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VIA: ELECTRONIC FILING

October 6, 2016

Public Utility Commission of Oregon
201 High St SE
Suite 100
Salem, OR 97301

RE: AR 601 – Severe Weather Moratorium Comments of Avista Utilities

Attention: Filing Center

Avista Corporation, dba Avista Utilities or ("Avista" and/or the "Company"), hereby submits comments in response to Commission Staff's request for interested parties to submit written comments following the workshop held on September 28, 2016, in Docket AR 601, Severe Weather Moratorium. The following are the questions/topics that were discussed during the workshop and the Company's response to each question:

1. Should the rule allow each utility the discretion to formulate its own plan incorporating minimum standards to be set by rule or should the Commission prescribe the severe weather moratorium standard?

Response: Avista believes the rule should establish a minimum standard for the severe weather moratorium. If a utility chooses to implement a moratorium based on temperature thresholds different than the minimum established by rule, they should be able to do so by filing a tariff describing their moratorium thresholds. The Company's recommendation would be to keep the rule simple and less complex as possible. The following is proposed language that the Company would suggest:

A. Residential service shall not be disconnected for non-payment by,
    1. Electric and natural gas utilities when the National Weather Service has forecast, at minimum, a daily high temperature of 25 degrees or less, and
    2. Electric utilities when the National Weather Service has forecast, at minimum, a daily high temperature of 100 degrees or more.
B. Temperature triggers for any location shall be determined at the nearest National Weather Service station.

How a utility implements the moratorium, meaning which weather stations they use and the time or method by which they obtain the forecast should not be included within the rule. Lastly, if a utility implements the rule as described they should not be required to file a tariff explaining their severe weather moratorium.

2. Should there be different triggers for different geographic areas (e.g., Eastern Oregon vs Western Oregon vs Southern Oregon)?

Response: Avista recommends that different triggers for different geographic areas be considered. Within the Company's service territory the weather is highly variable. Avista has four main temperature zones within its service territory which it uses for resource planning: Medford (includes Ashland), Roseburg, La Grande, and Klamath Falls. The weather in La Grande and Klamath Falls is much colder than in Medford and Roseburg. If the winter temperature threshold was set at 32 degrees, Table No. 1 represents the number of weekdays (Monday – Thursday) or disconnect days allowed by rule (no Fridays or weekends) that the Company would have declared a moratorium.

Table No. 1

Year	Klamath Falls	La Grande	Medford	Roseburg
2006	4	5	2	0
2007	11	9	1	0
2008	18	17	0	1
2009	11	7	1	0
2010	4	5	0	0
2011	9	8	2	0
2012	8	4	0	0
2013	15	18	5	2
2014	3	10	0	0
2015	10	7	0	0
Average	9	9	1	0

As evident by Table No. 1, the weather is much colder in Klamath Falls and La Grande. The weekdays on which Avista would have declared a moratorium are from mid-November through early March. During this four month period there would be approximately 64 days (4 per week and approximately 16 per month) on which the utility could disconnect customers for non-payment. On average the Company would not be able to disconnect customers 14% of the time in Klamath Falls or La Grande if the threshold were set at 32 degrees. In 2008, in Klamath Falls and 2013 in La Grande, the Company would not have been able to disconnect customers 28% of the time, or more than one whole month out of the four winter months where Avista has experienced cold temperatures. Conversely with a temperature threshold of 32 degrees the impact of the severe weather moratorium in Medford and Roseburg would have minimal impact. Due to this variability the Company thinks it is worth considering allowing a utility to establish different triggers for the different geographic areas within its service territory. The Company agrees that temperatures below 32 degrees are cold regardless of the area in which you live,

however residents of areas that are colder overall typically are better prepared to deal with colder temperatures thus the establishment of different triggers is worth considering.

3. What are the appropriate winter and summer temperature triggers?

Response: As described in the responses above, the Company believes the Commission should consider establishing a minimum threshold within the rule and allow the utilities discretion to set thresholds above the minimum by way of their individual tariffs. By doing this it would allow Avista to establish different temperature triggers for Klamath Falls and La Grande compared to Medford and Roseburg. If the minimum temperature threshold were set at 25 degrees, the Company's concerns with a threshold of 32 for Klamath Falls and La Grande would be alleviated. If different triggers were allowed, the Company would likely set the threshold for Medford and Roseburg at 32 degrees, above the minimum of 25 degrees.

