



Avista Corp.

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IDAHO PUBLIC
UTILITIES COMMISSION

October 31, 2018

State of Idaho
Idaho Public Utilities Commission
472 W. Washington St.
Boise, ID 83702-5983

Attention: Ms. Diane Hanian, Secretary

Re: Case Nos. AVU-E-16-01 and AVU-G-16-01 – Avista Utilities Q3 2018 Fee-Free
Payment Program Report

Dear Ms. Hanian:

Attached for filing with the Commission is an original and seven (7) copies of Avista Corporation's, dba Avista Utilities ("Avista" or "the Company") Q3 2018 Fee-Free Payment Program Report.

On April 1, 2016 the Commission issued Order No. 33494 in Case Nos. AVU-E-16-01 and AVU-G-16-01 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 February 19, 2017.

In its petition, the Company agreed to provide updates to the Commission every six months about the program's progress. In the Company's Washington and Oregon jurisdictions it agreed to provide updates to the Commission every three months. For consistency across jurisdictions and ease of reporting, the Company will be providing updates to the Idaho Commission every three months that coincide with the quarters of the calendar year.

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 Idaho customers by month. Note that these tables represent only residential payments and that some forms of non-residential customer payments are still assessed a fee.

Table No. 1 - 2017

Payments	January	February	March	April	May	June	July	August	September	October	November	December	Total
Total Payments	107,528	99,184	113,208	103,789	109,400	101,931	106,273	109,977	97,555	115,769	108,400	96,553	1,269,567
Fiserv Payments	-	12,768	49,581	46,770	50,919	44,555	49,245	50,200	44,543	54,927	52,218	45,495	501,221
Fee-Free Fiserv	-	3,601	11,060	10,836	11,659	12,458	13,794	14,332	14,129	17,141	17,817	16,278	143,105
Kubra Fee-Free Equivalent*	7,495	4,810	8	-	1	-	-	-	-	-	-	-	12,314
Total Fee-Free	7,495	8,411	11,068	10,836	11,660	12,458	13,794	14,332	14,129	17,141	17,817	16,278	155,419
Fee-Free Payments as % of Total	7.0%	8.5%	9.8%	10.4%	10.7%	12.2%	13.0%	13.0%	14.5%	14.8%	16.4%	16.9%	12.2%

*Kubra Fee-Free Equivalent – these payments represent the Kubra payments received from February 1st – 18th 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	117,417	101,530	109,475	111,709	112,188	100,389	111,329	107,950	99,210				
Fiserv Payments	59,527	52,009	55,419	59,600	57,559	51,781	59,108	55,591	51,874				
Fee-Free Fiserv	22,345	20,857	22,716	23,568	23,129	21,304	23,870	23,567	22,665				
Fee-Free Payments as % of Total	19.0%	20.5%	20.7%	21.1%	20.6%	21.2%	21.4%	21.8%	22.8%				

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	13,861	14,970	18,645	17,937	21,099	16,087	18,894	20,186	15,988	21,585	19,315	15,414	213,981
APS by Debit or Credit Card	-	10	198	465	858	914	1,360	1,769	1,692	2,518	2,522	2,194	14,500
Total APS Payments	13,861	14,980	18,843	18,402	21,957	17,001	20,254	21,955	17,680	24,103	21,837	17,608	228,481
Total Card Payments	7,041	7,814	10,079	9,879	10,744	11,180	12,537	13,125	13,004	15,812	16,493	15,086	142,794
CSR Payments	1,793	2,190	3,019	2,601	2,602	2,693	2,534	2,544	2,297	2,663	2,418	2,185	29,539
IVR Payments	2,668	2,913	3,501	3,355	3,424	3,819	3,965	3,780	3,633	4,094	4,042	3,512	42,706
Bank Bill Payments	20,856	18,824	21,051	19,145	20,346	19,362	19,585	20,158	17,655	21,106	18,332	16,817	233,237
Mailed & Lobby Payments	35,111	30,422	35,521	31,467	32,152	32,298	31,844	33,671	30,100	34,010	31,315	27,611	385,522
Pay Station Payments	5,821	5,451	6,046	5,557	5,523	5,151	5,264	5,218	4,717	5,331	4,756	4,036	62,871
Web Based Payments	25,363	23,174	24,184	22,376	22,907	20,995	22,445	21,885	20,893	24,017	23,866	22,152	274,257

Table No. 4 - 2018

Payment Method	January	February	March	April	May	June	July	August	September	October	November	December	Total
APS by ACH	20,036	16,151	17,278	20,233	19,477	16,674	20,135	18,128	15,832				
APS by Debit or Credit Card	3,107	2,686	3,062	3,886	3,902	3,595	4,564	4,319	3,994				
Total APS Payments	23,143	18,837	20,340	24,119	23,379	20,269	24,699	22,447	19,826				
Total Card Payments	20,751	19,457	21,162	22,000	21,563	19,893	22,406	22,124	21,268				
CSR Payments	2,755	2,836	3,139	2,841	2,811	2,508	2,334	2,395	2,408				
IVR Payments	4,673	4,277	4,674	4,627	4,511	4,089	4,517	4,502	4,315				
Bank Bill Payments	19,193	16,618	17,735	17,437	17,768	16,163	17,822	17,381	15,705				
Mailed & Lobby Payments	32,640	28,141	30,859	29,391	31,714	27,870	29,712	30,086	27,197				
Pay Station Payments	4,871	4,273	4,746	4,682	4,555	4,156	4,396	4,153	4,005				
Web Based Payments	28,624	26,007	27,187	27,953	26,786	24,852	27,498	26,537	25,274				

