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June 25, 2021

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

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UTIL. AND TRANSP.
COMMISSION

Re: **Docket No. U-200281 – Avista Utilities Response to Public Counsel’s Petition for Reconsideration and Petition for Stay**

Dear Mr. Johnson,

Avista Corporation, dba Avista Utilities (Avista or the Company), submits the following response to the Petition for Reconsideration and Petition for Stay (Petition) filed by the Public Counsel Unit of the Washington Attorney General’s Office (Public Counsel) on May 28, 2021, regarding the Washington Utilities and Transportation Commission’s (Commission) Order 03 Related to the Suspension of Disconnection of Energy Services for Nonpayment and Adopting Related Requirements (Order 03) in Docket U-200281, *In the Matter of the Response to the COVID-19 Pandemic*.

Public Counsel argues that Order 03 is flawed for multiple reasons and “requests that the Commission reconsider its decision to (1) allow the moratorium on utility disconnections for nonpayment to expire on July 31, 2021, and (2) allow the Joint Utilities to resume disconnection notice activities 30 days prior to the Resumption Date.”¹ Avista disagrees with Public Counsel’s arguments and firmly believes the Commission made the right decision in Order 03, as outlined in the comments below. As such, Public Counsel’s Petition should be denied.

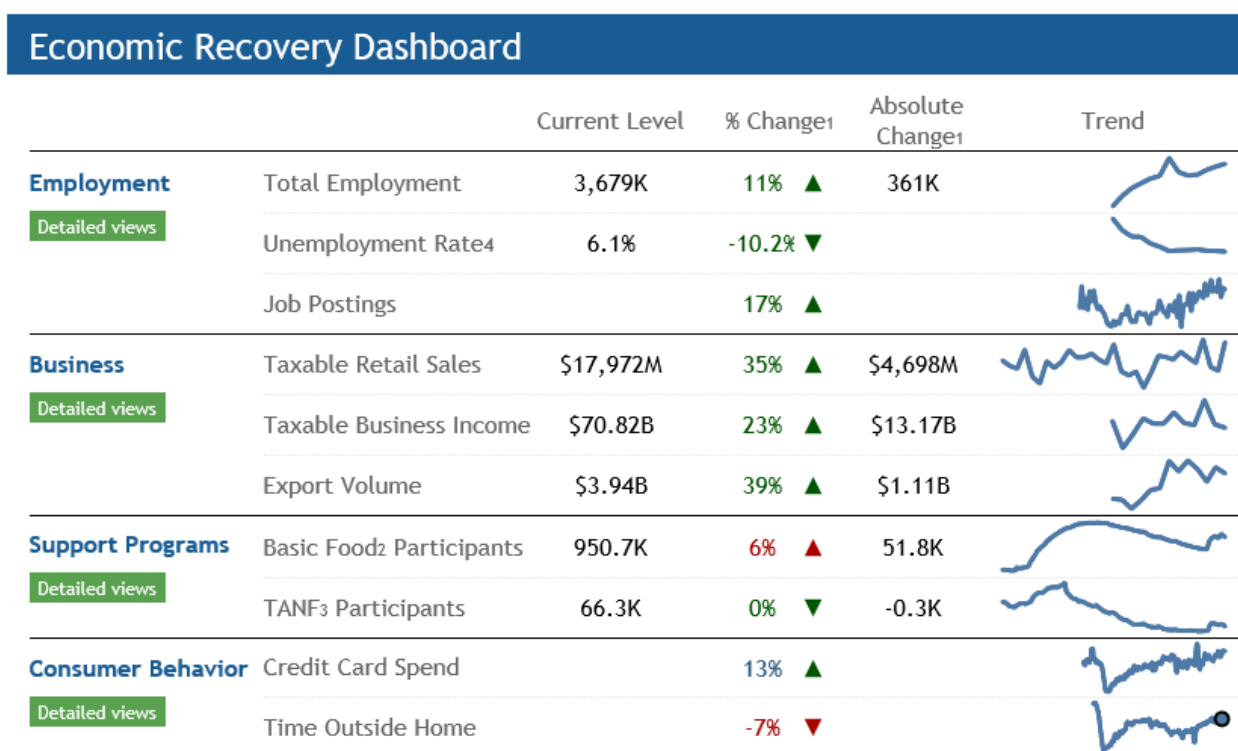
I. EVIDENCE SUPPORTS LIFTING DISCONNECTION MORATORIUM

