the final
20 customer notification prior to disconnection.

21 On September 19, 2007, the Commission issued a Notice
22 of Application and Notice of Modified Procedure,
23 establishing a deadline for the submission of comments

1 and/or protests. Commission Staff filed comments
2 supporting the Company's Application. AARP Idaho filed
3 comments opposing the Company's Application. Likewise, the
4 Community Action Partnership Association of Idaho (CAPAI)
5 filed comments opposing approval of the Company's
6 Application as well as the Commission's use of Modified
7 Procedure. Additionally, CAPAI requested that the
8 Commission convene a technical hearing and order a
9 workshop regarding the Company's proposal. On December 4,
10 2007, the Commission deferred judgment on the Company
11 Application and ordered workshops to further refine and
12 develop details of the pilot program.¹

13 On March 27, 2008, a public workshop was held at the
14 Commission's office in Boise during which the parties
15 reached a tentative agreement on most of the issues.
16 Representatives from Avista, Commission Staff, CAPAI and
17 AARP attended the workshop. At the conclusion of the
18 workshop, participants agreed to continue working
19 informally on the issues of customer notification and
20 identification of the data to be collected during the
21 course of the pilot.

¹ Order No. 30471

1 On April 28, 2008, Avista submitted its Revised
2 Application pursuant to Order No. 30471. The Revised
3 Application incorporated certain changes to the pilot
4 program agreed to during the March 2008 public workshop as
5 well as subsequent correspondence between the parties.

6 On July 30, 2008, the Commission approved Avista's
7 Application to implement the 18-month pilot program and
8 ordered that, upon completion of the pilot program, the
9 Company shall prepare "a detailed report with the
10 Commission documenting its findings." (Order No. 30603 at
11 10.)

12 On January 28, 2010, Avista submitted a letter to the
13 Commission requesting an extension of its limited waiver
14 of IDAPA 31.21.01.311.04 and 311.05 (Utility Customer
15 Relations Rules granted for the purpose of implementing
16 its Remote Disconnect and Reconnect Program.)

17 In Commission Order No. 31009 dated February 17,
18 2010, the Commission stated that it had:

19 "...reviewed Avista's current filing and Staff's
20 recommendation of the filing. Accordingly, the
21 Commission approves Avista's request to continue
22 its Remote Disconnect and Reconnect Pilot
23 Program, including the previously approved waiver
24 of UCR Rules 311.04 and 311.05. A 50% reduction
25 in reconnect fees is authorized until the
26 Commission has had an adequate opportunity to
27 review the Company's forthcoming report regarding
28 the results of the pilot program, and to assess
29

1 its effectiveness. In reaching this finding, the
2 Commission notes that it has not received any
3 objection or negative feedback regarding the
4 Company's request for a brief continuation of the
5 terms of the pilot program."
6

7 The Company filed its Summary Report on May 4, 2010
8 and an Updated Summary Report on February 11, 2013.

9 **III. AVISTA PILOT PROGRAM**

10 **Q. Please describe the terms of Avista's Pilot**
11 **Program.**

12 A. As provided earlier, the Company filed an
13 application seeking approval to implement a one-year pilot
14 program requesting waiver of the Utility Customer
15 Relations Rule 311.04 and 311.05.

16 After discussions with the Parties², customers
17 selected for the pilot included customers with 200 amp
18 services that met at least one of the following criteria:

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

² Commission Staff, AARP and CAPAI.

1 • Excluded will be CARES customers, customers
2 subject to the moratorium, who are on a winter
3 payment plan, who have provided medical
4 certificates, or who have made satisfactory
5 payment arrangements.

6

7 The Company's authorized reconnection fee was set at
8 \$24 during regular business hours and \$48 after hours. For
9 purposes of the pilot, the Company reduced the charge to
10 50% of the normal reconnect fees.

11 **Q. What are some of the benefits identified from**
12 **this pilot?**

13 A. Safety of Avista's employees continues to be a
14 significant benefit of the pilot program. Avista has
15 adopted a practice in both Idaho and Washington whereby a
16 service switch is installed on any customer that is deemed
17 to be a potential safety risk to our employees. We
18 continue to see an increase in the number of customers
19 that pose a real threat to our employees. Safety is a
20 concern for the meter readers and service people tasked
21 with disconnecting power or acting as impromptu bill
22 collectors. Aggressive dogs are often used to deter
23 utility personnel from doing their jobs. Over the years,
24 Avista servicemen have encountered situations where angry

1 homeowners threaten to release their dogs to attack them.
2 Others have threatened physical harm, sometimes with a gun
3 in hand. Concern for safety is especially important when
4 you consider these "bill collectors" are unarmed and can
5 be carrying collections on their route. Due to the
6 numerous safety concerns, two-person crews are typically
7 used, as well as in some cases, a police escort.

8

9

IV. TECHNOLOGY

10 Q. Does the Company have the ability to remotely
11 disconnect service in Idaho using an Advanced Metering
12 Infrastructure (AMI)?

13 A. No. However, both the Two-way Automatic
14 Communications System (TWACS®) and Paging collar devices
15 continue to be utilized in Company's Idaho service area in
16 accordance with the qualifying rules of the original pilot
17 program. Both of these devices can be remotely
18 disconnected and reconnected.

19 Q. Does the Company have plans to install AMI
20 technology in Idaho?

21 A. Yes, the Company is currently evaluating the
22 installation of AMI in its Washington service territory

1 beginning in 2016. Once complete, we will install AMI in
2 Idaho.

3 V. UTILITY PRACTICE OF DISCONNECTIONS

4 Q. Can you please explain the Company's position on
5 whether or not the utility practice of disconnections will
6 change with an exemption to the rule, as well as with
7 remote capabilities.

8 Yes. It is always the Company's desire to keep
9 customers connected. The need to disconnect non-paying
10 customers or to avoid a potential safety risk is nothing
11 new for utilities, but the tools of today allow for more
12 efficient handling of these arrears or unique situations.
13 Due to large service areas and long feeders in the
14 Company's service territories, significant "windshield
15 time" is required to manually connect/disconnect these
16 customers. When doing field collections in Idaho, the
17 Company currently collects a payment from customers at the
18 door less than 15% of the time.

19 Q. What practice would change with the waiver of
20 the rule?

21 A. Specifically, after the meter has been
22 installed, an Avista employee would no longer be required
23 to physically visit the premises to disconnect or

1 reconnect the meter. However, the Company will let the
2 customer know of the possible disconnection and/or
3 reconnection by following its current notification
4 process³, but without otherwise sending an employee to the
5 premises. After the meter installation, a special notice
6 that was developed with the assistance of the Commission
7 Staff, is provided with the mailed past due notice and the
8 final notice reminding customers they have a remote
9 device.

