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April 29, 2022

Amanda Maxwell  
 Executive Director and Secretary  
 Washington Utilities & Transportation Commission  
 621 Woodland Square Loop SE  
 Lacey, WA 98503

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 Records Management  
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 State Of WASH.  
 UTIL. AND TRANSP.  
 COMMISSION

**Re: Docket No. U-210800 – Comments of Avista Utilities**

Dear Ms. Maxwell,

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’s (Commission) in Docket U-210800 on March 18, 2022,) regarding the rulemaking to consider potential long-term changes and improvements to customer notice, credit, and collection rules, including permanent elimination of late fees, disconnection and reconnection fees, and deposits. Avista provides the following comments pursuant to the questions posed in the Notice.

**Disconnection and Reconnection**

1. Does your company currently have a residential disconnection and/or reconnection fee in its filed tariff?

a. If so, please provide citations to all appropriate tariff references.

**Response:**

Yes, Avista charges residential reconnection fees in instances where a premise visit is required to reconnect electric service and in all cases for natural gas service. Regarding disconnection fees, or “field visit fees”, the Company discontinued charging such fees in 2020.<sup>1</sup>

Please see the “Miscellaneous Charges” section of each of Avista’s respective “Rules and Regulations” tariffs—Schedule 70-Q, Section 16(B), for electric and Schedule 170-Q, Section 18(B), for natural gas—for further information. The reconnection fee for electric, when applicable, and natural gas service is \$16 during business hours and \$32 after business hours.

<sup>1</sup> See Docket Nos. UE-200822 and UG-200823.

2. Please provide the following information regarding the fees your company collected in 2018 and 2019, respectively:

- a. Please provide the total dollar amount collected from residential customers for disconnection fees and reconnection fees each year, identifying each fee category separately.
- b. Please provide the total number of residential customer accounts and the number of customer accounts assessed disconnection fees or reconnection fees each year. Please identify each fee category separately, include only reconnection fees for previously disconnected customers, and exclude new customers reconnecting at an existing service address.
- c. Please provide the percentage of retail revenue your company derived from residential customer disconnection fees and reconnection fees each year, identifying each fee category separately.
- d. If these disconnection fees and reconnection fees were removed from the company's tariff and recovered in base rates instead, how much would residential bills increase based on your company's currently approved rate spread? Please provide both a percentage increase and an average residential customer bill increase amount.

**Response:**

- a. The table below reflects the total amount collected for both reconnection fees and disconnection fees in 2018 and 2019. As mentioned above, the Company no longer assesses field visit fees.

	<b>2018</b>	<b>2019</b>
<b>Electric Field Visit Disconnect</b>	\$ 7,584	\$ 4,096
<b>Natural Gas Field Visit Disconnect</b>	\$ 152	\$ 128
<b>Electric Reconnect</b>	\$ 119,800	\$ 164,061
<b>Natural Gas Reconnect</b>	\$ 3,926	\$ 4,080

- b. The table below provides the total number of customers assessed disconnection and reconnection fees in 2018 and 2019.

	<b>2018</b>	<b>2019</b>
<b>Electric Field Visit Disconnect</b>	947	512
<b>Natural Gas Field Visit Disconnect</b>	18	16
<b>Electric Reconnect</b>	6,046	8,274
<b>Natural Gas Reconnect</b>	192	194

- c. Please see the table below, which outlines the percent of retail revenue derived from reconnection and disconnection fees in 2018 and 2019.

	<b>2018</b>	<b>2019</b>
<b>Electric Field Visit Disconnect</b>	0.002%	0.001%
<b>Natural Gas Field Visit Disconnect</b>	0.00004%	0.00004%
<b>Electric Reconnect</b>	0.03%	0.05%
<b>Natural Gas Reconnect</b>	0.001%	0.001%

- d. If fees for field visit disconnects and reconnects were removed from Avista’s tariff and recovered in base rates instead, natural gas reconnect fees are minimal and would have a 0% impact on revenue and customer bills. The electric reconnect fees would account for an approximate 0.52% impact on billed revenue and increase an average residential customer’s bill using 932 kwh by \$0.10/mo., or 0.09% from \$85.52 to \$85.62. Revenue derived from electric and natural gas field visit fees are not included in the calculations pertaining to this response as the Company no longer assesses electric or natural gas field visit fees.

3. Please provide the following information regarding the cost of disconnection and reconnection in 2018 and 2019, respectively, identifying each fee category separately.

