

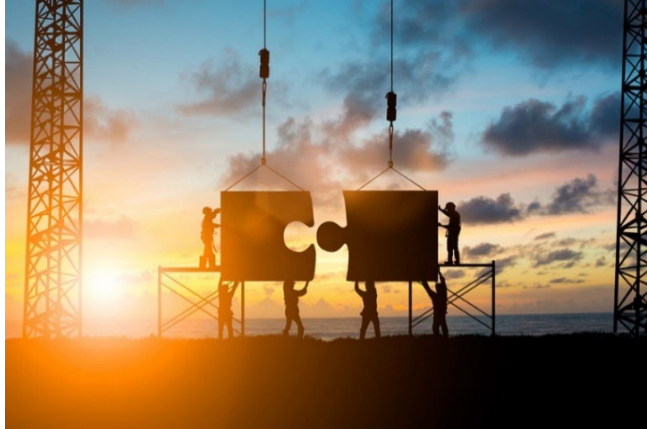


**Avista Utilities**  
**2023 Washington Service Quality Measures**  
**Program Report**

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## I. Introduction

Avista’s Service Quality Measures Program (Program) was the result of a settlement agreement in Docket Nos. UE-140188 and UG-140189, through which the Company agreed to meet with the Commission’s regulatory staff (Staff) and other interested parties to develop and implement appropriate service quality metrics, customer guarantees and reporting. In early 2015, Avista collaborated with representatives from Commission



Staff,<sup>1</sup> the Public Counsel Unit of the Washington Office of the Attorney General (Public Counsel) and The Energy Project (collectively, the “Parties”) to develop the recommended set of service quality measures to be reported to the Commission and Avista’s customers each year. Through the course of numerous discussions, Avista and the Parties agreed on a set of service measures and accompanying benchmarks and reporting requirements that, taken together, provide an overall assessment of the quality of the Company’s service to its customers. Referred to collectively as Avista’s “Service Quality Measures Program,” and approved by the Commission on June 25, 2015, with associated tariff Schedule 85 for electric service and Schedule 185 for natural gas service, these measures include:

- ✓ Six (6) individual measures of the level of customer service and satisfaction that the Company must achieve each year;<sup>2</sup>
- ✓ Reporting on two (2) measures of electric system reliability;
- ✓ Seven (7) individual service standards through which Avista provides customers a payment or bill credit in the event the Company does not deliver the required service level (Customer Service Guarantees).

Under the agreement, the Company also reports to its customers and the Commission annually on its prior-year performance in meeting these customer service quality and reporting requirements. Avista is currently reporting on the 2023 results of its Service Quality Measures (SQM) Program, and the following summarizes Avista’s annual results, followed by a more in-depth explanation of the measures themselves and associated annual outcomes.

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<sup>1</sup> Comprised of staff from the UTC’s regulatory services, policy, and consumer protection sections assembled to evaluate the complexities of reliability.

<sup>2</sup> Five individual Customer Service Measures exist within each of Avista’s approved tariff schedules; the fifth benchmark differs in its requirements between electric and natural gas service, resulting in six separate measures altogether.

## II. Executive Summary

In compliance with Order 06 in Docket Nos. UE-140188 and UG-140189 (*consolidated*), Avista’s 2023 Washington SQM Program Report (Report) provides the annual performance results for the Company’s Service Quality Measures Program (Program) for 2023. These measures are designed to show how customer-focused operations are performing and to what degree. During its 2023 Program year, Avista is pleased to report the Company has again exceeded all of its Customer Service Measures. The percent of customers satisfied with the Company’s Contact Center and Field services, based on survey results, show Avista achieved a 97% satisfaction rate for both measures in 2023. The Company also celebrates a 100% success rate in providing cost estimates for new electric or natural gas services within 10 business days for all 1,153 requests made in 2023. Most notable, Avista met 99.73% of its applicable Customer Service Guarantees (Guarantees) in 2023, providing customers a Guarantee credit in 132 out of 48,967 cases. The overall success rate of these Guarantees shows Avista’s continued commitment to serving our customers.

### Customer Service Measures - Results for 2023

Listed in Table No. 1 below are the six Customer Service Measures, including their respective service requirements (benchmarks), and the Company’s performance results in meeting them for 2023. Avista achieved all of its customer service benchmarks for the year.

*Table No. 1 – 2023 Results for Avista’s Customer Service Measures*

Customer Service Measures	Benchmark	2023 Performance	Achieved
Percent of customers satisfied with our Contact Center services, based on survey results	At least 90%	96%	✓
Percent of customers satisfied with field services, based on survey results	At least 90%	97%	✓
Number of complaints to the WUTC per 1,000 customers, per year	Less than 0.40	0.04	✓
Percent of calls answered live within 60 seconds by our Contact Center	At least 80%	83%	✓
Average time from customer call to arrival of field technicians in response to electric system emergencies, per year	No more than 80 minutes	47 minutes	✓
Average time from customer call to arrival of field technicians in response to natural gas system emergencies, per year	No more than 55 minutes	50 minutes	✓

## Electric System Reliability - Results for 2023

Table Nos. 2 and 3 below list the two measures of electric system reliability to be reported by Avista each year as part of its SQM Program. Because the annual electric reliability results often vary substantially year-to-year (the case for any electric utility’s system), it is difficult to derive a meaningful assessment of the Company’s system reliability from any single-year’s result. Consequently, in addition to reporting the current-year result for each measure, Avista also reports the average value of each measure for the previous five-year period, the average for the current five-year period (which includes the results for the current year - 2023), and the historic “five-year rolling average” from 2010 – 2023. This data provides some context for better interpreting each year’s reliability results.

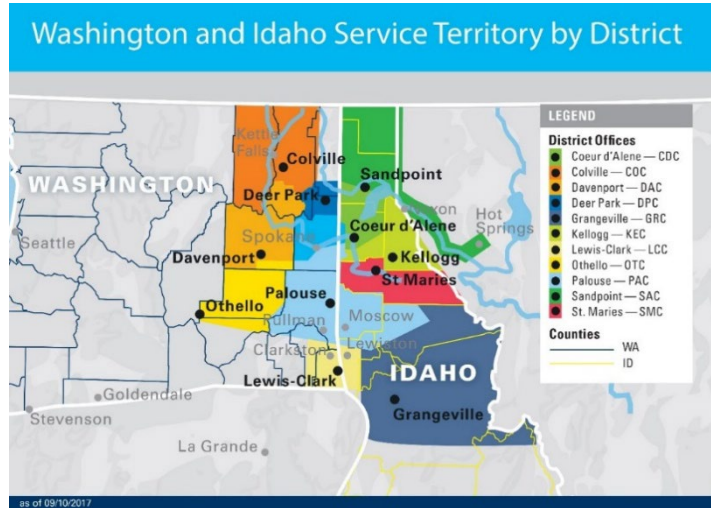


Table No. 2 – 2023 Results for Number of Outages on Avista’s System (SAIFI)<sup>3</sup>

Number of Outages	2023 System Results	Current 5-Year Average (2019-2023)	Previous 5-Year Average (2018-2022)
Average number of sustained outages (interruptions) per customer for the year (SAIFI)	0.79 Per Customer	0.96 Per Customer	0.95 Per Customer

Table No. 3 – Results for Duration of Outages on Avista’s System in 2023 (SAIDI)<sup>4</sup>

Outage Duration	2023 System Results	Current 5-Year Average (2019-2023)	Previous 5-Year Average (2018-2022)
Average duration of sustained outages (interruptions) per customer for the year. (SAIDI)	113 Minutes	138 Minutes	140 Minutes

<sup>3</sup> For a more detailed definition of these reliability measures, including calculation of indices, please refer to Avista’s 2023 Electric Service Reliability Report – Appendix B.