10 Q. What options does the customer have to satisfy
11 payment if an employee does not come to the door prior to
12 disconnection?

13 A. In addition to the traditional methods of paying
14 by check or money order through the United States mail,
15 pay stations, or drop boxes, or paying by cash at pay
16 stations, the Company also offers customers the options of
17 online payment through the Company's website and pay-by-
18 telephone.

19 Some of these methods, such as online payment and
20 pay-by-telephone, provide almost immediate account

³ 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.

1 updating and the customer can make the payment without
2 leaving their home.

3 VI. CONCLUSION

4 Q. Please summarize the reason the Company is
5 requesting a waiver to Rule 311 (4) and (5)?

6 A. As stated earlier in my testimony, it is always
7 the Company's desire to keep customers connected. The need
8 to disconnect non-paying customers or to avoid a potential
9 safety risk is nothing new for utilities, but the tools of
10 today allow for more efficient handling of these arrears
11 or unique situations.

12 Q. Does this conclude your pre-filed direct
13 testimony?

14 A. Yes.

Avista Corp.
1411 East Mission PO Box 3727
Spokane, Washington 99220-3727
Telephone 509-489-0500
Toll Free 800-727-9170



April 25, 2008

Jean Jewell, Secretary
Idaho Public Utilities Commission
W. 472 Washington Street
Boise, ID 83720

Re: AVU-E-07-09 - Avista Corporation's Revised Application to Implement A Pilot Program for Remote Disconnects and Reconnects

Dear Ms. Jewell:

Enclosed for filing with the Commission is an original and 7 copies of the Company's revised application requesting approval of a "Remote Disconnect/Reconnect Pilot Program" and a request that the Commission provide 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 Company requests that this filing be processed under the Commission's Modified Procedure rules.

Please direct any questions on this matter to myself at (509) 495-4975 or Greg Paulsen at (509) 495-4976.

Sincerely,

A handwritten signature in cursive script that reads "Linda Gervais".

Linda Gervias
Manager, Regulatory Policy
Avista Corporation
linda.gervais@avistacorp.com

Enclosures

DAVID J. MEYER
VICE PRESIDENT AND CHIEF COUNSEL FOR
REGULATORY AND GOVERNMENTAL AFFAIRS
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TELEPHONE: (509) 495-4316
FACSIMILE: (509) 495-8851

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF AVISTA CORPORATION FOR THE)
AUTHORITY TO IMPLEMENT A PILOT)
PROGRAM FOR REMOTE DISCONNECTS)
AND RECONNECTS)

CASE NO. AVU-E-07-09

REVISED APPLICATION OF AVISTA CORPORATION

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I. INTRODUCTION

Avista Corporation, doing business as Avista Utilities (hereinafter Avista or Company), at 1411 East Mission Avenue, Spokane, Washington, respectfully requests that the Commission approve a pilot program for "Remote Disconnect/Reconnect" and requests 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 revised proposed pilot is intended to implement a system for remote disconnection and reconnections, without the need for an employee visit to the affected premises.

The Company requests that this filing be processed under the Commission's Modified Procedure rules.

Communications in reference to this Application should be addressed to:

David J. Meyer, Esq.
Vice President and Chief Counsel for
Regulatory and Governmental Affairs
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II. BACKGROUND

Avista originally filed its application seeking approval to implement a one-year pilot program for remote reconnects and disconnects with the Idaho Public Utilities Commission (IPUC) (hereinafter the Commission or Staff) 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 authorized the use of Modified

1 Procedure and established a comment deadline. Commission Staff filed comments
2 supporting the Company's application. The American Association of Retired People
3 (AARP) and Community Action Partnership Association of Idaho (CAPAI) (referred to as
4 the "Parties") filed comments opposing the Company's application. In Order No. 30471, the
5 Commission ordered the Parties to conduct workshops to further refine the details of the
6 program.

7 The Parties attempted to resolve any remaining issues through two different
8 conference calls, and a formal workshop that was held March 27, 2008 in Boise, at which all
9 Parties were represented. The Company and Parties were able to resolve all remaining issues
10 through this process. Among the issues resolved were: program criteria; the distinction
11 between urban and rural customers; form of customer special notice; an evaluation plan; and
12 cost recovery.

13 The purpose of this Revised Application is to reflect the consensus reached on the
14 remaining issues with respect of the pilot program.

16 III. SCOPE OF PROPOSED PILOT PROGRAM

17 This pilot program will include the installation of approximately 600 remote
18 disconnect collars using Power Line Carrier (PLC) and wireless paging as the
19 communication protocol. PLC is a technology that allows communications across power
20 lines to a disconnect/reconnect collar at the electric meter. This capability allows remote
21 disabling/enabling of the electric service from Avista's office. The wireless paging allows
22 communication to a collar at the electric meter which allows remote disabling/enabling of the
23 electric service. The specifications for disconnect collars and the wireless paging collar are

1 included as Attachment A. The Company proposes that the pilot's duration be eighteen
2 months from the time the last collar is installed.¹

3 Increased employee safety is an advantage of the program. Dangerous pets,
4 treacherous driving conditions, obstructed and unsafe meter access and potentially
5 confrontational customer contacts can be greatly reduced by utilizing this technology.

6 In the Company's original application, there was a distinction made between "urban"
7 and "rural" installations. After further discussion with the Parties, the Company agreed to
8 eliminate this distinction for purposes of the pilot.

9 Customers selected for this pilot will include customers with 200 amp services that
10 meet at least one of the following criteria:

- 11 • Premises where employee safety is a concern, i.e., customers who have
12 threatened to harm Avista employees or property, premises where there is a
13 danger from animals, or premises that have an obstructed access to the meter;
- 14 • Customers who have previously had two field collection visits or
15 disconnection in the preceding 12 months; and
- 16 • Excluded will be CARES customers, customers subject to the moratorium,
17 who are on a winter payment plan; who have provided medical certificates, or
18 who have made satisfactory payment arrangements.

19
20 The Company proposed in its original application to keep the current authorized
21 reconnection fee at \$24 during regular business hours and \$48 after hours. Certain Parties,
22 however, believed that Avista would see a savings in cost by not having a field representative on

¹ By way of further background, in 2005, the Company began a four-year project to convert all natural gas and electric meters to AMR in the State of Idaho. Nearly 180,000 natural gas and electric meters have been automated. Over 139,000 natural gas and electric meters were automated using radio-based technology and 40,000 were automated utilizing power line carrier (PLC) technology. Electric meters on the PLC system are read automatically, and do not require a meter reader or mobile unit to collect the meter reading. The Company believes this technology could provide the opportunity for operational savings by reducing or eliminating both regular and after-hours service calls due to reconnecting or disconnecting service at the meter. In the case of an after-hours reconnect, the service can be remotely activated within minutes as opposed to hours in the more remote areas, thus providing faster response to customers and eliminating the need to send a service person to the premise on overtime.