In its Order 03, the Commission adopted “Staff’s Third Revised Term Sheet” which, among other stipulations, maintains the moratorium on disconnections for nonpayment until July 31, 2021, and

¹ Petition, ¶ 1.

allows the Joint Utilities to resume disconnection notice activities 30 days prior to that date.”² Order 03 also noted that Commission Staff, regarding their proposed Third Revised Term Sheet, “considered health data, economic data, and growing customers arrearages” in making their recommendation.³ In terms of the economic and public health data reviewed and presented during the May 20, 2021 Special Open Meeting, Staff reviewed the Department of Commerce (DOC) Economic Recovery Dashboard and Department of Health (DOH) COVID-19 Data Dashboard. The evidence presented and considered supports the decision made by the Commission to maintain the moratorium on disconnections for nonpayment until July 31, 2021.

To further elaborate, the following is the current state of the Economic Recovery Dashboard.⁴



The dashboard shows that the statewide unemployment rate through April was 6.1%, down 10.2% year-over-year. Regarding the economic health of the state, the dashboard shows taxable retail sales in March 2021 were approximately \$18 billion, which is an increase of 35% from 2020, taxable business income was approximately \$71 billion, which is an increase of 23% from 2020, and exports were approximately \$4 billion, which is an increase of 39% from 2020.

² Order 03, ¶ 20.

³ Order 03, ¶ 26.

⁴ <https://www.commerce.wa.gov/datadashboard/>

Regarding the COVID-19 Data Dashboard,⁵ the DOH shows that as of June 16, 2021, 67.2% of people over the age of 16 have been vaccinated or received at least one dose of a vaccine. The DOH of health presents this data as it pertains to “The Path to 70%”, which was goal that the state needs to reach to fully reopen on June 30th. On June 15, “Governor Inslee released a statement that said the state will reopen June 30th or when the 70% vaccination rate is reached, whichever comes first.”⁶

In terms of COVID-19 case counts, the DOH dashboard shows that as of June 14, 2021, the seven-day rolling average was 338 cases per day, which is the lowest since June 12, 2020 and the seven day rolling average for deaths on June 14, 2021 was zero.

While COVID-19 remains a concern, the metrics considered by the Commission show the health crisis appears to be near the end and that the economics of the State are trending in a positive direction.

Regarding energy assistance, Public Counsel argues that more time is needed to reach vulnerable households.⁷ Avista disagrees. Since October 1, 2020, which is the start of the energy assistance program year, Avista customers have received nearly \$19 million in energy assistance funds. Of the Company’s \$6.5 million COVID-19 Debt Relief Program funding, over \$6 million was disbursed through June 24th.

Public Counsel notes that Carol Weltz from SNAP, Avista’s largest Community Action Agency partner, was concerned that they “do not have enough time before the end of the moratorium to administer the assistance dollars to those who need them.”⁸ Avista has been and will continue to work with SNAP and its other partner agencies in getting assistance dollars to customers who need them. Following the May 20, 2021 workshop, Avista had discussions with SNAP regarding staffing levels for energy assistance and SNAP was able to modify their plans (SNAP was actually planning to reduce energy assistance staff during the summer just as these funds were made available).

In addition, Avista worked with its Energy Assistance Advisory Group (EAAG) to expand the use of customer self-declaration to ease the administrative burden of assisting customers. Lastly, as mentioned previously, the Company is working towards a second round of Automatic Grants within its Debt Relief Program, which was advocated for and supported by its agency partners and EAAG. The intention of these efforts was to alleviate any concerns regarding getting assistance dollars to vulnerable households and it appears to be working. By easing the administrative burden

⁵ <https://www.doh.wa.gov/Emergencies/COVID19/DataDashboard>

⁶ <https://www.krem.com/article/news/health/coronavirus/washington-reopen-june-30-regardless-70-vaccination-rate/293-8d0cf190-77e3-448d-8b34-476bcf59dfb9>

⁷ Petition, ¶ 9.