<sup>4</sup> See Electric Service Reliability Report – Appendix B.





Figure Nos. 1 and 2 below show the “five-year rolling average” for each reliability measure from 2010 through 2023. As shown in the figures, the long-term trend for each reliability measure is stable during this period. The trend in number of outages stays the same while overall outage duration is declining, indicating an overall trend toward improved system reliability. Though the Company formally

reports its reliability results for its entire electric system in its annual Electric Service Reliability Report, Avista agreed to track and report its Washington-specific annual results as part of the SQM Program. The Washington-only number of average electric system outages per customer in 2023 was 0.71, and the average total outage duration per customer was 87 minutes, both of which are below the system-wide results of 0.79 outages and 113 minutes, respectively.

*Figure No. 1 – Historic Five-Year Rolling Average for Number of Electric Outages on Avista’s Electric System (SAIFI)*

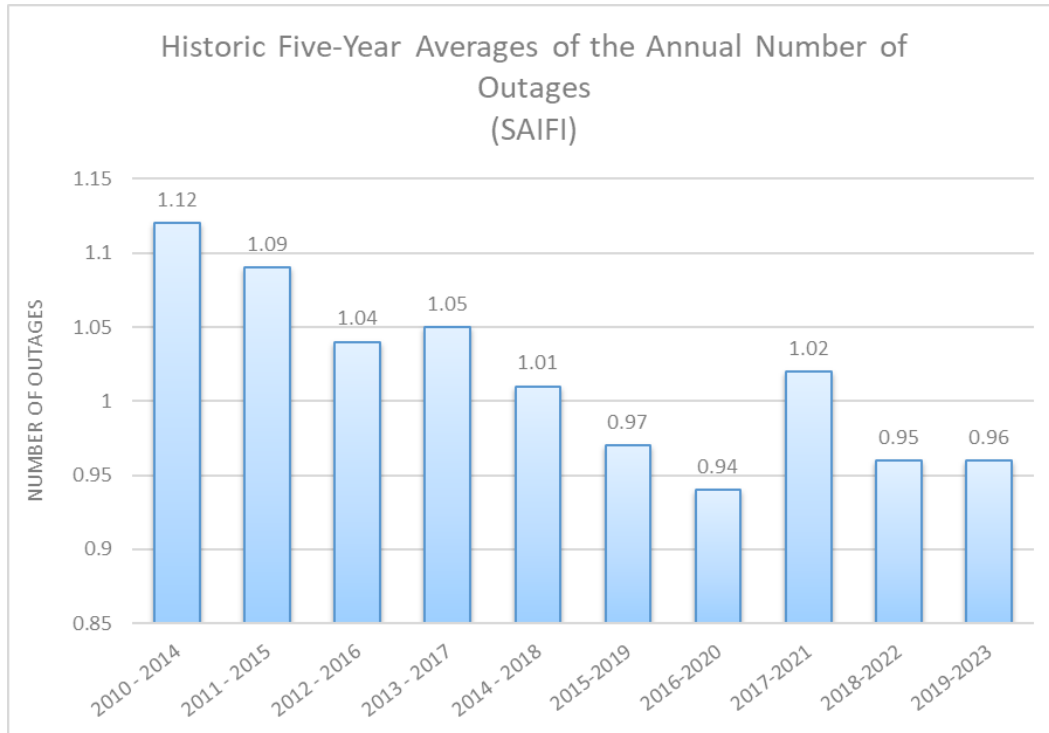
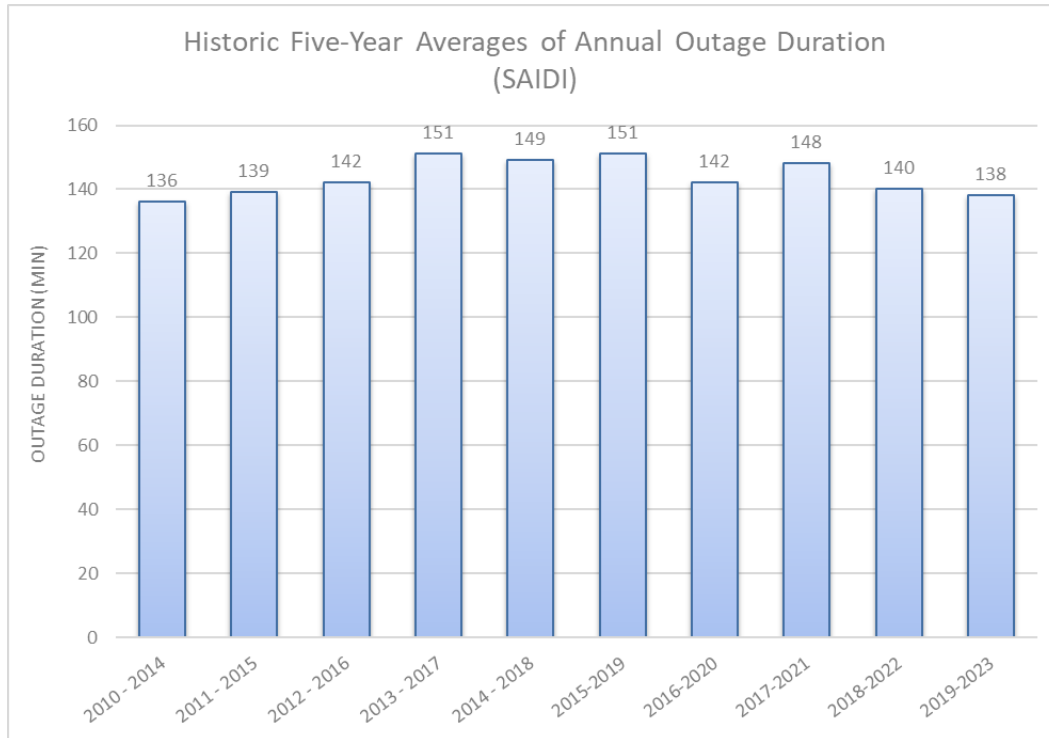


Figure No. 2 – Historic Five-Year Rolling Average for Duration of Outages on Avista’s Electric System (SAIDI)



### Customer Service Guarantees – Results for 2023

Listed in Table No. 4 below are the seven types of service for which Avista provides Customer Service Guarantees, and the Company’s performance results in meeting these Guarantees in 2023. In the event the Company fails to meet a Customer Service Guarantee, Avista provides the customer or applicant a bill credit or payment in the amount of \$50 in recognition of the inconvenience. All costs associated with the payment of Customer Service Guarantees are paid by the Company’s shareholders and are not paid by our customers in their rates for service or otherwise.