1 site and asked that these costs be passed to the customer. Even though Avista continues to
2 believe that the customers who cause the Company to incur additional expense should bear
3 those costs, for purposes of the pilot, the Company has agreed to reduce the charge to 50% of
4 the normal reconnect fees. This will result in fees for participating customers of \$12 during
5 normal business hours and \$24 if reconnection is performed after hours.

6 The reasonable capital costs of this pilot would be included in Avista's normal cost of
7 operation and the Company will propose that the costs be spread among all rate classes in its
8 next general rate case. The avoided costs achieved would be returned to customers, as well,
9 through the rate making process.

11 IV. CURRENT NOTIFICATION PROCESS

12 Avista's current process to disconnect and reconnect an account requires that an
13 employee be dispatched to drive to the customer's premises, disconnect the service and leave
14 a disconnect notice in a conspicuous location. A "disconnect" consists of the removal of the
15 electric meter, installation of insulated boots, and reinstallation of the meter. If there is a
16 safety risk to the employee, the disconnection will occur at the nearest upstream device² from
17 the electric meter. Once the account is brought back into good standing, or has been opened
18 by a new customer, an employee is dispatched to drive back to the site to restore the service.

19 Avista continually looks for ways to reduce costs and provide a safe work
20 environment for employees. It is believed that this project will reduce employee field trips to
21 repeated delinquent accounts, enhance employee safety (avoidance of employee risks
22 associated with, e.g., dangerous animals, etc.), allow quicker restoration of service, and
23 ultimately encourage timely customer payment, thereby reducing customer account balances.

² An upstream device includes equipment such as a fuse or service wire that can be opened or cut to interrupt the circuit and stop the flow of energy.

1 Avista currently conducts disconnect/reconnect services in compliance with Idaho
2 Utility Customer Relation Rule IDAPA 31.21.01 (300 through 313), which include the
3 following:

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

17 IDAPA 31.21.01 (311.04) – **Notice of Procedure for Reconnection Service** -
18 The employee of the utility designated to terminate service shall give to the customer
19 or leave in a conspicuous location at the service address affected a notice showing the
20 time of and grounds for termination, steps to be taken to secure reconnection, and the
21 telephone numbers of utility personnel or other authorized representatives who are
22 available to authorize reconnection.
23

24

25 V. PROPOSED NOTIFICATION PROCESS

26 In order for this pilot to be effective and achieve the desired results, Avista requests a
27 waiver of rule IDAPA 31.21.01 (311.03) and (311.04) for those accounts included in the pilot
28 program. Specifically, at the time the disconnect device has been installed, an Avista
29 employee would make an attempt to personally contact the customer and a special notice will
30 be left with the customer (if personal contact is made) or on the premises (if customer is not
31 home). The Company has worked with the parties to develop the special notice as provided
32 as Attachment B.

33 The next time the customer is eligible for disconnection, the Company would not be
34 required to physically visit the premises to disconnect or reconnect the meter and would not

1 be required to give the customer (or leave in a conspicuous location at the service address
2 affected) a notice showing the time of, and grounds for, termination. However, the Company
3 will let the customer know of the disconnection or reconnection by following its current
4 notification process³, but without otherwise sending an employee to the premises.

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

10 VI. MEASUREMENT AND EVALUATION

11 Measurement & evaluation is integral to defining benefits of a pilot program and
12 identifying areas for improvement or modification. Avista and the parties have worked
13 together to define what should be included in the Company's report at the conclusion of the
14 pilot program. The Company's evaluation plan will include, but is not limited to, the
15 following:

16 All data collected will be for the duration of the pilot program. Individual customer
17 data for program participants will be available upon request. Evaluation criteria may require
18 some manual collection of data and will be collected and evaluated as completely as possible.

19
20
21
22

³ 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.

1 **For program participants:**

2
3 The total number of customers selected for the pilot by rate schedule, the reason for
4 selection, and the month of installation of disconnection device;

5
6 The total number of disconnect devices installed by type (TWACS or Nighthawk) and
7 by month;

8
9 The total number of remote disconnections by month, rate schedule, and reason for
10 disconnection (e.g., non-payment of bill or failure to pay deposit);

11
12 The total number of customers by rate schedule who were remotely disconnected
13 during the pilot period:

- 14
15 a. Never
16 b. Once
17 c. Twice
18 d. Three or more times

19
20 The total number of customers who were remotely disconnected and received a
21 LIHEAP benefit one or more times during the pilot period;

22
23 The total number of instances by rate schedule where a customer was not reconnected
24 within 24 hours following a remote disconnection;

25
26 By device type, the total number of instances where the disconnection device failed
27 to:

- 28
29 a. Disconnect a customer following remote activation
30 b. Reconnect a customer following remote activation

31
32 By rate schedule, the minimum, maximum and average length of time from remote
33 disconnection to remote reconnection;

34
35 By rate schedule, in instances where the customer was disconnected for non-payment,
36 the minimum, maximum and average length of time from when the customer paid or
37 made satisfactory arrangements and remote reconnection;

38
39 The total number and nature of inquiries, complaints, or comments (negative or
40 positive) received from customers who had a disconnection device installed;

41
42 Detailed analysis of costs, cost savings, and non-monetary benefits of pilot program;
43 and

44
45 Any evidence that installation of the disconnection device influenced customer
46 behavior (positive or negative).

1 **For non-participants**

2
3 The average number of customers by rate schedule during pilot period;

4
5 The total number of disconnections by month, rate schedule, and reason for
6 disconnection (e.g., non-payment of bill or failure to pay deposit);

7
8 The total number of customers by rate schedule who were disconnected during the
9 pilot period:

- 10
11 a. Once
12 b. Twice
13 c. Three or more times

14
15 The total number of customers who were disconnected and received a LIHEAP
16 benefit one or more times during the pilot period;

17
18 The total number of instances by rate schedule where a customer was not reconnected
19 within 24 hours following disconnection;

20
21 By rate schedule, the minimum, maximum and average length of time from
22 disconnection to reconnection; and

23
24 By rate schedule, in instances where the customer was disconnected for non-payment,
25 the minimum, maximum and average length of time from when the customer paid or
26 made satisfactory arrangements and reconnection.
27

28

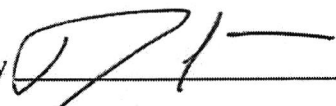
1 **VII. REQUEST FOR APPROVAL**

2 Avista respectfully requests approval of the "Remote Disconnect/Reconnect Pilot
3 Program" and requests that the Commission provide the Company with a limited waiver of
4 IDAPA 31.21.01 (311.03) and (311.04) [Utility Customer Relation Rules] for the term of the
5 pilot.

