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August 18, 2022

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

Received
 Records Management
 08/18/2022
 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 August 3, 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.

1. *Regarding requests for the Commission to consider whether disconnecting customers for non-payment remains necessary:*
 - a. *What is the annual and average cost to the utility to (a) disconnect and (b) reconnect customers? What customer count is used in these calculations?*
 - b. *What is the annual and average cost to the utility due to a customer's late payment? What customer count is used in these calculations?*
 - c. *How much revenue does the utility collect annually from customers for (a) disconnection, (b) reconnection, and (c) late fees?*
 - d. *What concerns factor against eliminating disconnections for non-payment?*
 - e. *Please explain how disconnecting customers for non-payment is, or is not, in the public interest.*
 - f. *Is there a practice that would be more equitable than disconnection for non-payment?*
 - g. *How else could companies be assured that customers would continue to pay or seek assistance if disconnection for non-payment were disallowed?*

Response:

- a. As provided in previous comments,¹ Avista does not specifically track the total costs incurred to disconnect or reconnect its residential customers each year. Based off of simple estimates regarding the average cost per premise visit for a disconnection or reconnection in Washington in 2018 and 2019, the Company estimates it incurred at least \$602,383 for premise visits in 2018 and \$412,270 in 2019. These approximations are based off of a premise visit count of 12,261 and 8,327, respectively, and are solely based on the estimated average cost for travel time and duration of disconnect/reconnect process for a premise visit. Costs encountered during the actual request for reconnect (speaking with a Customer Service Representative (CSR), for example) or any costs associated with Advanced Metering Infrastructure (AMI) disconnects/reconnects or other software systems are also not included.
- b. There are a multitude of factors to consider when determining the costs to the utility for a customer's late payment. While Avista does not charge late fees to its Washington customers, the costs associated as a result of late payments are spread amongst all customers, including those that consistently pay on time. Costs associated with late payments include past due notices, final notices, automated collections call, and the cost associated with customers speaking with CSRs to establish payment arrangements, accept payments, and answer general account questions pertaining to arrearages. The cost to the Company for each notice is roughly \$.66. In 2018, the Company's costs were approximately \$142,490 and in 2019 costs were approximately \$146,626, for an average annual amount of \$144,558. In addition to notices delivered by mail, customers receive an automated callout. Avista estimates these calls to cost the company \$.17 per call. In 2018 the Company placed 64,421 automated collections calls for an estimated cost of \$10,951. In 2019 Avista placed 64,124 automated collections calls with an annual cost of \$10,901. Customers in collections will often call to discuss their accounts with a Customer Service Representative. In order to estimate this volume, the Company broke down the number of customers in collections and determined the number of customers who contacted Avista address their account. The average cost per call is currently \$9.26. The Company estimates that 30,149 contacts were made with Avista in 2018 and 26,409 customers in 2019 to discuss their past due balances. Therefore, we can estimate a cost to the Company to handle these calls to be approximately \$279,180 in 2018 and \$244,547 in 2019 with annual average of \$261,864.

Known low-income customers receive a premise visit prior to disconnection as well as customers whose meters are not capable of remote disconnection and reconnection. Please see the Company's response to 1(a) above for the total costs associated with premise visits for disconnection for non-payment.

In addition to the impacts above, the Company refers customers who have unpaid debt on closed accounts or unpaid prior obligation balances to a third-party collection agency. The agencies are compensated by the Company based on a percentage of the dollars they

¹ See Docket No. U-210800, Comments of Avista Utilities, April 29, 2022.

collect. In 2018, collection agency fees totaled \$197,381 and \$225,547 in 2019 for an average cost of \$211,463.