Table No. 4 – 2023 Results for Avista’s Customer Service Guarantees

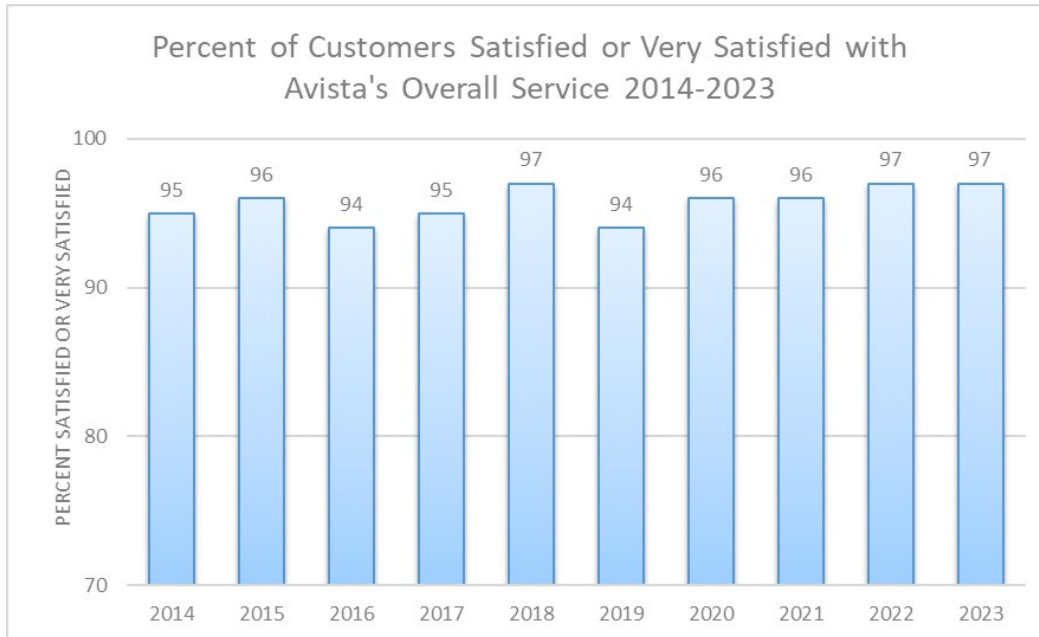
Customer Service Guarantee	Successful	Missed	\$ Paid
Keeping our electric and natural gas service appointments scheduled with our customers	2,788	13	\$650
Restore service within 24 hours of a customer reporting an outage (excluding major storm events)	19,031	1	\$50
Turn on power within a business day of receiving the request	482	0	\$0
Provide a cost estimate for new electric or natural gas service within 10 business days of receiving the request	1,153	0	\$0
Investigate and respond to a billing inquiry within 10 business days if unable to answer a question on first contact	1,059	1	\$50
Investigate a reported meter problem or conduct a meter test and report the results within 20 business days	411	1	\$50
Notify customers at least 24 hours in advance of a planned power outage lasting longer than 5 minutes	23,911	116	\$5,800
<b>Totals</b>	<b>48,835</b>	<b>132</b>	<b>\$6,600</b>

### III. Customer Service Measures

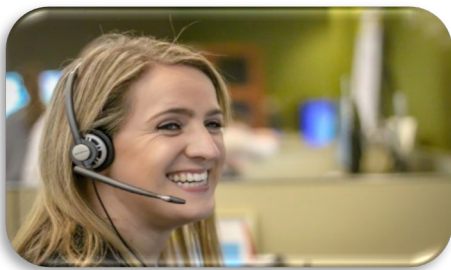
There are numerous touchpoints where customers interact with Avista, each playing a pivotal role in shaping customer perception of the Company and the level of satisfaction derived from our services. While Avista has tracked its customers’ satisfaction with primary services such as customer contact center and field services for many years, we are equally invested in understanding whether we are meeting broader service expectations. In response to this interest, Avista conducts its Voice of the Customer (VOC) survey, which prompts customers to evaluate their overall satisfaction with our Company’s services. This holistic measure serves as a crucial indicator of how satisfied our customers are with the entirety of the integrated services and value provided by Avista. As depicted in Figure No. 3 below, Avista's overall customer satisfaction, encompassing both satisfied and very satisfied responses, has consistently ranged between 94% and 97% over the past decade.



Figure No. 3 – Percent of Customers Satisfied or Very Satisfied with Avista’s Overall Service Level 2014-2023



These results align closely with the satisfaction levels reported for our contact center and field services through the SQM Program during the same timeframe. Consequently, we are confident that the outcomes of the six Customer Service Measures outlined in the subsequent sections collectively offer a reasonable evaluation of our customers' overall satisfaction with the quality and value of our services.



**Measure 1: Customer Satisfaction with the Telephone Service provided by Avista’s Customer Service Representatives (CSRs)**

*As part of Avista’s Service Quality Measures program, the level of our customers’ satisfaction with the telephone service provided by the Company’s contact center will meet or exceed a benchmark of 90%.<sup>5</sup>*

<sup>5</sup> The level of Customer satisfaction with telephone service, as provided by the Company’s Contact Center, will be at least 90 percent, where:

- a. The measure of Customer satisfaction is based on Customers who respond to Avista’s quarterly survey of Customer satisfaction, known as the Voice of the Customer, as conducted by its independent survey contractor;
- b. The measure of satisfaction is based on Customers participating in the survey who report the level of their satisfaction as either “satisfied” or “very satisfied”; and

Several factors play a significant role in influencing our customers' satisfaction with the quality of telephone service delivered by our Customer Service Representatives (CSRs) and contact center. We annually assess the importance of these factors to our customers, along with their satisfaction levels. The factors, along with our customers' satisfaction rates (either satisfied or very satisfied) for each factor in 2023, are outlined below.

- ✓ The CSR handling the customer's call in a friendly, caring manner. **(99%)**
- ✓ The CSR being informed and knowledgeable. **(97%)**
- ✓ The CSR meeting the customer's needs promptly. **(98%)**
- ✓ The CSR giving the customer all the information they need in one call. **(96%)**
- ✓ Being connected to a CSR in a reasonable amount of time. **(96%)**

**2023 Results** – The annual survey results for this measure of customer satisfaction indicate that 97% percent of our customers were satisfied with the quality of the telephone service they received from our CSRs, maintaining the high satisfaction rating Avista has received in previous years; 96% in 2021 and 97% in 2022 and 2023.

*Table No. 5 – Customer Satisfaction with Avista's Contact Center Representatives in 2023*

Customer Satisfaction with Avista's Contact Center Representatives	Service Quality	2023 Performance	Achieved
Percent of customers either satisfied or very satisfied with the Quality of Avista's Customer Contact Center Representatives	90% or Greater Satisfied	97%	✓

Prior to the development of the SQM Program, Avista did not separately track or report customer satisfaction results for individual state jurisdictions. For purposes of reporting our annual service quality performance under this Program, the Company will continue utilizing its system-wide results, in addition to separately tracking and reporting the results of this measure for our Washington customers only. In 2023, 96% of our Washington customers expressed satisfaction or high satisfaction with the services provided by our CSRs and contact center. Among them, 89% reported being "very satisfied," while 8% noted being "satisfied." While this is a slight total decrease from the overall 97% satisfaction rate reported in 2022, there was actually an increase in the percentage of customers noting "very satisfied", from 86% in 2022 to 89% in 2023 (thereby resulting in a decrease for "satisfied", from 11% to 8%, respectively).