6
7 WHEREFORE Applicant respectfully requests the Commission issue its
8 Order authorizing the proposed pilot program, with this revised application being processed
9 under Modified Procedure.

10
11
12
13 DATED at Spokane, Washington, this 25th day of April, 2008.

14
15 AVISTA CORPORATION

16
17
18 By  _____

19 David J. Meyer

20 Vice President and Chief Counsel for
21 Regulatory and Governmental Affairs

STATE OF WASHINGTON)

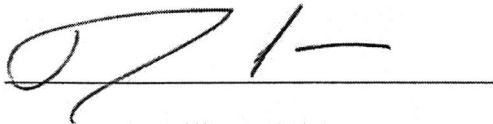
: ss

County of Spokane)

David J. Meyer, being duly sworn, on oath deposes and says:

That he is the Vice President and Chief Counsel for Regulatory and Governmental Affairs of Avista Corporation;

That he has read the foregoing Application, knows the contents thereof, and believes the same to be true.

A handwritten signature in black ink, appearing to read 'D. J. Meyer', is written over a horizontal line.

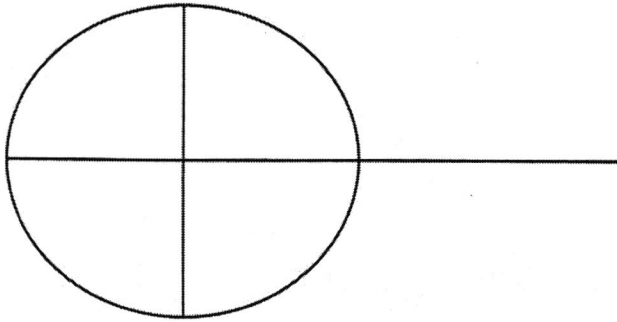
David J. Meyer

Subscribed and sworn to before me this 25th day of April, 2008.

Notary Public in and for the State

Washington, residing in Spokane

ATTACHMENT A



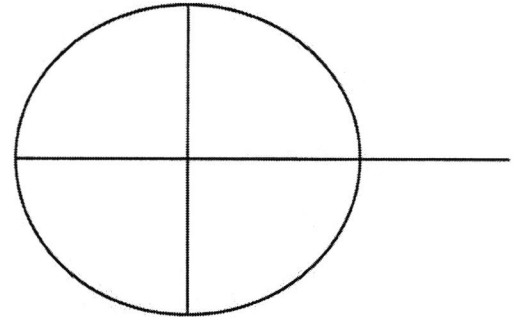
1-888-427-3403
www.avistautilities.com

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**



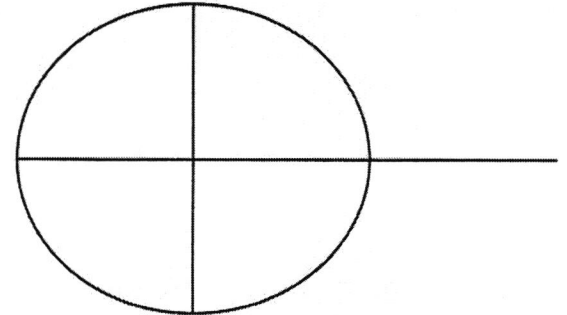
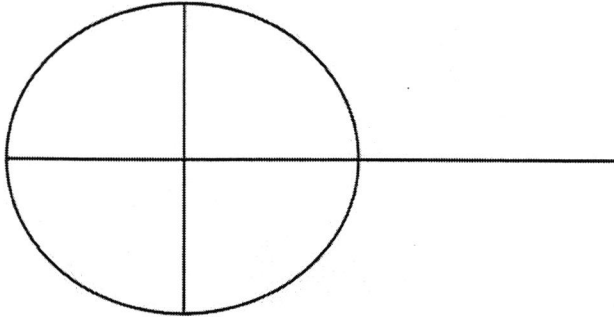
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www.avistautilities.com

**SEE REVERSE SIDE FOR
IMPORTANT INFORMATION**



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.

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:

Important:

If your service is shut-off, you will be required to pay the amount past due, a deposit, and a reconnect fee.

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.

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We are willing to make mutually satisfactory payment arrangements.

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.

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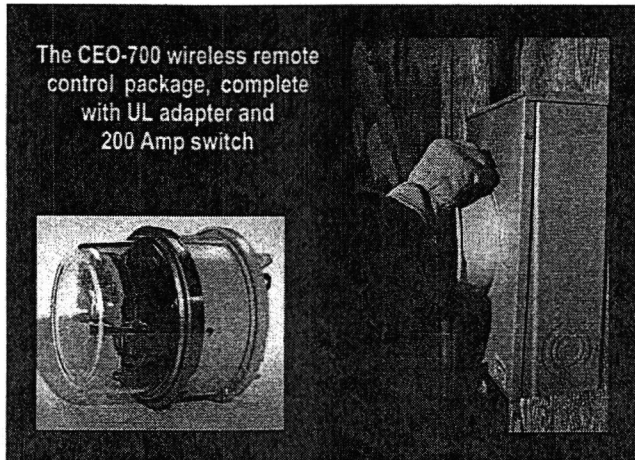
**SEE REVERSE SIDE FOR
IMPORTANT INFORMATION**

**SEE REVERSE SIDE FOR
IMPORTANT INFORMATION**

ATTACHMENT B

CEO700

Whole House Disconnect/Reconnect



The CEO700 is a complete integrated wireless remote whole house disconnect package complete with meter adapter, 200 amp switch, and Nighthawk control board. Installation is lightning fast requiring only the removal of the existing meter, plug in of the CEO700, and replacement of the meter into the CEO700. Upon installation the utility command center can then page the switch "on" or "off". It is literally that simple. An optional homeowner reset switch is available that would require the homeowner to push an easy to see button on the meter housing before the switch would actually close.

The CEO700 can be programmed to work on any public or private paging network. The devices can be activated by any touch tone phone or by computer modem using our user-friendly software. The CEO700 is ideal for seasonal use buildings, student apartment complexes, chronic no pays, and remote safety disconnect.