- c. The table below represents the annual amount collected from residential customers for disconnections and reconnections in 2018 and 2019. Avista does not charge customers late payment fees in the state of Washington and therefore does not have data to provide.

| Fee Type | 2018 | 2019 |
|---|-----------|-----------|
| Electric Field Visit Disconnect | \$7,584 | \$4,096 |
| Natural Gas Field Visit Disconnect | \$152 | \$128 |
| Electric Reconnect | \$119,800 | \$164,061 |
| Natural Gas Reconnect | \$3,926 | \$4,080 |

- d. The primary concern factoring against eliminating disconnections for non-payment is arrearage debt, which leads to larger write-offs that all customers must, in turn, pay for. 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 and no payments or fees required to be reconnected for service following a disconnection for non-payment, allowing arrears to continue to become unmanageable. Using Avista’s self-imposed moratorium on disconnections during its Customer Care and Billing (CC&B) system implementation as an example—during which the Company did not disconnect customers for non-payment between January 2015 through July 2015—arrears skyrocketed in the absence of disconnections. For comparison purposes, 35% of Washington residential customers were past due in May 2015 versus 24% in May 2014 and 21% in May of 2016. Arrears did not begin to decline until the Company resumed disconnections for non-payment.
- e. As a last resort, after all other bill, payment, and energy assistance has been offered, disconnecting customers for non-payment is in the public interest. Ultimately, customers bear the responsibility for taking action to address their bills—energy and otherwise. Utilities offer a significant number of tools for customers to pay their energy bill or seek assistance to pay their energy bill if they are struggling to do so. Additionally, utilities provide ample notice through several formats (i.e., letters, email, phone calls) and attempt to reach customers well before disconnection is even an option. If a customer does not utilize the tools available to them and does not contact the utility or allow the utility to reach them for arrangements or assistance, then yes, disconnection of an unpaid service should be the result.

Further, disconnections have proven to be a valid “call to action”. Avista provides a valid case study for whether or not disconnections are an effective tool in minimizing arrearage debt, as it serves customers both in Washington and Idaho—states that have very different approaches to how the collections and disconnection processes should be handled. For

example, when the COVID-19 pandemic began in March of 2020, Avista voluntarily stopped collections and disconnections in both Washington and Idaho. In Washington, by way of the Governor’s Executive Orders and subsequent Commission orders, utilities were barred from issuing past due notices and disconnecting customers for a period of time that extended far beyond that of Idaho. When disconnections did finally resume, the utilities were then required to send all customers that were potentially eligible for disconnection due to non-payment through a Commission review process prior to actual disconnection. This added process was essentially an extension of the disconnection moratorium, as the time needed to complete such a review process only further delayed the collections and/or disconnection process, requiring multiple rounds of the Company’s typical collection/noticing cycles and allowing customers to accrue larger balances. As a result of these policies and processes, Avista’s customer arrears in Washington grew substantially. Even with additional COVID-19 debt relief funding and energy assistance available, arrears remained high. In contrast, Idaho—where normal collection practices and disconnections resumed after only a few months—not only did we experience much lower customer arrears but also found that well into the pandemic, arrears were actually lower than pre-pandemic levels. Note that Idaho does not have customer-funded assistance programs like Avista’s Low-Income Rate Assistance Program (LIRAP) in Washington, nor did it have a requirement to provide COVID-19 debt relief funding to assist with customer arrears.²

The differences between the Company’s Washington and Idaho experiences clearly show that disconnections are effective in prompting customer payment for their own energy usage and are, therefore, in the public interest. This is not to say that customers should not be offered protections that allow disconnects from occurring—of course they should. For this reason, utilities should continue to be required to offer bill and payment tools, as well as energy assistance that addresses customers’ energy burden and arrears, as Avista does. If these tools are in place and available to customers, then disconnections should occur for those customers that do not take responsibility for their energy bills.

- f. Avista is unaware of a practice that would be more equitable than disconnections for non-payment, so long as a utility has adequate billing and payment tools and energy assistance offerings available to customers.
 - g. If disconnections for non-payment were disallowed, utilities would have no way of being assured that customers would continue to pay or seek assistance, as customers would have no repercussions for not paying their bills and would therefore have no reason to prioritize their energy bill. The Commission may continue to authorize the recovery of growing arrears and write-offs as a result of no disconnections occurring, but this would simply shift the responsibility from the non-paying customer, instead placing the burden on all other customers, which is not equitable.
2. *Should additional information be provided to customers prior to disconnection for non-payment?*

² See Docket Nos. UE-210114 and UG-210115.

