



Avista Corp.

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IDAHO PUBLIC
UTILITIES COMMISSION

April 30, 2020

State of Idaho
Idaho Public Utilities Commission
11331 W. Chinden Blvd
Bldg 8 Suite 201-A
Boise, ID 83714

Attention: Ms. Diane Hanian, Secretary

Re: Case Nos. AVU-E-16-01 and AVU-G-16-01 – Avista Utilities Q1 2020 Fee-Free Payment Program Report

Dear Ms. Hanian:

Attached for filing with the Commission is an electronic copy of Avista Corporation's, dba Avista Utilities ("Avista" or "the Company") Q1 2020 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 we 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 for 2019 and 2020. 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 - 2019

| Payments | January | February | March | April | May | June | July | August | September | October | November | December | Total |
|---------------------------------|---------|----------|---------|---------|---------|---------|---------|---------|-----------|---------|----------|----------|-----------|
| Total Payments | 116,220 | 102,194 | 108,342 | 107,152 | 111,942 | 100,012 | 110,632 | 107,072 | 106,612 | 113,065 | 99,414 | 118,564 | 1,301,221 |
| Fiserv Payments | 61,826 | 56,360 | 59,157 | 58,307 | 62,222 | 53,637 | 60,843 | 59,895 | 60,407 | 63,280 | 55,541 | 68,912 | 720,387 |
| Fee-Free Fiserv | 28,610 | 26,305 | 27,991 | 28,213 | 29,685 | 26,051 | 29,192 | 29,126 | 30,343 | 31,257 | 27,703 | 34,752 | 349,228 |
| Fee-Free Payments as % of Total | 24.6% | 25.7% | 25.8% | 26.3% | 26.5% | 26.0% | 26.4% | 27.2% | 28.5% | 27.6% | 27.9% | 29.3% | 26.8% |

Table No. 2 – 2020

| Payments | January | February | March | April | May | June | July | August | September | October | November | December | Total |
|---------------------------------|---------|----------|---------|-------|-----|------|------|--------|-----------|---------|----------|----------|---------|
| Total Payments | 114,455 | 109,221 | 122,276 | | | | | | | | | | 345,952 |
| Fiserv Payments | 64,724 | 63,853 | 72,968 | | | | | | | | | | 201,545 |
| Fee-Free Fiserv | 33,857 | 33,237 | 37,143 | | | | | | | | | | 104,237 |
| Fee-Free Payments as % of Total | 29.6% | 30.4% | 30.4% | | | | | | | | | | 30.1% |

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 Tables No. 1 and 2 will not subtotal to the data in Tables No. 3 and 4 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 - 2019

| Payment Method | January | February | March | April | May | June | July | August | September | October | November | December | Total |
|-----------------------------|---------|----------|--------|--------|--------|--------|--------|--------|-----------|---------|----------|----------|---------|
| APS by ACH | 18,449 | 16,729 | 17,482 | 16,847 | 18,485 | 16,022 | 18,831 | 18,092 | 16,846 | 19,196 | 16,616 | 19,919 | 213,514 |
| APS by Debit or Credit Card | 5,594 | 5,156 | 5,663 | 5,537 | 6,246 | 5,560 | 6,631 | 6,594 | 6,264 | 7,517 | 6,738 | 8,419 | 75,919 |
| Total APS Payments | 24,043 | 21,885 | 23,145 | 22,384 | 24,731 | 21,582 | 25,462 | 24,686 | 23,110 | 26,713 | 23,354 | 28,338 | 289,433 |
| Total Card Payments | 26,921 | 24,828 | 26,380 | 26,553 | 27,933 | 24,541 | 27,548 | 27,465 | 28,620 | 29,610 | 26,276 | 32,890 | 329,565 |
| CSR Payments | 2,791 | 2,507 | 2,910 | 3,040 | 2,956 | 2,510 | 2,485 | 2,394 | 2,610 | 2,506 | 2,115 | 2,590 | 31,414 |
| IVR Payments | 4,967 | 4,544 | 4,818 | 4,946 | 5,074 | 4,514 | 4,897 | 4,751 | 5,432 | 5,477 | 4,828 | 5,620 | 59,868 |
| Bank Bill Payments | 18,232 | 15,736 | 16,729 | 16,676 | 17,192 | 16,243 | 17,228 | 16,434 | 15,858 | 16,955 | 14,640 | 18,003 | 199,926 |
| Mailed & Lobby Payments | 31,076 | 26,042 | 27,947 | 27,725 | 28,345 | 26,219 | 28,650 | 26,991 | 26,453 | 28,830 | 23,903 | 26,972 | 329,153 |
| Pay Station Payments | 3,845 | 3,498 | 3,944 | 3,760 | 3,850 | 3,480 | 3,615 | 3,406 | 3,551 | 3,502 | 2,959 | 3,281 | 42,691 |
| Web Based Payments | 29,972 | 27,381 | 28,231 | 27,862 | 29,361 | 24,959 | 27,921 | 27,980 | 29,174 | 28,517 | 25,198 | 32,245 | 338,801 |