Installation is fast, requiring only the removal of the existing meter, plug in of the CEO700 and replacement of the meter into the CEO700 (the remote control functions are active immediately upon installation). The slim, low profile, integrated circuit board fits snugly between the meter back and the 200 Amp disconnect switch allowing for use of a low profile UL adapter.

Features

- Available in UHF, VHF and 900 MHz Frequencies
- Low profile, 2.75 inch offset, ring or ring-less sockets
- 4 and 5 Jaw Model
- Multi-Level security codes
- Optional Homeowner reset button
- LOW COST - Control functions are located on a single circuit board designed for mass production
- Long term availability and short production lead times

Specifications

Frequencies:	UHF, VHF, 900Mhz
Electrical Switching Capacity:	200 Amps
Paging Format:	POCSAG 512, 1200, 2400 Baud
Operating Temperature:	-20° C to +70° C

Paging Airtime

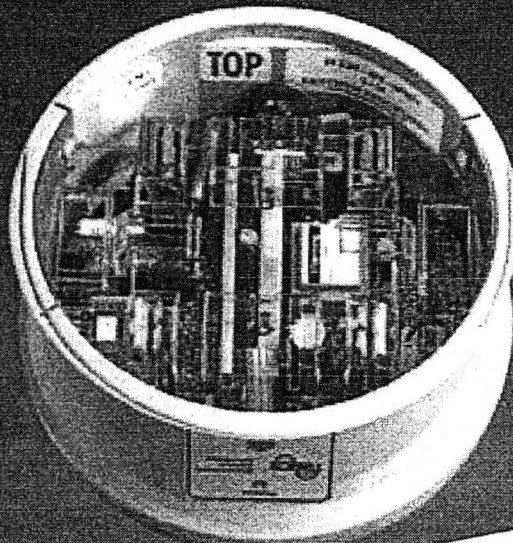
The CEO700 can be shipped to you completely pre-programmed to paging signals in your region. Paging can be provided through Nighthawk Systems, Inc. at very low monthly rates.

If you currently have paging service preference, the CEO700 can be programmed to accommodate your private or public paging service in all UHF, VHF, and 900 MHz frequencies.

About the Company

Now in its second decade, Nighthawk Systems, Inc., designs and manufactures easy to use "Plug and Play" paging products that remotely control virtually any electrical device, from any location. Our products are designed to be easily installed and operated.

TWACS® Disconnect Switch Interbase



(DSI)

The Disconnect Switch Interbase (DSI) from TWACS® offers a stand-alone, two-way, addressable disconnect switch which provides tamper detection capabilities and paves the way for pre-pay services.

The DSI combines the functionality of a 200 Amp latched relay with the

convenience of the superior TWACS two-way power line communications system.

Stand-alone Design

The stand-alone design offers a plug-in, self-contained solution, which requires no additional connections and is independent of the meter type or technology. All that is required is installation on a TWACS-enabled distribution system.

Whole House Disconnect

Now you can provide for remote whole house disconnect and reconnect with the DSI. The DSI utilizes a dependable and reliable 200 Amp latched relay and combines it with the powerful TWACS system. This combination permits the Customer Service Representative (CSR) to disconnect and reconnect individually metered residential or small commercial, single-phase 200 Amp services remotely from the utility office. The DSI disconnects the electric service to the home while leaving the meter powered for monitoring or communication purposes.

Remote Control - - From Utility Office

No longer is it necessary to create a work order and dispatch a meter technician to remove or "boot" a meter. The CSR or TWACS system operator can simply issue the command for an immediate or scheduled disconnection. Reconnection is equally easy. Each DSI is uniquely addressable based on a secure, factory assigned identity for the highest integrity. Remote communication is provided via the TWACS system which links the utility control center and the meter site. Rapid confirmation of service disconnect or reconnect can be obtained within 20 seconds of command initiation.

Universal Design

The DSI's universal design fits most residential applications. Compatibility is assured with 200 Amp 4-jaw form 2S and 5-jaw form 12S/25S residential sockets. The DSI works with meters both old and new, electromechanical and electronic. The DSI consists of an interbase collar, a 200 Amp latched relay and a TWACS

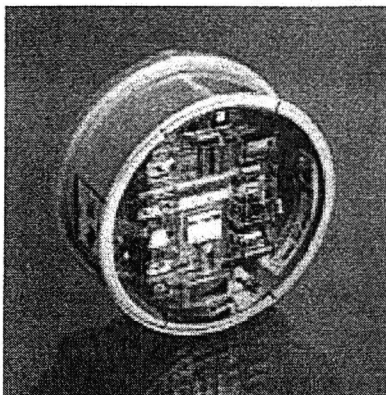
communication module with an electronic switch controller. The collar has four (or five) jaws that accept the blades from the meter on the topside and four (or five) blades that insert into a standard meter socket on the bottom side.

Utility and Consumer Benefits

Utilities utilizing this product will have at their disposal a powerful revenue collection tool for problem accounts, as well as the ability to enhance customer service by providing a convenience for seasonal and rental customers. Additionally, this improves utility efficiency and personnel safety by allowing connects and disconnects to be performed from the convenience of the utility office. The two-way addressable DSI also paves the way for future pre-pay metering implementations.

Tamper Detection

Tamper Detection is provided through the use of a periodic two-way communications check, load side detector, and diagnostic register. Two-way



Interior of Disconnect Switch Interbase

www.twacs.com



TWACS® Disconnect Switch Interbase (DSI)

communications confirm that the DSI has not been removed. Load side detection verifies proper operation and will indicate a bypass condition. The diagnostic register generates an alarm flag that is sent to the utility office if tamper is detected.

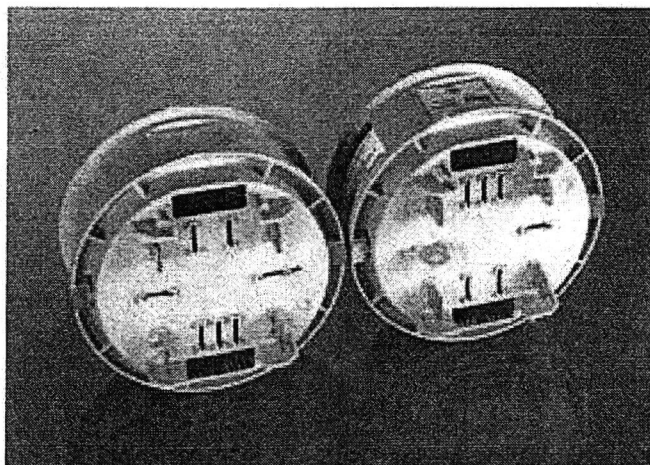
Switch Status LED and Connect Push-Button

The DSI offers two options to close the switch: a) a direct software command from DCSI's master station software, or b) a two-step process that

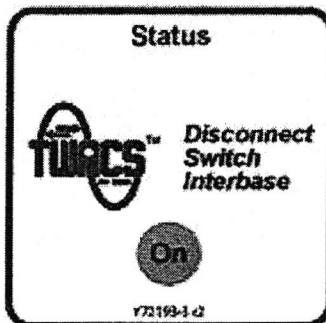
allows the consumer to make sure their home is ready for connection. First a software command is issued to arm the switch followed by the consumer manually depressing the "On" Push-Button.