- a. *What, if any, information regarding assistance is currently being provided and what information should be provided?*
- b. *What, if any, information regarding customer rights and protections should be provided?*
- c. *Should disconnection for non-payment notices include Commission contact information?*

Response:

Avista believes the information contained within its current noticing process is sufficient to provide customers with ample time and access to resources prior to becoming eligible for disconnection due to non-payment.

- a. Both the Past Due Notice and the Final Notice issued to customers prior to disconnection contain information regarding payment arrangements and bill assistance. The Company’s assistance website is provided, in addition to its customer service phone number and a brief listing of the potential energy assistance available. Additionally, information regarding postponement of disconnection due to medical emergencies is provided. Below are examples of the verbiage currently contained on these notices.

We want to work with you on a plan to keep your services at [redacted] connected. You may be eligible for payment arrangements or bill assistance. For help with your past due balance, please contact us to discuss options. You can also visit us at www.myavista.com/assistance.

You can apply for financial assistance to help pay your bill through your local community action agency. For information on your local agency please visit www.myavista.com/assistance or call (800) 227-9187. Programs include:

- Low Income Home Energy Assistance Program (LIHEAP)
- Avista's Low Income Rate Assistance Program (LIRAP)
- Project Share

We need to hear from you. Please call us today (800) 227-9187.

Additional Options

Bill Assistance

Looking for energy bill assistance? Visit www.myavista.com/assistance to find your local community agency as you may be eligible for assistance towards your utility bill.

Medical Emergency

In Washington:

If you have a medical emergency, we will postpone termination of service, upon notification for a grace period of five business days, during which time a written certification from a qualified medical professional must be received.

Customers with internet access can also visit the Company’s assistance site (www.myavista.com/assistance) at any time during the collections process for information regarding financial resources for Washington residents, self-service and payment options, payment arrangements, weatherization information, an overview of programs and energy assistance options available, and a link to locate their local Community Action Agency (CAA). Customers who contact Avista via telephone are also provided with these resources, as well as referral to the Company’s Customer Assistance Referral & Evaluation Services (CARES) department if applicable.

- b. The Company is unaware of any additional information that should be provided regarding customer rights and protections, as the medical emergency information noted in (a.) above and complaints/disputes noted in (c.) below is provided on all notices, in addition to the information provided to customers in alignment with WACs 480-100-103(3) and (4).
 - c. Avista includes Commission contact information on all Past Due and Final Notices.
3. *What percent of customers are billed through e-billing or paperless billing?*
 - a. *What percent of customers who are signed up for e-billing or paperless billing are also members of highly impacted communities and/or vulnerable populations?*
 - b. *On average, what percent of customers who receive their tariff change notices electronically access their notice?*

Response:

Of Avista's 265,916 current customer accounts in Washington, 83,873 of these accounts are enrolled in paperless billing; this equates to approximately 31.5% of accounts.

- a. Of the 83,873 customers enrolled in paperless billing, approximately 32,265 are located in an area designated as Highly Impacted Communities (HIC) and/or Vulnerable Populations (VP or, collectively, "Named Community"); this equates to approximately 38.47% of paperless billing customers being members of a Named Community. However, some of the 51,608 customers identified as not being located in a Named Community are natural gas-only customers. Due to the current applicability of the term Named Community within CETA (i.e., CETA legislation is relevant to electric services, therefore the definition of Named Community refers to Census Tracts within the Washington residential electric service territory), Avista has not evaluated its natural gas service territory for CETA purposes and has therefore not examined geographic locations within its gas-only territory for the prevalence of Named Communities.
 - b. When issuing a tariff change notice electronically, Avista provides these notices in two forms: 1) posting of the notice, and associated tariff filing, on its web site and 2) sending the notice as a bill insert via mail, either paper copy or e-mail depending on the customer's indicated communication preference. Regarding this first option, while the Company is able to determine the number of views each electronically-posted tariff change notice has received, the number of tariff change notices issued for Washington in a given year—coupled with the fact that this data is collected in aggregate form rather than correlated to a specific customer's account—does not allow the Company to accurately determine what percent of customers who receive these notices electronically actually access the notices. For customers that receive paperless billing, and therefore electronic bill inserts, the Company's current billing software does not have the ability to track opened bills. Avista expects to have this functionality in the near future.
4. *How does your company define "low-income"? How should "low-income" be defined?*

