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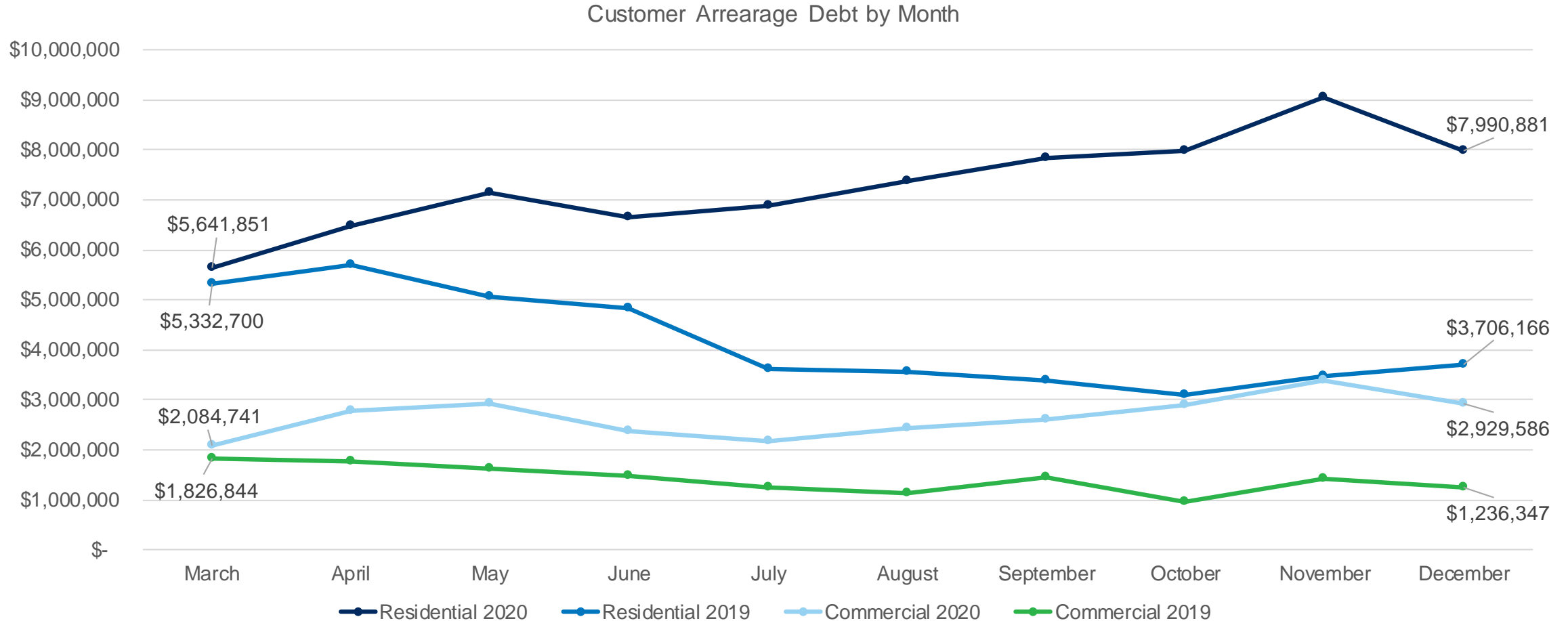
Current State of Arrears and COVID-19 Response

February 17, 2021

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Sr. Manager of Regulatory Policy & Strategy

Current State Arrears as of December 31, 2020



Reduction in arrearage debt in December a result of CARES Act grants from Spokane County. Residential customers who had not received assistance of any kind in 2020 and were at least two months behind, received grants to either eliminate or reduce their balance. 8,076 customers received \$2,358,624.



Customer Payment Trends

of Customers Past Due as of 12/31

Residential 2020 = 29,562
Residential 2019 = 27,017

Commercial 2020 = 2,420
Commercial 2019 = 2,076

Active Payment Arrangements as of 12/31

Residential 2020 = 3,490
Residential 2019 = 5,350

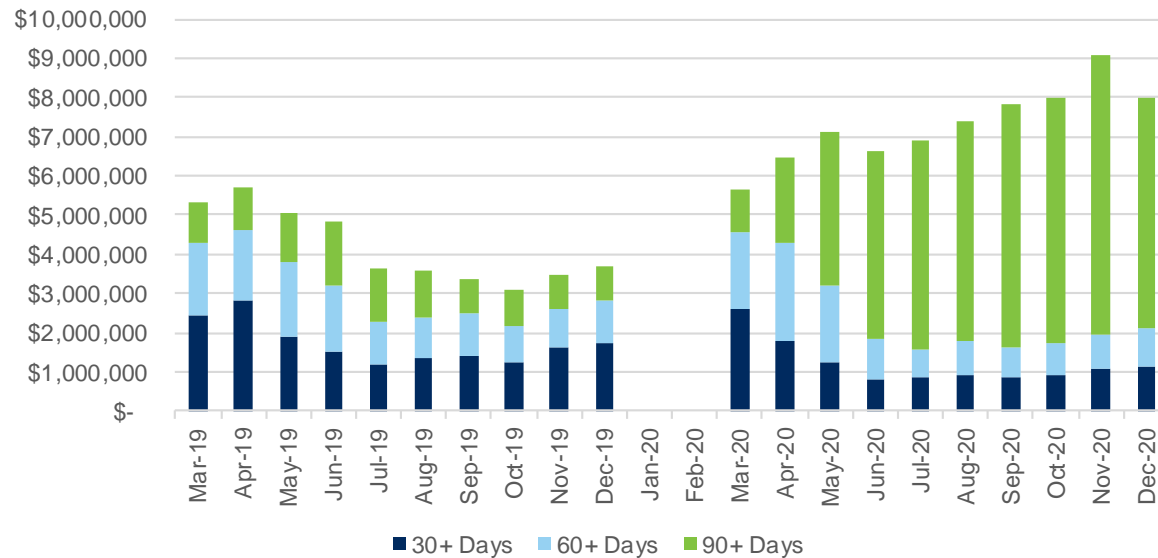
Commercial 2020 = 169
Commercial 2019 = 208

