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Agenda 01-12; Item No. 3A; Draft Order for discussion at agenda

**THIS ORDER IS NOT A FINAL ORDER AND MAY BE SUBSTANTIALLY REVISED
PRIOR TO ENTRY OF A FINAL ORDER BY THE PUBLIC UTILITIES COMMISSION
OF NEVADA**

BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA

Investigation regarding NV Energy's Advanced Service)
Delivery Meter Program a/k/a Smart Meters and its)
implementation.)
_____)

Docket No. 11-10007

At a general session of the Public Utilities
Commission of Nevada, held at its offices
on January 11, 2012.

PRESENT: Chairman Alaina Burtenshaw
Commissioner Rebecca D. Wagner
Commissioner David Noble
Assistant Commission Secretary Breanne Potter

INTERIM ORDER

The Public Utilities Commission of Nevada ("Commission") makes the following
findings and conclusions:

I. INTRODUCTION

The Commission opened an investigation regarding Nevada Power Company d/b/a NV Energy and Sierra Pacific Power Company d/b/a NV Energy's (collectively "NV Energy") Advanced Service Delivery Meter Program a/k/a Smart Meters ("smart meters") and its implementation. This Interim Order will only address customer service issues related to notification, installation and NV Energy call-backs regarding smart meters. The other issues raised in the notice of this investigation will be addressed by the Commission in its final investigation report at the conclusion of all of the proceedings in this docket.

II. SUMMARY

The Commission approves the recommendations on customer service issues related to smart meter implementation as outlined in this Interim Order.

III. PROCEDURAL HISTORY

DOCUMENT REVIEW AND APPROVAL ROUTING

DRAFTED BY: Marcy Wenzel

FINAL DRAFT ON 1/14/12 AT 3:00 P.M.

REVIEWED & APPROVED BY:	DATE
<input type="checkbox"/> ADMIN / ASST. (_____) _____	_____
<input checked="" type="checkbox"/> COMM / COUNSEL <u>AP</u>	<u>1/14/12</u>
<input type="checkbox"/> SECRETARY / ASST. SEC. _____	_____
<input type="checkbox"/> OTHER (_____) _____	_____

- On October 25, 2011, the Commission opened an investigation regarding NV Energy's smart meter program and its implementation. This matter has been designated as Docket No. 11-10007.
- The investigation is conducted by the Commission pursuant to the Nevada Revised Statutes ("NRS") and the Nevada Administrative Code ("NAC") Chapters 233B, 703, and 704, including but not limited to, NRS 704.120.
- On November 2, 2011, the Commission issued a Notice of Investigation Regarding NV Energy's Advanced Service Delivery Program a/k/a Smart Meter and Its Implementation, Notice of Request for Comments, and Notice of Workshop ("Notice").
- On or before November 18, 2011, the Commission received written comments from interested persons regarding smart meter concerns in the following areas: health and safety; privacy and security; accuracy and reliability; and customer service as it specifically relates to notification, installation, and NV Energy call backs regarding smart meters.
- On December 2, 2011, NV Energy filed reply comments responding to the issues raised in initial comments and addressing specific questions in the Notice.
- On December 6, 2011, the Commission conducted a workshop to discuss written comments and reply comments filed with the Commission in order to identify the issues and concerns related to smart meter implementation.

IV. CUSTOMER SERVICE ISSUES

Public Comments

1. The public comments in this proceeding raise the following customer service issues regarding smart meter implementation: inadequate notice of installation, call center delays, poor customer service, intimidation by installers, unlicensed personnel installing smart meters, and outages or damage to other electronic equipment.

AARP Comments

2. AARP commented that, with respect to consumer information, what it hears in the media and from its own members is that they do not feel like they were informed about the smart meter implementation or smart meters in general. The letters or the phone calls from NV Energy were not effective for those particular customers. (Tr. at 100.) Reaching out into the community

on a more frequent basis and utilizing multiple channels, including NV Energy's website, the newspaper, or using a call-back list to verify that someone received the phone call, would help to better inform consumers. In other jurisdictions, utilities incorporated media plans leading into the time that the smart meters were going to be installed so that consumers knew what was going to happen and what to look for. (Tr. at 102-104.)

