



e-FILING REPORT COVER SHEET

COMPANY NAME:

DOES REPORT CONTAIN CONFIDENTIAL INFORMATION? No Yes If yes, submit a redacted public version (or a cover letter) by email. Submit the confidential information as directed in OAR 860-001-0070 or the terms of an applicable protective order.

Select report type: RE (Electric) RG (Gas) RW (Water) RT (Telecommunications)
 RO (Other, for example, industry safety information)

Did you previously file a similar report? No Yes, report docket number:

Report is required by: OAR
 Statute
 Order Order No 16-122

Note: A one-time submission required by an order is a compliance filing and not a report (file compliance in the applicable docket)

Other
(For example, federal regulations, or requested by Staff)

Is this report associated with a specific docket/case? No Yes, docket number: UM 1759

List Key Words for this report. We use these to improve search results.

Avista Fee-Free Payment Program Q3 2017 Report

Send the completed Cover Sheet and the Report in an email addressed to PUC.FilingCenter@state.or.us

Send confidential information, voluminous reports, or energy utility Results of Operations Reports to PUC Filing Center, PO Box 1088, Salem, OR 97308-1088 or by delivery service to 201 High Street SE Suite 100, Salem, OR 97301.



Avista Corp.

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

October 31, 2017

Public Utility Commission of Oregon
Filing Center
201 High St SE Suite 100
PO Box 1088
Salem, OR 97308

Attention: Filing Center

Re: Docket No. UM 1759 Avista Utilities Q3 2017 Fee-Free Payment Program Report

On March 23, 2016 the Commission issued Order No. 16-122 in Docket No. UM 1759 approving Avista Corporation's, dba Avista Utilities (Avista or Company), application for an order authorizing accounting and ratemaking treatment of its residential fee-free payment program. In its application the Company sought to defer the costs associated with offering the fee-free payment for up to 12 months from the time the program went into effect. The fee-free payment program was successfully launched on February 19, 2017.

In its application the Company agreed to provide updates to the Commission every three months about the program's progress. For purposes of reporting, the Company will be providing updates to the Oregon 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 pay 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 Oregon customers by month:

Table No. 1

Payments	January	February	March	April	May	June	July	August	September	October	November	December	Total
Total Payments	76,599	71,197	79,889	72,421	77,605	71,230	73,333	73,690	67,172	-	-	-	663,136
Fiserv Payments	-	9,645	35,910	33,263	36,372	31,822	34,218	34,459	31,284	-	-	-	246,973
Fee-Free Fiserv	-	2,370	7,217	6,735	7,105	7,372	7,879	8,042	7,791	-	-	-	54,511
Kubra Fee-Free Equivalent*	4,987	2,901	-	1	-	-	-	-	-	-	-	-	7,889
Total Fee-Free	4,987	5,271	7,217	6,736	7,105	7,372	7,879	8,042	7,791	-	-	-	62,400
Fee-Free Payments as % of Total	6.5%	7.4%	9.0%	9.3%	9.2%	10.3%	10.7%	10.9%	11.6%	-	-	-	9.4%

*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.

