



Avista Corp.

1411 East Mission P.O. Box 3727
Spokane, Washington 99220-0500
Telephone 509-489-0500
Toll Free 800-727-9170

October 29, 2021

Public Utility Commission of Oregon
Attn: Filing Center, Ezell Watson
201 High Street SE, Suite 100
Salem, OR 97301-3612

Re: UM 2114 - Comments of Avista Utilities Regarding Disconnection Protections for Residential Customers

Mr. Ezell Watson,

Avista Corporation, dba Avista Utilities (Avista or the Company), submits the following comments in response to the Update Memo issued by the Public Utility Commission of Oregon Staff (Staff) on September 29, 2021 in Docket No. UM 2114. Avista greatly appreciates Staff's continued leadership throughout this Docket, the Investigation into the Effects of the COVID-19 Pandemic on Utility Customers, as well as their continuous pursuit of collaboration amongst the various stakeholders and the balancing of all customer, utility, and stakeholder interests. Avista provides the following comments in response to Staff's recommendations on the Commission protections that extend past the current the protections in place for residential customers.

Customers on Energy Assistance

- 1. 45-day notice in lieu of a 15-day notice (860-021-0405) to allow time to obtain necessary funding.**

Avista Response:

Pursuant to OAR 860-021-0405, Avista is required to provide customers with a 15-day notice prior to any disconnection of service for non-payment, in addition to a 5-day notice and, if able, personally contact the customer on the day of the anticipated disconnection.¹ At any time

¹ Per OAR 860-021-0405, a "good-faith effort" must be made to personally contact the customer or adult at the residence to be disconnected on the day the energy utility expects to disconnect service.

during this notification process, or during the existing 48-day billing and collections process,² the customer may contact the Company to make a payment, set up payment arrangements, or otherwise work with the Company to halt the collections process. Customers have a multitude of options that will automatically pause or discontinue the disconnection process, such as enrolling in a Levelized or Usage Plus payment plan (further described below), or establishing a Time Payment Agreement (TPA), which can extend for up to 24 months and is eligible to be renegotiated once annually if broken. Receipt of Energy Assistance funding, or simply notifying the Company that a customer is seeking Energy Assistance, will also postpone any pending disconnection. Once Avista is notified by a customer that they are seeking financial assistance, the Company places a 60-day hold on the collections process to allow the customer time to complete the energy assistance application and intake process. Additionally, customers with medical certificates in place have additional protections from service disconnection, and those working with the Company's Customer Assistance Referral and Evaluation Services (CARES) department receive individualized assistance based on their specific situation.³ With these processes already in place, **the current 15-day notice requirement is sufficient**, and an extended notice process is not necessary. It is also important to note that it is Avista's experience (prior to the COVID-19 disconnection moratorium) that approximately 94% of customers that enter the collections process take action to avoid disconnection.

In order to provide a longer noticing process to potentially low-income customers (i.e., customers that have received energy assistance), Avista would need develop two separate collections processes: one for customers that have not received energy assistance, and an extended collections process for those that have. To do this, Avista's Customer Care and Billing (CC&B) system would require an enhancement that allows for detection of low-income characteristics within its collections process. The timeframe for such re-programming is unknown, as would be the cost which would be directly assigned to Oregon operations. Furthermore, Avista does not acquire or maintain any customer income data and, as such, would be unable to readily identify "low-income" customers for these purposes; the only evidence the Company could use to recognize potential low-income status is historical receipt of energy assistance.

Due to the abundance of options already available to customers, in addition to the 60-day hold currently utilized for those seeking financial assistance, as well as the system enhancements required to provide an alternative noticing process, the Company does not support a 45-day notice in lieu of a 15-day notice to allow time to obtain necessary assistance to avoid disconnection for nonpayment.

² On average, the customer has approximately 48 days from bill issuance until a potential disconnection can occur. Actual days vary based on weekends and holidays, as billing/collections days are counted in "business days". The typical billing/collections process includes 24 days from bill issuance to "past due" status, with an additional 24 days before the account is eligible for disconnection.