NV Energy Comments

3. NV Energy states that it has taken steps calculated to build customer confidence in and acceptance of smart meters. (Comments of NV Energy at 16.) NV Energy's consumer confidence process involves the following steps:

- About 60 days prior to smart meter installation, NV Energy conducts community outreach to explain the smart metering system. These efforts include meetings with community leaders, business groups, community groups, and homeowners associations. Customers are encouraged to visit NV Energy's website for additional information.
- About 30 days prior to smart meter installation, NV Energy sends customers a letter notifying them of pending installation. (Exhibit 3.) The mailer includes a "frequently asked questions" ("FAQ") sheet explaining the smart meter system and its benefits. (Exhibit 4.) Both the letter and FAQ sheet include the phone number for the NV Energy Resolution Center and information about NV Energy's smart meter website.
- About five days prior to smart meter installation, NV Energy calls customers using an automated system to remind them of the upcoming smart meter installation. This message includes the phone number for the NV Energy Resolution Center.
- During meter deployment, the installer, who works for NV Energy's installation vendor, Scope Services, will first knock on the door to announce his or her presence. This makes the customer aware of who is on their property. The installer then removes the old meter and inspects and tests the meter box for any damage. Although the customer is responsible for maintaining the meter box, if the installer notices any damage or issues with the meter box, the installer arranges for an electrician to make necessary repairs. The smart meter is then installed and the installer leaves a door hanger that provides a record of the work performed. (Exhibit 5.) Additionally, the door hanger educates customers about how to interpret the

kilowatt hour (“kWh”) numbers displayed on the meter as well as provides information about the online tools for monitoring electric usages and costs.

- If there is an issue in the field during deployment, Scope Services first meets with the customer to address and resolve the issue. Usually, this meeting occurs the same day as the installation.
- Each week the Cannon Survey Center at the University of Nevada, Las Vegas (“UNLV”) selects a random sample of 30 customers who have had a meter installed within the past seven days and calls them to complete a satisfaction survey.
- About 30 days after the smart meter installation, when the smart meter passes its quality assurance tests, several smart meter tools on the customer’s My Account Dashboard are turned on for the customer: bill-to-date, projected bill, smart meter usage data graphs, and bill alerts.

(Comments of NV Energy at 16-17.)

4. Customers who raise concerns before or during the installation process call the NV Energy Resolution Center. NV Energy logs all calls by making notes in its customer information system. Each issue is then addressed by an NV Energy customer service representative (“CSR”). (Comments of NV Energy at 17-18.)

5. For complaints, CSRs document the customer’s complaint and attempt to resolve it. Examples of complaints regarding smart meters are high bill issues, confidence issues, media issues and medical issues. When customers express concern about the installation of a smart meter, NV Energy provides educational material that contains fact-based information regarding system accuracy, safety, privacy and security. If the educational material does not allay the customer’s concerns, NV Energy defers the installation of the smart meter and adds the customer to the postponement list. (Comments of NV Energy at 18.)

6. Some calls involve post-installation claims relating to property damage. (Comments of NV Energy at 18.) A customer might indicate that she does not have power, or has an oven or air conditioning unit that does not turn on after the installation. If a customer has

older electronic equipment in the home, when the power is disengaged and brought back up, some of that older equipment can fail. (Tr. at 189.) These issues are initially addressed by Scope Services, which is contractually obligated to investigate and resolve claims. If the customer remains unsatisfied, the claim is transferred from Scope Services to NV Energy. NV Energy investigates the claim and works with the customer to reach a mutually acceptable resolution. (Comments of NV Energy at 18.)

