



**Avista Corp.**

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April 27, 2017

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 Q1 2017 Fee-Free  
Payment Program Report

Dear Ms. Hanian:

On April 1, 2016 the Commission issued Order No. 33494 in Case Nos. AVU-E-16-01 and AVU-G-16-01 approving Avista Corporation's, dba Avista Utilities (Avista or Company), 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 on 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.

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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 free of charge by ACH through the Company’s website as an authenticated user and for APS payments. Also, prior to the launch of the program APS payments were limited to only ACH payment methods.

The following table represents the residential payment information for the Company’s Idaho customers by month:

**Table No. 1**

<b>Payments</b>	<b>January</b>	<b>February</b>	<b>March</b>
Total Payments	107,837	99,575	113,191
Fiserv Payments	-	12,784	49,393
Fee-Free Fiserv	-	3,607	11,044
Kubra Fee-Free Equivalent*	7,505	4,837	-
Total Fee-Free	7,505	8,444	11,044
Fee-Free Payments as % of Total	7.0%	8.5%	9.8%

\*Kubra Fee-Free Equivalent – these payments represent the Kubra payments received from February 1<sup>st</sup> – 18<sup>th</sup> 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.

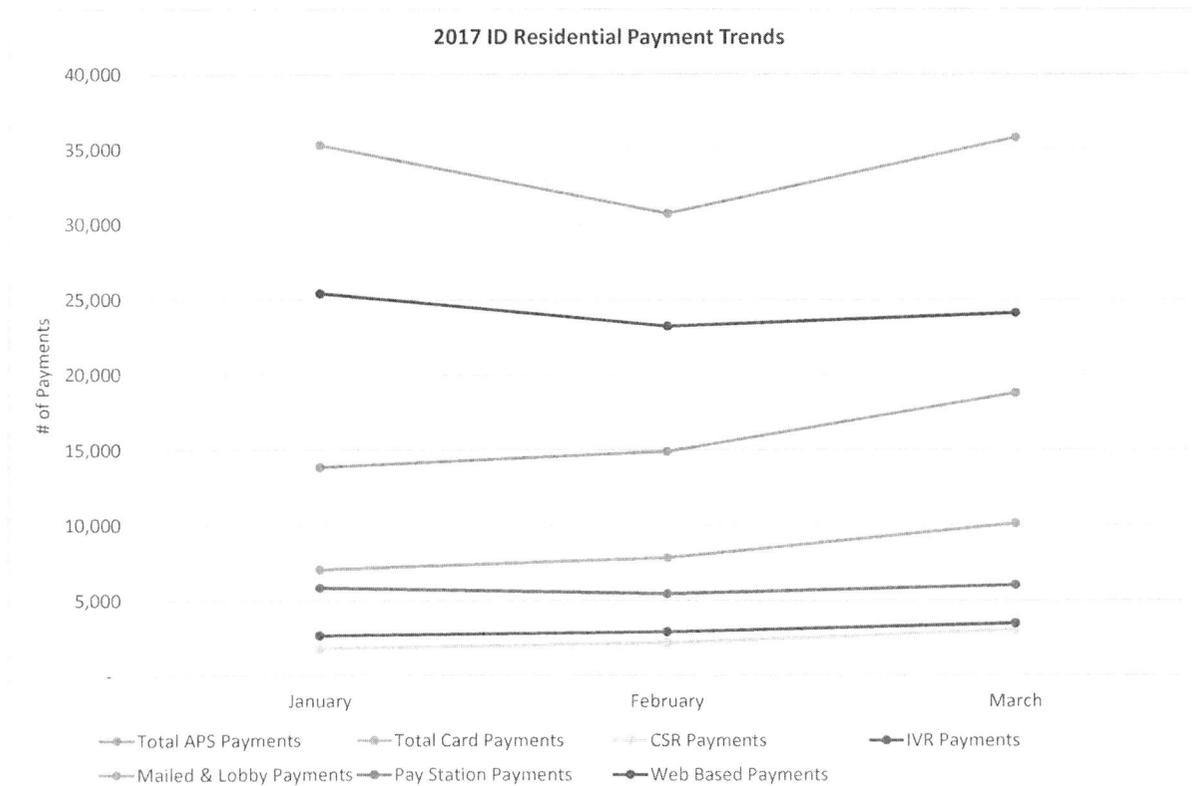
Table No. 2 below includes additional detail on certain payment channels. This information is highlighted to monitor trends in customers’ payment behavior.