³ Avista's CARES team provides specialized assistance to customers experiencing hardships such as medical crisis, unemployment, family emergency, seniors, life support customers, or other situations warranting referral to additional resources.

2. TPAs extended to 24 months (860-021-0415).

Avista Response:

Avista currently offers TPAs up to 24 months in length pursuant to Order No. 20-324 in Docket UM 2114. Out of 931 residential TPAs established since this order went into effect on October 2, 2020, the average duration of the TPAs was 11 months, and 90 percent have broken due to non-payment. With a 90 percent break rate on long-term TPAs, Avista does not recommend a permanent requirement to offers TPAs up to 24 months in length, but rather we support that the current OARs requiring TPAs up to 12 months in length remain in place.

Historically, short-term arrangements (i.e., arrangements requiring arrears to be fully paid prior to the customer's next bill due date) have a much larger success rate of 67% kept. Evidence is clear that shorter length payment arrangements are a better solution for customers seeking arrangements on their account balances. If needed, a customer can set additional short-term arrangements on future balances.

Another option for customers struggling with a past due balance, or arrearage, is Avista's Arrearage Management Program (AMP), offered through the Company's Low-Income Rate Assistance Program (LIRAP). The Company believes the AMP is a better solution for income-qualified customers with past due balances that are less than \$500,⁴ as it pays off 90 percent of the customer's arrears over 12-months while also encouraging on-time and in-full payments.

Rather than consider modifications to the existing TPA requirements, it would be better to strongly encourage utilities to have robust communication and outreach strategies in place, such, that they proactively attempt to communicate with customers who are in arrears or miss an installment on a TPA. Avista has found that proactive communication to customers in these situations is an effective tool in increasing the percent of successfully completed TPAs.

3. Waive reconnect fee and field visit charge (once, maybe twice per year) (860-021-0330 and 0420).

Avista Response:

Waving field visit charges once per year is not applicable to Avista, as the Company does not charge any fees for field visits in Oregon.

With regard to the waiving reconnection fees, the Company believes that it is important to consider the differences between the electric and natural gas utilities in terms of requirements for reconnection of service. To ensure customer equipment is reconnected safely, Avista natural gas field personnel must visit each home needing a natural gas reconnection in order to complete the necessary equipment and safety checks prior to the actual reconnection of service. This mandatory visit results in incurred labor costs to the Company. Due to the numerous customer options available to prevent disconnection described above and further below, paired

⁴ Avista's AMP provides an annual maximum of \$500 per participating customer.

with the cost incurred by the Company for reconnections, Avista does not support waiving reconnect fees once per year.

4. Waive deposit payments (860-021-0205).

Avista Response:

With a minimum payment required for reconnection of one half of the customer's past due balance plus a reconnection fee, Avista supports waiving deposit payments for all residential customers.

5. Allow equal payment when there is a balance on the account (860-021-0414).

Avista Response:

In compliance with OAR 860-021-0415, the Company currently offers this option to its customers through the Levelized and Usage Plus programs. The Levelized program allows customers to pay off their arrears by making a down payment of 1/12th of their past due balance and then paying the average billed amount plus 1/12th of the account balance each month for 11 consecutive months. The Usage Plus program allows customers to pay off their arrears by making a down payment of 1/12th of their past due balance and then paying their monthly charges plus 1/12th of the past due balance for 11 consecutive months. Both of these options take the customer's full balance into account. Avista also offers an AMP and TPAs to help customers get caught up on their bills; once the term of the AMP, TPA, Levelized or Usage Plus program is successfully completed, customers are eligible to enroll in Comfort Level Billing (CLB). CLB is the only option mentioned that does not allow for past due balances to be incorporated into the payment plan. With the arrangement options outlined above, the Company does not believe it is necessary to enroll customers with arrears in CLB.

6. Notify Energy Trust of customers placed on Energy Assistance. Share customer information, including energy usage and billing data.