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c. The measure of satisfaction is based on the statistically significant survey results for both electric and natural gas service for Avista's entire service territory for the calendar year, and if possible, will also be reported for Washington customers only.



## **Measure 2: Customer Satisfaction with Avista’s Field Service Representatives**

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*As part of Avista’s Service Quality Measures program, the level of our customers’ satisfaction with the Company’s field services will meet or exceed a benchmark of 90%.<sup>6</sup>*

The quality of our field services and the satisfaction of our customers are influenced by several key factors. Annually, we gauge the significance of these factors to our customers and assess their satisfaction with each aspect of our service. Below are these factors, along with our customers' satisfaction levels (either satisfied or very satisfied) with each factor in 2023.

- ✓ The service representative keeping you informed of the status of your job. **(95%)**
- ✓ The service representative or service crew being courteous and respectful. **(99%)**
- ✓ The service representative or service crew being informed and knowledgeable. **(98%)**
- ✓ The service representative or service crew leaving your property in the condition they found it. **(97%)**
- ✓ The service work being completed according to the customer’s expectations. **(97%)**
- ✓ The overall quality of the work performed by Avista Utilities. **(98%)**

**2023 Results** – The annual survey results for this measure, as reported in Table No. 6 below, show that 97% percent of our customers were satisfied with the service provided by Avista’s field service representatives in 2023.

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<sup>66</sup> The level of Customer satisfaction with the Company’s field services will be at least 90 percent, where:

- a. The measure of Customer satisfaction is based on Customers who respond to Avista’s quarterly survey of Customer satisfaction, known as the Voice of the Customer, as conducted by its independent survey contractor;
- b. The measure of satisfaction is based on Customers participating in the survey who report the level of their satisfaction as either “satisfied” or “very satisfied”; and
- c. The measure of satisfaction is based on the statistically significant survey results for both electric and natural gas service for Avista’s entire service territory for the calendar year, and if possible, will also be reported for Washington customers only.

Table No. 6 – Customer Satisfaction with Avista’s Field Services Representatives in 2023

Customer Satisfaction with Avista’s Field Services Representatives	Service Quality	2023 Performance	Achieved
Percent of customers either satisfied or very satisfied with the Quality of Avista’s Field Service Representatives	90% or Greater Satisfied	97%	✓

As with its contact center customer satisfaction, Avista did not separately track or report results for any of its state jurisdictions prior to the development of the SQM Program. The Company will continue to use its system-wide results when reporting our annual service quality performance under this Program, in addition to separately tracking and reporting the results of this measure for our Washington-only customers. In 2023, the percentage of Washington customers satisfied or very satisfied with the Company’s field service representatives was 97%, with 88% expressing being “very satisfied” and 9% indicating they were “satisfied”.



### Measure 3: Customer Complaints made to the Commission

*As part of Avista’s Service Quality Measures program, the number of complaints filed by our customers with the Commission will not exceed a ratio of 0.4 complaints per 1,000 customers.<sup>7</sup>*

When our customers express dissatisfaction with any aspect of the service provided by Avista, and the Company is made aware of the issue, our intent is always to collaborate with the customer to swiftly and fairly resolve the matter to their satisfaction. Though we are able to successfully address the majority of these customer concerns, there are some that cannot be resolved to the customer’s liking and therefore may result in the customer filing a formal complaint with the Commission. In addition to complaints initiated in this manner, there are also instances where a customer filed a complaint without prior notification to the Company regarding their issue or concern. While past experience has shown that that the Commission ultimately finds that the Company acted properly or in accordance with given standards, rules or tariffs in the majority of these complaints, Avista recognizes that the number of complaints filed does serve as an indicator of the level of dissatisfaction our customers may experience with our service.

<sup>7</sup> The ratio is calculated by dividing the sum of all electric and natural gas customer complaints filed with the Commission by the average monthly number of Avista customers for the year. The rate is calculated by multiplying the percentage by 1,000.

**2023 Results** In 2023, our Washington customers filed a total of 20 complaints with the Commission. These concerns revolved predominantly around billing matters and customer service. Notably, collection-related complaints remained low in 2023, which serves as a testament to Avista’s internal efforts in training staff to address customer concerns proactively and the Company’s use of flexible payment arrangement plans tailored to individual customer needs, as well as the multitude of resources being made available in our service territory to help customers pay their balances. Avista's customer count, as defined for this measure, was 457,674. Consequently, the resulting fraction of complaints ( $20 \div 457,674$ ) was 0.0000437, and when expressed as complaints per 1,000 customers ( $0.0000437 \times 1,000$ ), was 0.04 (rounded up), as indicated in Table No. 7 below.

*Table No. 7 – Percent of Avista’s Customers Who Filed a Commission Complaint in 2023*

Percent of Avista’s Customers Who Filed a Commission Complaint	Service Quality	2023 Performance	Achieved
Number of Avista’s customers who file a complaint with the Commission (number of complaints per 1,000 customers)	Ratio of 0.4 or Lower	0.04	✓



#### **Measure 4: Answering Our Customers’ Calls Promptly**

*As part of Avista’s Service Quality Measures program, the percentage of customer calls answered live by a CSR within 60 seconds will average 80% or greater.<sup>8</sup>*

This particular customer service measure serves as one of the subsets of service attributes contributing to customers’ overall satisfaction with our CSRs and contact center. Commonly referred to as the “Grade of Service”, or “GOS”, this measure is the average percentage of customer calls to our contact center that are answered live by a CSR within 60 seconds for those customers who wish to speak with a CSR. When a customer calls Avista’s contact center, their call is initially received by our automated (voice activated) phone system. The customer is presented the option of using the phone system for self-service (e.g., to check their account balance or pay their bill, etc.) or connecting with a live

<sup>8</sup> The percentage of Customer calls answered by a live representative within 60 seconds will average at least 80 percent for the calendar year, where:

- a. The measure of response time is based on results from the Company’s Contact Center, and is initiated when the Customer requests to speak to a CSR; and
- b. Response time is based on the combined results for both electric and natural gas Customers for Avista’s entire service territory (Washington, Idaho, and Oregon).

CSR to address their service needs. Avista’s response time in answering the customer’s call is the time that elapses between the customer’s request to speak to a representative and when their call is answered live by a representative.

For many years Avista has maintained a service benchmark of 80% or greater, even though some utilities and businesses have established a higher GOS target (e.g., 90% or a goal of answering calls within 30 seconds). Recognizing that achieving a higher service level demands increased staffing levels and may entail additional costs to customers, Avista has prioritized lower-cost or no-cost measures such as effective employee training and coaching to attain superior standards in attributes like courtesy, empathy, knowledge, and proficiency, to maintain our exceptionally high level of overall customer satisfaction with our CSRs and contact center.

In addition to responding to customers effectively, Avista has implemented measures to help reduce the overall volume of customer calls, which then helps to reduce the service costs borne by our customers. These efforts include providing customers a way to communicate with the Company using their preferred “channel” of communication, such as e-mail, online chat, customer self-service via website, or the automated phone system. In addition to providing numerous communication channels, the Company has focused on enhancing customer self-service options as discussed above. This work has helped to not only reduce the volume of calls to our contact center and maintain a high level of service at lower cost, but also enhance the overall customer experience and satisfaction level.