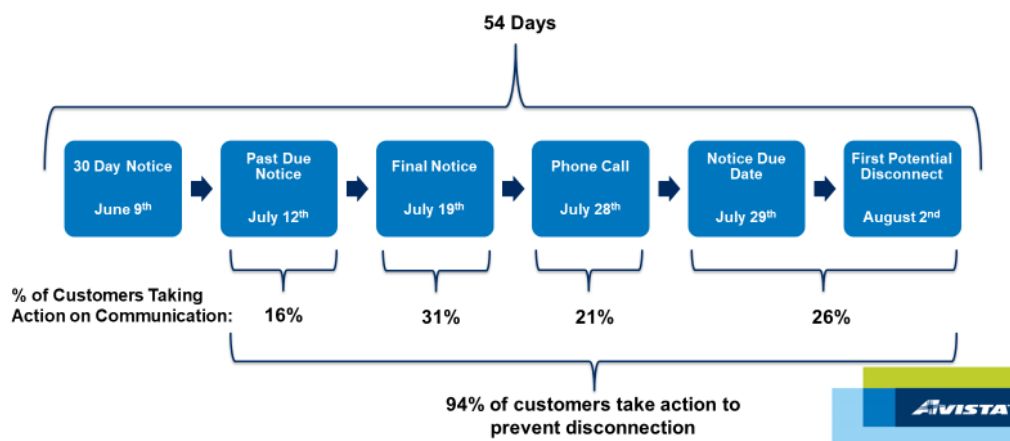
⁸ Petition, ¶ 10.

for the agencies, it also allows them to prepare for the significant Low Income Home Energy Assistance Program (LIHEAP) funding that is on the way. For these reasons, Avista does not agree with Public Counsel that an extension of the moratorium is necessary to allow assistance dollars to reach vulnerable households.

II. COLLECTION ACTIVITY DRIVES CUSTOMER ENGAGEMENT

Public Counsel argues that collection activity is not necessary to drive customer engagement. This is, unfortunately, not true. Since the moratorium began, Avista has experienced significantly fewer customers reaching out for help and establishing payment arrangements. Disconnection always has, and will always be, a last resort, but collection notices are important in driving customer engagement. This is supported by the Company’s historic experience, where approximately 94% of customers take action prior to disconnection when they are in the collections process, as highlighted in the following timeline.

Credit & Collections Process Post Moratorium (July 31st)



III. COLLECTION ACTIVITY SHOULD NOT RESUME “ONLY AFTER THE MORATORIUM EXPIRES”

Public Counsel argues that “Customers should be free from all disconnection activity, including notice activity, during the moratorium because the ability to disconnect the day after the moratorium expires is not consistent with the spirit and purpose of the moratorium.”⁹ Avista disagrees with Public Counsel’s perspective and purpose of the moratorium. The Governor’s moratorium, and that enacted by the Commission, was specific to disconnections, not on collection

⁹ Petition, ¶ 20.

activity. Throughout the moratorium the utilities continued to send reminder letters—in lieu of disconnection notices—that contained much of the information a past due notice would have, just without the potential of disconnection. Actual disconnection notices were paused during this time, as it did not make sense to send a disconnection notice when disconnection was not a potential outcome. With the moratorium ending, it is now appropriate to begin collection activities before disconnection can actually occur. The result of what Public Counsel is arguing for is an extension of the moratorium by nearly two months, as shown in the timeline above, which is also included as in the term sheet adopted in Order 03. If the Commission intended to extend the moratorium beyond July 31st, it could have chosen to do so, but it did not. As such, collection activity should begin (and continue) as planned.

IV. CONCLUSION

Avista is ready and prepared for the disconnection moratorium to come to an end and 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.

Further, customers have the ultimate protection of “Prior Obligation”, meaning that if they somehow get to a point of actual disconnection of services, they can be reconnected without having to pay any portion of their past due balance. This is in addition to the fact that utilities may not assess late payment fees, deposits, or reconnection charges. With the bill and payment assistance available, coupled with the additional protections including Prior Obligation, the Commission made the right decision in Order 03 and Public Counsel’s Petition should be denied.

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