The Company understands that the position of CUB and CAPO is to set a single temperature threshold at 32 degrees for the whole state. As discussed at the workshop there is no basis for establishing a threshold other than public perception and what some other states around the country are doing. Avista believes that the threshold in Oregon should be established in a manner that fairly balances the interests of the customers and utilities. Avista's recommendation is that the minimum temperature threshold be set at 25 degrees. The Company does not agree that public perception should dictate that the threshold be set at 32 degrees and instead believes the threshold should be set at what is fair and balanced, which we believe would be 25 degrees for Klamath Falls and La Grande. Also, we do not agree that having different thresholds in different geographic areas would be confusing to customers. It will be the utilities responsibility to educate its customers on the thresholds it sets. Just like many other business practices differ from one utility to another, the temperature threshold should be no different. For example, as Avista serves only natural gas, its customers are also customers of PacifiCorp. Avista and PacifiCorp have different business practices, which do not seem to be a problem for its customers today.

If the winter temperature threshold was set at 25 degrees, Table No. 2 represents the number of weekdays (Monday – Thursday) or disconnect days allowed by rule (no Fridays or weekends) that the Company would have declared a moratorium.

Table No. 2

Year	Klamath Falls	La Grande	Medford	Roseburg
2006	0	2	0	0
2007	1	2	0	0
2008	7	6	0	0
2009	3	5	0	0
2010	2	2	0	0
2011	3	2	0	0
2012	1	0	0	0
2013	6	5	0	0
2014	0	4	0	0

2015	2	2	0	0
Average	2.5	3	0	0

As can be seen when comparing Table No. 1 to Table No. 2, a threshold of 25 degrees instead of 32 degrees makes a significant impact on the number of days a moratorium would have been issued in Klamath Falls and La Grande.

4. Discussion of period of time trigger must be met before a moratorium is initiated (e.g., 24 hours, 48 hours).

Response: Avista believes that the severe weather moratorium should always be a daily moratorium. Operationally, Avista will monitor the weather forecast each morning to determine if the forecasted temperature is above or below the threshold established, which would allow it to issue service orders for disconnections or not. In addition, the Company would advocate using language in the rule that says "residential service shall not be disconnected for non-payment if the daily forecasted temperature is below 25 degrees." Although the daily forecast is a 24 hour forecast, using language in the rule related to a 24 hour forecast may cause some unnecessary complexities or questions in the future. For example, if a utility looks at the forecasted temperature at 7:00 a.m., would the 24 hour forecast be the forecast through the next day at 7:00 a.m. or that day's forecast? To simplify the rule and to coordinate with how utilities will implement the severe weather moratorium, Avista requests that the proposed rule use language for the daily forecast.

5. How long should the moratorium remain in effect and under what conditions should it end?

Response: As described in the response to the previous questions, Avista believes the moratorium should always be a daily moratorium. Each day the Company will review the weather forecast to determine if it would be able to issue service orders for disconnections or not.

6. Are there other circumstances under which a moratorium should be put into effect?

Response: There are other circumstances in which Avista may declare a moratorium, such as natural disasters or systems issues that affect many customers. These events tend to be unique in nature and issuing a moratorium should left to the utility's discretion.

7. What will it cost utilities to implement a severe weather moratorium?

Response: Avista believes the cost to implement the severe weather moratorium will be minimal. Avista will implement a manual process to monitor weather forecasts to determine if it can or cannot disconnect on a given day. If it were to ever automate this process there would be a cost to do so. One area of costs that the Company is unable to estimate at this time is related to its servicemen who perform disconnects. During a moratorium event the Company must either deploy its servicemen to work on other service orders or it may choose to have the servicemen leave 24-hour disconnect notices at customer premises who were eligible for disconnect in an effort to collect outstanding balances and avoid the disconnect for the customer altogether. If it

does this it will require two field visits for some disconnects which will add to the Company's operating costs.

Avista appreciates Staff's collaborative effort to develop a set of proposed rules for a severe weather moratorium in the state of Oregon. Our hope is that the final rules adopted provides the desired protections to customers during severe weather events while fairly balancing the needs of the utilities to continue their business practices related to credit and collection as allowed by OAR 860-021.

If you have any questions regarding these comments please contact me at (509) 495-2782.

Sincerely,

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