**2023 Results** – Avista’s customers made a total of 517,649 qualifying calls to the Company that were answered live by a CSR in 2023. Of these calls, 430,440 were answered live in 60 seconds or less, for a GOS of approximately 83%, as shown in Table No. 8 below.

*Table No. 8 – Percent of Avista’s Customer Calls Answered Live within 60 Seconds in 2023*

Percent of Avista’s Customer Calls Answered Live Within 60 Seconds	Service Quality	2023 Performance	Achieved
Percent of Avista’s customer calls answered live by a CSR within 60 seconds	80% or Greater	83%	✓





## Measure 5: Avista's Response Time for Electric Emergencies

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*As part of Avista's Service Quality Measures program, the average response time to an electric system emergency will not exceed 80 minutes for the year.<sup>9</sup>*

When customers contact Avista to report an electric emergency, the Company works with the customer to quickly ascertain the particular circumstances being reported and instructs the customer on how best to ensure the safety of themselves and that of others until help arrives. We immediately begin the dispatch of service personnel best situated to respond in the shortest time possible. Once at the scene, Avista's first priority is to make the situation safe for our customers, citizens, other emergency responders, and our employees. Restoration efforts commence once the site is safely secured and necessary resources are present. The Company's ability to respond quickly to an electrical emergency is influenced by many factors, some of which include the urban or rural locale, the location of the nearest available respondent (especially in rural areas), the time of day, season of the year, weather conditions, traffic, and the presence of other simultaneous emergency events across the system. For this measure, the response time to an electric emergency is the elapsed time between the confirmation of the emergency with the customer (when the dispatch field order is given) and when the Avista service person arrives at the scene.

**2023 Results** – The average response time for the year is calculated by dividing the sum of all applicable electric emergency response times by the total number of qualifying electric emergency incidents. Avista received 413 qualifying electric emergency reports in its Washington service area in 2023, which had a cumulative response time of 19,585 minutes. The resulting average was approximately 47 minutes, as noted in Table No. 9 below.

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<sup>9</sup> The Company's average response time to an electric system emergency in Washington will not exceed 80 minutes for the calendar year, where:

- Response time is measured from the time of the Customer call to the arrival of a field service technician;
- "Electric system emergency" is defined as an event when police / fire services are standing by, or arcing/flashing wires down (unspecified location, pole to house, or pole to pole), or for feeder lockout; and
- Response times are excluded from the calculation for those periods of time when the Company is experiencing an outage that qualifies as a "Major Event Day" (or "MED"), as defined by the Institute of Electrical and Electronics Engineers, and which includes the 24-hour period following the Major Event Day.

Table No. 9 – Avista’s Response Time for Electric Emergencies in 2023

Avista’s Response Time for Electric Emergencies	Service Quality	2023 Performance	Achieved
Average time from customer call to the arrival of Avista’s field technicians in response to electric system emergencies	80 Minutes or Less	47 Minutes	✓



**Measure 6: Avista’s Response Time for Natural Gas Emergencies**

*As part of Avista’s Service Quality Measures program, the average response time to a natural gas system emergency will not exceed 55 minutes for the year.<sup>10</sup>*

When customers call Avista to report a natural gas emergency, the Company works with the customer to quickly ascertain whether the presence of natural gas (via odor or some other characteristic) is likely coming from inside the customer’s home or business or from facilities located outside. If inside, the customer is instructed to immediately evacuate the building to a safe distance and await the arrival of emergency responders. If the leak is in facilities outside, instructions to the customer are based on the proximity and type of the leak to their (or others’) home or business. Once the nature of the issue has been determined and the customer has been given precautionary instructions on how best to ensure their own safety and that of others until help arrives, the Company immediately begins to dispatch the service personnel best situated to respond at the scene in the shortest time possible. At the scene, Avista’s first priority is to make the situation safe for our customers, citizens, other emergency responders, and our employees. Restoration efforts can commence once the safety of the site is secured, and necessary resources arrive at the scene.

The Company’s ability to respond quickly to a natural gas emergency is influenced by many factors, some of which include the urban or rural locale, the location of the nearest available respondent (especially in rural areas), the time of day, season of the year, weather conditions, traffic, and the presence of other simultaneous emergency events across the

<sup>10</sup> The Company’s average response time to a natural gas system emergency in Washington will not exceed 55 minutes for the calendar year, where:

- a. Response time is measured from the time of the customer call to the arrival of a field service technician; and
- b. “Natural gas system emergency” is defined as an event when there is a natural gas explosion or fire, fire in the vicinity of natural gas facilities, police or fire are standing by, leaks identified in the field as “Grade 1”, high or low gas pressure problems identified by alarms or customer calls, natural gas system emergency alarms, carbon monoxide calls, natural gas odor calls, runaway furnace calls, or delayed ignition calls.

system. Natural gas emergencies differ from electric emergencies, however, in that the risk of a potential consequence to a natural gas leak can increase with the passage of time as leaking natural gas may accumulate at the site. For this reason, Avista’s work practices and staffing levels aim to provide an average response time of 55 minutes or less. For this measure, the response time to a natural gas emergency is the elapsed time between the confirmation of the emergency with the customer (when the dispatch field order is given) and when the Avista service person arrives at the scene.

**2023 Results** – The average response time for the year is calculated by dividing the sum of all applicable natural gas emergency response times by the total number of qualifying emergency incidents. Avista received 3,667 qualifying emergency reports in its Washington service area in 2023, which had a cumulative response time of 181,959 minutes. The resulting average for 2023 was almost 50 minutes (rounded up), as noted in Table No. 10 below.

*Table No. 10 – Avista’s Response Time for Natural Gas Emergencies in 2023*

Avista’s Response Time for Natural Gas Emergencies	Service Quality	2023 Performance	Achieved
Average time from customer call to the arrival of Avista’s field technicians in response to natural gas system emergencies	55 Minutes or Less	50 Minutes	✓

## IV. Electric System Reliability

Providing safe and highly reliable electric service for our customers at a reasonable cost is fundamental to our business. We believe our current level of reliability is reasonable, acceptable and cost effective for our customers, and our long-term objective is to generally uphold our current levels of electric system reliability. Achieving this requires an ongoing effort to balance the many investments and other priority needs across our system for today and with implications that project far into the future. As already explained, Avista monitors and tracks various aspects of the reliability performance of our system each year, utilizing industry-standard measures (or indices) to ensure optimal performance. Two of the most commonly reported measures are briefly described below and are discussed in greater detail in Appendix B to Avista’s Electric Service Reliability Report. For its SQM Program, Avista reports its annual reliability results in the context of its historic five-year rolling average for these two measures:

- ✓ **Number of Outages** – known technically as the System Average Interruption Frequency Index or “SAIFI,” is the average *number* of sustained interruptions (outages) per customer for the year.
- ✓ **Outage Duration** – known technically as the System Average Interruption Duration Index or “SAIDI,” is the average *duration* of sustained interruptions (outages) per customer for the year.