- a. What is the total cost the company incurred disconnecting residential customers each year?
- b. What is the total cost the company incurred reconnecting residential customers each year?
- c. What is the average annual cost for disconnection and reconnection by year?
- d. If your company has deployed advanced metering infrastructure (AMI), please provide separately a cost breakdown of disconnection and reconnection fees for residential customers with AMI meters installed. Please also provide a side-by-side comparison of costs incurred both to disconnect and reconnect non-communicating meters with costs incurred to disconnect and reconnect AMI meters.

**Response:**

a. – c. Avista does not specifically track the total costs incurred to disconnect or reconnect residential customers each year. The costs of each individual premise visit may vary due to the time of day (business hours vs. overtime) and the Company employee available and assigned to perform the disconnection/reconnection. Based on an estimated timeframe (including travel time and duration of disconnect/reconnect process) of 25 minutes for metropolitan areas and 30 minutes for rural locations, the table below provides an approximation of the cost per premise visit incurred for disconnections and reconnections based on these estimates. Due to the variability in costs for each visit as described above, the Company is unable to approximate an annual average cost by year.

2018	Cost per Premise Visit			
	Cost for Metro (Business Hrs)	Cost for Rural (Business Hrs)	Cost for Metro (After Hrs)	Cost for Rural (After Hrs)
Elec Svcmn	\$ 48.29	\$ 57.91	\$ 59.21	\$ 71.00
Gas Svcmn	\$ 36.94	\$ 44.29	\$ 46.67	\$ 46.67
Jmn Meterman	\$ 43.20	\$ 51.80	\$ 53.80	\$ 53.80
OSM	\$ 37.06	\$ 44.44	\$ 45.54	\$ 45.54
<b>2019</b>				
Elec Svcmn	\$ 47.44	\$ 56.88	\$ 58.51	\$ 70.15
Gas Svcmn	\$ 38.03	\$ 45.60	\$ 47.90	\$ 57.43
Jmn Meterman	\$ 38.14	\$ 45.73	\$ 48.88	\$ 58.61
OSM	\$ 31.76	\$ 38.08	\$ 40.35	\$ 48.39
Loc Rep Elec	\$ 50.82	\$ 60.93	\$ 48.43	\$ 58.07

- d. As is the nature of AMI, the costs incurred to disconnect and reconnect these meters remotely are incorporated into various costs sustained by the Company under normal operating conditions, as these actions are automatically built into Avista’s existing technology systems and are therefore difficult to discern. In the event that an AMI meter is somehow unable to perform a remote disconnection or reconnection, and the process then needs manual intervention from an Avista employee, the costs incurred are variable and with this being a rare occurrence, such costs are not included in this response. Costs encountered during the actual request for reconnect (speaking with a Customer Service Representative (CSR), for example) are also not included in this response. Provided in the table below is the number of remote reconnects and disconnects that occurred in 2018 and 2019, as well as those that occurred via a field representative; these numbers are for electric service only, as Avista does not remotely disconnect or reconnect natural gas service.

<b>Year</b>	<b>Field Visit Disconnect</b>	<b>AMI Disconnect</b>	<b>Field Visit Reconnect</b>	<b>AMI Reconnect</b>
<b>2018</b>	6,560	0	6,061	0
<b>2019</b>	4,221	4,811	4,106	4,779

4. Please provide the following information related to residential disconnections for non-payment in 2018 and 2019, respectively.

- The number of disconnections
- The average duration of disconnection
- The average duration of disconnection for non-payment for low-income customers each year?

**Response:**

- Please see the table below for the total number of customers disconnected for non-payment in 2018 and 2019, respectively.

<b>Year</b>	<b>Total Customers</b>
<b>2018</b>	6,560
<b>2019</b>	9,032

- The average duration (portrayed in hours) for residential disconnections for non-payment is displayed in the table below. The average disconnect duration in 2019 is shorter than the average disconnect duration in 2018 due to the increase of installed AMI meters. The present average disconnect duration for customers with AMI meters is 9.35 hours. For customers with AMI meters, reconnection occurs within 15 minutes once a satisfactory reconnect payment or payment arrangement is made by the customer.

<b>Year</b>	<b>Average Duration - Hours</b>
<b>2018</b>	19.83
<b>2019</b>	12.73

- c. This table reflects the average duration (portrayed in hours) for residential low-income disconnections for non-payment. As mentioned in (b) above, the average disconnect duration in 2019 is shorter than the average disconnect duration in 2018 due to the increase of installed AMI meters.