- **Require Energy Trust to track EA customer activities and report on energy usage (Energy Usage Index) pre- / post- interaction.**

Avista Response:

While OAR 860-086-0040(1) already requires Avista to provide the Energy Trust of Oregon (ETO) with specific proprietary customer information, including usage data, for purposes of energy conservation, OAR 860-086-0040(2) prohibits the transfer of – among other things – credit information, billing, and payment history. In addition, although not explicitly stated within this rule, the Company believes energy assistance information is proprietary to each customer. Oregon Housing and Community Services (OHCS) already tracks such information for weatherization participants, and Avista also reports weatherization information, in aggregate, to the Oregon Public Utility Commission (OPUC or Commission).

To help facilitate connection of weatherization services to potential energy assistance recipients, Avista notifies all customers of no-cost weatherization programs, with targeted information sent to those that receive, or have received, energy assistance. Avista also partners

with local Community Action Agencies (CAAs or Agencies) who are uniquely positioned to notify clientele and deliver weatherization programs. The CAAs are responsible for completing an energy savings evaluation, fully weatherizing, and ensuring health and safety measures are completed within customers' homes. **The ETO does not offer low-income weatherization for Avista customers**, but the Company has met jointly with the CAAs and ETO to consider co-funding opportunities that may increase the number of customers served. Avista fully supports its customers receiving low-income weatherization benefits and is exploring ways to increase customer outreach, engagement to connect these customers with no-cost weatherization opportunities.

Additionally, in an effort to better serve its low-income customers, Avista is currently engaged in a stakeholder group with OHCS to evaluate energy assistance programs with some of the areas of study being energy burden, intake processes, and outreach. The applicable learnings will inform program design to better serve low-income customers.

Medical Certificates

7. Maintain two-month self-certification (860-021-0410).

Avista Response:

Avista Supports maintaining a two-month self-certification for medical certificates.

8. Maintain not required to enter a TPA (860-021-0415).

Avista Response:

Enrollment in a TPA should be required for customers with a medical certificate to ensure balances do not become insurmountable. Customers are able to obtain a medical certificate for a period of six months to twelve months depending on the medical condition. There are no limits to the number of medical certificates a customer can utilize, therefore, without a TPA, balances could continue to grow to unmanageable levels.

Severe Weather Moratorium (860-021-0407)

9. Add AQI (100 and above (or 150 and above)) to the rule.

Avista Response:

As required per Order No. 21-236 in Docket UM 2114, Avista implemented a customer protection such that it would not disconnect customers on days when the AQI is at 101 or higher. The Company supports this AQI protection being made permanent in OAR 860-021-0407.

10. Add wildfire displacement (no disconnects during an evacuation order; or the day of and day after the order has been lifted) to the rule.

- **Potentially adding a reconnection rule for customer's impacted by wildfires and recently disconnected, i.e. last 72 hours.**

Avista Response:

Avista supports a wildfire displacement rule where no disconnects can occur the day of and the day after an evacuation order is lifted. The Company also supports the addition of a reconnect rule for customers impacted by wildfires who were recently disconnected. While Avista supports the addition of a wildfire displacement rule, there is not currently an official notification system through which the Company is made aware of evacuation orders, especially in instances where the evacuation impacts minimal customers. This lack of an evacuation-specific notification system may cause scenarios where the Company is unaware of an evacuation order, rendering it unable to comply with the above disconnection/reconnection provision. If these wildfire displacement guidelines are imposed, Avista is committed to implementing these provisions to the best of its abilities, given the notification impediments described above.

11. Add the 3 days before and after 32 degrees.

- **Potentially adding a reconnection rule for customers recently disconnected**

Avista Response:

Avista does not support adding three days before or after an anticipated 32-degree day for purposes of the severe weather moratorium identified in OAR 860-021-0407. The current severe weather moratorium rule, which was adopted in just 2017, is sufficient for its desired purpose of not disconnecting customers on days where it is forecasted to be at or below 32 degrees. Table 1 below shows the number of severe weather moratorium days by area that Avista serves where the actual high temperature was at or below 32 degree.⁵

Table 1: Number of Severe Weather Moratorium Days per Year

Year	Klamath Falls	La Grande	Medford	Roseburg
2017	6	11	0	0
2018	4	28	0	0
2019	7	22	0	0
2020	2	1	0	0

Adding days before or after the day in question is not practical due to the variability of forecasts as long-term weather predictions are just that, predictions. Specifically, adding three days before the date in question would mean tracking a forecast four days in advance, leading to greater likelihood of the forecast being wrong.

