

INTERVENOR WARREN WOODWARD'S  
SECOND SET OF DATA REQUESTS TO  
ARIZONA PUBLIC SERVICE COMPANY REGARDING  
THE APPLICATION TO APPROVE RATE SCHEDULES DESIGNED TO  
DEVELOP A JUST AND REASONABLE RATE OF RETURN  
DOCKET NO. E-01345A-16-0036  
DECEMBER 5, 2016



Woodward  
2.12:

In an April 1, 2015 email, Connie Walczak, the head of ACC Consumer Services, wrote a co-worker:

What you might hear from APS is..... the meter stopped 'communicating' with the company. Seems the Smart Meters are doing this more and more often. It may be for only a brief period or a week or a month. APS seems to not have a problem with this 'non' communication, they have Schedule 8, 3.1 to rely on which enables them to estimate the bills. This can go on for months. They do not check the meter when they could retrieve the data, rather, they estimate usage. They do not feel the meter is malfunctioning if it begins communicating again. Even when it continues doing this for more than one month.

- a. Since APS began installing "smart" meters, how many APS "smart" meters have had that "non-communication" problem?
- b. For how long did that problem go on? Provide dates of when it started and when, if ever, it stopped.
- c. Is it still a problem?
- d. How many meters were replaced as a result of that problem?
- e. What were the ages of the meters that were replaced (how long in service?)?
- f. Were any of the meters under warranty?
- g. If not, who was charged the replacement cost, shareholders or ratepayers?
- h. If under warranty, did the warranty cover installation cost?
- i. If not under installation warranty, what was the installation cost and who bore the burden, shareholders or ratepayers?
- j. What brand or brands of "smart" meters had (or have) the problem?
- k. Was any of the meter "non-communication" due to externals such as vegetation? If so, was any tree trimming or other vegetative removal conducted, and what did it cost?

Response:

APS disagrees with and objects to the question's premise that the need to estimate a bill due to issues with an AMI meter's ability to communicate constitutes a "problem." Currently, APS estimates less than 1% of monthly meter reads for reasons that include AMI meters not communicating with the system. However, responses to the question are provided below:

- a. Approximately 60,000 meters have been identified as having the circuit board soldering issue which is the specific

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Response to  
Woodward  
2.12  
continued:

- problem referenced in the quoted e-mail.
- b. This specific communication issue was first identified in 2014 and continues to be an issue today, albeit a minimal one.
  - c. See the Company's response to subpart b.
  - d. The number of meters replaced due to this issue is as follows:
    - 2014 – 19,203 meters replaced
    - 2015 – 22,287 meters replaced
    - 2016 (As of 10/2016) – 20,172 meters replaced
  - e. The average in-service life of these meters at time of replacement was approximately 4 years.
  - f. Yes, these meters are under warranty.
  - g. See the Company's response to subpart f.
  - h. Yes, under the terms of the warranty some installation costs were covered.
  - i. Any cost of installation during the test year not covered under the warranty is necessarily included in the Company's request.
  - j. This communication issue affected Elster meters.
  - k. No. The issue is internal to the meter itself.

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