



State of Utah

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

Chris Parker, Director

Artie Powell, Manager

Doug Wheelwright, Utility Technical Consultant Supervisor

Eric Orton, Utility Technical Consultant

Date: March 5, 2021

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 Required)

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).

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 February 3, 2021, Dominion submitted this Report and the Commission issued an Action Request to the Division with a due date of March 5, 2021 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 Dominion discovered that its Elster transponders were failing at an unusually high rate and determined it needed to replace these transponders with Itron transponders. In 2016, Dominion 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 Elster transponders, Dominion 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. Dominion stated that it has experienced higher rates of failures with these 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 current quarterly update is the fifth report representing information contained in the fourth 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 fifth 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 (No. 12 and 13 respectively) to show that it has complied with the terms and conditions found in paragraphs six through nine of the stipulation. Each of these terms and conditions from this part of the stipulation is addressed below.

- The condition in paragraph six relates to Dominion's commitment to complete the transponder replacement program by September 30, 2020. Dominion did not meet its initial deadline. The Commission's order dated November 20, 2020 extended the completion date to March 31, 2021.

In support of the replacement work it has completed, Dominion provided Exhibit No. 12 representing that 99.65% of the transponders have been replaced through year end 2020. According to Dominion, this equates to 3,900 transponders (0.35%) that need replacement by the end of March 2021. It is also noteworthy that there were 3,644 transponders left to replace as of the end of October 2020 when Dominion filed for an extension to the deadline.

Given that these numbers were changing in an unexpected direction, the Division asked Dominion representatives; 1) why would the number of transponders remaining increase? 2) why would the number of estimated meter reads older than two months be increasing? and 3) will Dominion still complete all transponder replacements by the end of March? Dominion's responses are paraphrased respectively as follows: 1) As the database of actual meters replaced is updated with more accurate, in-field, data the number has increased along with the precision of that number; 2) although the numbers have been shifting between months, or aging, the total estimated bills is not increasing; and 3) the completion date is still projected to be before the end of March 2021.

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. 13 includes the number of monthly meter-read estimates through year-end 2020. This exhibit shows that there are currently no meter-read estimates over six months old. However, it also shows that there are 152 customers that received estimated bills for longer than the limit of two months as stated in Utah Admin. Code R746- 200-4(B) and

R746-320-8(C) which is only five less than the last quarterly report. This problem remains to be rectified by Dominion. Finally, this exhibit shows that, on an overall basis, the estimated meter reads have leveled out in the past few months.

- 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 is 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