Low Profile

The Low Profile design enhances the universal fit and minimizes any change of appearance to the consumer's service.



Functional Specifications	Value or Range
Line Voltage	208, 240 VAC +/- 15%
Frequency	60 Hz +/- 5%
Temperature Range	
With Solar Load	-40°C to +53°C
Without Solar Load	-40°C to +60°C
Storage Temperature	-40°C to +85°C (18 months max.)
Humidity	0% to 95%, non-condensing
Switch Operations	
Rated Current	200 Amps
Short Circuit Closing Withstand	10,000 Amps per UL 1008 - 1999
Short Circuit Withstand	10,000 Amps per UL 508 - 1999
Overload	12,000 Amps per ANSI C12.1 - 1995
Peak Overload	6 Cycles at 7000 Amps per ANSI C12.1, 1995
Temperature Rise	UL 508, 1999 and UL 414
Dielectric	1500 volts at 60Hz for 1 minute per UL 508
Creepage and Clearance	UL 508 - 1999
Switch Endurance	30,000 Mechanical Operations 5,000 Full Load Electrical Operations
Standards Compliance	
EMI/RFI Susceptibility	ANSI C12.1 Test No.26
AC Line Surge	ANSI/IEEE C62.41-1991 per ANSI C12.1-2001 Test No.17
Electrical Fast Transient	IEC 61000 PT4 per ANSI C12.1-2001 Test No.25
EMI/RFI Emissions	CFR 47 Part 15, Subparts A&B per ANSI C12.1-2001 Test No.27
Meter Forms	Class 200 2S, 12S, 25S



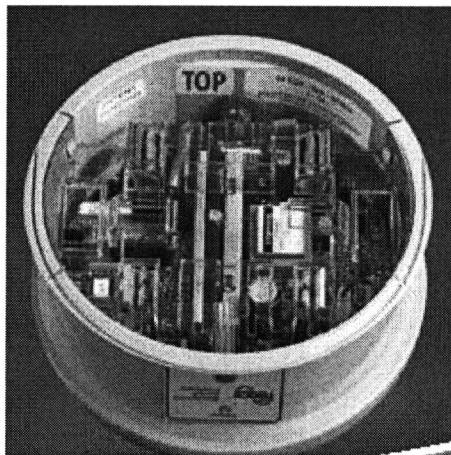
The use of the Disconnect Switch Interbase "DSI" permitting remote disconnect/connect may be subject to certain laws, regulations, and/or tariffs at the federal, state and/or local level. Prior to utilizing such a feature, the user is responsible for compliance with all such laws, regulations and/or tariffs. DCSI is held harmless in case of violation of laws, regulations, and tariffs due to the use of the Disconnect Switch Interbase feature of the product.



Avista Corp.
1411 East Mission P.O. Box 3727
Spokane, Washington 99220-0500
Telephone 509-489-0500
Toll Free 800-727-9170

Update to the Idaho Public Utilities Commission Staff on Avista Utilities Remote Reconnect/Disconnect Pilot

Case No. AVU-E-07-09



Background

In compliance with Idaho Public Utilities Commission Order No. 30603, Avista Utilities provided a summary study on its Remote Reconnect/Disconnect Pilot Program. The 18 month pilot began July 30, 2008 and completed January 29, 2010. The original report was delivered to the Commission at the end of April 2010. The Company, at the request of Commission Staff, provides an update on Avista's current program in Idaho as well as an assessment of the current state of the industry and other information that is pertinent to the pilot.

Since the end of the pilot project in early 2010, there have been several developments in the industry related to the service switch. Widespread deployment of AMI (Advance Metering Infrastructure) has occurred, and in a majority of deployments an integrated service switch has been installed in the meter. Companies and their customers are seeing the benefits of this aspect of the technology. Companies are able to reduce truck rolls and the associated costs and provide better customer service by restoring the customer's power in a timelier manner.

In 2011, Avista deployed approximately 13,500 AMI electric meters and 5,000 natural gas meters as part of the Smart Grid Demonstration Project (SGDP) in Pullman, Washington. These meters are equipped with an integrated service switch. Avista began full production use of the service switch on November 15, 2011 and have had very good results to date.

Introduction

It is always the Company's desire to keep customers connected. The need to disconnect non-paying 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.

The Company believes that the remote relay switch offers a significant opportunity to positively impact utility operations and add value to customer relationships.

Due to large service areas and long feeders in Avista's service territories, significant windshield time is required to manually connect/disconnect 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. Specifically, after the collar has been installed, an Avista 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 possible disconnection and/or reconnection by following its current notification process¹, but without otherwise sending an employee to the premises. After the meter installation, a special notice that was developed with the assistance of the Commission Staff is provided to the customer or left on the front door educating customers about the remote device. Also, a special notice is provided with the mailed past due notice and the final notice reminding customers they have a remote device.

Both the Two-way Automatic Communications System (TWACS®) and Paging collar devices continue to be utilized in Company's Idaho service area per the qualifying rules of the original pilot program.

In regards to the technology deployed in Idaho, the manufacturer of the paging type collar (Nighthawk) has transitioned to integrating cell phone technology into the collar. Further, they have worked with Itron to embed a switch with cell phone technology into an Itron meter. The benefit of cell phone technology is that it provides two-way communication to the collar/meter. This is a significant improvement in the technology as the one-way nature of the paging type collar did not provide any confirmation back to dispatchers regarding the state of the switch. Lack of confirmation caused Avista to incorporate a process to call the customer after initiating a command to restore power to confirm that the operation was successful. The new technology provides confirmation (success or failure) regarding the status of the switch so that the appropriate decision regarding whether or not to dispatch field personnel can be made. The new technology also provides indication of whether or not the device has appropriate coverage when field personnel are installing a device. The Company has tested 100 of the new cell phone based collars in its Washington service area and has been pleased with the overall results of the program.

¹ 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.

As the industry continues to evolve, the security associated with these systems continues to be enhanced. This holds true for the evolution from paging to cell phone based technology. The new cell phone based collars have enhanced security. To date, Avista has had no incidents related to security surrounding any of the systems associated with its Remote Connect/Disconnect program.

