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April 30, 2021

Mark L. Johnson
Executive Director and Secretary
Washington Utilities & Transportation Commission
621 Woodland Square Loop SE
Lacey, WA 98503

Re: Docket No. U-200281 – COVID-19 Response & Disconnection Moratorium

Dear Mr. Johnson,

Avista Corporation, dba Avista Utilities (Avista or the Company), submits the following comments in accordance with the Notice of Opportunity to File Written Comments (Notice) issued by the Washington Utilities and Transportation Commission (Commission) in Docket UE-200281 on March 31, 2021. In the Notice the Commission asked that utilities be prepared to discuss the following topics at the May 12, 2021 Recessed Open Meeting, and offered the opportunity to provide written comments on the same topics:

- COVID-19 Debt Relief Programs, including number of customers served, remaining fund availability, and projected needs.
- Communication and outreach actions for customers with past due balances and communications regarding the availability of energy assistance and the resumption of disconnections.
- Current customer COVID-19 data as specified in Order 01.
- Development of Arrearage Management Plans or Percentage of Payment Plans, including whether each utility intends to implement such plans.
- Plans to resume credit and collection processes, including efforts to develop customer notices.

As we discuss in these comments and will further describe at the May 12th Recessed Open Meeting, Avista is ready and prepared for the disconnection moratorium to be lifted. With the bill assistance, energy assistance, and flexible long-term payments arrangements available to assist residential

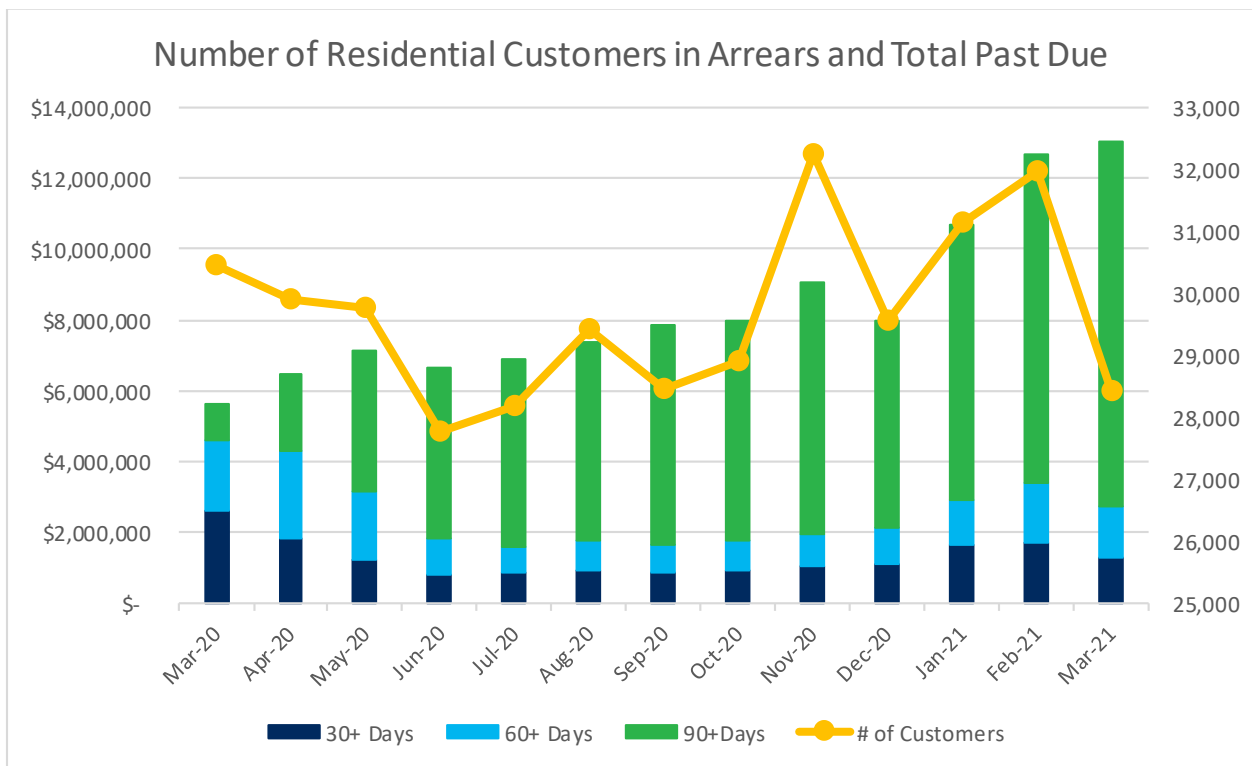
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customers, there is no reason an Avista customer should find themselves in a disconnection situation when disconnections resume. It is important to note that disconnection could only occur if a customer did not respond to the numerous communications provided by the Company regarding the assistance and options available to them and has otherwise made no effort to contact Avista regarding their past due balance.