Response:

Avista defines low-income in accordance with WAC 480-109-060(22), which provides that low-income “means household incomes that do not exceed the higher of eighty percent of area median income or two hundred percent of federal poverty level, adjusted for household size.” The Company believes this definition to be sufficient.

5. *How does your company assess the impact of its disconnection practices in areas defined as highly impacted communities and vulnerable populations?*

Response:

Avista has not historically assessed this information prior to the implementation of CETA and is now in the beginning stages of tracking and assessing the impacts of credit-related disconnections in areas defined as HIC and VP. With the approval of the Company’s Clean Energy Implementation Plan (CEIP)³ on June 16th, 2022, Avista will be tracking disconnections for non-payment more granularly. As one of its Energy Availability Customer Benefit Indicator (CBI) metrics, tracking will include the number and percentage of residential electric disconnections for nonpayment by month, measured by location and demographic area to include VPs and HICs. This metric is also proposed as a Performance Based Ratemaking Metric (Metric No. 9) within the Settlement Stipulation of the Company’s 2022 General Rate Case.⁴ With the collection of this data, Avista will be able to better assess the impacts of its disconnection practices in these areas.

6. *What information does your company use to determine which customers should be disconnected? Does your company use any of the following information to determine if a customer should be disconnected?*
 - a. *Credit Scores (either external or internal)*
 - b. *A dollar amount threshold*
 - c. *A delinquency threshold (for example 30 days, 60 days, 90 days, or any other interval)*
 - d. *Is there any other account information factored in to determine if a customer should be disconnected, and if so, please identify that information?*

Response:

Yes, Avista uses (a) internal credit codes, (b) dollar amount and (c) delinquency thresholds to determine which customers are eligible for disconnection. Avista’s collections process, no matter the credit code, begins when a customer’s unpaid bill becomes past due (2 days past the bill due date) and the arrears is beyond the thresholds per credit code as outlined in the table below. Thresholds vary depending on the time of year to accommodate seasonal highs and lows. The Company does not use any additional account information to determine if a customer should be disconnected.

Typical Season Balance Thresholds

| Credit Code | Winter Thresholds | Summer Thresholds |
|-------------|-------------------|-------------------|
|-------------|-------------------|-------------------|

³ Docket UE-210628.

⁴ Dockets UE-220053 and UG-220054.

| | | |
|---|---------|---------|
| 0 | \$250 | \$125 |
| 1 | \$300 | \$250 |
| 2 | \$350 | \$250 |
| 3 | \$1,000 | \$1,000 |

7. *Does your company offer the following features on its website or online customer portal?*
- Self-enrollment for a customer's preferred payment arrangements*
 - Changing a customer's preferred payment due date to parallel receipt of income*
 - Bill Assistance information (a link or contact information to their local community action council or other information specific to that customer)*
 - The ability for a customer to select their preferred language for correspondence or communications (if other than English)*

Response:

- Yes, Avista customers have online access to self-enrollment for their preferred payment arrangements.
 - No, a customer is unable to change their preferred payment date online, however, the Company's CSRs are able to change a customer's preferred payment date to parallel receipt of income, as long as the proposed date does not conflict with the customer's future billing cycles.
 - Yes, the Company provides a CAA locator tool on its website that allows customers to search for their nearest CAA by zip code. Once located, the Agency's contact information, and a direct link to their website if available, is provided.
 - No, customers are not able to select their preferred language via Avista's website.
8. *TEP raises concerns that the 60-day renewal requirement in the Commission's rule governing medical emergencies may be difficult for customers.*
- What percent of medical emergencies are not renewed for a second 60-day period?*
 - Could medical emergencies remain in effect for the stated duration of the condition, rather than having a set expiration?*
 - Should a 60-day renewal be required for customers experiencing chronic conditions?*