Safety of Avista's employees continues to be a significant benefit of this program. Avista has adopted a practice in both Idaho and Washington that is supported by management at all levels whereby a service switch is installed on any customer that is deemed to be a potential safety risk to our employees. We continue to see an increase in the number of customers that pose a real threat to our employees. Safety is no laughing matter for the meter readers and service people tasked with disconnecting power or acting as impromptu bill collectors. Aggressive dogs are often used to deter utility personnel from doing their jobs. This past year, one of Avista's servicemen encountered a situation where an angry homeowner threatened to release their dog to specifically attack him. Others have been threatened physical harm, sometimes with a gun in hand. Concern for safety is especially important when you consider these "bill collectors" are unarmed and can be carrying collections on their route. Due to the numerous safety concerns, two-person crews are typically used, as well as police escort. It should also be noted that the remote reconnect/disconnect program may also alleviate the emotional aspects of shut offs for our servicemen.

Customers that are still participating in the program continue to see the benefits of having their power restored faster, as the data shows further in this report, than those that rely on traditional visits from field personnel.

Employees continue to request expansion of the program in Idaho. Obviously the remote operation of reconnects/disconnects saves significant "windshield time" for servicemen which translates into real dollars. As noted above, for safety, manual disconnect crews can spend considerable time traveling to and from the residence in question. In addition, a two-person crew provides for at least one witness in case of any customer disputes. This accrues not only additional labor costs but vehicle fuel and maintenance costs. For rural communities, service calls to reconnect customers routinely happen after hours, incurring overtime labor charges. It

should also be noted that disconnect activities often take crews away from other responsibilities that are crucial to the performance of the utility, adding opportunity costs into the equation.

Costs and Avoided Costs

At the time of the original pilot project, the cost of a paging collar was \$192 and a TWACS collar was \$130, the current cost for the same collar is \$162. The cost of the two-way cell phone based collar is currently \$267.

For the original pilot, a blended rate of \$32.50 was assumed for all calculations regarding labor savings. Labor rates have increased at 3% annually, so the current equivalent blended rate would be \$35.43. All other calculations would be increased by the same 3% annually. Savings are highly dependent upon the mix of where devices are deployed and the amount of disconnects/reconnects that are completed after normal business hours. We would expect that savings would be similar to those experienced during the Pilot. Savings would accrue more quickly when devices are deployed in rural areas as the costs are higher in these areas due to the distances traveled and the labor force (line servicemen) that are used for collections work. The following illustration represents the avoided costs for 2011 and 2012.

Illustration No. 1 – Avoided Costs

		2011		2012		Total		
		Costs	Orders	Costs	Orders			
Reconnects	Normal	\$ 28	297	\$ 29	202	\$ 5,825.68	499	\$ 14,141.68
	After	\$ 148	57	\$ 152	27	\$ 4,116	84	\$ 12,551.88
Disconnects	Normal	\$ 28	341	\$ 29	182	\$ 5,249	523	\$ 14,796.88
	After	\$ 148	0	\$ 152	0	\$ -	-	\$ -
								\$ 41,490.44

Updated Summary of Results

For purposes of this report, Avista has included Residential Rate Schedule 001 information only. The reason the other rate schedules are not captured in this study is due to 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 participants are on residential rate schedule 001. The following data has been collected as effectively as possible:

Illustration No. 2 – Total number of customers where a device was installed.

Total Number of Disconnect Devices Installed by Type and Month												
	2008		2009		2010		2011		2012		Total	
	PAGE	TWAC	PAGE	TWAC	PAGE	TWAC	PAGE	TWAC	PAGE	TWAC	PAGE	TWAC
Jan			42	26		4					443	202
Feb			102	24		1		1	1			
Mar			7	2				1	4			
Apr						2						
May												
Jun				1	1				1			
Jul			1	1	2				1	1		
Aug				1			2		1			
Sep	2	15	4	2	1	5	1		1			
Oct	91	62	1									
Nov	120	35	1						1			
Dec	55	17		1								
Devices Installed since September 2008											645	

Illustration No. 3 – The total number of remote disconnections by month, and reason for disconnection (e.g., non-payment of bill or failure to pay deposit).

		Remote Disconnections by Reason for Disconnections												
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2008	BROKEN PAYMENT ARRANGEMENT													-
	NON PAYMENT BALANCE										1	14	18	33
	RETURNED CHECK/PAYMENT										2	3	3	8
	BALANCE&DEPOSIT											10	10	20
	Total	-	-	-	-	-	-	-	-	-	3	27	31	61
2009	BROKEN PAYMENT ARRANGEMENT					1	1					1		3
	NON PAYMENT BALANCE	87	69	78	83	64	63	56	51	33	46	47	34	711
	RETURNED CHECK/PAYMENT	1	1	6	9	1	4	2	1	2	3	2		32
	BALANCE&DEPOSIT	24	17	31	29	29	27	19	10	17	9	13	7	232
	Total	112	87	115	121	95	95	77	62	52	58	63	41	978
2010	BROKEN PAYMENT ARRANGEMENT			3				1			1		1	6
	NON PAYMENT BALANCE	42	40	47	41	55	50	29	32	36	31	32	25	460
	RETURNED CHECK/PAYMENT	1		2	3	3	2	2	2		1		1	17
	BALANCE&DEPOSIT	8	4	10	12	8	6	4	8	8	7	2	7	84
	Total	51	44	62	56	66	58	36	42	44	40	34	34	567
2011	BROKEN PAYMENT ARRANGEMENT					1			1				1	3
	NON PAYMENT BALANCE	26	31	31	29	27	31	21	27	19	18	15	19	294
	RETURNED CHECK/PAYMENT	1			3	3								7
	BALANCE&DEPOSIT	4		8	5	2	2	2	3	2	1	2		31
	Total	31	31	39	37	33	33	23	31	21	19	17	20	335
2012	BROKEN PAYMENT ARRANGEMENT					1						1		2
	NON PAYMENT BALANCE	19	6	13	11	16	16	16	11	11	27	11	14	171
	RETURNED CHECK/PAYMENT	1					2						1	4
	BALANCE&DEPOSIT			1				1	1					3
	Total	20	6	14	11	17	18	17	12	11	27	12	15	180
TOTAL	BROKEN PAYMENT ARRANGEMENT	-	-	3	-	3	1	1	1	-	1	2	2	14
	NON PAYMENT BALANCE	174	146	169	164	162	160	122	121	99	123	119	110	1,669
	RETURNED CHECK/PAYMENT	4	1	8	15	7	8	4	3	2	6	5	5	68
	BALANCE&DEPOSIT	36	21	50	46	39	35	26	22	27	17	27	24	370
	Total	214	168	230	225	211	204	153	147	128	147	153	141	2,121

Illustration No. 4 – The length of time between remote disconnections to remote reconnections.