Many factors influence the number and duration of outages on any electric system. Some of these include the average age of the system, its engineering design, construction standards, general condition, the extent of the system that is rural, terrain, utility equipment and staffing levels, and its day-to-day operation. The type and proximity of surrounding vegetation and local and regional weather patterns, including variability in weather, can have a pronounced impact on system reliability. Because the frequency and duration of the electric system outages that result from these factors can vary substantially from year to year, there is, naturally, a lot of variability in the annual measures of system reliability over time.

For Avista, weather-related outages tend to have a predominant impact on the reliability of our system. This is because individual weather events often impact large portions of our system and can result in damage to many types of facilities. Weather caused outages, particularly from high winds, ice, and snow can also require substantial effort and time to restore. These storm events can result in many customers without service for an extended period of time. Because the impact of weather events on system reliability is common to all electric systems, the industry has adopted standardized adjustments that remove outages related to weather events of a certain magnitude from the calculation of results for outage frequency and duration. This threshold level of severity is referred to as a “Major Event Day”, or MED. The outages caused by any storm event that qualifies as a MED are removed from the data used to calculate the utility’s annual reliability results. For Avista, the impact of these major storm events is clearly evident in the substantial system outages caused by windstorms in the late summer of 2014, and the significant windstorm event of November 2015. By contrast, in 2016, the Company did not experience any storm events that constituted major event days, and since that time have experienced a fairly limited number of major events each year, including 2023. Although the year-to-year variability in outage duration is substantially reduced by the adjustment for major events, there can still be a substantial weather impact on the reliability results we report each year. This is the result of storms that, while not qualifying as major events, still result in substantial system outages.

The important point of this discussion is that the reliability results for any single year, considered in isolation, do not provide a meaningful measure of the overall reliability of the utility’s system, or an assessment of whether the performance that year was “acceptable” or “unacceptable”. The reliability performance of our system (or any utility system) should be evaluated over the long term as the basis for evaluating whether our reliability is trending stably, improving, or degrading.<sup>11</sup> Avista has agreed to report its annual reliability results to its customers in the context of its historic five-year rolling average. This approach helps our customers better understand how each year’s reliability results fit into our long-term trend in overall system reliability.

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<sup>11</sup> This is similar to the approach now used by the California Public Utilities Commission to evaluate electric utilities’ system reliability. In: Approaches to Setting Electric Distribution Reliability Standards and Outcomes, pages 130 - 136. The Brattle Group, Ltd. 2012.



**Measure 1: Number of Electric System Outages**

*As part of Avista’s Service Quality Measures program, the Company will report its annual electric system reliability measure for the number of non-major storm power outages experienced per customer for the year (SAIFI).<sup>12</sup>*

**2023 Results** – This measure, as noted earlier, represents how often, on average, an Avista electric customer experienced a sustained<sup>13</sup> service outage during the year. This measure is calculated by summing the total number of customer outages recorded for the year, divided by the total number of customers served by the Company in that year. The 2023 result of 0.79 outages per customer is a decrease from the prior year’s result of 0.92 outages per customer, as well as from the average value for both the current and previous five-year periods (2019-2023 and 2018-2022) of 0.96 and 0.95, respectively. For 2023, our Washington-only result was 0.71 outages per customer, which was lower than both the system-wide result and the 5-year averages.

*Table No. 11 – Number of Electric System Outages for the Average Avista Customer in 2023*

Number of Electric System Outages for the Average Avista Customer	2023 System Results	Current 5 Year Average (2018-2023)	Change in 5 Year Average
Number of sustained interruptions in electric service for the average Avista customer for the year (SAIFI)	0.79 Per customer	0.96 Per customer	-0.004 Per Customer

<sup>12</sup> The Company will report the frequency of electric system interruptions per Customer for the calendar year, where:

- a. The interruptions are measured as the System Average Interruption Frequency Index (“SAIFI”), as calculated by the IEEE;
- b. The calculation of SAIFI excludes interruptions associated with any MED;
- c. The report will provide a brief description of the predominant factors influencing the current-year results, and in the context of the Company’s historic five-year rolling average of SAIFI; and
- d. The results will be reported on a system basis for Washington and Idaho and will include the annual SAIFI for Washington only.

<sup>13</sup> Any service interruption that is greater than five minutes in duration.



## Measure 2: Average Duration of Electric System Outages

*As part of Avista’s Service Quality Measures program, the Company will report its annual electric system reliability measure for the total duration of non-major storm power outages experienced per customer for the year (SAIDI).<sup>14</sup>*

**2023 Results** – This measure, as noted earlier, represents the average duration or length of outages for the year. Outage duration is calculated by summing all of the customer outage time occurring in the year, divided by the total number of customers served by the utility in that year. On a system-wide basis, the 2023 outage duration decreased to 113 minutes, 33 minutes lower than the 146-minute duration reported for 2022. As shown in Table No. 12 below, the current five-year average resulted in a 2.6-minute decrease to the average for the current five-year period (2019-2023). The Washington-only outage duration decreased again in 2023 when compared to the combined system value, with Washington customers experiencing an average outage duration of only 87 minutes.

Table No. 12 – Outage Duration for the Average Avista Customer in 2023

Total Outage Duration for the Average Avista Customer	2023 System Results	Current 5 Year Average (2019-2023)	Change in 5 Year Average
Total duration of all electric service outages for the average Avista customer for the year (SAIDI)	113 Minutes	138 Minutes	-2.6 Minutes

## V. Customer Service Guarantees

Avista’s Service Quality Measures Program includes seven types of service for which Avista provides “Customer Service Guarantees”. Our service commitments under these Guarantees recognize the customer inconvenience that may result when our delivered service does not meet our stated goal. In such cases, we will provide our customers a bill

<sup>14</sup> The Company will report the duration of electric system interruptions per Customer for the calendar year, where:

- The interruption duration is measured as the System Average Interruption Duration Index (“SAIDI”), as defined by the IEEE;
- The calculation of SAIDI excludes interruptions associated with any MED;
- The report will provide a brief description of the predominant factors influencing the current-year system results, and in the context of the Company’s historic five-year rolling average of SAIDI; and
- The results will be reported on a system basis for Washington and Idaho and will include the annual SAIDI for Washington only.



credit or payment in the amount of \$50 in recognition of that inconvenience. All costs associated with the payment of Customer Service Guarantees are paid by Avista's shareholders, and are not paid by our customers or included in the rates they pay for service.

The Company met 99.73% of our applicable service commitments for the 2023 Program year, providing customers a Guarantee credit in only 132 out of 48,967 cases.

### **Guarantee 1: Keeping Our Electric and Natural Gas Service Appointments**

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*The Company will keep mutually agreed upon appointments for electric or natural gas service, scheduled in the time windows of either 8:00 a.m. – 12:00 p.m. or 12:00 p.m. – 5:00 p.m.<sup>15</sup>*

Avista provides its customers with appointments for certain types of electric and natural gas service requests. For electric service, the Company will schedule appointments for service drops or disconnects. For all other electric service work, the customer does not need to be present for the Company to perform the required work (i.e., check meter, meter test, voltage check, etc.). For natural gas service, the Company provides appointments for dealer-requested service, meter exchange and tests, meter unlock, no-heat inspections, reconnects, relighting of Avista repairs, and repeated pilot light outages on natural gas appliances. Avista offers more types of natural gas service appointments (than electric service) because the customer must be present for our employees to complete the work as they must enter the customer's home. If the requested date and/or time of the service request is unavailable, the Company will still do its best to accommodate the customer's request but will not commit to a specific time that an employee will arrive to work on the service request. Often times this practice results in better customer satisfaction as the Company makes every effort to accommodate a customer's request on that day, rather than schedule the work on a future date. Finally, new service connections and credit reconnects are not available for appointments, as the work orders are completed the same day of the request.

