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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: September 15, 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 August 28, 2020, Dominion submitted this Report and the Commission issued an Action Request to the Division with a due date of September 28, 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 has 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 is experiencing 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. 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 that 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 report was filed May 19, 2020 representing information for the first quarter of 2020. The current report is the third report filed representing information contained in the second quarter of 2020.

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 third 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 two exhibits supporting its position (labeled Exhibit No. 7 and 8) 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 and it is still expecting to meet this deadline.
- Exhibit No. 7 represents that 97.62% of the transponders have been replaced through July 2020, leaving 2.38% to be replaced before the end of this month. The Division’s last memo, filed June 16, 2020, stated “At its current average of just over 20,000 replacements a month, Dominion should be able to complete replacing the transponders prior to its deadline.” However, in the current report we see that the monthly average has declined from 19,899 for the first quarter of 2020 to 16,180 average per month for the second quarter. According to this exhibit Dominion has approximately 1,128,322 transponders to replace and as of the end of July it has replaced 1,101,468 leaving 26,854 to replace in the two months of August and September. By reducing the average monthly replacement count, the Company will be cutting it close to completing this project by the mandated deadline.

- 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 file 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.
- Exhibit No. 8 includes the number of monthly meter-read estimates through July 2020. This exhibit shows that the number of meter-read estimates over six months old has continued to drop off significantly. In its Action Request Response filed on March 23, 2020 the Division stated, “If this trend continues the Division expects that there will be virtually no meter read estimates over six months old by the next quarterly report.” The Company did not achieve that goal, however, as of the filing of this memo it is correct that there are “virtually no meter read estimates over six months old”. There is one inaccessible meter and Dominion has not been able to contact the customer leaving one estimated meter read over six months old. This exhibit also shows that overall, the estimated meter reads older than two months is falling 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.

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