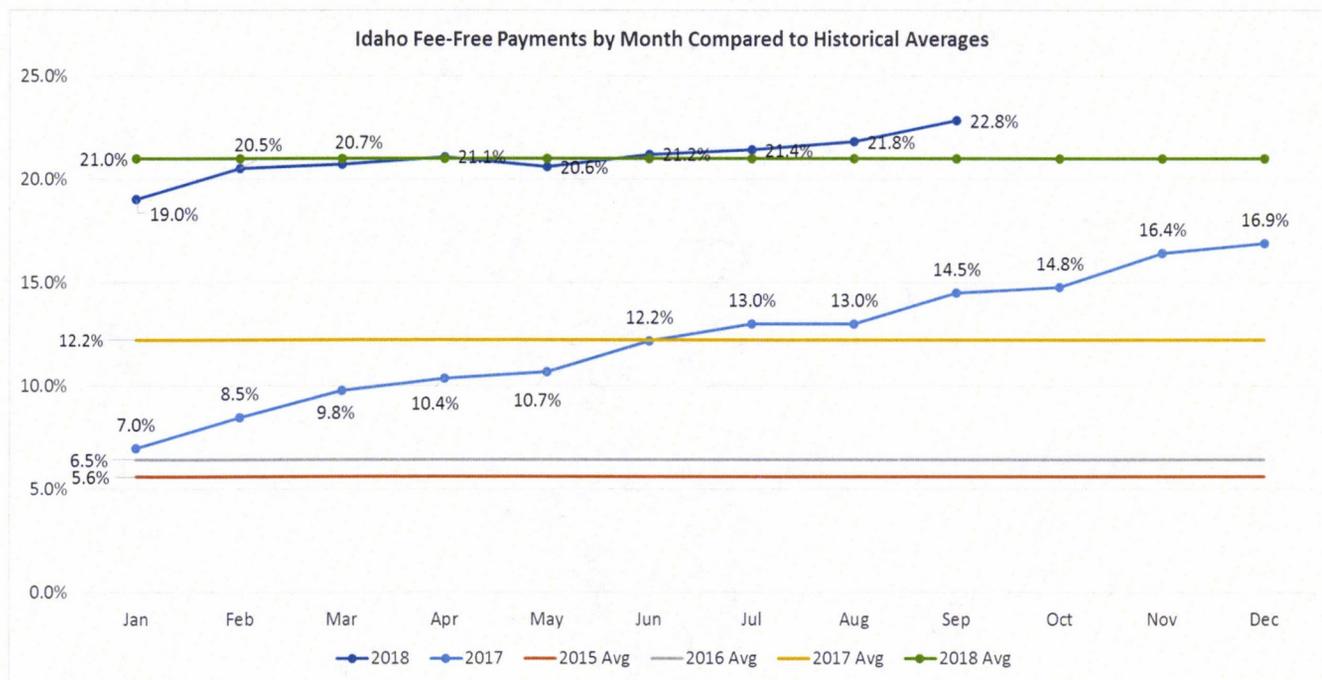
For historical comparison purposes, Table No. 5 displays residential payment data from 2015 and 2016.

Table No. 5

Year	# of Residential Payments	Payments Subject to Convenience Fee	% of Total
2015	1,273,654	71,375	5.60%
2016	1,286,848	82,977	6.45%

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 \$519,135 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 (joel.anderson@avistacorp.com) or myself at 509-495-4975 (linda.gervais@avistacorp.com)

Sincerely,

Linda Gervais

Sr. Manager Regulatory Policy
Avista Utilities

Definitions

Automated Clearing House (ACH) – an electronic network for financial transactions in the United States. Payments made by checking or savings accounts.

Automatic Payment Service (APS) – payment option by which a customer can sign up to have payments automatically deducted from their checking account, savings account, debit card, or credit card on their bill due date each month.

Bank Bill Payments – payments initiated through a customer’s bank account and transferred to the Company via ACH.

Card Payments – debit and credit card payments.

Customer Service Representative (CSR) – Avista employee who works in its Customer Service Department and answers customer phone calls.

CSR Payments – payments taken by Avista’s Customer Service Representatives over the phone.

Fiserv – Avista’s payment processing vendor as of February 19, 2017.

Integrated Voice Recognition System (IVR) – Avista’s automated phone system a customer first reaches when calling the Company at 1-800-227-9187.

IVR Payments – payments received through the Company’s IVR system.

Kubra – Avista’s payment processing vendor prior to February 19, 2017.

Mailed & Lobby Payments – payments mailed to the Company or taken in one of the Company’s lobbies located in Spokane, Washington, Coeur d’Alene, Idaho, or Lewiston, Idaho. These also include payments placed in drop boxes at the Company’s office centers.

Pay Station Payments – payments made at authorized Company pay stations.

Web Based Payments – payments made on the Company’s website.