**2023 Results** – In 2023, Avista was able to successfully keep 99.53% of its 2,801 scheduled customer appointments for applicable electric and natural gas services in Washington, and issued a Guarantee credit in 13 instances throughout the year. The primary factor contributing to missed appointments continues to be the occurrence of emergency work orders during the day, which prevent the Company from adhering to its scheduled appointment times. Due to the risks and danger of electric and natural gas emergencies, the Company prioritizes emergency orders over all service work. While this prioritization is necessary for ensuring public safety, it occasionally results in the Company missing a few appointments, as evidenced by the 2023 results.

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<sup>15</sup> Except in the following instances:

- a. When the Customer or Applicant cancels the appointment;
- b. The Customer or Applicant fails to keep the appointment; or
- c. The Company reschedules the appointment with at least 24 hours' notice.

Table No. 13 – Avista Service Appointment Results for 2023

Customer Service Guarantee	Successful	Missed	\$ Paid
Keeping Our Electric and Natural Gas Service Appointments scheduled with our customers	2,788	13	<b>\$650</b>

**Guarantee 2: Prompt Restoration of Electric System Outage**

*When our Customers experience an electric interruption, the Company will restore the service within 24 hours of notification from the Customer.<sup>16</sup>*

The Company strives to restore power to its customers as quickly as possible, while maintaining the safety of our employees, customers, and the public as our top priority. Electric system outages can be complex and occur all hours of the day and night, and all days of the year. Some years, even in cases where Avista does not experience any storms that qualify as major events, various factors may make it impossible for the Company to restore service to all of our customers within 24 hours. In other years, by contrast, such as in 2016 and 2020, the Company was able to successfully restore service to all of our customers who experienced an outage within this benchmark of 24 hours.

**2023 Results** – In 2023, Avista's Washington customers encountered a total of 19,032 outage events. Remarkably, all but one of these outages had power restored within 24 hours, yielding an outstanding success rate of 99.99%. Avista takes pride in the ongoing effectiveness of its efforts, which have consistently minimized the number of missed outage events. The Company is pleased to maintain its high success rate in swiftly restoring power to its customers within the 24-hour timeframe, ensuring minimal disruption and enhancing overall customer satisfaction.

Table No. 14 – Avista’s Outage Restoration Results for 2023

Customer Service Guarantee	Successful	Missed	\$ Paid
Restore service within 24 hours of a customer reporting an outage (excluding major storm events)	19,031	1	<b>\$50</b>

<sup>16</sup> Except for the following instances:  
a. During periods of time when the outage is associated with a MED, which includes the 24-hour period following the MED; or  
b. When an action or default by someone other than a utility employee that is outside the control of the company prevented the Company from restoring supply.

### Guarantee 3: Promptly Switching on Electric Service When Requested

*The Company will switch on power within one business day of the Customer or Applicant's request for service.<sup>17</sup>*

When customers request electric service from Avista, they expect their service to be turned on as quickly as possible, or promptly on a future date they request. The Company strives to meet these customer expectations by all reasonable means. Typically, for electric service the meter is not shut off between customers, so when a customer moves to a new location the service is already on when they open an account for service at the new address. In situations where the service is not already on at a customer location, the Company must send an employee to reconnect the meter. With Avista's deployment of AMI in our Washington service area complete, the Company is able to remotely connect a customer's electric service within minutes of their request.

**2023 Results** – Avista met its benchmark to turn on our customers' service within one business day in 100% of the total 482 requests received in 2023.

*Table No. 15 – Avista's Turning on Power within One Business Day for 2023*

Customer Service Guarantee	Successful	Missed	\$ Paid
Turn on power within a business day of receiving the request	482	0	\$0

### Guarantee 4: Promptly Providing Cost Estimates to Customers for New Service

*The Company will provide a cost estimate to the Customer or Applicant for new electric or natural gas supply within 10 business days upon receipt of all the necessary information from the Customer or Applicant.*

When constructing a new home, the process for providing new electric or natural gas supply can be complex, and may involve a customer, contractor, electrician, and/or dealer depending on the nature of the new service. A request for new electric or natural gas service is typically routed through our customer contact center and is assigned to one of our employee Customer Project Coordinators (CPCs) in our natural gas or electric construction areas. Our CPCs are responsible for discussing the request with the customer (Applicant), meeting with the customer at the location, designing the service, and then providing the customer a cost estimate for the required construction. The Company's goal for completing the cost estimate, for which it offers a Customer Service Guarantee, is 10 business days.

<sup>17</sup> Except for the following instances:

- a. When construction is required before the service can be energized;
- b. When the Customer does not provide evidence that all required government inspections have been satisfied;
- c. When required payments to the Company have not been received; or
- d. The service has been disconnected for nonpayment or theft/diversion of service.

**2023 Results** – In 2023, the Company received 1,153 requests for new electric or natural gas service. Impressively, Avista successfully delivered cost estimates for each request within 10 business days of receipt, achieving a success rate of 100%. This accomplishment marks the eighth consecutive year, since the Company's inception of reporting these Guarantees in 2016, in which Avista has maintained a flawless success rate of 100%.

*Table No. 16 – Avista Providing Customers a Cost Estimate for New Service in 2023*

Customer Service Guarantee	Successful	Missed	\$ Paid
Provide a cost estimate for new electric or natural gas service within 10 business days of receiving the request	1,153	0	\$0

**Guarantee 5: Promptly Responding to Customers’ Bill Inquiries**

*The Company will respond to most billing inquiries at the time of the initial contact, and for those inquiries that require further investigation, the company will investigate and respond to the Customer within 10 business days.*

For a customer, it can be difficult to understand why the amount of their energy bill can vary, sometimes substantially, from month to month. Some of these factors include variability in weather, changes in rates, the result of an estimated bill amount in certain circumstances, and variation in the number of billing days included in the billing period. When customers have questions about their bill, Avista’s CSRs strive to address and resolve all inquiries during the initial customer contact. Some of the tools our employees have available to address such bill inquiries (which are generally related to circumstances when customers feel their bill is too high), include:

- ✓ Review the meter read and usage history to see if the bill is in-line with the prior months or years;
- ✓ Review the number of billing days for the bill in question;
- ✓ Utilize the Company’s bill analyzer tool, which is also available to customers on Avista’s website, for a comparison of weather, average usage, and rates;
- ✓ Discuss with the customer any life changes, new appliances, or maintenance needs and how those can impact their utility bill;
- ✓ Offer tips on ways to save energy;
- ✓ Direct the customer to Avista’s website for additional energy savings advice; and,
- ✓ Offer to mail Energy Use and Savings Guides or Energy Savings kits.