For locations that Avista serves such as Klamath Falls and La Grande, requiring a seven-day moratorium due to a forecasted high on day four of 32 degrees or below would lead to a significant increase in the number of severe weather moratorium days compared to the current severe weather moratorium. Table 2 below represents the number of days when a severe weather moratorium disconnection would have occurred under this proposal.

⁵ Severe weather moratorium days are only issued on days when disconnections are allowed to occur, Monday through Thursday, excluding holidays.

Table 2: Number of Severe Weather Moratorium Days per Year Based on Proposed Extension of Severe Weather Moratorium

Year	Klamath Falls	La Grande	Medford	Roseburg
2017	18	20	0	0
2018	12	24	0	0
2019	16	38	0	0
2020	13	16	0	0

In analyzing this data for the 2018-2019 winter heating season in La Grande, a severe weather moratorium would have been issued for 46 days from November 1st through March 31st under this proposal. Avista would have only been able to disconnect customers for a total of 36 days over the course of this 151-day period (disconnection not allowed on 66 Friday/weekend days, 3 holidays, and 46 moratorium days). Given the sporadic days in which disconnections would have been allowed during this period, if a customer was in arrears and did not seek assistance or enter into a TPA, they may not actually be disconnected due to the timing of how the collections process works. In this scenario the customer may continue to accumulate arrears to a point where they cannot get caught up. For the reasons described above Avista does not support the proposal of extending the severe weather moratorium by three days before or after a day when the forecasted high is at or below 32 degrees.

With regard to the institution of a reconnect rule during periods when it is forecasted to be below 32 degree, such a rule may helpful to customers. If such a rule is entertained, recently disconnected customers (i.e., those disconnected in the past 24 hours) should be required to contact the utility to have their service reconnected and a minimum payment should be required. Not requiring a minimum payment not only conflicts with the existing rule outlined in OAR 860-021-0335(2), but it also results in discriminatory treatment of similarly situated residential customers in different times of the year. Avista suggests instead a change in the minimum payment requirement for reconnect, which is discussed further in Avista’s closing comments below.

12. Add 3 days day before and after a heat advisory.

- **Potentially adding a reconnection rule for customers recently disconnected**

Avista Response:

The current severe weather moratorium rule for a heat advisory is not directly applicable to natural gas only service providers, such as Avista, as most natural gas customers primarily use natural gas to heat their homes during the winter months. Any discussion related to modification of the severe weather mortarium during a heat advisory should only be applicable to electric utilities.

13. Add an incentive for utility to have a winter protection program, potentially incentivizing a program that would ban disconnections from Dec 1st – March 1st for customers receiving energy assistance, any customer having difficulty paying their bill if the household has children under 18 years old, people 62 years or older, or

people whose health would be threatened by the loss of service. (This would be in lieu of the 32-degree protection listed above)

Avista Response:

With the current severe weather moratorium already protecting customers from disconnection during temperatures of 32 degrees and below, along with the payment arrangements options, medical certificate opportunities, and the many emergency or energy assistance options available, the Company does not believe it is necessary to enact a disconnection moratorium that would span from December 1st through March 1st each year.

The Company has a similar moratorium in place for its Idaho customers and based on the historical data, Avista does not believe the moratorium is in the best interest of the customers it serves. While it may provide protection from disconnection of service for nonpayment during the winter months, it also serves to **exponentially amplify customers' past due balances** to—in many cases—an unsurmountable debt. Under this moratorium, Avista's Idaho residential customers who declare they are unable to pay their bill in full and have children, elderly, or infirm in the household, qualify for a winter moratorium starting December 1st lasting through the end of February. On March 1st, payment is required for the balance **in full**.⁶ As shown in Table 3 below, 414 customers who enrolled in the 2020-2021 winter moratorium still have arrears in mid-October that are over 120 days past due. Even more notable, some customers within this data set are still dealing with arrears from their enrollment in winter moratorium during the 2019-2020 heating season.

