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IDAHO PUBLIC
UTILITIES COMMISSION



June 17, 2009

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

Re: Response of Avista Corporation in AVU-E-09-05

Dear Ms. Jewell:

Enclosed for filing are an original and seven (7) copies of Avista's response regarding "Formal Complaint of Mr. Herbert Pawlik Against Avista Utilites."

If you have any questions regarding this filing, please feel free to contact me at (509) 495-4975.

Sincerely,

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

Linda Gervais
Manager, Regulatory Policy
State and Federal Regulation
Avista Utilities
509-495-4975
linda.gervais@avistacorp.com

cc: Marilyn Parker – PUC Staff
Mr. Herbert Pawlik

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David Meyer
Vice President, Chief Counsel,
Regulatory and Governmental Affairs
Avista Corporation
1411 East Mission Ave.
Spokane, WA 99202
Phone: (509) 495-4316
Fax: (509) 495-8851
david.meyer@avistacorp.com

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

HERBERT PAWLIK,)	
Complainant,)	
)	CASE NO. AVU-E-09-05
vs.)	
)	RESPONSE OF AVISTA
AVISTA UTILITIES,)	CORPORATION
Respondent.)	
_____)	

Avista Corporation (“Avista” or “Company”) hereby submits its response to the Idaho Public Utilities Commission’s (“Commission”) Summons dated May 27, 2009 regarding the “Formal Complaint of Mr. Herbert Pawlik (“the Customer or Pawliks”) Against Avista Utilities.”

The Company appreciates the opportunity to respond to the complaint filed by the Customer.

I. Introduction

The Customer, in his letter to the Commission dated February 19, 2009, accused the Company of practicing “unethical and perhaps criminal procedures” related to its rebilling after Avista discovered that its metering equipment serving them failed to operate correctly for a period of five months. Mr. Pawliks complaint is based on a number of alleged practices which

he summarizes in a subsequent letter to Mr. Dennis Vermillion, President of Avista Utilities, on May 3, 2009:

- He asserts that Avista neglected to replace a broken power meter on his property for five (5) months. Consequently, Avista 'estimated' his power consumption over six billing cycles, from August 8, 2008 through January 19, 2009.
- After replacing the faulty meter, Avista allegedly "under-estimated" his power consumption during those six billing cycles by 12,300 kWh, or \$1,466.51.
- He argues that there was no reasonable explanation for his increase in power consumption.
- He claims that a closer look at the related bills revealed numerous inconsistencies. (for example, Avista had not distributed the "under-estimated" charges respectively over all six estimated billing cycles, but had lumped the overage only into the last three billing cycles during which higher utility rates were in place; this by and in itself resulted in an overcharge of \$34.45.)
- He asserts that Avista subsequently conceded to have made a mistake in calculating his consumption for those three months and reduced his demand by 2670 kWh and later offered a \$200 credit.

II. History of the Dispute

On December 12, 2008, a billing representative received a warning regarding the Pawliks account through the Company's Meter Read Exception Report; the warning indicated the meter had been estimated for 3 months. When an account comes across the "meter read exception desk" as a "no read," it is typically due to an access issue.

If the estimated read is for the first month and the meter reader has commented on the reason for the estimate, the billing representative will estimate the use according to the usage history and the time of year. The billing representatives review these accounts on their "meter read exceptions report" when they show a warning or an error message.

An internal tracker was created for the electric meter (# 12093810) in question, which was removed from the Customer's premises and sent to a billing specialist for investigation. After preliminary troubleshooting, a field visit was made to help determine the problem. It was also noted that several customer's meters in the immediate area had stopped sending in reads during the same timeframe.

The field request for the Pawliks account was completed on January 19, 2009. Meter #12093810 tested in Spokane Meter Shop at 99.79% accuracy. This is within acceptable limits of 2% variance.

At the time of the field visit, the field personnel conversed with Herbert Pawlik, and he was informed by the Company that the meter was still registering usage; however, the usage had not been communicated through the normal TWACS^{TM1} process and he would be receiving adjusted billings based on their usage. Mr. Pawlik informed the field personnel he was not surprised at the increased usage as they keep the furnace running fairly high because his wife needs their house to be warm.

The meter was replaced and data was searched successfully on the Phase A of feeder BLU321 from the Blue Creek Substation. Subsequently, several other customers in the area also had their meters changed out.

While researching the root cause of the missed reads with respect to multiple meters in the immediate area, it was discovered that a flawed query had not identified these particular meters as "No Reads." As a result, additional documentation and rigor has been built into

¹ TWACSTM – Two-Way Automated Communication System - The AMR system Avista installed in lower electric meter density areas of our service territory. The system uses power-line-carrier technology to communicate with the meter.

routines, including daily, weekly, and monthly tasks. This is an evolving process, which is reviewed periodically and revised as needed.

Attached as Exhibit B, is the written correspondence to the Pawliks from the Company providing an explanation of the back billing. It was decided that it would be beneficial to the customer to use the actual reading taken on February 10, 2009 after the meter change, and base the adjustment usage on this reading date using the degree days during a warmer billing period, and to recalculate the bills for November, December and January. This amounted to a savings to the customer of \$213.74.

