

From: Wendell, Andy

Sent: Tuesday, August 01, 2017 3:12 PM

To: 'mailponchomusic@gmail.com' <mailponchomusic@gmail.com>

Cc: Board of Commissioners <CommissionBoard@chelanpud.org>; Stoll, John D. <John.Stoll@chelanpud.org>

Subject: Question response

Hello Lindee,

I'm Andy Wendell from Chelan PUD and a part of my role here at the PUD is leading the community engagement process for the advanced two-way metering project. I did have a chance to read your emails and I appreciate you taking the time to write. You have asked for a response on a few specific questions. I will attempt to answer them via email and in addition, I welcome you to call me if you would like further clarification on any topic regarding advanced two-way meters.

Your questions and answers are below:

You asked: ***“Will the PUD be selling harvested data to companies?”***

PUD Response: No. We will not sell customer data to any company, firm or corporation from retail or commercial customer meters. There are strict laws and regulations regarding disclosing customer data of any kind. We maintain strict compliance with County, State and Federal laws regarding customer data. Data that we will acquire from an advanced two-way meter is used for billing purposes, energy conservation opportunities, power quality analysis, and outage notification. No personal data such as name, address, etc. will be transmitted over the advanced meter network. Data will not be sold to other companies.

You asked: ***“Will there be financial gain for the PUD if the county goes fully on the Smart Grid? Yes, or No?”***

PUD Response: Yes, of course there is significant financial gain for the PUD and its customers with a fully implemented AMI system by: reducing operating costs, extending the useful life of grid assets, offering energy conservation solutions, and restoring electrical service quicker during unplanned outages. In fact, the District's business case outlines the AMI project has a positive return on the investment with an internal rate of return over 8% and a Net Present value of over \$1.1 million. This is all on top of the value to the customer including: outage notifications, power quality monitoring and providing customer direct access to their incremental consumption data with temperature and time relationships. This project if implemented will help reduce pressure on retail rates by reducing operational costs.

Your Statement: ***“I would like to ask the PUD to please publicly disclose any areas/neighborhoods that have existing advanced meters already integrated into the Smart Grid. Please disclose where and when these smart meters in Chelan County were implemented.”***

PUD Response: The term “Smart Grid” as with “Smart Meter” are not a precise term with a single definition. Each utility defines Smart Grid as something a little different. Generally speaking, in comparison to most utilities in the Country and the world, Chelan PUD does not currently have Smart Grid capabilities. Advanced two-way meters are an essential component to fully leverage a smart grid. Therefore, to be precise in my response we have zero advanced meters integrated into a smart grid. We do not have a smart grid.

Smart meters come in all different shapes and sizes and with various manufacturers, with a multitude of capabilities similar to variations you might see when purchasing a new smart phone today. Communication

protocols, meter data collection, storage capabilities and on-site functionalities vary widely among the smart meter spectrum and manufacturers. Chelan PUD has not concluded which manufacturer or what final specifications are necessary for the advanced two-way meters yet.

Chelan County PUD has more than 48,000 active retail meters in operation today spread throughout our entire service territory - some are analog, some are solid state electronic, some are one-way communicating, some are cellular and some are connected via Ethernet. Of the 48,000 meters more than 20,000 are equipped with solid state electronic meters referred to as (ERT) Encoder Receiver Transmitter. These meters have a radio protocol developed by Itron for automatic meter reading. The technology is used to transmit data from utility meters over a short range so a utility vehicle or handheld devices can collect meter data without a worker physically inspecting each meter. The ERT meters have been in our system for more than 15 years many of which have been requested by customers preferring that PUD meter readers limit their access to their private property. It is important to note that we currently have a wide spectrum of meters and meter capabilities operating throughout our entire system today. None of these meters have the full capabilities identified in our business case for Advanced Two-way metering and none of the current meters operating in our service territory represent what one would refer to as a "Smart Meter" widely available to utility operators today.

Hope this helps. And please feel free to contact me directly.

Respectfully,

Andy Wendell
Director of Customer Services
Chelan County Public Utility District
509-661-4562 (office)
509-663-8121 (Main office)
509-668-0491 (Cellular)
Andy.wendell@chelanpud.org (Email)

We Value: Safety-Stewardship-Trustworthiness-Operational Excellence