<b>Year</b>	<b>Avg. Low-Income Duration - Hours</b>
<b>2018</b>	20.24
<b>2019</b>	13.09

5. Please provide the following information regarding disconnections among low-income residential customers:

- a. In each of 2018 and 2019, what percentage of total residential customer disconnection fees and reconnection fees were charged to low-income customers? Please identify the percentage for each fee category separately.
- b. What percentage of customers facing disconnection successfully applied for and received energy assistance that allowed them to avoid disconnection in 2018 and 2019, respectively?

**Response:**

- a. The percent of low-income customers that received disconnection and/or reconnection fees in 2018 and 2019 are depicted in the table below.

<b>Fee Type</b>	<b>Total Customers</b>	<b>Non-Low Income</b>	<b>Low-Income</b>	<b>% Low-Income</b>
<b>2018</b>				
<b>Electric Field Visit Disconnect</b>	947	679	268	28%
<b>Natural Gas Field Visit Disconnect</b>	18	17	1	6%
<b>Electric Reconnect</b>	6,046	4,331	1,715	28%
<b>Natural Gas Reconnect</b>	192	169	23	12%
<b>2019</b>				
<b>Electric Field Visit Disconnect</b>	512	385	127	25%
<b>Natural Gas Field Visit Disconnect</b>	16	14	2	13%
<b>Electric Reconnect</b>	8,274	6,037	2,237	27%
<b>Natural Gas Reconnect</b>	194	174	20	10%

- b. The table below provides the percent of customers who successfully applied for and received energy assistance to avoid disconnection of service for non-payment in 2018 and 2019.

<b>Year</b>	<b>Received Energy Assistance</b>	<b>Total Collections</b>	<b>% Low-Income</b>
<b>2018</b>	6,273	119,491	5%
<b>2019</b>	6,756	123,325	5%

6. Please identify barriers you have encountered to payment for low-income customers, members of highly impacted communities, and/or vulnerable populations. For the companies, what steps

has your company taken to address identified barriers, if any? Please describe the results of these steps and provide any data you have relied upon for this analysis.

**Response:**

Prior to the passage of the Clean Energy Transformation Act (CETA) in 2019, the terms “highly impacted communities” and/or “vulnerable populations” were not commonplace with regards to how Avista sought to identify particular customer segments. Before the enactment of CETA and the commissioning of a third-party contractor, Evergreen Economics, in 2019 to conduct an evaluation of need amongst its residential customers, Avista had historically relied upon its local Community Action Agencies (CAAs), in addition to customer call experiences, to provide its understanding of the hardships—financial or otherwise—that customers with limited resources were struggling with. While the Company cannot speculate the reasons customers may be unable to pay their utility bills or the barriers each individual or population may encounter when paying their bills, anecdotally, the Company recognizes that barriers such as language, transportation (or lack thereof), and income amount or frequency of receipt of income may all be contributing factors. Additionally, the knowledge that fixed incomes for seniors and those living with disabilities are continuously eroded by increased costs of living, and that there are a significant number of customers within Avista’s service territory whose constrained incomes put them in a position of chronic assistance need, as evidenced by the United Way’s biennial ALICE (Asset Limited, Income Constrained, Employed) Report, is integral. Such reports, as well as census data showing the rate of poverty in the Company’s service area, have helped Avista to identify the proportion of customers for whom bill assistance is essential for easing energy burden and to gain understanding that for a considerable number of employed Avista customers, the incomes provided are simply not enough to cover the basic costs of living.

For our part, to combat these barriers, Avista continuously aspires to “meet customers where they are” through a multitude of outreach programs, bill/payment options, and customer services. Avista outreach, for example, strives to connect with customers through a variety of methods such as workshops, energy fairs, mobile outreach, and community partnerships. These activities result in connecting with an average of 10,000 individuals each year and equipping them with information and resources to manage energy costs (effectively and safely) as well as details about bill assistance programs. The Company, in collaboration with partner CAAs, has also hosted Energy Assistance Days that allow customers to apply for assistance, obtain energy saving kits and learn about community service programs and organizations. Additionally, Avista has partnered with its largest CAA partner, Spokane Neighborhood Action Partners (SNAP), to have CAA representatives in the lobby of the Company’s corporate office to process assistance applications for those with past due notices or expressed hardship.