Table No. 4 - 2020

| Payment Method | January | February | March | April | May | June | July | August | September | October | November | December | Total |
|-----------------------------|---------|----------|--------|-------|-----|------|------|--------|-----------|---------|----------|----------|--------|
| APS by ACH | 17,012 | 17,612 | 21,600 | | | | | | | | | | 56,224 |
| APS by Debit or Credit Card | 7,207 | 7,724 | 9,762 | | | | | | | | | | 24,693 |
| Total APS Payments | 24,219 | 25,336 | 31,362 | | | | | | | | | | 80,917 |
| Total Card Payments | 31,951 | 31,444 | 35,116 | | | | | | | | | | 98,511 |
| CSR Payments | 2,782 | 2,742 | 2,533 | | | | | | | | | | 8,057 |
| IVR Payments | 6,219 | 5,778 | 6,466 | | | | | | | | | | 18,463 |
| Bank Bill Payments | 17,234 | 16,229 | 17,762 | | | | | | | | | | 51,225 |
| Mailed & Lobby Payments | 28,112 | 25,139 | 27,426 | | | | | | | | | | 80,677 |
| Pay Station Payments | 3,165 | 3,127 | 3,241 | | | | | | | | | | 9,533 |
| Web Based Payments | 31,429 | 29,918 | 32,526 | | | | | | | | | | 93,873 |

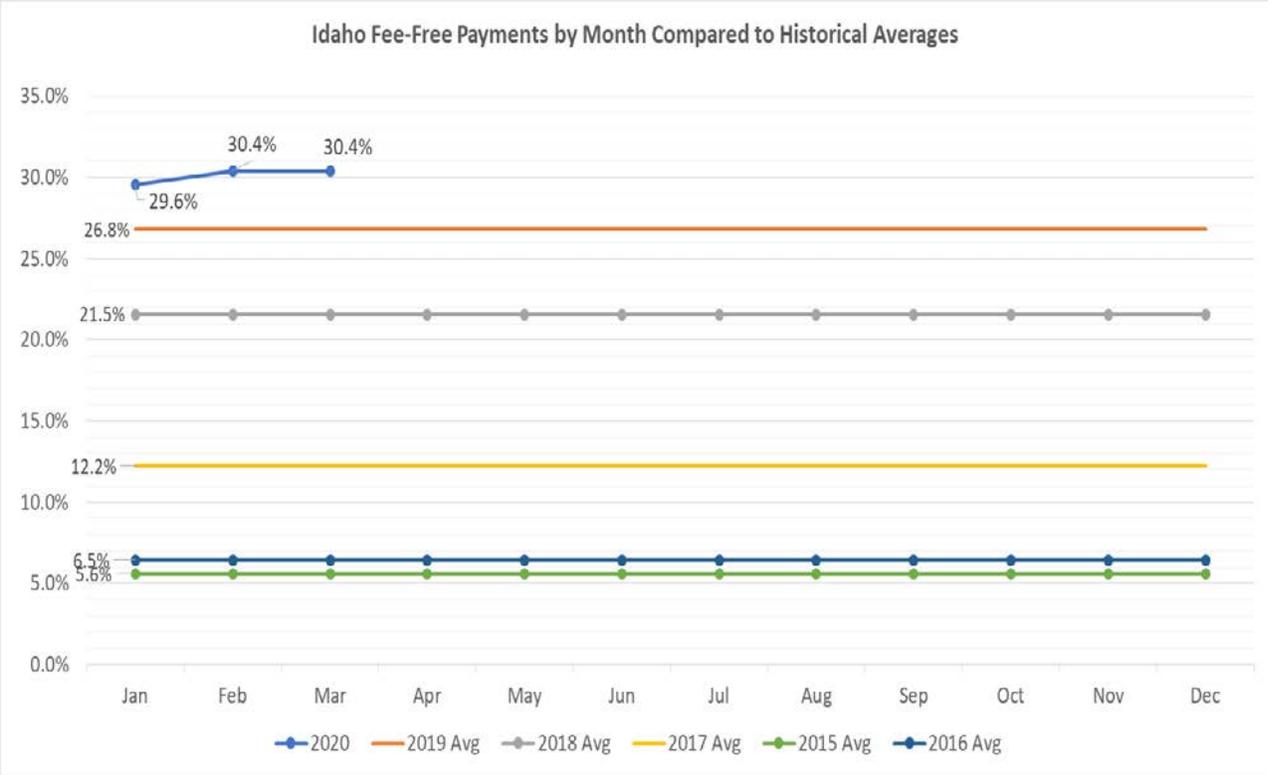
For historical comparison purposes, Table No. 5 displays residential payment data from 2015, 2016, 2017 and 2018.

Table No. 5

| Year | # of Residential Payments | Fee Free Payments | % of Total |
|-------------|----------------------------------|--------------------------|-------------------|
| 2015 | 1,273,654 | 71,375 | 5.60% |
| 2016 | 1,286,848 | 82,977 | 6.45% |
| 2017 | 1,269,567 | 155,419 | 12.2% |
| 2018 | 1,295,401 | 279,100 | 21.5% |

Chart No. 1 graphically shows the trend in fee-free payments in 2020 compared to the historical annual average in 2015 through 2019.

Chart No. 1



To date, the Company has paid invoices through February 2020, of which \$1,153,064 has been deferred for customer transactions through the fee-free payment program.

Please Note: The deferral period for the fee-free payment program expired January 31 2020. The Company has deferred program costs through this date and therefore, this Quarterly report will be the last report filed by the Company associated with Order No. 33494 in Case Nos. AVU-E-16-01 and AVU-G-16-01.

Please direct any questions regarding this report to Joel Anderson at 509-495-2811 (joel.anderson@avistacorp.com) or myself at 509-495-2782 (shawn.bonfield@avistacorp.com)

Sincerely,

/s/ Shawn Bonfield

Shawn Bonfield
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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.