7. When customer calls are received by the NV Energy Resolution Center, NV Energy categorizes them by the type of issue. (Comments of NV Energy at 24.) NV Energy groups customer calls related to smart meter program into the following three categories:

- **Complaints.** A complaint is when a customer expresses dissatisfaction with some aspect of the NV Energy smart meter installation process or smart meters in general.
- **Postponements.** A postponement is an escalated complaint that results in a customer requesting a postponed installation of a smart meter.
- **Claims.** A claim is an escalated complaint that involves a request for compensation typically money. (Comments of NV Energy at 24.)

8. The results of the customer experience and consumer confidence process are illustrated in the following statistics based on more than 580,000 smart meters deployed as of October 31, 2011:

Complaints – 170 (0.029%)

Medical	Media	Confidence
26	33	111

Postponements – 2,284 (0.393%)

Inconvenience	RF/Medical	Media/Social	Confidence
73	42	33	2,136

Claims – 281 (0.048%) The average response time to an initial claim is within two business days, while processing for resolution takes an additional five business days, depending on customer cooperation.

Property Repair	Property Damage	Other/Pending
99	114	68

Advanced Service Delivery (“ASD”) Repairs – 261 (0.045%) Recorded panel repairs for customers who actually incurred some form of panel damage or the panel was in an unsafe condition during meter installation.

Panel Repairs	Socket Repairs	Breaker Repairs
22	105	134

Scope Field Issue Resolution – 572 (0.098%) This category involves customer field-related issues that arise when a smart meter is installed. The average response time is within one business day. Processing for resolution takes an additional four business days, depending on customer cooperation.

Property	Food	Electronics/ Appliance	Electrical	Other
21	7	304	207	33

(Comments of NV Energy at 24-25.)

9. The Cannon Survey Center at UNLV randomly surveys customers about the installation experience every week. The following are the results from the Cannon Survey Center customer satisfaction survey:

- Aware Smart Meter was Installed: 90.8%
- Customer Satisfaction: 3.9 on a 5-point scale (5 = Very Satisfied)

- Installer Satisfaction: 6.6 on a 7-point scale (7 = Excellent)
- Installation Problems: these typically reflect issues relating to the power going out and the need to reset clocks, sprinkler timers, etc.

No Problems: 96.3%

Small Problem: 2.6%

Big Problem: 1.1%

(Comments of NV Energy at 25-26.)

10. In response to consumer comments that NV Energy does not use “licensed electricians” to install smart meters, NV Energy maintains that individuals installing smart meters are required to have the same training and possess the same qualifications as individuals who install analog meters. Scope Services employs two categories of personnel to install NV Energy’s smart meters. Employees performing installer I work are not required to possess Journeyman Electrician certification. Employees performing installer II work are considered Senior Installers and are required to possess a Journeyman Electrician, Inside Wireman, or Lineman certificate. NV Energy has also retained two Licensed Electrical Contractors (Stetson Electric and Robco Electric) to perform behind-the-meter repair work. (Comments of NV Energy at 40-41.)

11. NV Energy has made or agreed to make the following improvements to smart meter implementation:

- Open a specialized Resolution Center in the North in addition to the one in the South, each with its own local area calling number or a 1-800 phone number. (Tr. at 64-65.)
- Improve CSR training regarding smart meter implementation process. (Tr. at 67.)
- Provide information on NV Energy’s website regarding the postponement list. (Tr. at 72.)

- Instruct CSRs to inform customers of the postponement list when contacted. (Tr. at 72-73.)
- Notify the public of consumer outreach events and smart meter deployment schedule on NV Energy's website. (Tr. at 73-76.)
- Allow customers to be put on the postponement list at any time prior to installation as long as NV Energy has cellular phone contact with the installer that is on the route. (Tr. at 79-80.)
- Provide training for installation vendor Scope Services regarding customer communications. (Tr. at 80-81.)
- If a customer requests a special appointment so they can be home when the smart meter is installed, require NV Energy employees to follow the same special procedures for the meter exchange used by Scope Services. (Tr. at 82-83.)
- Implement steps to remediate call center delays: (1) Sierra Pacific CSRs are now available to answer phone calls from the Nevada Power service territory; (2) added peaking resources to its call centers to help address volume days; (3) added telecommunications capacity to allow a larger number of calls into the center; (4) added internal personnel through job transfers, creating base capacity in the call centers; and (5) filling open positions in the call centers in Reno. (Tr. at 86-87.)