To support customers in managing their financial resources, Avista has a variety of payment and billing options that include multiple avenues to pay—in-person, online, via text or telephone call, drop boxes, or pay stations—along with billing options such as preferred due dates, Comfort Level Billing (CLB) and flexible payment arrangements. Customer Service Representatives are encouraged to start each payment arrangement conversation with a question that invites the customer to manage their own arrangement, thereby emboldening the customer to set a pay plan that is more likely to work for their specific situation rather than agreeing to an Avista-prescribed arrangement. CSRs are also empowered to “Feel Free to Fix It” in instances where customers

require help that may be outside of what a “typical” guideline might permit. To support this personalized approach, customers can sign up for budget alerts that can be set to their desired affordability threshold. The Company also has a group of Customer Assistance Referral & Evaluation Services (CARES) representatives available to provide specialized consult to customers experiencing hardships such as medical crisis, unemployment, family emergency, seniors, life support customers, or other situations warranting referral to additional resources. Furthermore, translations services are available to customers for whom English is not their primary language.

**Deposits**

7. Does your company currently collect deposits from residential customers?

a. If so, please identify all references in your tariff governing residential customer deposits.

**Response:**

Pursuant to Order 01 in Docket U-200281, the Company is not currently collecting deposits from its residential customers. Prior to this order, during standard business procedures, Avista did collect deposits from its residential customers who: 1) have been disconnected for non-payment within the previous 12 months; or, 2) have a balance owed to Avista that has been turned over to a collection agency.

Please see Avista’s respective “Rules and Regulations” tariffs—Schedule 70 for electric and Schedule 170 for natural gas—for further information. Deposit information can be found in Schedule 70F, Sections 12-15, and Schedule 170-G, Sections 14-17.

8. Please provide the following information regarding the residential customer deposits collected by your company in 2018 and 2019, respectively:

- a. Please provide the total dollar amount collected for residential customer deposits each year.
- b. How many customer accounts paid deposits each year?
- c. What percentage of retail revenue did your company derive from residential customer deposits each year?
- d. How many customers used part or all their deposit to offset account balances?
- e. What percentage of customers who used part or all their deposit to pay for account balances each year requested reconnection within 12-months of disconnection?

**Response:**

a. The table below provides the total amount of residential deposits collected in 2018 and 2019.

<b>Year</b>	<b>Amount Collected</b>
<b>2018</b>	\$ 1,351,377.81
<b>2019</b>	\$ 1,471,228.10

b. The table below provides the total number of residential customers who paid deposits in 2018 and 2019.

<b>Year</b>	<b>Total Customers</b>
<b>2018</b>	7,719
<b>2019</b>	8,735

c. The Company does not include deposits as retail revenue; deposits collected from customers are considered the customer’s money and are simply held until returned to the customer or applied to their account balance.

d. The table below provides the total number of customers using all or part of their deposit to pay for balances owed on their account. Deposits can be applied towards a customer’s account balance 1) at the time of a disconnect for non-payment, 2) when the account closes with a balance owing, or 3) once the customer reaches 12 months (consecutively) of on-time payments.

<b>Year</b>	<b>Disconnected</b>	<b>Account Closed</b>	<b>Good Pay History</b>	<b>Total</b>
<b>2018</b>	2,804	1,023	7,743	11,570
<b>2019</b>	3,856	1,845	7,469	13,170

e. The table below provides the percent of customers who used part or all of their deposit to offset an account balance owed, then subsequently requested reconnection within 12-months of disconnection.

<b>Year</b>	<b>% of Customers</b>
<b>2018</b>	24%
<b>2019</b>	29%

9. Please provide the following information regarding deposits among low-income customers in 2018 and 2019, respectively:

- What percentage of customers who paid deposits were low-income customers?
- If possible, please identify the percentage of customers who paid deposits who are members of a highly impacted community or vulnerable population.

**Response:**

a. As depicted in the chart below, 31% of customers who paid deposits in 2018 were also classified as low-income customers pursuant to the definition of “low-income” provided in the Notice, while 28% were classified as low-income in 2019.

<b>Year</b>	<b>Low-Income</b>	<b>All Customers</b>	<b>% Low-Income</b>
<b>2018</b>	2,392	7,719	31%
<b>2019</b>	2,420	8,735	28%



b. As noted in Avista’s response to Question 6 above, the Company did not identify or track customers as members of a “highly impacted community” or “vulnerable population” (jointly referred to as a “Named Community”) during the 2018 and 2019 calendar years. Utilizing current census tract data, however, Avista has determined that 57% of all customers who were assessed a deposit in 2018 were located in a Named Community. In 2019, 59% of customers receiving a deposit were located within a Named Community.

