



**Avista Corp.**

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VIA: UTC Web Portal

October 31, 2018

Mark L. Johnson  
Executive Director and Secretary  
Washington Utilities & Transportation Commission  
1300 S. Evergreen Park Drive S. W.  
P.O. Box 47250  
Olympia, Washington 98504-7250

Re: Docket No. UE-160071 & UG-160072 – Avista Utilities Q3 2018 Fee-Free Payment Program Report

Dear Mr. Johnson,

Attached for filing with the Commission is an electronic copy of Avista Corporation’s, dba Avista Utilities (“Avista” or “the Company”) Q3 2018 Fee-Free Payment Program Report.

On March 24, 2016 the Commission issued Order 01 in Docket UE-160071 and UG-160072 approving Avista’s petition for an order authorizing accounting and ratemaking treatment of its residential fee-free payment program. In its petition, the Company sought to defer the costs associated with offering the fee-free payment for up to 36 months from the time the program went into effect. The fee-free payment program was successfully launched on February 19, 2017.

In its petition, the Company agreed to provide updates to the Commission every three months about the program’s progress. For purposes of reporting, the Company will be providing updates that coincide with the quarters of the calendar year.

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Avista's residential fee-free payment program encompasses previous methods of payments that were assessed a fee or not available. The program includes the following payment methods and channels:

- Credit and debit card payments made through a Customer Service Representative (CSR), through the Company's Integrated Voice Recognition (IVR) system, through its website as a one-time guest payment, through its website as an authenticated user, and for Automatic Payment Service (APS) payments.
- Automated Clearing House (ACH) payments made through a CSR, through the Company's IVR system, and through its website as a one-time guest payment.

Prior to the launch of the program, customers could make payments free of charge by ACH when making an electronic payment through the Company's website as an authenticated user, or when signed up for APS payments, in which payments are automatically deducted from their checking or savings account. Also, prior to the launch of the program APS payments were limited to only ACH payment methods.

Tables No. 1 and No. 2 below represent the residential payment information for the Company's Washington customers by month for 2017 and 2018:

**Table No. 1 - 2017**

Payments	January	February	March	April	May	June	July	August	September	October	November	December	Total
Total Payments	211,354	194,987	219,215	197,679	208,013	196,544	200,998	205,075	187,450	219,641	205,123	186,759	2,432,838
Fiserv Payments	-	28,610	99,256	91,667	98,866	90,153	96,994	97,249	90,974	107,186	102,804	94,414	998,173
Fee-Free Fiserv	-	8,147	25,058	23,182	25,473	26,890	30,169	31,210	31,661	37,449	38,424	37,027	314,690
Kubra Fee-Free Equivalent*	18,542	11,493	3	2	1	-	-	-	-	-	-	-	30,041
Total Fee-Free	18,542	19,640	25,061	23,184	25,474	26,890	30,169	31,210	31,661	37,449	38,424	37,027	344,731
Fee-Free Payments as % of Total	8.8%	10.1%	11.4%	11.7%	12.2%	13.7%	15.0%	15.2%	16.9%	17.1%	18.7%	19.8%	14.2%

\*Kubra Fee-Free Equivalent – these payments represent the Kubra payments received from February 1<sup>st</sup> – 18<sup>th</sup> that would have come through the fee-free payment program. Kubra did not process APS payments, which Fiserv now does, including the ability for customers to sign up for APS by credit or debit card.

**Table No. 2 - 2018**

Payments	January	February	March	April	May	June	July	August	September	October	November	December	Total
Total Payments	224,159	198,759	211,550	210,662	208,468	192,520	210,403	203,900	194,077				1,854,498
Fiserv Payments	116,532	105,518	110,133	114,707	111,686	103,048	114,861	109,831	106,585				992,901
Fee-Free Fiserv	48,525	45,028	47,517	49,072	48,017	45,304	50,416	49,937	49,757				433,573
Fee-Free Payments as % of Total	21.6%	22.7%	22.5%	23.3%	23.0%	23.5%	24.0%	24.5%	25.6%				23.4%

Tables No. 3 and 4 below include additional detail on certain payment channels. This information is highlighted to monitor trends in customers’ payment behavior. Note that the data in Table No. 2 will not subtotal to the data in Table No. 1 as there is overlap in payment information by channel (i.e., “Total Card Payments” includes card payments made through APS, CSRs, the IVR, and web).

**Table No. 3 - 2017**

Payment Method	January	February	March	April	May	June	July	August	September	October	November	December	Total
APS by ACH	27,456	28,895	33,613	31,742	36,812	30,780	33,448	34,535	29,606	36,957	34,094	29,167	387,105
APS by Debit or Credit Card	-	31	464	939	1,669	1,903	2,610	3,254	3,407	4,731	4,844	4,654	28,506
Total APS Payments	27,456	28,926	34,077	32,681	38,481	32,683	36,058	37,789	33,013	41,688	38,938	33,821	415,611
Total Card Payments	17,364	18,209	22,947	21,339	23,462	24,437	27,557	28,689	29,275	37,702	35,921	34,473	318,375
CSR Payments	4,450	5,204	6,707	5,215	5,328	5,472	5,427	5,430	5,200	5,741	5,043	4,799	64,016
IVR Payments	6,113	6,240	7,364	6,579	6,955	7,609	8,042	7,556	7,518	8,095	7,953	7,439	87,463
Bank Bill Payments	42,536	38,619	42,104	38,586	40,587	38,773	38,682	39,138	34,928	42,163	35,936	33,513	465,565
Mailed & Lobby Payments	60,295	51,786	60,708	53,136	53,757	55,138	52,975	56,434	50,207	57,570	52,210	46,705	650,921
Pay Station Payments	12,119	10,988	11,882	10,390	10,361	9,883	10,171	10,122	9,475	10,563	9,363	8,291	123,608
Web Based Payments	54,456	49,343	51,011	47,122	48,023	44,311	47,388	46,393	45,140	51,597	50,778	48,269	583,831