Commission Discussion & Findings

12. Although NV Energy's statistics indicate a high level of customer satisfaction and a low number of complaints regarding smart meter implementation, the Commission finds that NV Energy needs to enhance its consumer outreach efforts and provide better training to its installation vendor Scope Services and NV Energy employees.

13. NV Energy should develop a media plan leading up to the deployment of smart meters that will frequently reach out into the community and use multiple channels to reach customers more effectively. Such a media plan should be designed to better inform customers about when and how smart meter installation will take place, including the form and content of notices that NV Energy will provide its customers prior to installing a smart meter (e.g., outreach events, letters, phone calls, door hangers, etc.). Publishing a deployment schedule on NV

Energy's website will also enable customers to check when NV Energy will be installing smart meters in their neighborhoods in the event they did not receive the 30-day notification letter that NV Energy sends through the mail. These additional efforts will help to ensure that the first notice customers receive is not a knock on the door or a door hanger after a smart meter has already been installed. (Tr. at 181.)

14. NV Energy should provide additional training to its installation vendor regarding customer communications. The Commission has been informed of allegations of intimidation by installers and misinformation given to customers. NV Energy states that it has opportunities to speak with Scope Services employees on a daily basis. All of these Scope Services employees have been trained by NV Energy about what to say and not to say in public. (Tr. at 81.)

15. NV Energy should provide additional training to its field employees to follow the same procedures for installing smart meters that are used by Scope Services. Although more than 95 percent of the meters have been installed by Scope Services, if the smart meter installation is made by a special appointment, NV Energy field employees will conduct the meter exchange. NV Energy field employees do not have the same equipment to take a picture of the analog meter before it is removed, which in one instance resulted in a high bill complaint. (Tr. at 83.)

16. NV Energy should publish information on its website informing customers that, at any time prior to the day of installation, a customer can contact NV Energy by calling the appropriate Resolution Center and requesting to be put on the postponement list. NV Energy should instruct CSRs to inform a customer that does not want a smart meter installed of the postponement list. NV Energy should take all necessary steps to ensure that its installers know what customers are on the postponement list and should not have a smart meter installed. The

postponement list is only temporary until the Commission issues its final report in this docket.

At this time, the Commission has not approved NV Energy allowing any customer to opt-out of the smart meter program.

THEREFORE, it is ORDERED that:

1. The Commission approves the recommendations on customer service issues related to smart meter implementation as outlined in paragraphs 12-16 of this Interim Order. NV Energy shall implement the recommendations in those paragraphs.

Compliances

2. Within ten days of the issuance of this Interim Order, NV Energy shall file with the Commission in this docket a media plan, outreach event schedule, smart meter deployment schedule to the extent currently available, Scope Services training report addressing customer communications, NV Energy field employee training report addressing meter exchange procedures, NV Energy customer service representative training report addressing the postponement list, and telephone numbers for the Resolution Centers in Northern and Southern Nevada.

3. Failure to conform to the compliances in this Interim Order may subject NV Energy to administrative fines pursuant to NRS 703.380.

4. The Commission may correct errors that may have occurred in the drafting or issuance of this Order.

By the Commission,

ALAINA BURTENSHAW, Chairman

REBECCA D. WAGNER, Commissioner

DAVID NOBLE, Commissioner

Attest: _____
BREANNE POTTER,
Assistant Commission Secretary

Dated: Carson City, Nevada

(SEAL)

DRAFT