<b>Year</b>	<b>All Customer Deposits</b>	<b>Named Community Customer Deposits</b>	<b>% of Deposits Collected from Customers in Named Communities</b>
<b>2018</b>	7,719	4,401	57%
<b>2019</b>	8,735	5,150	59%

**Late fees**

10. Does your company’s tariff currently include a late fee for residential customers?  
 a. If so, please identify all the appropriate tariff references.

**Response:**

Avista does not charge late fees within its Washington service territory; as such, the Company does not have any tariffs that include a late fee for its residential customers.

11. – 12. Since the Company does not charge late fees in Washington, all questions relating to late fees in this Notice are not applicable to Avista.

**Credit and Collection**

13. Please provide all references in your company’s tariff, and citations to all applicable rules and regulations, governing the credit and collection processes used by your utility.

**Response:**

All rules and regulations pertaining to credit and collections can be located in WAC 480-90 Part II – Consumer Rules for natural gas customers and WAC 480-100 Part II – Consumer Rules for electric customers.

Please reference the following in Avista’s electric tariff Schedule 70 – Rules and Regulations:

<b>Sheet Name</b>	<b>Section</b>
Second Revision Sheet 70-D	10 – Refusal of Service
Substitute Second Revision Sheet 70-F	11 – Payments
Substitute Second Revision Sheet 70-F	12 – Establishment of Credit
Second Revision Sheet 70-G	13 – Deposits
Substitute First Revision Sheet 70-I	14 – Disconnection of Electric Service
Substitute Second Revision Sheet 70-P	15 – Reconnection of Electric Service
Third Revision Sheet 70-Q	16 – Miscellaneous Charges
Third Revision Sheet 70-R	17 – Personalized Billing Plans

Please reference the following in Avista’s natural gas tariff Schedule 170 – Rules and Regulations:

Third Revision Sheet 170-F	12 – Refusal of Service
Substitute Fourth Revision Sheet 170-G	13 – Payments
Substitute Fourth Revision Sheet 170-G	14 – Establishment of Credit
Second Revision Sheet 170-H	15 – Deposits
Third Revision Sheet 170-J	16 – Disconnection of Natural Gas Service
Substitute Original Sheet 170-P	17 – Reconnection of Natural Gas Service
First Revision Sheet 170-Q	18 – Miscellaneous Charges
Original Sheet 170-R	19 – Personalized Billing Plans

14. Please provide the following information regarding credit and collection:

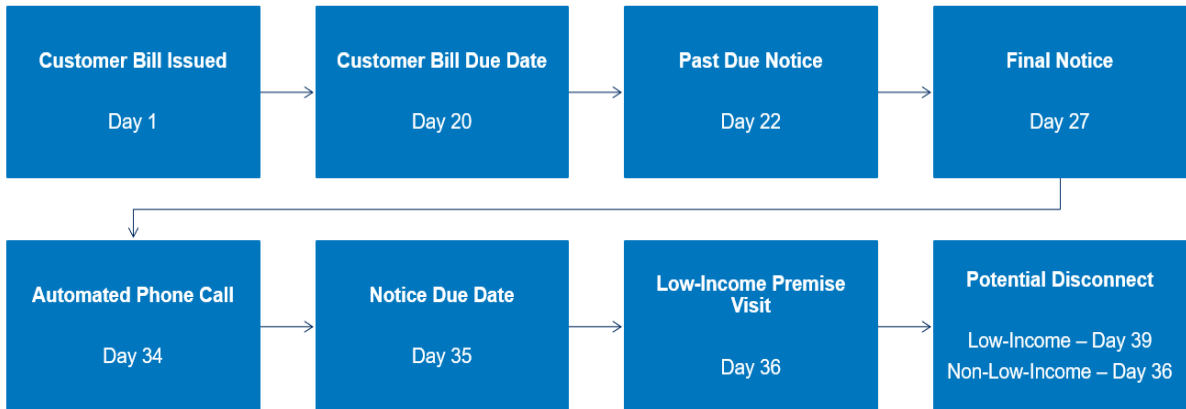
- a. A detailed narrative describing your company’s credit and collection process. As part of this narrative, please identify both internal and external processes and explain how they operate, including any voluntary customer service principles;
- b. If applicable, the number of customers sent to collections in each of 2018 and 2019; and
- c. If applicable, the number of low-income customers who had account balances sent to collections in the year the customer received energy assistance.

