

**From:** CEWJ [<mailto:cewj@charter.net>]  
**Sent:** Sunday, October 01, 2017 6:30 PM  
**To:** Arseneault, Garry <[Garry.Arseneault@chelanpud.org](mailto:Garry.Arseneault@chelanpud.org)>  
**Subject:** RE: <External> RE: Advanced Metering Infrastructure Planning (5)

Dear Commissioner Arseneault,

I very much appreciated the courtesy of your personal response. I've been thinking about what you wrote and trying to better appreciate the value of AMI from your perspective, or what I could add to persuade you to reconsider. Here goes.

I agree that using technology can make sense under the right set of circumstances. But given the pace of technology together with the weaknesses in the Business Case financial benefits, I still don't see how AMI makes financial sense for our District at this time. UtiliWorks even pointed out that this technology is likely to be cheaper in the future if industry demand for it increases. And that's another important observation. To my knowledge AMI isn't a widespread industry standard of service. So it begs the question why we should be in such a hurry to adopt it if it's going to take twenty or more years to benefit our cost-of-service rates, and compounding existing rate pressures in the interim.

To clarify my prior email about the Business Case, the lack of labor cost savings and correction of meter inaccuracy weren't the only benefits of AMI to be overstated and mar the Business Plan results. Your point on outage detection and restoration is another example.

The 2016 annual report stated that our District's reliability factors were already 99.98 % in 2015 and 99.99% in 2016. While I don't have the statistics in hand, my guess is that the vast majority of outages that do occur are wide-spread due to interruptions at the substation level or feeder level within the substation and, therefore, are detected and remotely operated on the SCADA system already. If I'm correct, the financial benefit of outage detection may be overstated as well. Maybe "smart-meter" installation would be cost-effective in more isolated, outage-prone locations—I don't know. Incurring the cost of county-wide infrastructure looks like uneconomic overkill for the purpose of outage detection and restoration.

Perhaps the larger point I failed to make clearer is that the over-estimation in individual line item benefits may seem small, but they still add up. By my reckoning, as little as a 10% overall reduction in expected annual benefits during the 20-year planning horizon turns the net present value metric being used to help justify the expenditure into a LOSS. The over-estimate for correction of meter inaccuracy alone approaches 8%.

Based on the material I've seen, our's was not the only household to raise questions about the impact of AMI on rates. So with this follow-up email, I urge you and your fellow Commissioners to PLEASE reconsider your support and exercise restraint in implementing AMI on the basis of questionable Business Plan benefits, or at least until the Board obtains a more informed consent of the community on the risks and trade-offs.

Thank you for considering these additional views.

Charles Wagers  
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