**Table No. 2**

Payment Method	January	February	March
APS by ACH	13,861	14,892	18,562
APS by Debit or Credit Card	-	10	198
Total APS Payments	13,861	14,902	18,760
Total Card Payments	7,049	7,839	10,094
CSR Payments	1,796	2,203	3,050
IVR Payments	2,671	2,930	3,489
Mailed & Lobby Payments	35,286	30,723	35,783
Pay Station Payments	5,835	5,461	6,029
Web Based Payments	25,390	23,226	24,094

Chart No. 1 below displays the payment trends from Table No. 2.

**Chart No. 1**



For historical comparison purposes Table No. 3 displays residential payment data from 2015 and 2016. The column labeled “Payments Subject to Convenience Fee” represents the

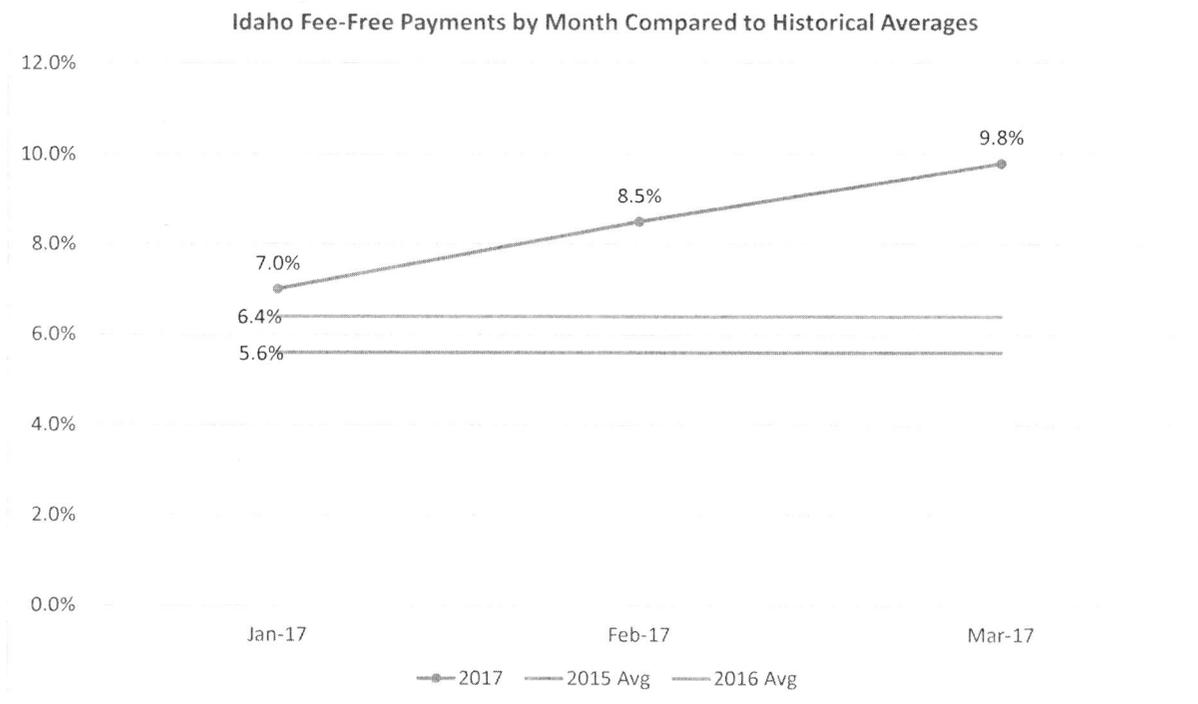
payments that were previously charged a fee and no longer do through the Company's fee-free payment program.

**Table No. 3**

Year	# of Residential Payments	Payments Subject to Convenience Fee	% of Total
2015	1,287,857	71,537	5.6%
2016	1,291,598	83,179	6.4%

Chart No. 2 graphically shows the trend in fee-free payments in 2017 compared to the historical annual average in 2015 and 2016.

**Chart No. 2**



The Company has not yet deferred any costs associated with the fee-free payment program as it is still working through the invoice process with Fiserv.

Please direct any questions regarding this report to Shawn Bonfield at 509-495-2782 or [shawn.bonfield@avistacorp.com](mailto:shawn.bonfield@avistacorp.com) or myself at 509-495-4975 or [linda.gervais@avistacorp.com](mailto:linda.gervais@avistacorp.com)

Sincerely,

*Linda Gervais*

Sr. Manager Regulatory Policy  
Avista Utilities