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Department of Commerce Division of Public Utilities

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Action Request Response

To: Public Service Commission of Utah

From: Utah Division of Public Utilities

Artie Powell, Director

Doug Wheelwright, Utility Technical Consultant Supervisor

Eric Orton, Utility Technical Consultant

Date: December 2, 2020

Re: **Docket No. 19-057-25**, Informational Filing of Dominion Energy Utah Concerning the Transponder Replacement Program and Request for a Waiver of Applicable Commission Rules.

Recommendation (No Action)

The Division of Public Utilities (Division) recommends that the Public Service Commission of Utah (Commission) take no action at this time regarding this Quarterly Transponder Replacement Progress Report (Report) filed by Dominion Energy Utah (Dominion or Company).

Issue

On December 10, 2019, the Commission approved a settlement stipulation resolving issues related to Dominion Energy Utah's transponder replacement program (Program). Condition number 6 of the stipulation specified that the Program would be completed on or before September, 2020. The deadline could be extended with Commission approval. On November 19, 2020, Dominion filed a Motion to Extend the Deadline for Completing the Transponder Replacement Program, which the Commission approved. The filing stated that, as of the end of October 2020, (one month after its deadline) 3,644 transponders remain that need to be replaced. It stated its reasons for not completing the Program by the deadline and that "despite its currently

unsuccessful efforts to replace these transponders, it anticipates completion of the transponder replacement program by March 31, 2021". The Company requested an extension of its deadline to March 31, 2021. The Commission granted Dominion's request in its order dated November 20, 2020 stating that "Based on DEU's representations that the transponder replacement program will be completed by March 31, 2021, the Motion is granted and the deadline is extended."

On November 19, 2020, Dominion submitted this Report and the Commission issued an Action Request to the Division with a due date of December 18, 2020 directing the Division to review the Report for compliance and make recommendations. This memorandum is the Division's response to the Action Request.

Background

In 2015, the Company discovered that its Elster transponders were failing at an unusually high rate and determined it needed to replace Elster transponders with Itron transponders. In 2016, the Company commenced its transponder replacement program and discussed the impact that the transponder failures were having on its customer metrics. In particular, billing metric 1, "Read each meter monthly" and customer care metric 3, "average wait for customer after menu selection."

As a result of the high failure rate of these transponders, the Company had been unable to obtain meter reads from some meters and has, instead, estimated bills for those meters until it could obtain an actual meter read. The Company has experienced higher rates of failures with the remaining Elster transponders and as a result, the number of customers receiving estimated bills longer than six months increased in 2019. As a result of the increased frequency of estimated bills, the number of informal complaints with the Division of Public Utilities also increased.

On October 1, 2019, Dominion submitted its application to the Commission requesting a waiver of certain Commission rules. Both the Office of Consumer Services (Office) and Division filed comments and began negotiations that eventually led to settlement discussions with Dominion. On November 14, 2019, the three parties filed a joint settlement stipulation (Stipulation)

“resolving issues related to Dominion Energy Utah’s transponder replacement program.” On December 10, 2019 Commission approved the settlement stipulation.

On February 21, 2020 Dominion submitted its first filing to comply with paragraph nine of the settlement Stipulation directing it to provide quarterly updates regarding the status of the transponder replacement program. The first report represented information for the fourth quarter of 2019. The second quarterly update was filed May 19, 2020, representing information for the first quarter of 2020. The third quarterly update represented information contained in the second quarter of 2020 and was filed August 28, 2020. The current quarterly update is the fourth report representing information contained in the third quarter of 2020, which is also where Dominion requested an extension of time to complete the Program.

Discussion

In its order, the Commission approved the terms and conditions contained in the settlement stipulation, one of which specifically stated that Dominion’s transponder replacement program be completed by September 30, 2020. As part of the process to ensure that this deadline was met, the Commission directed Dominion to “provide quarterly updates about the status of the transponder replacement program and the extent of the estimated meter reads on its system.” At the completion of the transponder replacement program, Dominion is also required to “file a final status report with the Commission notifying the Commission and Parties that the program is complete.”

Dominion is also required to provide documentation showing the progress it is making on its commitment to solve the problem of aging estimated meter reads. The estimated meter reads were continuing to accumulate for some customers and Dominion committed to solve the problem and refund money in some cases.

The current filing is the fourth of the above-mentioned quarterly reports and shows both: 1) the progress and status of the transponder replacement program and 2) the extent of estimated meter reads on its system. Dominion provided three exhibits supporting its position (labeled Exhibit

No. 9, 10 and 11) to show that it has complied with the terms and conditions found in paragraphs six through nine of the stipulation. Each one is addressed below.

- The condition in paragraph six relates to Dominion's commitment to complete the transponder replacement program by September 30, 2020. The Commission's order dated November 20, 2020 moved that completion date to March 31, 2021. Dominion did not meet its initial deadline. In support of the replacement work it has completed it presented Exhibit No. 9 which represents that 99.67% of the transponders have been replaced through October 2020, leaving 0.33% to be replaced before the end of March 2021. According to Dominion this equates to 3,644 transponders left to replace as of the end of October 2020.
- The condition in paragraph seven relates to refunding money to customers who have bills with six months or more estimated meter reads and who also filed complaints with the Division. The first quarterly filing showed that there were nine customers who received refunds from Dominion based on this criterion. Dominion refunded a total of \$1,192.05 to these customers. This has not changed since the first quarterly filing. Exhibit No. 10 includes the number of monthly meter-read estimates through October 2020. This exhibit shows that there are currently no meter-read estimates over six months old. However, it also shows that there are 157 customers that received estimated bills for longer than the statutory limit of two months as stated in Utah Admin. Code R746- 200-4(B) and R746-320-8(C). This problem remains to be rectified by Dominion. Finally, this exhibit also shows that, on an overall basis, the estimated meter reads are being reduced dramatically.
- The condition in paragraph eight relates to Dominion's requirement to pay the ordered penalty to the Commission. This payment was made on January 13, 2020.

- The condition in paragraph nine relates to the required quarterly update filings showing the progress of the transponder replacement program and the filing of “a final status report” when it’s completed. The current filing is part of the fulfillment of that requirement.

Dominion also provided as Exhibit No. 11 which is its Customer Service Standard Report as of the end of the third quarter 2020 along with a narrative regarding the challenges it faces in its customer care areas mainly as a result of the Pandemic and its actions to minimize its impact.

Conclusion

The Division has reviewed Dominion’s Quarterly Transponder Replacement Update filing and accompanying exhibits and has determined that it is in line with the Commission’s order and provides the requisite information as directed. Since this filing is informational and no action is requested, the Division recommends the Commission take no action at this time.

Cc: Kelly Mendenhall, Dominion Energy Utah
Michele Beck, Office of Consumer Services