Response:

- Based off of data from 2018 and 2019, approximately 85% of emergency medical certificates (EMCs) are not renewed.
- While Avista is open to extending the amount of time an EMC may be in place before expiring, the Company believes that a set duration would offer consistency for all customers, rather than some customers receiving more protections than others based on the

severity of their condition. Perhaps setting one duration for temporary conditions and another for chronic conditions might be most appropriate in considering equity without having an abundance of variability in the renewal timeframes for EMCs. However, if such changes are made to extend the duration for how long an EMC remains in effect, considerations must also be made regarding the required customer payment behavior during that time. WAC 480-100-128(8)(c) currently states that a customer must pay a minimum of ten (10) percent of the delinquent balance and make arrangements to pay the remaining balance within one hundred twenty (120) days. If the required certificate renewal timeframe is extended beyond the 120 days allowed for payment of the delinquent balance, the Commission must then consider the appropriate course for a customer that does not make such payment within 120 days: since they are protected by an EMC, the Company is not authorized to start the collections process, so is the customer instead subject to the previous cycle of paying another 10% of their balance and setting 120-day arrangements—and so on, until their EMC expires? Such consequences and scenarios should be considered when reviewing these rules.

- c. As stated in its response to (a) above, Avista is amenable to extending the timeframe required before renewal of an EMC. However, chronic conditions should require a set expiration date or specific requirements pertaining to customer payment behavior, as providing a perpetual medical certificate may result in unintended consequences when it comes to associated protections from disconnection or collections activity.
9. *For premise visits prior to disconnection for non-payment of customers with medical certificates and low-income customers, please provide the number of visits conducted and the number of visits that resulted in customers making payment at the door in 2018 and 2019.*

Response:

Please see the table below which provides the total number of field visits for non-payment and the number of field visits that resulted in a payment received prior to disconnection for non-payment for low-income customers and customers with EMCs. For clarification, the data below reflects customers who received energy assistance at any point in 2018 or 2019 while EMCs account for customers who had a field visit for disconnection for non-payment any time after claiming an EMC during the 2018 or 2019 calendar years.

| | 2018 | 2019 |
|-------------------------------------|-------------|-------------|
| EMC Field Visit Total | 157 | 70 |
| EMC Payments | 45 | 13 |
| Low-Income Field Visit Total | 1361 | 966 |
| Low-Income Payments | 584 | 271 |

*Data in the table above may include duplicate customers, i.e., customers who claimed an EMC may have also received energy assistance.

10. Please provide your company's internal deposit requirement criteria, including a narrative description of the criteria, factors, and relevant information used to determine whether customers are required to pay a deposit.

Response:

Deposits are utilized to secure accounts by reducing arrears when a customer's account closes or is disconnected for non-payment. When determining the need for a deposit for customers who have already established payment history with the Company, Avista's deposit criteria aligns with the provisions in WAC 480-100-113(1) and (2). The Company looks for 1) if any write offs exist for that customer within the previous 6 years, 2) if the customer has received three or more final notices in the past 12 months, 3) is the customer currently disconnected for non-payment, 4) if the customers has any closed accounts with an unpaid balance over 30 days, 5) if the customers Avista account was included in a bankruptcy filing in the past 12 months with a pre-petition amount owing, and 6) if the customers is establishing a new commercial account which has not established payment history with the Company. If a customer voices dissatisfaction or is unable to pay a deposit, in compliance with WAC 480-100-113 (5) CSRs will provide the customer with the option to provide a letter of guarantee in lieu of a deposit.

Avista does not request deposits for new customers who have not had the opportunity to establish payment history with the Company.

It is important to note that while a customer has an active deposit on file with the Company, interest is accrued monthly in accordance with WAC 480-100-113(9). Interest begins to accrue with the customers first payment and continues to accrue each month until the deposit is refunded back to the customer.

11. Please describe your company's reporting practices to credit bureaus, including historic practices, collection agencies used, and the terms of all contracts with (and the policies of) all collection agencies used.