The Company provides the following comments and will be prepared to discuss such information at the Recessed Open Meeting.

Current State of Customer Arrears

The following chart depicts the state of residential customer arrearage debt as of March 31, 2021. The data used to develop the chart was filed with the Commission on April 30, 2021, per Order 01 in Docket U-200281.



Residential customer payment trends, as of March 31, 2020, reveal the number of customers with a past due balance is approximately seven percent lower than the previous year (28,437 this year as compared to 30,455 last year). However, total past due balances are 131% higher than the previous year, \$13,023,842 compared to \$5,641,851. The average arrearage balance over this same time period has risen 147%, from \$185.25 to \$457.99.

Regarding payment arrangements, in March 2021, 2,641 residential customers had payment arrangements set up compared to 4,997 in 2020 – an approximately 47% reduction in payment arrangements. As we have previously stated, this reduction is directly associated with the cessation of past-due or disconnection notices.

COVID-19 Debt Relief Program

On February 19, 2021 and in accordance with the *Additional Funding for Customer Programs* section of the Revised Term Sheet approved by Order No. 01 in this Docket, Avista’s filed its COVID-19 Debt Relief Program (Debt Relief), which is intended to fully eliminate the arrearage balances from as many customer accounts as possible, thereby delivering a “clean slate” for each customer that receives Debt Relief assistance. The Commission approved of the filing by allowing it to go into effect on April 1, 2021.

Debt Relief funding was and is available via two program components: 1) An automatic, one-time COVID-19 Arrearage Forgiveness Grant (Automatic Grant), not to exceed \$2,500, for residential customers with proven history of low-income program eligibility (customer has received energy assistance (EA) within previous two years), and; 2) An Arrearage Forgiveness Grant (Forgiveness Grant), not to exceed \$2,500, for residential customers at or below 200% FPL that have not received EA within the past 24 months and have arrears resulting from hardship associated with COVID-19 (unpaid, past due balance).

On April 1st the Company provided the Automatic Grant to 4,872 customers for a grant total of approximately \$2,884,792 and an average customer benefit of \$592.12. After providing the Automatic Grant, the Debt Relief Program had \$3,632,248 available for Forgiveness Grants. From April 1st through April 29th the Company has provided Forgiveness Grants to 146 customers for a grant total of \$161,744 and an average customer benefit of \$1,172. As of April 29th, the Debt Relief Program had \$3,470,504 in remaining funds available to assist customers.

Energy Assistance

On February 5, 2021, Avista filed revisions to its Low-Income Rate Assistance Program (LIRAP) to incorporate an Arrearage Management Plan (AMP) effective April 1, 2021, as well as a Percentage of Income Payment Plan (PIPP) and Past Due Payoff (PDP), which will be made available at the beginning of the next program year on October 1, 2021.¹ At the March 25th Open Meeting the Commission allowed the AMP, PIPP, and PDP to go into effect on April 1st as requested.

¹ See Dockets UE-210077 and UG-210078.