**Response:**

- a. Avista’s collections process begins when a customer’s unpaid bill becomes past due, 22 days after the bill issue date. This process includes a notice series, pursuant to WAC 480-100-128(4) and WAC 480-90-128(4), as outlined in the Collections Process below. Customers receive paper notices and may also opt to receive these notices electronically via email or text message depending on their communication preferences. At any time during the collection cycle, customers are able to establish payment arrangements (with terms up to 18-months) through their MyAccount on MyAvista.com, through the Company’s automated phone system, or by speaking with a CSR. Such arrangements halt the collections process. As noted in our response to Question 6, Avista’s CSRs look to meet customers where they are while setting payment arrangements, and while there are ideal guidelines for setting arrangements (i.e., the goal being to get the customer caught up on their past due balance prior to the next bill’s due date, to avoid compounding the affordability issue the customer is experiencing), CSRs have the freedom to set arrangements that best suit the individual need of that customer.

Customers who find themselves in a past due situation are highly encouraged to reach out to CAAs to learn more about the energy assistance options available to them. If a customer is seeking an energy assistance appointment, the collections process is placed on hold awaiting the outcome of such appointment. The Company defers to the CAAs for any external processes they may have in place. The illustration below shows the typical timeline of Avista’s collections process.

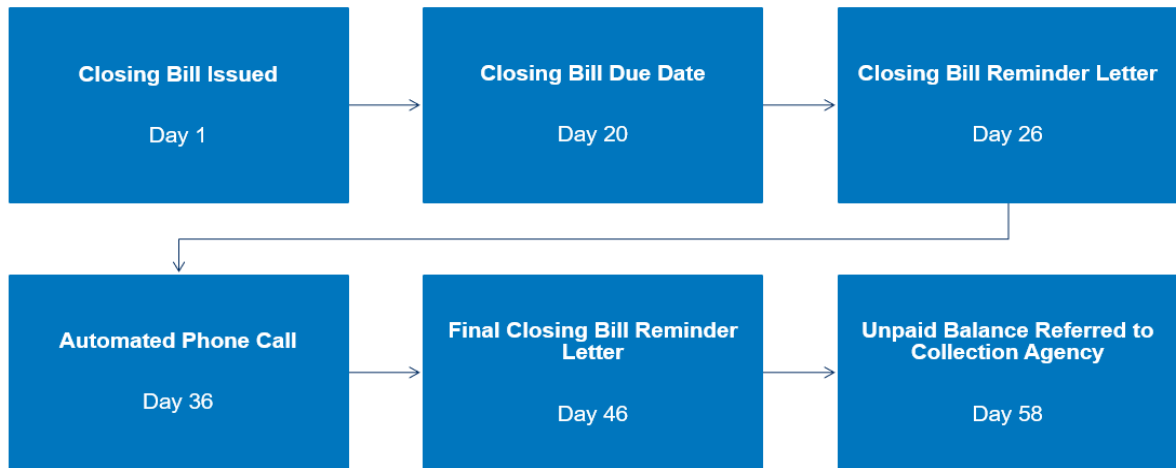
## Collections Process



If, after the above-described collections process has run its course, a customer finds themselves in a situation where they have been disconnected for non-payment, the account balance after any paid deposit on file is applied, is transferred to a separate account and becomes “Prior Obligation”, pursuant to WAC 480-100-123(3) and 480-90-123(2). Prior to the moratorium on deposits and reconnect fees, a customer was required to pay one-half of a new deposit and the applicable reconnect fee to be reconnected, and may establish arrangements on their Prior Obligation balance if they choose. If arrangements are not made on the Prior Obligation debt, the account balance will be transferred to a collection agency following the Collection Agency Referral Process outlined below, starting with a closing bill. Accounts that are closed with an unpaid balance follow the same process. Customers are able to add arrangements to their Prior Obligation or closed account balance at any time before it is transferred to a collection agency.

Avista uses several collection agencies to assist in recovering unpaid debt. Each collection agency has its own set of guiding principles and works closely with customers who reach out to them to establish arrangements that work best for each customer’s individual needs. The collection agencies used by Avista do not report unpaid debt owed to any of the credit reporting bureaus.