Residential Energy Assistance Payments

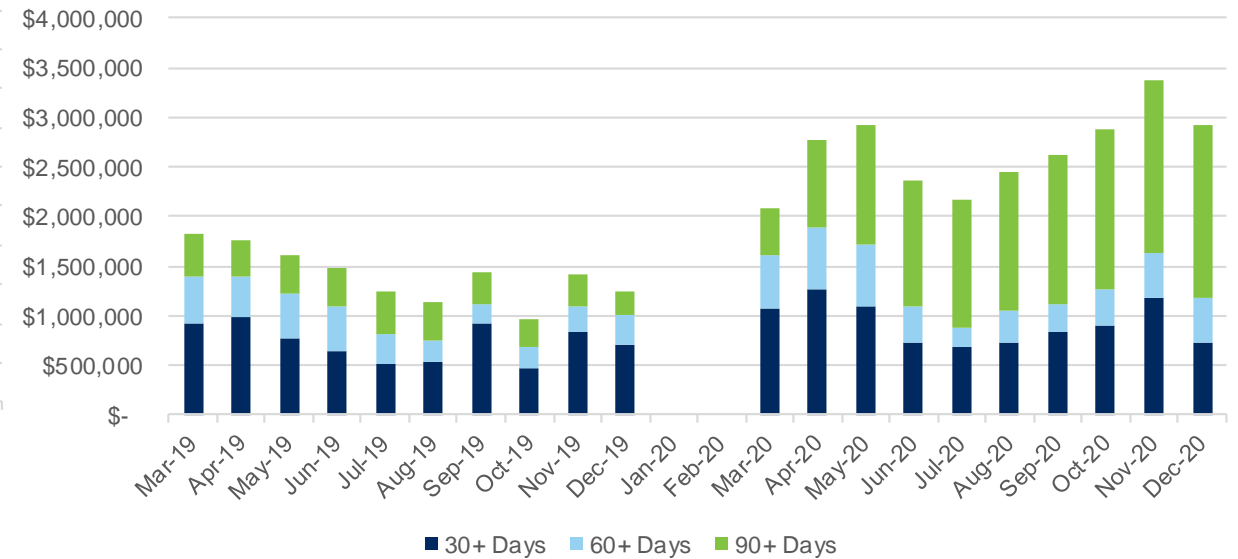
2020 = 30,483, \$7,379,917
2019 = 24,342, \$6,677,926

Data set covers March - December

Aging of Residential Arrears



Aging of Commercial Arrears



Avg. Residential Balances end of December: 2019 = \$137.18, 2020 = \$270.31
90+ Day Residential Arrears end of December: 2019 = \$856,104, 2020 = \$5,886,082

As of February 9th, 12% of residential customers are in arrears – of those, 20% have not made payment since October, 4% have not made payment since March and 3% have made no payment at all on their account.

COVID-19 Debt Relief Program

Key Considerations:

- Reduced administrative burden
- Ease in customer access to the benefit
- Equitable distribution of funding to customers impacted by the COVID-19 crisis

Funding (approximate)

- \$5M electric
- \$1.5M natural gas
- 2% Company Admin and Marketing

Eligibility & Benefit

- Residential customers at 200% FPL or below
- \$2,500 maximum
- No resulting credit on account

Administration

- Avista
- Community Action Agencies
- Community Partner Network

Automatic Grant

- Instant debt relief for customers who have received Energy Assistance within the past 24 months
- As of January 31st the total amount of grants awarded is estimated to be \$2,991,486

Forgiveness Grant

- Customers experiencing financial hardship that have not received EA within the past 24 months and have an arrearage balance
- Agencies have discretion to award credit on account up to \$100

Energy Assistance Options Available in 2021

LIRAP Traditional

- Heat Grant: zero to 150% FPL
- Senior/Disabled Grant or Rate Discount: 151 to 200% FPL
- Emergency Grant: energy emergency or hardship

New LIRAP in 2021

- Arrearage Management Program: 51 to 200% FPL *
- Percent of Income Payment with Arrearage Forgiveness: Zero to 50% FPL *

