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-4

Avista Response to TEP DR 013

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 – 013	TELEPHONE:	(509) 495-7950
		EMAIL:	amanda.ghering@avistacorp.com

SUBJECT: Credit and Collections

REQUEST:

Reference: Docket UE-190334, Avista's Disconnection Reduction Plan, at 6 (March 17, 2021) ("Credit codes range from zero to three, and are determined by the customer's overall payment history with the Company, including frequency of payments, duration as a customer, number of previous disconnections for non-payment, and if the customer has an outstanding balance owed to the Company with a third-party collection agency (third-party collection agencies are only used to collect debt owing on closed or inactive accounts including prior obligation accounts). Customers that consistently make payments towards their balance owed each month yield a credit code 3, while customers that make payments less frequently and have previous disconnections for non-payment produce a lower credit code of 1 or 0. Balance thresholds are used for early intervention based on an account's credit code; accounts with higher credit codes have a slightly higher threshold than those with lower credit codes. Establishing lower thresholds to begin the collections process for those customers that have historically had more difficulty keeping current on their utility bill allows notification of arrears to be sent prior to account balances becoming potentially unmanageable. The Company has found this strategy to be successful in helping customers to keep arrears manageable.").

A. Please list all types of customer information (e.g., payment history, prior disconnections) that is used to develop a customer's credit code referenced above. Please provide a detailed narrative explaining Avista's process for this coding. Please include all relevant criteria, factors, thresholds, timelines, or data used in this coding.

B. Please list all sources of information used to determine the coding identified in part A of this request, including any third-party data, if relevant.

C. Please provide an example of how an individual customer's code is determined, using a hypothetical customer, for each of the credit code categories identified in part A of this request (i.e, 0, 1, 2, and 3).

D. Please indicate if this response differs from that provided as Avista's Response to TEP DER 030 in Dockets 220053-54, and if so, how Avista's practice has changed.

RESPONSE:

A.   Avista uses the following list of criteria to determine the appropriate credit code for each account:

   a.   How many times the customer was past due in the last 12 month.
   b.   How many months since the last disconnection for non-payment.
   c.   Number of days in arrears (current, 30, 60, 90+ and Write Offs) and balance owing.
   d.   How many months has the account been active.
   e.   Is there a write off balance.
   f.   Is there a prior obligation balances owing? (Once the prior obligation balance is sent to a collection agency it is only counted as a Write Off.)

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, as identified above. 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 as outlined above.

B.   Please see response to part A above.

C.   The table below provides account history that could produce each credit code, 0-3.

Credit Code	Number of times delinquent in 12 months	Number of Months since eligible for disconnect	Number of Days in arrears, 30, 60, 90+	Delinquent Balance owing	Number of Months as customer	Number of Months since last payment	Is there a write off balance?	Write off balance owed	Prior Obligation Balance greater than $0
CC0	12	1	90+	$3,340.89	6	0	No	$0.00	$0.00
CC1	10	2	60	$407.89	20	2	No	$0.00	$0.00
CC2	2	9999[1]	30	$20.24	12	1	No	$0.00	$0.00
CC3	2	26	0	$0.00	415	0.2	No	$0.00	$0.00

D.   This response does not differ from that provided in Avista's response to TEP DER 030 in Docket 220053-54.

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[1] In this model, 9999, reflects data that is void, meaning this customer has never been eligible for disconnect.