## Collection Agency Referral Process



b. The table below depicts the total number of customers with accounts referred to a collection agency during 2018 or 2019. Avista only refers accounts that are closed with a balance owing for more than 42 business days from the closing bill due date. Prior Obligation accounts are treated as closed accounts and are included in the numbers provided below. Prior Obligation debt accounts for 30% of the balances referred to a collection agency in 2018 and 31% in 2019.

Year	Total Customers
2018	20,897
2019	19,912

c. The table below reflects the number of low-income customers who had closed accounts with unpaid balances or Prior Obligation balances that were sent to a collection agency the year they received energy assistance.

Year	Total Customers
2018	570
2019	445

### Disconnection Notices

15. Has your company identified opportunities to improve customer notice rules? Please describe those opportunities and the steps your company is taking to implement them.

#### **Response:**

The Company has not identified any opportunities to improve the customer notice rules.

16. Please provide a list of all languages in which your company provides translated disconnection notices.

**Response:**

Avista currently provides disconnection notices in English and Spanish.

17. How does your company determine in which language(s) the customer should receive written communications (particularly in relation to the disconnection notice)?

**Response:**

If a customer reaches out to Avista through an interpreter, or a language barrier is identified by a CSR, the CSR will ask the following question: "Currently our printed notices are available in English or Spanish. In the future, if we are able to offer notices in [the customer's language], which language would you prefer to receive notices in?" The CSR then notes the customer's account to capture the customer's language preference. If the preferred language notated on the customer's account is Spanish, it triggers the disconnect notices to be sent in the customer's preferred language.

18. Has your company identified any barriers in the process of providing notices to customers?

- a. If so, please identify and describe these barriers.
- b. Has your company taken steps to address any identified barriers?
- c. Have the steps taken either reduced the number of disconnections or otherwise yielded results in terms of improving the disconnection process? If so, please provide the results and any analysis your company has conducted of the results.

**Response:**

- a. The Company has identified the following barriers pertaining to customers receiving notices, some of which are outside of Avista's control:
  - Customer Contact Information. First, the Company has identified a barrier relating to incorrect customer contact information (phone number, email address or mailing address). Customer contact information is only as good as the information provided to the Company by the customer. Many customers change their email address or phone number and do not notify the Company of these updates. This could prevent customers from receiving collections notices and/or calls.
  - Technology. Some customers face technology barriers such as access to the internet or a mobile phone, such that they cannot receive notices by text or email in addition to paper notices.
  - Post Office Delays. Another barrier customers have shared involves post office delays resulting in untimely notices being delivered or not being delivered at all.
  - Language Barriers. Lastly, providing notices in a customer's preferred language has been identified as a barrier.
- b. Customer Contact Information  
Avista is in the process of identifying potential solutions to address the barrier concerning incorrect customer contact information. One potential path forward is to send an annual email or post card asking customers to contact the Company or log in to their MyAccount to ensure their contact information is updated on a regular basis.

### Technology Barriers

The Company has taken a multifaceted approach to improving technology barriers for its customers. Avista equips its lobbies with CSRs that can accept payments, refer customers to CAAs, set payment arrangements, and answer billing questions. Avista's field service representatives also accept payments, establish payment arrangements, and refer customers to assistance agencies while in the field for a collections order. For customers who prefer to receive notices electronically, they now have the ability to opt-in to electronic notices either through their email address or through a text message alert. Customers who opt-in to text message alerts also have the ability to pay all or a portion of their bill through their text message.

### Post Office Delays

Avista has limited control over notices once they have been mailed. To ensure notices are delivered to its customers, the Company receives automated updates from the United States Postal Service (USPS), which provides updated mail addresses to Avista when a "Change of Address" form is submitted to USPS. Avista also has a group of employees dedicated to researching mail that is returned to the Company by the post office. This group attempts to reach the customer in order to update their mailing address to prevent mail from continuously being returned to the Company.

### Language Barriers

Lastly, to address language barriers Avista now provides its notices in English and Spanish. Spanish is the top language preference in its Washington service territory, aside from English. In order to have the most current linguistic information pertaining to its customers, the Company will be reevaluating primary languages in the coming years to include the influx of people moving into Avista's service territory.

c. The Company has not conducted such analysis; however, believes the steps it has described above does lead to a reduction of disconnection and improve the customer experience of the disconnection process

19. Are you aware of any policies, rules, or guidance concerning equity in developing or providing customer notice in use by other companies or state commissions? If so, please identify the policies, rules, or guidance, referencing the company or state commission that has adopted the policy, rule, or guidance.