Length of time from when the customer paid or made satisfactory arrangements and remote reconnection	
Max	15 hrs
Min	1 min
Avg	16 min
Mode	3 min
Median	9 min

Illustration No. 5 – Any evidence that installation of the disconnection device influenced customer behavior (positive or negative).

# of times more the account kept an arrangement in the year before install of switch as compared to the year after.																	
# Times	-11	-10	-8	-6	-5	-4	-3	-2	-1	0	1	2	3	4	5	6	Total
# Accts	1	1	2	4	4	16	30	41	66	94	50	20	9	3	1	1	343
More Prior to Install						84	More After Instal									165	

The information provided in Illustration No. 5 represents the number of times customers kept an arrangement prior to the remote switch installation verses after the installation of the remote switch.

For example:

- 84 accounts kept their arrangements prior to installation of the device when compared to after installation;
- 165 accounts kept their arrangements after installation of the device; and
- 94 accounts had no change in payment arrangement behavior.

The number of arrangements made remained steady, only 7 % less arrangements were set up after the device was installed.

The information provided in Illustration 3 on page 7 also shows a decline in the number of disconnections annually with the customers with the remote device as noted below:

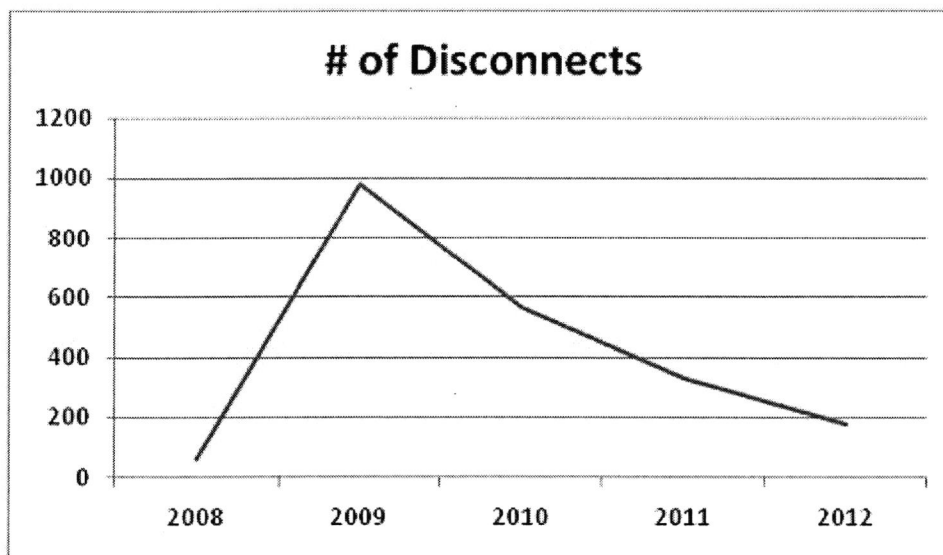


Illustration No. 6 – Idaho collection field requests per account over a three year period and how they continue to increase.

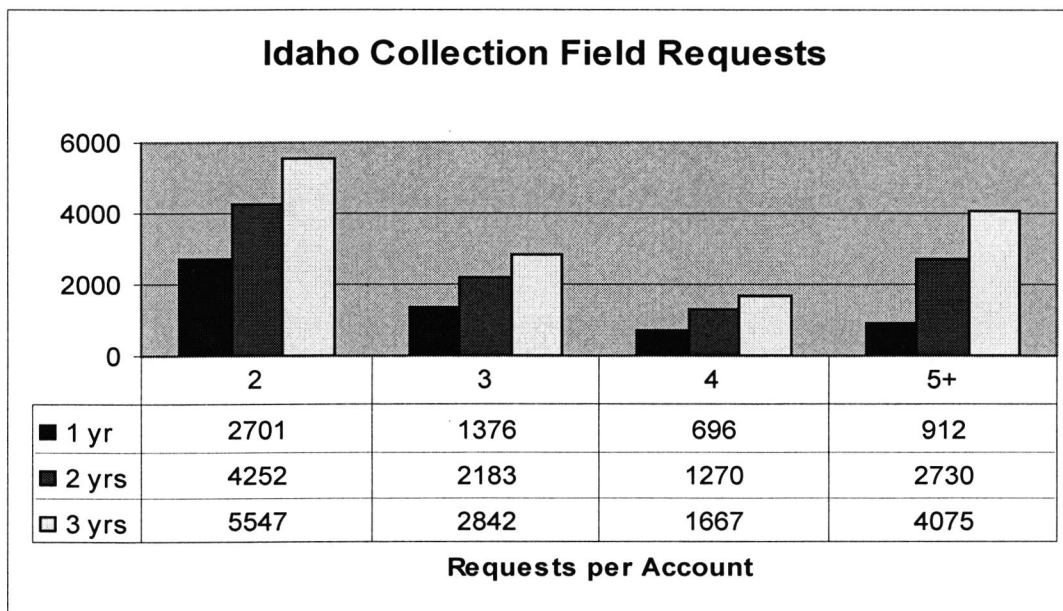


Illustration No. 6 represents the number of accounts with more than one field request in either a 1, 2, or 3 year period of time. For example:

- 2,701 accounts experienced 2 collection related field orders for disconnect in a 1 year period of time, 4252 accounts for a 2 year period of time and 5547 accounts in a 3 year period of time.
- 912 accounts experienced 5 or more collection related field orders for disconnect in a 1 year period of time, 2730 accounts for a 2 year period of time and 4075 accounts in a 3 year period of time.

Conclusion

Avista appreciates the opportunity to discuss any outstanding issues or concerns regarding this pilot. As stated earlier in the summary report, it is always the Company's desire to keep customers connected. The need to disconnect non-paying 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.

The Company believes that the remote relay switch offers a significant opportunity to positively impact utility operations and add value to customer relationships and requests a permanent waiver of IDAPA 31.21.01 (311.03) and (311.04) [Utility Customer Relation Rules] to implement a system for remote disconnection and reconnections, without the need for an employee visit to the affected premises be implemented. The Company also requests that the criteria for selection of customers be at Avista's discretion based on safety, collection activity and access to customer property with the exception of Avista CAREs customers. The Company commits to maintain its current notification process that advises customers that they have a remote device. Based on the results provided, Avista is hopeful that the Commission and concerned parties will understand the overall benefits that the service switch brings to Avista's entire customer base and support the Company's proposed outcomes.