

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,

Complainant,

v.

AVISTA CORPORATION d/b/a AVISTA  
UTILITIES,

Respondent.

DOCKET UE-240006 and UG-240007  
(Consolidated)

EXHIBIT SNS-3

Avista Response to TEP DR 012

July 3, 2024

**AVISTA CORP.  
RESPONSE TO REQUEST FOR INFORMATION**

JURISDICTION:	WASHINGTON	DATE PREPARED:	05/25/2024
CASE NO.:	UE-240006 & UG-240007	WITNESS:	Shawn Bonfield
REQUESTER:	The Energy Project	RESPONDER:	Amanda Ghering
TYPE:	Data Request	DEPT:	Regulatory Affairs
REQUEST NO.:	TEP – 012	TELEPHONE:	(509) 495-7950
		EMAIL:	amanda.ghering@avistacorp.com

**SUBJECT:** Credit and Collections

**REQUEST:**

Please provide the “balance threshold” amount for each customer credit code level (0-3) and provide a detailed narrative description of the collections activity for customers at each credit code level (0-3). Please indicate if this response differs from that provided as Avista’s Response to TEP DER 033 in Dockets 220053-54, and if so, how Avista’s practice has changed.

**RESPONSE:**

Balance thresholds are reviewed on a monthly basis to evaluate the number of accounts with arrears that fall into the current established thresholds. Thresholds may vary depending on the season (winter vs summer), capacity of customer service, and volume of potential orders for field personnel to work. Thresholds are not frequently changed; adjustments are primarily made to accommodate the end of the heating season when balances tend to be higher.

***Typical Season Balance Thresholds***

Credit Code	Winter Thresholds	Summer Thresholds
0	\$250	\$200
1	\$300	\$250
2	\$350	\$250
3	\$1,000	\$1,000

Avista’s collections process, no matter the credit code, begins when a customer’s unpaid bill becomes past due and the arrears is beyond the thresholds outlined above. 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 Customer Service Representative (CSR). Such arrangements halt the collections process. 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.

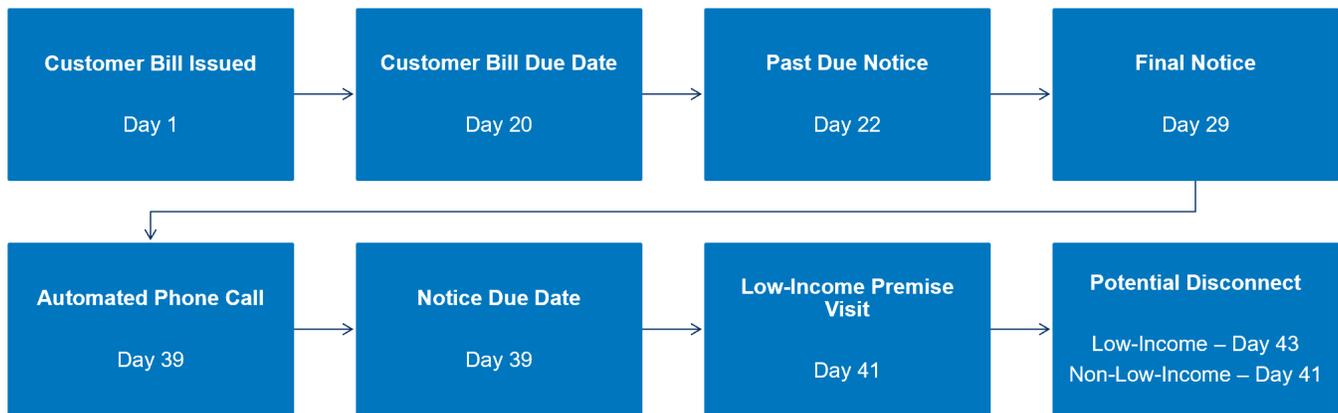
Customers who find themselves in a past due situation are highly encouraged to reach out to Community Action Agencies (CAAs) to learn more about the energy assistance options available to them. Additionally,

Avista CSRs will work with the customer to determine if they qualify for My Energy Discount (MED), which halts the collections process. If a customer is seeking an energy assistance appointment, the collections process is placed on hold awaiting the outcome of such appointment.

Accounts with credit codes of 2 or 3 have a proven positive payment history and as such, the Company waits ten business days after the bill due date before sending a past due notice. Customer’s with higher credit codes do not typically require a notice to prompt them to pay where customers with lower credit codes tend to reach out to the Company once prompted by a notice. Because of this practice, it greatly reduces the number of unnecessary notices being sent to customers who are most likely to pay. Also, 89% of residential arrears is owed within credit code 0 and 1 customers, which further supports this practice. Reaching out to customers with lower credit scores sooner helps with keeping their arrears manageable. The flowcharts outlined below (Figure 1 and Figure 2) provide the timelines for potential disconnection for each credit code.

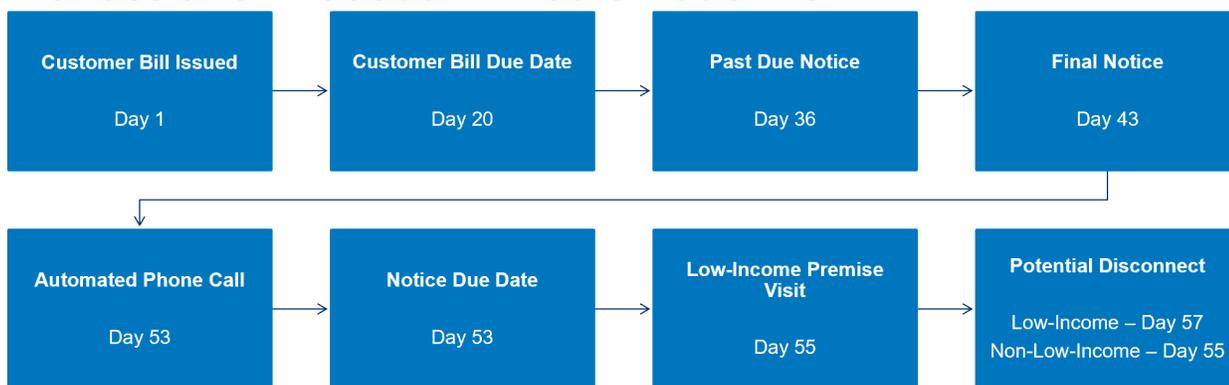
**Figure 1**

### Collections Process – Credit Code 0-1



**Figure 2**

### Collections Process – Credit Code 2-3



This response differs slightly from the Company’s response to TEP DR 033 in Dockets 220053-54. Previously, the summer collections threshold in the “Typical Season Balance Thresholds” table for credit code 0 customers reflected an amount of \$125. The Summer threshold used currently, is no lower than \$200. In addition, Avista implemented its MED program in October 2023. As such, this response now includes the fact that MED enrollments halt any active collections process.