



Avista Utilities Disconnection Reduction Annual Report

March 25, 2024

Background

On March 17, 2021, Avista filed its first Disconnection Reduction Plan (Plan) in accordance with the Washington Utilities & Transportation Commission's (WUTC) Order 09, which approved of the Settlement Stipulation (Stipulation) reached in the Company's 2019 General Rate Case.¹ On December 22, 2021, the Commission found that the Company's Plan and accompanying disconnection data to be in compliance with Order 09. The objective of this Plan is to describe the Company's strategy to reduce disconnections, as well as to gather and track disconnection data, with an ultimate goal of substantially reducing the number of customers that lose essential utility service due to non-payment. Included is the Company's annual Disconnection Reduction Report (Report) pursuant to the Stipulation.²

Avista developed its original approach for reducing credit-related disconnections for residential customers to the maximum extent feasible in partnership with its Energy Assistance Advisory Group (EAAG or Advisory Group),³ as directed in Order 09. The EAAG ultimately determined that the best way to avoid disconnections for nonpayment was to address customers' energy burden and overall ability to pay their utility bills. Energy assistance plays a central role in this approach.

In order to achieve Avista's goal of significantly reducing the number disconnections for non-payment, the Company is taking a multifaceted approach which includes an Arrearage Management Plan (AMP), Arrearage Forgiveness Plan (AFP), and the My Energy Discount (MED) Program – all of which are permanent offerings within Avista's Low-Income Rate Assistance Program (LIRAP). The Company also continues to offer flexible payment arrangements, preferred due dates, multiple payment options, and budget alerts. The intention is to offer all customers self-service tools that allow them to manage their energy bills, and for

¹ See Final Order 09 in Dockets UE-190334, UG-190335 and UE-190222 (*Consolidated*), issued on March 25, 2020.

² See Section 14(d) of the Stipulation in Docket Nos. UE-190334 and, UG-190335 and UE-190222 (*Consolidated*), at page 10.

³ Established as part of Order 07, Dockets UE-140188 and UG-140189 (*Consolidated*), Avista's Energy Assistance Advisory Group members include representatives from the Company, Community Action Agencies, Commission Staff, Aging and Long Term Care of Eastern Washington, The Energy Project, Northwest Energy Coalition (NVEC), Department of Commerce, and the Public Counsel Unit of the Attorney General's Office (Public Counsel).

customers that struggle to pay their utility bills, provide them with a variety of energy assistance options to meet their needs.

Disconnection Reporting

Avista performs service disconnections for varying reasons to include customer requested disconnections, non-payment, and service disconnection between occupants. Service disconnections can be performed utilizing an Outdoor Serviceperson (OSP) or through the Company's remote disconnect/reconnect capabilities operated through its Advance Metering Infrastructure (AMI) technology. The disconnect data below provides specific details relating to the total number of disconnections performed in 2023 and the number of customers who submitted a payment in the field to prevent service disconnection for non-payment. Statistics on recipients of low-income bill assistance or emergency medical certifications that were ultimately disconnected for non-payment in the previous two years can also be found in the reporting data below.

It is important to note that 2020 through 2022 disconnect data should not be compared to 2023 disconnect data. Disconnects were suspended as a result of the COVID-19 pandemic starting in March of 2020 and did not resume until October 1, 2021. Once disconnections resumed, all disconnect requests were sent to Commission Staff for review and to attempt to reach the customer. This process concluded in October 2022. As a result of the suspension on disconnections and additional review by Commission Staff, the 2020-2022 data is not reflective of standard disconnection trends. Instead, 2023 data should be compared to the Company's baseline disconnect data reflected in its first Disconnection Reduction Plan report filed in this docket on March 24, 2021.

2022 Annual Disconnect Reporting

1. Total disconnections for all purposes:

Avista performed 14,629 service disconnections for all purposes throughout its Washington service territory in 2023. In 2019, the Company performed 12,888 disconnections. Disconnects identified in this data include customers requesting services to be shut off, disconnections for non-

payment and disconnections between occupants. These disconnections were performed either by an OSM or remotely.