#### **Response:**

Avista is not currently aware of any policies, rules, or guidance concerning equity in developing or providing customer notices that are in use by other companies or states.

20. Are you aware of any best practices or examples from other jurisdictions or other utility sectors that the Commission should consider in this proceeding regarding late fees, disconnection fees, reconnection fees, deposits, credit and collection practices, and customer notices? If so, please identify these best practices or examples, referencing the company or jurisdiction that has adopted these practices.

**Response:**

Avista's service territory spans across portions of Washington, Oregon, and Idaho, which means the Company must adhere to the differing regulations of three dissimilar jurisdictions. In sharing best practices or examples from other jurisdictions, Avista feels the Commission should consider Idaho's rules and regulations pertaining to credit and collections practices. To provide a basis for this suggestion, Avista notes that a simple comparison of the average past due balance for the Company's Washington residential customers versus its Idaho residential customers helps to illuminate the issue outright: the average residential arrears in Washington is \$358.58, compared to \$109.28 in Idaho. While several factors may contribute to these differences, such as income levels, affordability of utility rates, and the recent COVID-19 moratorium on disconnections, these disparities are not new.

The collections practices employed in Idaho are essentially the same as outlined above for Washington, with the exception being Idaho's reconnection requirements. Avista believes these requirements, while perceptively more stringent than those of Washington, are more effective in reducing residential arrears and establishing customer-focused payment arrangements without the use of (or need for) deposits. Deposits are charged by Avista to aid in reducing unpaid balances at the time of disconnect or when the account closes. After having been disconnected for nonpayment, Idaho customers are required to pay the full *past due* balance before service is reconnected and, in turn, the customer is not charged a deposit as there is no longer a need to further secure the account.

In contrast, Washington's Prior Obligation rule allows customers that are disconnected for nonpayment to deprioritize the past due balance they have accrued and are still responsible for, having their service reconnected at no cost, save for any applicable deposit.<sup>2</sup> As previously noted, this Prior Obligation balance is then separately addressed on an optional basis, with no actual consequence for nonpayment, even after being transferred to a collection agency where the continued unpaid balance is not reported to credit bureaus. In sum, under the current Prior Obligation rules and moratorium on fees and deposits, a residential customer in Washington essentially has no requirement to pay for the service they receive as there are no payments or fees required to turn on service, no payments or fees required to be reconnected for service following a disconnection for non-payment, and because there is no obligation to pay a Prior Obligation balance.

The absence of Prior Obligation and the requirement that a payment be made towards the customer's past due balance in order to retain service, helps Idaho residential customers maintain significantly lower arrearages than that of Washington residential customers. It is for these reasons

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<sup>2</sup> As noted previously, with Avista's introduction of AMI in Washington, there are no reconnect fees charged when remotely reconnecting an electric residential customer.

that Avista does not agree with the elimination of deposits or reconnection fees for residential customers as long as Prior Obligation rules remain in effect. Deposits help to eliminate, or at least reduce, the past due balance owed at the time of disconnection and reconnection fees help to offset the actual costs incurred to disconnect and reconnect a customer.

Under the existing rules, the minimum amount required for reconnection is ½ of a new deposit and the applicable reconnect fee; if deposits and reconnect fees are eliminated and the Prior Obligation rule remains in effect, there would then be no minimum payment due for reconnection, thus effectively eliminating any purpose for non-payment disconnections altogether. If this is an outcome of this proceeding, the Company is unsure how customer debt will be secured and to what extent these write-off delinquencies will grow and, ultimately, be paid for by all customers. Because of this potential outcome, the Prior Obligation rules **must** be included in this rulemaking and for Avista, we firmly believe that the Prior Obligation rules should be permanently removed. Prior Obligation may have been a useful tool in the past, but it is no longer relevant, not only for the reasons mentioned above, but also because of the growing amount of energy assistance which cannot be applied to Prior Obligation, customer support, and bill discounts offered or proposed to be offered to customers moving forward.

Please direct any questions regarding these comments to me at 509-495-2782 or [shawn.bonfield@avistacorp.com](mailto:shawn.bonfield@avistacorp.com).

Sincerely,

*/s/ Shawn Bonfield*

Shawn Bonfield  
Sr. Manager of Regulatory Policy & Strategy