On February 19, 2009 the Customer's Herbert Pawlik and Rachel Jennings filed an informal complaint with the Commission.

The Commission Staff investigated the complaint and determined that Avista had complied with the Commission's UCRR (Rule 204.02) regarding the rebilling of the Pawliks per their Decision Memorandum dated May 21, 2009. The Pawliks were not satisfied with the outcome of their informal complaint and consequently they requested that their complaint be handled as a formal complaint.

III. Efforts to Resolve

In efforts to resolve this complaint, the Company continued to try to work with the Customer, only to be told that they would only communicate through written correspondence; this made resolution particularly difficult when dealing with multiple issues. Nevertheless, the Company adjusted the Pawliks bill based on warmer temperatures, instead of using colder temperatures, which resulted in a \$213.74 reduction to their bill and also provided an additional \$200.00 for a total credit of \$413.74. The Company tested the new Meter (#12151537), and

those results showed it to be 99.96% accurate. Also, Avista offered to stretch out a payment arrangement in the amount of the current bill plus \$115 a month for 12 months instead of the allowed 5 months.

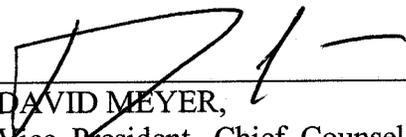
IV. Proposed Outcome

The Company has provided the Pawliks an option to pay their remaining account balance of \$676.72 (as of June 16, 2009), over a 12 month period² and will honor that arrangement. Also, Avista would propose to send an Energy Efficiency Engineer to provide an on-site weatherization audit on the Pawliks home at their convenience, to do an analysis on their home and equipment and to offer any suggestions and/or rebates the Company has available through its demand side management programs. In conclusion, the Company appreciates the opportunity to respond to this complaint and will continue to work with the Pawliks to resolve this issue.

The Company respectfully requests that the Commission deem Avista's efforts to resolve this dispute to be sufficient and otherwise dismiss this complaint.

Respectfully submitted this 17 day of June 2009.

AVISTA CORPORATION



DAVID MEYER,
Vice President, Chief Counsel, Regulatory
and Government Affairs

² The Commission's Utility Customer Relations Rules "UCRR" "Rule 204.04" require the Company allow the customer the same length of time to repay a rebilled amount as the length of time for which the under billing had accrued. In this case, that should have been five months.

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Exhibit A

January 21, 2009

Rachel S Jennings
S 10276 Caribou Ridge Rd
Harrison, ID 83833

Re: Account Number 330078385

Dear Mrs. Jennings:

For the last 3 months we under estimated the electric meter at S 10276 Caribou Ridge Rd. Unfortunately, the billings for service from October 9, 2008 through January 12, 2009 were incorrect.

We changed the meter on January 19, 2009 the removal read was E-85839. The billing has been corrected. The Twacs meter was not sending the kilowatt hour readings electronically, thus the electric use had been estimated. The corrected bill showing the amounts cancelled and re-billed is enclosed.

We are sorry for any inconvenience or budget difficulties this may have caused.

Avista Customer Service Representatives are available to assist you Monday through Friday, 7 a.m. to 7 p.m. and Saturday 9 a.m. to 5 p.m. Pacific Time at (800) 227-9187. Or you can visit us at our Web site: www.avistautilities.com if you have questions or if a payment plan is needed.

Sincerely,
Mary
Your Avista Customer Service Team

Enclosure

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H B

February 16, 2009

Rachel and Herbert Pawlik
10276 South Caribou Ridge Rd.
Harrison, ID. 83833

ACCT: 330078385

Dear Mr. or Mrs. Pawlik

The meter at the above address stopped transmitting a reading to our electronic equipment 9/10/08. At that time your meter was estimated, and was estimated with the 10/9/08 reading, the 11/7/08 reading, 12/10/08 reading, and the 1/12/09 read. The billing you received for these months did indicate the reading was estimated.

A repair order was generated 12/30/08 to have your meter checked. The meter was checked 1/19/09, and found to have stopped. The meter was replaced 1/19/09.

Avista back billed you for usage from November 7th reading, December 10th, January 12th. This usage is based on your past usage history with Avista, the number of days in the billing period, and Degree Days. (measurement of the outside temperature, the higher the degree days the lower the temperature.)

Avista does have an actual reading for your 2/10/09 meter reading. I have spoken to our billing department and had them base your previous estimates on the actual usage on the meter from 1/19/09 when we put in the new meter to the read date of 2/10/09. Avista feels you should have billed 1300 kwh less for the 1/12/09 reading, 840 kwh from the 12/10/08 reading, and 530 kwh from the 11/7/08 reading. This is a total savings of 2670 Kw based on your actual reading from 2/10/09. This converts to approx \$180.00 savings for you.

You will be receiving an adjusted billing in a few days.

Avista realizes it may be difficult to pay this. We are more than willing to make payment arrangements with you. Please call our office at 800 227 9187, and we can spread your payments over the next 4 months.

Avista does not charge interest on any back billing .

Thank you,
Janet Hadley

Team Leader
Avista Utilities

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