COVID-19 Response (temporary)

- LIRAP COVID Hardship: expressed hardship
- Debt Relief Program: Zero to 200% FPL *

*Proposed Programs

- COVID-19 Debt Relief Program expected to be filed by February 19th with proposed effective date of April 1st
- Arrearage Management Program filed on February 5th with proposed effective date of April 1st
- Percent of Income Payment Plan filed on February 5th with proposed effective date of October 1st
- As of December 31st, LIRAP Direct Service Budget was approximately \$9M

Customer Outreach and Communications

Debt Relief and Payment Arrangement Communications

- Email Blast
- Bill messaging
- CSR Communication
- Mailed Communications
- Digital and print ads
- Social media
- Myavista.com
- Flyers to agencies



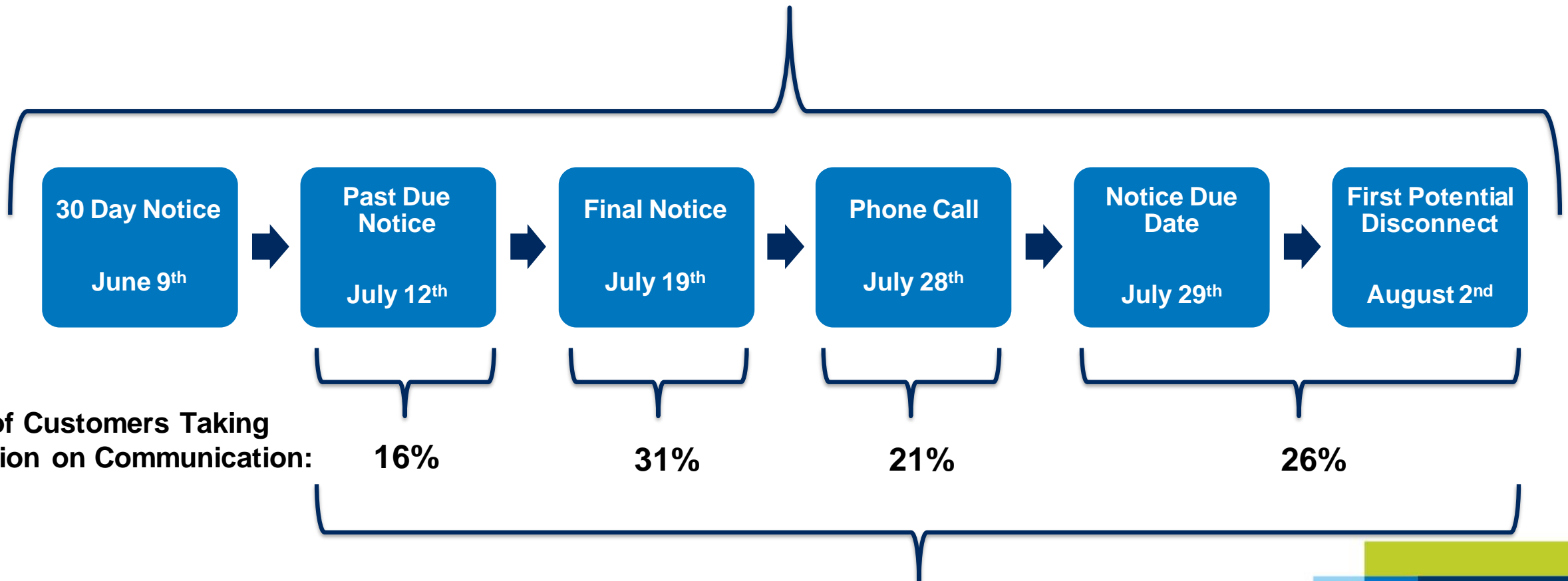
Customers with Arrears

- **30 day notices** to all customers with arrears
- **Email blast**
- **Targeted IVR calls**
- **MyAvista.com messaging**

For those customers in arrears, Avista will target those 90+ days behind than a week later to those 60+ days behind and so on. Staggered communications is intended to let those furthest behind know of assistance first and to stagger incoming customer calls.

Credit & Collections Process Post Moratorium (July 31st)

54 Days



Avista Idaho Experience

Collections processes resumed July 29th starting with a 30-day letter to inform customers prior to their first past due notice being sent out. First disconnect occurred in late September. Since July 29th, the Company has experienced the following:

23,746 Notices Sent

245 Disconnects

**1% of Notice Recipient
Disconnected**

**12,908 Payments
Received to prevent
disconnect**

**3,150 Payment
Arrangements
Established**

Summary of Residential Customers Assistance

- Enhanced communications and outreach
- Extended payment arrangements (up to 18 months)
- Temporary COVID-19 Debt Relief (1% of revenues – potential for Commission to increase)
- Energy Assistance (Introduction of PIPP and AMP)
- No deposits or reconnection fees until January 31st
- Prior Obligation (customers can reestablish service following disconnection without any payment towards arrears)
- Disconnection is a last resort that benefits no one, however, we know customers take action when disconnection is a possibility