Response:

Avista engages with two collection agencies for its Washington service territory, Valley Empire Collections (Valley) and Chapman Financial Services (Chapman), contracts for both agencies started in 2003. It is important to note that Avista does **not** refer active accounts to collection agencies. The process of sending balances to a collection agency is initiated once the customers closing bill becomes past due (20 day after the bill issue date) and occurs over a 42-business day window. The Company issues several notices prior to sending balances to a collection agency, notices include 1) a closing bill reminder to inform the customer of the remaining past due amount, 2) an automated call providing an additional reminder of the outstanding balance, and 3) a final letter informing the customer of the potential collection agency referral if the balance remains unpaid or payment arrangements are not established.

As of September 2, 2020, Valley Empire and Chapman Financial discontinued reporting Avista customers to credit bureaus. Previously, both agencies would refrain from reporting unpaid

balances to credit bureaus for the first 30 days while they attempted to contact the customer to establish payment arrangements or receive payment on the outstanding balance. Balances that remain with the collection agency after the initial 30 days were reported to Experian, Transunion, and Equifax.

It is Avista's objective to maintain and build strong partnerships with the collection agencies, provide and received effective communication, and establish mutual accountability with a collaborative approach. To honor this goal, in 2017 Avista developed "Collection Agency Scorecards" to ensure the collection agencies are respectfully and effectively attempting to collect unpaid arrears on Avista's behalf. The Company meets with each collection agency individually to review their annual scorecards and discuss what is working and where the agency can improve. Collection Agency Scorecards measure the following:

Customer Service:

- a. Customer experience with the specific agency.
- b. Employee experience with the specific agency

Delivery:

- a. Average number of days to collect
- b. Commission rate
- c. Percent of unpaid dollars recovered

Innovation and Technology:

- a. Avista's ability to access customer account data through an online web portal
- b. Agency is licensed in multiple states (i.e., the agency is licensed to work in Washington State)

Quality of Service:

- a. Provides full disclosure for all status updates on customer accounts to include payments made, bankruptcy filings, or if a customer is deceased
- b. Status update turnaround time: how quickly does the agency inform Avista when a customer makes a payment or files bankruptcy, etc.
- c. Local socioeconomic knowledge (locally based)
- d. Communication response time: how responsive is the collection agency in providing requested account records to Avista
- e. Point of contact (account manager): is there a specific person that works directly with Avista to resolve issues or answer questions.

Risk Mitigation:

- a. Data collection format: are status updated provided in an Avista's approved format.

Since implementing these scorecards, Avista has seen an improvement in agency effectiveness and customer experience for each agency.

Please see Attachments A and B for the specific contract terms agreed to between Avista and each agency. The attachments have been provided in redacted format as portions of the contract terms are not applicable to the conversation pertaining to this docket.

12. Please explain how your company uses customer credit scores.

Response:

Avista uses internal credit codes when determining balance thresholds for its collections processes. The Company has utilized Total Solutions, Inc. (TSI), a third-party vendor, since 2010 to provide customer behavioral credit scoring. TSI's Behavioral Attribute Scoring Engine (BASE) is a parameter driven, server-based system which applies behavioral and scoring algorithms to Avista's data attributes. This scoring process uses internal, (non-personal identifiable information (PII)) customer payment and behavior information to focus collection efforts on the accounts most likely to become uncollectable. Each account is sent to TSI on a monthly basis to review the account details and ensure the correct credit code is established for each account. TSI provides Avista with the appropriate code based on the customers individual history.

13. Please provide a list, including addresses, of all payment locations, the tender accepted at each location, and any fees.

Response:

Please see Attachment C for a list of the current authorized payment locations within Avista's Washington service territory, including Western Union, manual pay stations, and drop boxes. All pay stations listed accept cash, check, or money order, though it is recommended that cash payments be made at pay stations, not left in drop boxes. The Company also has a kiosk located at its main office (1411 E. Mission Avenue, Spokane, WA 99202) that accepts cash, check, or credit card. Customers encounter no fees for making a payment at any of these authorized payment locations. Customers may also make payments at any other Western Union location (e.g., Walmart, Fred Meyer, etc.), but these payments are subject to whatever fees the given organization has set.