**Table No. 4 - 2018**

Payment Method	January	February	March	April	May	June	July	August	September	October	November	December	Total
APS by ACH	34,077	30,429	31,617	34,334	34,057	30,262	34,321	31,450	29,654				
APS by Debit or Credit Card	5,785	5,708	6,399	7,354	7,647	7,150	8,483	8,215	8,189				
Total APS Payments	39,682	36,137	38,016	41,688	41,704	37,412	42,804	39,665	37,843				
Total Card Payments	45,399	42,115	44,545	46,070	45,081	42,504	47,392	47,065	46,900				
CSR Payments	6,309	5,895	6,035	5,658	5,551	5,158	5,211	5,414	5,364				
IVR Payments	9,412	8,588	8,911	9,011	8,508	8,380	8,892	8,968	8,830				
Bank Bill Payments	37,400	33,131	35,244	34,194	33,993	31,972	35,474	34,297	31,933				
Mailed & Lobby Payments	55,826	46,883	51,367	49,022	51,570	47,013	49,648	49,711	46,209				
Pay Station Payments	9,958	8,676	9,006	8,848	8,759	8,226	8,221	7,946	7,739				
Web Based Payments	60,846	54,780	57,046	58,236	55,816	51,966	57,849	55,642	54,438				

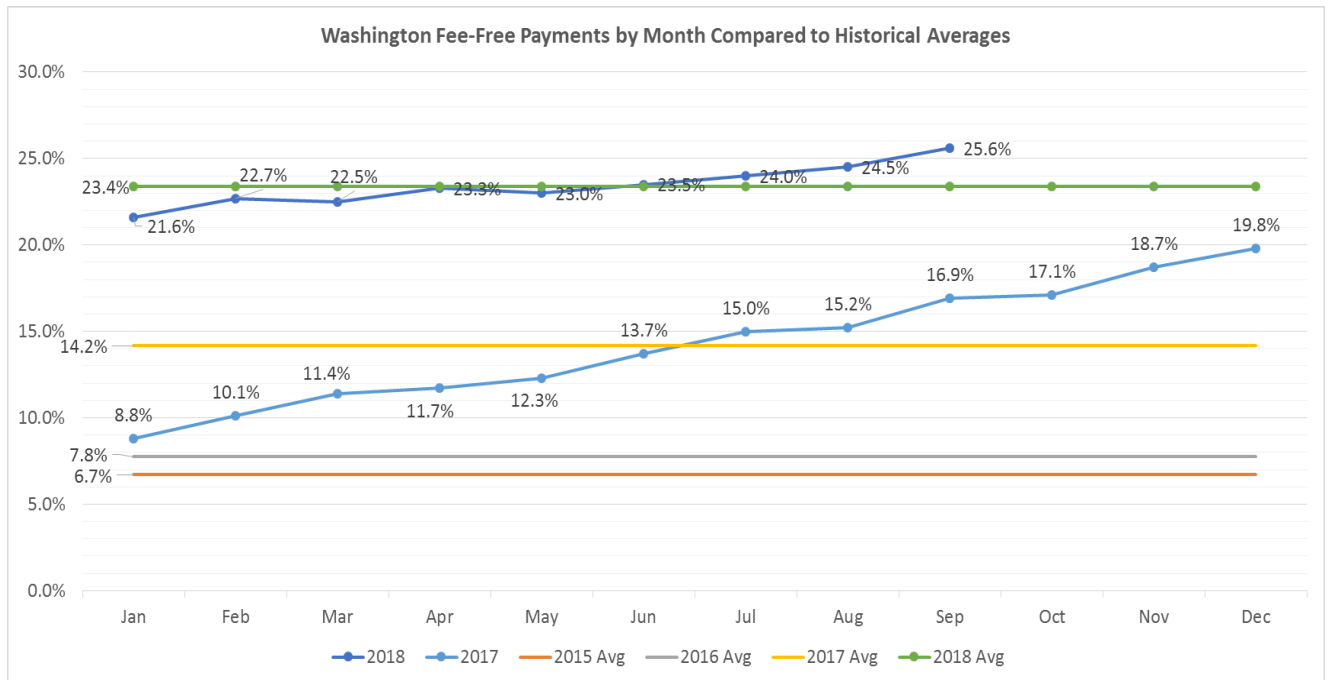
For historical comparison purposes, Table No. 5 displays residential payment data from 2015 and 2016.

**Table No. 5**

Year	# of Residential Payments	Payments Subject to Convenience Fee	% of Total
2015	2,435,536	163,570	6.72%
2016	2,474,632	191,720	7.75%

Chart No. 1 graphically shows the trend in fee-free payments in 2017 and 2018 compared to the historical annual average in 2015 and 2016.

**Chart No. 1**



To date, the Company has paid invoices through September 2018, of which \$1,120,480 has been deferred for customer transactions through the fee-free payment program.

Please direct any questions regarding this report to Joel Anderson at 509-495-2811 or [joel.anderson@avistacorp.com](mailto:joel.anderson@avistacorp.com) or myself at 509-495-4975 or [linda.gervais@avistacorp.com](mailto:linda.gervais@avistacorp.com).

Sincerely,

*Linda Gervais*

Sr. Manager Regulatory Policy  
Avista Utilities