Table 3: Average Amount Past Due by Aging Bucket for Idaho Customers Participating in 2020-2021 Winter Moratorium

Customer Count	0-30 Days	31-60 Days	61-90 Days	91-120 Days	> 120 Days	Total
414	\$108.00	\$106.79	\$57.96	\$36.80	\$106.67	\$416.22

Basic Energy Allotment when customers are disconnected

- 14. Customers essentially wouldn't lose all access, but still retain access to a minimal (lifeline) amount of energy for a given period of time as they obtain funding to be reconnected.**
- **Funded through a blend of tariff/voluntary-giving programs.**
 - **May require investments in smart/net meters or other infrastructure investments.**

Avista Response:

Avista does not support an initiative that allows customers to retain access to a minimal amount of natural gas, nor does the Company know if this type of program can even be offered for natural gas customers. Avista does not have the metering technology, and is not aware of metering technology available, that would allow for a minimal flow of natural gas. Avista's

⁶ Customers that have made a good faith effort to make any form of payment during the winter moratorium are given the opportunity to set payment arrangements, prior to the March 1st deadline, to address the full balance.

CC&B system also lacks the technology to support this type of initiative. Further, the Company is not aware of any other natural gas utilities that have implemented this type of program, and questions how this program would even function infrastructurally. There is no dial to turn that allows the Company to alter the amount of natural gas flowing to a customer's home; natural gas is either on or off. When low pressure is detected within Avista's natural gas infrastructure, personnel are required to go to each home served by that pipeline and manually turn off each meter while the low-pressure issue is corrected. Once corrected, each meter must be turned back on manually and each gas appliance in each home must be checked to ensure they are in safe operating order. The costs required for the infrastructure investments that would undoubtedly need to be made to allow for a throttling of natural gas service, if it even were possible at all, far outweigh the benefits of offering such a program.

Voluntary Programs

15. We would like to introduce procedure for allowing customers to donate money to a fund for disconnection abatement. This fund will be included on every customer bill and will allow for rounding up or making a specific donation amount. Those funds would be dispersed to customer's facing disconnection, i.e. to defray costs associated with disconnection. These funds should be dispersed to customers, with minimal (>10% of total funds being spent on administrative costs.)

Avista Response:

Avista already offers a voluntary program such as the one described known as Project Share. Customers and employees are able to make donations to Project Share that are then dispersed to customers facing financial hardship or disconnection. The Company also makes a \$15,000 annual donation to Project Share dedicated for customers in Oregon. Customer donation amounts are not limited, allowing them to donate as much or as little as they prefer. If a customer would like to round up the amount of their bill, they are able to do so using the "other amount" feature within the Project Share donation section on their billing statement or online MyAccount profile. If a "round up" option were provided in lieu of, or in addition to, the "other amount" field, the Company believes there is the potential that customers who currently give a flat amount would potentially give less, resulting in less voluntary giving to Project Share.

In addition to the above responses provided to Staff's suggestions, Avista also recommends an update to OAR 860-021-0335(2) to further support its customers whose services have been disconnected. As an alternative to requiring customers to pay ½ of the account balance plus any applicable reconnection fees to be reconnected, the Company proposes instead to require a payment for ¼ of the full account balance, plus any applicable reconnect fees, with arrangements to pay the remaining account balance over 3 months. This approach will not only reduce the amount required for reconnect, but also support customers in paying the outstanding balance over time.

Again, Avista thanks Staff for the leadership in navigating through the difficult process of how utilities and the Commission respond to the impacts of COVID-19 for utility customers and appreciated the continued collaborative work of all stakeholders in this ongoing process. 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