14. Does your company use liens in any of its practices? If so, please explain your practice(s).

Response:

Avista does not use liens in any of its credit or collections practices.

15. Are there any other changes the Commission should consider to the customer notice rules in WACs 480-90-193, 480-90-194, 480-90-195, 480-90-197, 480-90-198, 480-100-193, 480-100-194, 480-100-195, 480-100-197, 480-100-198? Please provide any suggested changes in legislative format (track changes).

Response:

Avista does not have any additional recommended changes for Commission consideration to these customer notice rules at this time.

ADDITIONAL QUESTIONS FOR WRITTEN COMMENTS OR DISCUSSION

16. Should the Commission broaden the requirements for offering payment arrangements? For example, see Maine's Consumer Protection Standards for Electric and Gas Transmission

*and Distribution Utilities at p. 23, linked here.*⁵ *Should the Commission adopt a similar policy?*

Response:

It is not necessary for the Commission to broaden the requirements for offering payment arrangements beyond what is already required. In reviewing Maine's standards, the Company offers the following comments:

- a. Written confirmation of payment arrangements – For Avista, customers enter payment arrangements by phone with a CSR or online at myavista.com. Through either path, a customer is made aware of what will happen if they fail to complete their payment arrangements. For short term payment arrangements, where a customer agrees to pay off their past due balance prior to their next bill, mailing or delivering confirmation of the arrangement is optional. The CSR will ask if the customer would prefer a written confirmation letter that outlines the terms of the short term payment arrangement. For long term payment arrangements, customers see their arrangement on their future bills. As a result, mailing or delivering written confirmation of the payment arrangements is not necessary.
- b. Basic service payment arrangements to be separate – While Avista does offer On-Bill Repayment (OBR) for customers to repay energy efficiency loans on its bill, the Company's OBR clearly specifies that repayment of OBR loans and amounts owed for energy services are completely separate and are handled as such in the event of past dues or arrangements, thus this would not be relevant.
- c. Written guidelines – the minimum guidelines for payment arrangements are already included in rule. Avista does maintain internal guidelines for offering payment arrangements which empower its CSRs to work with customers to select the arrangements that work best for customers. Also, customers are able to self-enroll in payment arrangements online that work best for them. Memorializing the need for written guidelines in rule is unnecessary.
- d. Residential customer requirements – these requirements are already considered in rule and when Avista offers payment arrangements to customers. This level of detail in rule is not necessary. For failure to comply with a payment arrangement, customers are able to renegotiate their arrangement, and if they ultimately do not fulfill the obligation of their payment arrangements, they will then go through the collections process and may face disconnection.
- e. Non-residential customer requirements – Avista already considers these factors when offering payment arrangements to non-residential customers. Additional specificity in rule for non-residential customers does not seem necessary at this time.

17. If disconnections for non-payment continue:

- a. *The Commission currently requires site visits prior to disconnecting a customer with a medical certificate or a customer who has received energy assistance. Should a site visit be required prior to all disconnections for non-payment?*

⁵ <https://www.maine.gov/sos/cec/rules/65/407/407c815.docx>

- b. *Should the Commission require a minimum overdue account balance prior to disconnecting for non-payment?*
- c. *Should the Commission require Commission approval before a utility disconnects a customer, as it did in Docket U-200281?*

Response:

- a. No, a site visit should not be required prior to all disconnections for non-payment. This is an inefficient practice that would add unnecessary premise visits, thereby resulting in unnecessary labor and resources and minimization of the benefits of remote disconnection and reconnection enabled by Advanced Metering Infrastructure (AMI). Customers have a multitude of bill and payment tools available, as well as communication tools for them to select the communication channel for bills and billing alerts that they desire. Additionally, with the introduction of energy assistance options such as bill discounts pursuant to Senate Bill (SB) 5295, the Company expects saturation rates for its energy assistance options to increase exponentially. While this will, ideally, help to decrease the number of customers eligible for potential disconnection each year since these customers will have assistance in place to appropriately reduce their energy burden, this increase in energy assistance participants will also increase the number of site visits already being completed by the Company under the current rules (EMC and energy assistance recipients). The current policy of requiring a site visit for known low-income customers or customers with a medical certificate provides sufficient protection to vulnerable customers.
- b. No, it should not. Each utility is unique in their average bill amount, especially depending on if a customer receives electric service, natural gas service, or both. Also, depending on the season, bills fluctuate greatly. If a customer has an overdue balance, then they should be eligible for disconnection.
- c. No, it should not. The process established in Docket U-200281 has not proved useful. For many months it created a significant bottle neck with the Consumer Protection Staff that effectively extended the disconnection moratorium. Even after making the process more efficient, it did not seem useful as very few customers took action after receiving notice from the Commission. In the majority of all cases, Avista was given the go ahead to resume collections and disconnections after the customer did not respond to the Commission's notice. So long as utilities are in compliance with the rules around billing, payment arrangements, and collections, additional approval from the Commission to perform a disconnection is overly burdensome and not necessary.

18. *Should the Commission consider adding energy assistance requirement rules? If so, what should be included?*

- a. *Should there be requirements for Percent Income Payment Plans?*
- b. *Should there be requirements for Arrearage Management Plans?*

Response:

- a. No, it should not. Each utility already offers energy assistance options for its customers, which have gone through a process of development over many years (for Avista LIRAP

has been available for roughly 20 years), with those options being approved by the Commission. In addition, energy assistance options are developed in partnership with Energy Assistance Advisory Groups, which include members from Commission Staff, Public Counsel, The Energy Project, Community Action Agencies, and many other interested stakeholders. The current process of developing and refining options with advisory groups, to then bring to the Commission for approval, works and is effective. If certain utilities are not offering all of the options that the Commission hopes to see, then that should be taken up with those individual utilities.

- b. No, there should not be. Similarly, to what is stated above regarding Percent of Income Payment Plans, the Commission should not require in rule which energy assistance offerings should be made available.

19. How might the Commission modify the notice methods listed in WAC 480-90-194(1)-(3) and WAC 480-100-194(1)-(3) to better reach customers?

- a. *Considering the reduced consumption of traditional newspaper media, is it still appropriate for customer notices to be published in newspapers?*
- b. *Are there any alternatives to newspaper publishing we should consider?*

Response:

The current rules regarding providing notice to customers regarding rate changes is sufficient. The 30-day customer notice to individual customers is the best tool to make all effected customers aware of a rate change, which is what Avista chooses to utilize for compliance with the noticing requirements.

- a. Traditional newspaper media no longer seems appropriate for customers notices as the reach of this traditional media is shrinking. As noted above, individual customer notices are the best way to reach all effected customers.
- b. Unfortunately, there is not an alternative to newspaper publishing that would have the reach the Commission hopes to have with customers notices.

20. Should the Commission require utilities to provide to the Commission a copy of any customer notice made in connection with a tariff filing before the notice is distributed to customers?⁶

Response:

No, they should not. The rules for customer notices are quite clear in the rule. Review and approval of basic customer notices by the Commission would add delay to the tariff filing process and additional work for the Commission.

21. What can the Commission do to help ensure customers know about tariff filings and to help ensure that customers know about the Commission?

⁶ See WAC 480-90-198(1) and WAC 480-100-198(1).

Response:

The majority of all customers do not want to know about most tariff filings, with the exception of those that increase rates. For those that increase rates, utilities are required to provide notice to customers, which Avista does by bill insert, 30-days before the rate change goes into effect. This notice is sufficient. In terms of customers knowing about the Commission, customers are made aware of the Commission through numerous avenues including the annual customer Rights and Responsibilities document they receive, customer notices, and both Past Due and Final Notices as described in Question 2 above.

Please direct any questions regarding these comments to me at 509-495-2782 or shawn.bonfield@avistacorp.com.

Sincerely,

/s/ Shawn Bonfield

Shawn Bonfield
Sr. Manager of Regulatory Policy & Strategy