Year	2023
All Disconnects	14,629

2. Total disconnections for nonpayment:

Of the 14,629 service disconnections performed in 2023, as defined above, **8,952 of the total services disconnected were due to nonpayment.** In 2019, Avista performed 10,059 disconnections for non-payment. This number represents disconnections performed by an OSM in the field or through the Company’s remote disconnect/reconnect technology.

Year	2023
Disconnects Non-Payment	8,952

3. Total remote disconnections and remote disconnection of low-income bill assistance recipients:

Avista completed 10,381 remote service disconnections for all purposes in 2023. Of the 10,381 remote disconnections performed, 2,770 of those disconnections were identified as being low-income energy assistance recipients within the previous two years.

Year	2023
Total Remote Disconnects	10,381
Remote Disconnects Low-Income	2,770
Remote Non-Payment Disconnects	8,692

4. Total disconnections of customers receiving low-income bill assistance:

Of the total disconnections performed in 2023, remotely or through an OSM, 2,811 customers had received low-income energy assistance in the previous two years.

Year	2023
Total Low-Income Disconnects	2,811
Low-Income Non-Payment Disconnects	2,734

5. Total disconnections of customers with a medical emergency verified at the service location within the previous two years:

Customers with a verified medical emergency within the previous two years accounted for 1 of the total disconnections in 2023. In 2019, 141 disconnects occurred where there was an identified medical emergency within the previous 2 years.

Year	2023
Total Disconnects with EMC	1

6. Number of payments received during field/premise visits to prevent disconnection:

In 2023, the Company performed a total of 930 field/premise visits prior to remote disconnects for nonpayment; of those 402 were to low-income customers. Of the 930 field/premise visits in 2023, 518 customers paid an OSM at the door to prevent disruption in utility services.

Year	2023
Field Visit Payments (Total)	930
Field Visit Payments (Known Low-income)	402

7. Amount received during premise visits to prevent disconnection and the mode of payment (cash, check, etc.):

The amount collected at customers’ doors to prevent service disconnection for non-payment in 2023 totaled \$209,331.43. Payment types collected at customers’ doors include cash, Automated Clearing House (ACH), debit or credit card, and checks. In addition, at times an OSM will arrive at a customer’s residence and learn the customer already submitted a payment at a pay station or an Avista lobby location, which the Company had not been informed of the payment. When this occurs, the OSM completes the collections order as “collected payment from customer,” which is reflected in the second table below, titled “Payments Prior to Arrival” A detailed breakdown of the specific payment types and corresponding amounts are reflected in the tables below. Payments prior to arrival totaled \$83,793.67 in 2023. The amount collected in the field to prevent disconnection in 2023 totaled \$293,125.10.

Payments Collected at Door	2023
Cash	\$ 18,581.25
ACH	\$ -
Card	\$ 179,040.58
Check	\$ 11,709.60

Total	\$ 209,331.43
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Payments Prior to Arrival	2023
Lobby or Mail	\$ 71,631.99
Pay station	\$ 3,546.36
Bill Assistance	\$ 8,615.32
Total	\$ 83,793.67

Total Payments to Prevent Disconnection in the field	\$ 293,125.10
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8. Number of free pay stations:

Avista offers 46 different designated free pay stations and drop box locations throughout its Washington service territory for customers to submit payments in person.

9. Number and nature of customer complaints related to disconnection:

In 2023, three (3) customers submitted complaints to the Washington Utilities and Transportation Commission (WUTC) regarding potential service disconnection or disconnection of service performed by Avista. After thorough investigation by the WUTC all complaints were deemed “Company Upheld” meaning Avista complied with all required rules relating to disconnection. See Attachment A for more detailed information pertaining to the specifics of the service disconnection complaints received by the WUTC.