When a CSR encounters a billing inquiry that cannot be resolved during the initial contact, or if the customer remains dissatisfied, Avista initiates a comprehensive case investigation to further examine the customer’s issue. Following the creation of a case, Avista verifies the meter read or obtains a new meter read to determine the accuracy of the metered usage. If a billing error is identified, the CSR will initiate sending a corrected bill. After confirming the accuracy of the bill, the CSR revisits the inquiry with the customer, sharing the results of the verification process. This thorough process typically leads to a resolution

that satisfies the customer. In cases where satisfaction is not achieved, and/or a customer requests a meter test to verify their meter is reading accurately, a separate process is triggered, covered by Customer Service Guarantee number six, “Promptly Responding to Customers’ Requests for Meter Testing.”

**2023 Results** – Of the billing inquiries that were not resolved upon the initial customer contact, the Company successfully investigated and responded within 10 business days to all but one of the 1,060 follow-up inquiries received in 2023.

*Table No. 17 – Avista Responding to Customer’s Bill Inquiries in 2023*

Customer Service Guarantee	Successful	Missed	\$ Paid
Investigate and respond to a billing inquiry within 10 business days if unable to answer a question on first contact	1,059	1	\$50

**Guarantee 6: Promptly Responding to Customers’ Requests for Meter Testing**

*The Company will investigate Customer-reported problems with a meter, or conduct a meter test, and report the results to the Customer within 20 business days.*

Commission rules, concurrently with Avista’s tariff Schedule 170 for natural gas service, govern the utility’s requirements for meter testing,<sup>18</sup> and Avista has naturally complied with these requirements prior to the implementation of its Customer Service Guarantees program. Under the Guarantees now in place, the Company will provide a \$50 credit if it fails to meet this requirement.

**2023 Results** – In 2023, 412 Avista customers reported a meter problem or requested that the Company conduct a meter test. Avista successfully tested and reported the results to all but one of these customers within 20 business days, for a success rate of 99.76%.

*Table No. 18 – Avista Responding to Customers’ Requests for Meter Testing in 2023*

Customer Service Guarantee	Successful	Missed	\$ Paid
Investigate a reported meter problem or conduct a meter test and report the results within 20 business days	411	1	\$50

<sup>18</sup> WAC 480-100-183 and 480-90-183 state that an electric or gas “utility must test and report to the customer the accuracy of a meter within twenty business days after receiving an initial request from a customer.”

## Guarantee 7: Providing Customers Advance Notice of Scheduled Electric Interruptions

*The Company will provide notification to the Customer, through means normally used by the Company, at least 24 hours in advance of disconnecting service for scheduled interruptions.<sup>19</sup>*

Commission rules<sup>20</sup> require the utility to notify customers when it plans to disconnect service on a planned basis, and Avista has naturally complied with this requirement before its Customer Service Guarantees program. Today, the Company will provide a \$50 credit for each customer if it fails to provide the required notification. Complying with this rule has always been a complex process because there are so many areas within the Company involved in the effort. Some of these include natural gas construction, electric operations, CPCs, asset maintenance program managers, distribution dispatch, service dispatch, and the customer contact center. This complexity requires the Company to maintain multiple checkpoints in our business processes to ensure all customers affected by a scheduled interruption are notified in advance.

**2023 Results** – In 2023, a total of 24,027 Washington customers were affected by scheduled service interruptions. Avista successfully notified 23,911 of these customers, achieving a success rate of 99.51%. For the 116 customers who did not receive the required advance notification, the Company provided a \$50 credit each, totaling \$5,800. This success rate reflects an improvement from the 98.64% reported in 2022, and the reduction in 2023 can be attributed to fewer internal errors and improvements implemented to address gaps in our processes, resulting in a higher success rate in notifying customers of planned outage events. Avista acknowledges the significance of this benchmark and remains committed to refining and enhancing its prior notification processes to better serve its customers.

*Table No. 19 – Avista’s Customers Notified in Advance of a Service Interruption in 2023*

Customer Service Guarantee	Successful	Missed	\$ Paid
Notify customers at least 24 hours in advance of a planned power outage lasting longer than 5 minutes	23,911	116	<b>\$5,800</b>

<sup>19</sup> Except for the following instances:

- When the interruption is a momentary interruption of less than five minutes in duration;
- When the safety of the public or Company personnel or the imminent failure of Company equipment is a factor leading to the interruption; or
- The interruption was due to work on a meter.

<sup>20</sup> WAC 480-100-148 requires electric utilities to provide “all customers affected by a scheduled interruption associated with facilities other than meters...notification...at least one day in advance.”



## Appendix A – Service Quality Measures Report Card

<b>WA 2023 Service Quality Measures Report Card</b>			
<b>Customer Service Measures</b>	<b>Benchmark</b>	<b>2023 Performance</b>	<b>Achieved</b>
Percent of customers satisfied with our Contact Center services, based on survey results	At least 90%	96.0%	✓
Percent of customers satisfied with field services, based on survey results	At least 90%	97.0%	✓
Number of complaints to the WUTC per 1,000 customers, per year	Less than 0.40	0.04	✓
Percent of calls answered live within 60 seconds by our Contact Center	At least 80%	83.0%	✓
Average time from customer call to arrival of field technicians in response to electric system emergencies, per year	No more than <b>80</b> minutes	47 Minutes	✓
Average time from customer call to arrival of field technicians in response to natural gas system emergencies, per year	No more than <b>55</b> minutes	50 Minutes	✓
	<b>5-Year Average (2019-2023)</b>	<b>2023 Result</b>	<b>Change in 5-Year Average</b>
Frequency of non-major-storm power interruptions, per year, per customer (SAIFI)	0.96	0.79	-0.004
Length of power outages per year, per customer (SAIDI)	138	113	-2.6
<b>Customer Service Guarantees</b>	<b>Successful</b>	<b>Missed</b>	<b>\$\$ Paid</b>
Electric & Natural Gas service appointments	2,788	13	\$650
Electric outage restoration within 24 hours of notification from Customer, excluding major events	19,031	1	\$50
Switch on power within one business day of request	482	0	\$0
Provide cost estimate for new electric or natural gas supply within 10 business days	1,153	0	\$0
Investigate and respond to billing inquiries with 10 business days	1,059	1	\$50
Investigate customer-reported problems with a meter, or conduct a meter test, and report results within 20 business days	411	1	\$50
Provide notification at least 24 hours in advance of disconnecting service for scheduled electric interruptions	23,911	116	\$5,800
<b>Totals</b>	<b>48,835</b>	<b>132</b>	<b>\$6,600</b>
<b>2023 Washington Performance Highlights</b>			
<p>During its 2023 Program year, Avista is pleased to report the Company has again exceeded all of its Customer Service Measures. The percent of customers satisfied with the Company's Contact Center and Field services based on survey results show, Avista achieved a 97% for 2023, for both measures. The Company also celebrates a 100% success rate in providing cost estimates for new electric or natural gas services within 10 business days for all 1,153 requests made in 2023. Most notable, Avista met 99.73% of its applicable Customer Service Guarantees in 2023, providing customers a guaranteed credit in 132 out of 48,967 cases. The overall success rate of these Guarantees shows Avista's continued commitment to serving our customers. Avista is committed to pursuing further improvement in each of these areas as we continue our mission of improving our customers' lives through innovative energy solutions by providing safe, affordable, and reliable service now and into the future.</p>			