



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: June 8, 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 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 Dominion would complete the Program 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, 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 May 12, 2021, Dominion submitted this Report and the Commission issued an Action Request to the Division with a due date of June 11, 2021 directing the Division to review the Report for compliance and make recommendations. This memorandum is the Division’s response to that Action Request.

Background

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

Dominion stated that as a result of the high failure rate of these Elster brand transponders, it 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, resulting in an increase in the number of customers receiving estimated bills. Also, the number of informal complaints handled by the Division also increased as a result of the increase in estimated bills.

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 the 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 filed May 12, 2021 is the Report representing information contained in the first quarter of 2021 and is the final report Dominion is submitting claiming that the Transponder Replacement Program is complete.

Also on May 12, 2021 the Commission issued its Notice of Comment and Filing Period stating that any party wishing to file comments with the Commission must do so by June 11, 2021 and parties wishing to file reply comments have until June 28, 2021 to do so.

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.”

Also as part of that order, 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 of the above-mentioned Report 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. 14 and 15 respectively) to show that it has complied with

the terms and conditions found in paragraphs six through nine of the stipulation. Each of the terms and conditions from this part of the stipulation are addressed below.

- The condition in paragraph six relates to Dominion’s commitment to complete the transponder replacement program by September 30, 2020. Based on a number of extenuating circumstances, COVID-19 for one, Dominion did not meet its initial deadline. The Commission’s order dated November 20, 2020 extended the completion date to March 31, 2021. On May 12, 2021 Dominion filed its Report and declared that the program is complete. In support of this claim that the replacement work is completed, Dominion provided Exhibit No. 14, which represents that all but 836 of the total transponders have been replaced by the deadline. Of those remaining at that time, 534 require meter configuration before a transponder can be installed and, according to Dominion personnel, are at the top of its crews “to-do” list. 141 of the meters do not have transponders to be replaced and they are also on the top of the “to-do: list for first-time transponder installation. Nine of the meters are large and require specialized transponders (which the Division was informed were installed in April). By the end of March, there were still 152 meters with access problems and during April, it replaced all but 37 of those transponders (the issue with these 37 was addressed in Docket No. 21-057-T04).
- 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. In this current Report, Exhibit No. 15 includes the number of monthly meter-read estimates through the end of March 2021. This exhibit shows that there are currently five 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). This problem remains to be rectified by Dominion. The Division expects that as this last few estimated reads will be resolved in

the near future and requests Dominion notify the Commission when these are resolved and they have no meter reads longer than two 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 the sixth Report and Dominion’s final status report as directed. It has succinctly stated that “Dominion Energy has completed the Transponder Replacement program. As of March 31, 2021, Dominion Energy has replaced all of the transponders that are accessible and in use, and it will not be estimating bills beyond the timeframes set forth in the applicable provisions in Dominion Energy’s Utah Natural Gas Tariff No. 500 (Tariff) and the applicable Commission Rules.” However, the Division requests that Dominion notify the Commission when the final 836 have the correct transponder installed.
- After it finishes these last few replacements, Dominion’s plans are to replace transponders as needed in conjunction with its routine meter inspections, which occur at least every five years.

Conclusion

The Division has reviewed Dominion’s Quarterly Transponder Replacement Update filing, Final Status Report and the two accompanying exhibits and has determined that it substantially complies with the Commission’s order and provides the requisite information as directed.

The Program is substantially complete. However, the Division recommends that Dominion notify the Commission when the final 836 have the correct transponder installed and when there are no estimated meter reads over two months.

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