The AMP will provide a continued solution for customers who have accumulated arrears in amounts that are not sufficiently addressed by a grant program alone, and the PIPP will address the affordability of energy services for its most vulnerable customers. Additionally, customers enrolled in the PIPP, or LIHEAP recipients at comparable income levels, can fully maximize their energy assistance benefits with the PDP. With the integration of these three programs, customers will have eight total components within Avista’s LIRAP to provide a variety of assistance options that address the diversity of need among the Company’s low-income customer population and those experiencing hardship. The following table shows the LIRAP bill assistance offerings that are, or will be, available to customers in 2021:

<p style="text-align: center;"><u>LIRAP Traditional</u></p> <ul style="list-style-type: none">- Heat Grant: zero to 150% FPL- Senior/Disabled Grant or Rate Discount: 151 to 200% FPL- Emergency Grant: energy emergency or hardship
<p style="text-align: center;"><u>New LIRAP in 2021</u></p> <ul style="list-style-type: none">- Arrearage Management Program: 51 to 200% FPL- Percent of Income Payment with Arrearage Forgiveness: Zero to 50% FPL
<p style="text-align: center;"><u>COVID-19 Response (temporary)</u></p> <ul style="list-style-type: none">- LIRAP COVID Hardship: expressed hardship- Debt Relief Program: Zero to 200% FPL

Customer Outreach and Communications

In consultation with its Energy Assistance Advisory Group, Avista developed a comprehensive customer outreach and communications plan to make customers aware of the new COVID-19 Debt Relief Program, energy assistance, and payment arrangements. In accordance with Order 01 in this docket, Avista will provide all customers with a 30-day notice letting them know of the assistance available to them prior to the resumption of collections activity.

In addition, the Company initiated a Compassion in Action outreach campaign to those customers that find themselves in arrears, starting first with those customers who are 90+ days behind on their bill and then staggering communications to those that are not as far behind. As part of the campaign, the Company started by proactively calling all customers that are 90+ days behind, followed by emails, and potentially in-person visits to connect customers to assistance. The intent of such a communications approach is to ensure that those furthest behind are the first to receive

additional information on the Debt Relief Program, thereby giving them the opportunity to be the first to seek assistance. Staggered communications will also help to ensure that the Company can respond to elevated phone calls into its Call Center in a timely manner.

Lastly, Avista is using broad-based communications strategies to reach its customers, including email, bill messages, digital and print ads, social media, the Company's website, and through the partner Agencies that deliver the bill assistance described above.

Credit & Collections Process

Prior to collections resuming the Company will issue the 30-day notice to all customers as described above. If the disconnection moratorium is lifted on July 31st as it currently stands, the Company would begin issuing the 30-day notice beginning on June 9th, resulting in the earliest potential disconnection taking place on August 2nd, and that is only if a customer does not respond to any of Avista's outreach attempts or distributed communications. Based on historic information, the Company knows that approximately 94% of customers take action prior to disconnection when they are in the collection process. Additionally, prior to any disconnections occurring, the Company plans to support its known low-income customers by providing field visits that offer the customer an additional opportunity to pay, make payment arrangements, or seek further assistance. With these additional precautions, coupled with the COVID-19 Debt Relief Program and existing energy assistance, as well as extended payment arrangements and enhanced customer communications, it provides ample support for Avista's residential customers once the collections process is resumed. The Company's intent is that no customer will find themselves in a situation where they are facing disconnection.

Again, the Company reiterates here that it is ready and prepared for the disconnection moratorium to come to an end and that it stands ready to assist customers with the financial challenges they may be facing regarding their energy bills due to COVID-19. With the COVID-19 Debt Relief Program, energy assistance offerings, and flexible long-term payment arrangements available, the Company is confident it has the tools and resources in place to provide customers the assistance they need in order to prevent disconnections from occurring.

Please direct any questions regarding these comments to me at 509-495-2782 or shawn.bonfield@avistacorp.com.

Sincerely,

/s/ Shawn Bonfield

Shawn Bonfield
Sr. Manager of Regulatory Policy & Strategy