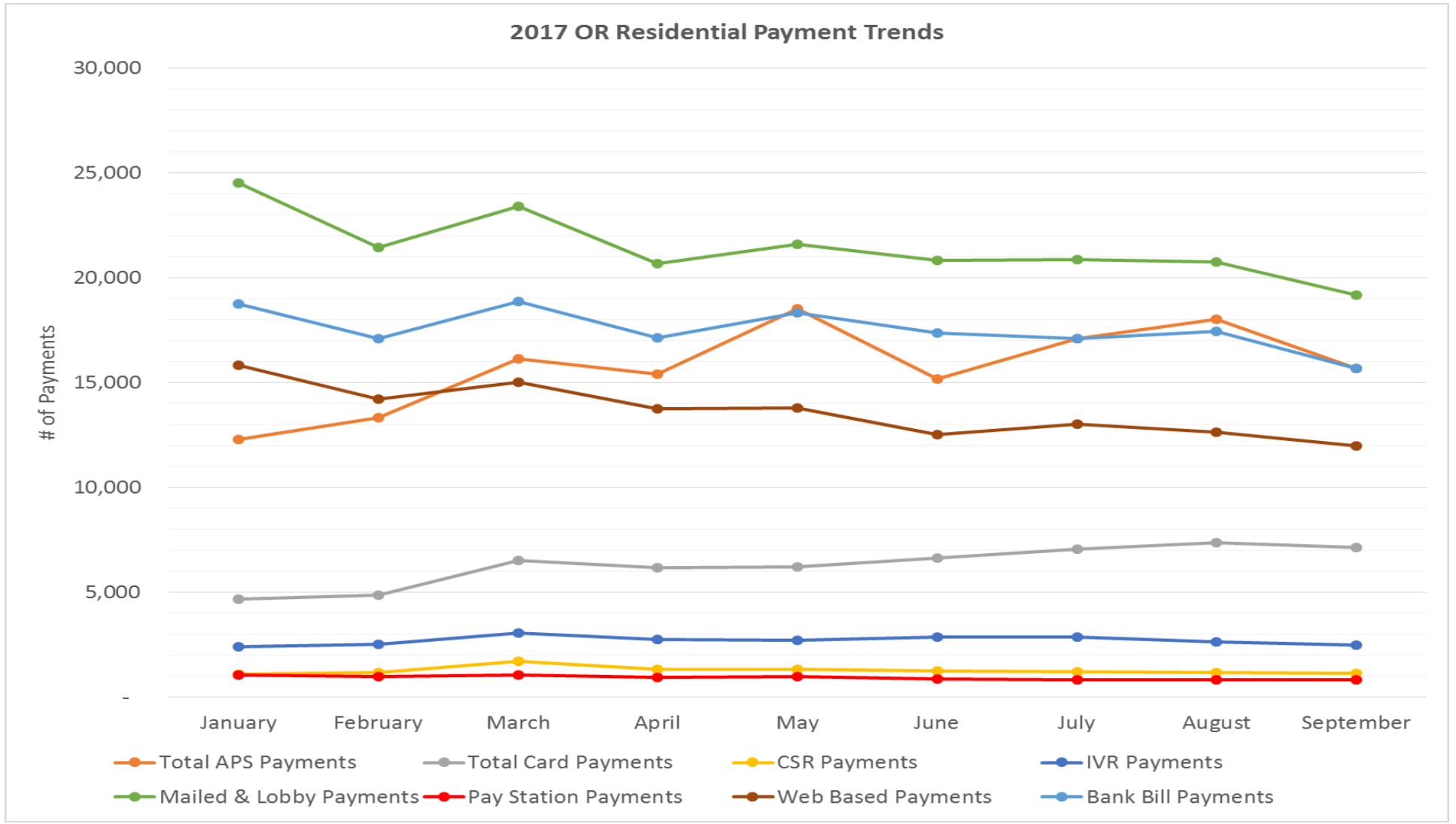
Table No. 2 below includes additional detail on certain payment channels. This information is highlighted to monitor trends in customers’ payment behavior. Note that the data in Table No. 2 will not subtotal to the data in Table No. 1 as there is overlap in payment information by channel (i.e., “Total Card Payments” includes card payments made through APS, CSRs, the IVR, and web).

Table No. 2

Payment Method	January	February	March	April	May	June	July	August	September	October	November	December	Total
APS by ACH	12,300	13,321	15,978	15,063	17,887	14,476	16,171	16,800	14,463	-	-	-	136,459
APS by Debit or Credit Card	-	9	146	350	627	711	950	1,236	1,212	-	-	-	5,241
Total APS Payments	12,300	13,330	16,124	15,413	18,514	15,187	17,121	18,036	15,675	-	-	-	141,700
Total Card Payments	4,651	4,880	6,521	6,165	6,203	6,644	7,061	7,368	7,131	-	-	-	56,624
CSR Payments	1,103	1,147	1,696	1,319	1,333	1,238	1,186	1,148	1,139	-	-	-	11,309
IVR Payments	2,407	2,497	3,069	2,751	2,704	2,848	2,860	2,624	2,489	-	-	-	24,249
Bank Bill Payments	18,750	17,087	18,872	17,141	18,346	17,367	17,118	17,435	15,677	-	-	-	157,793
Mailed & Lobby Payments	24,527	21,452	23,400	20,681	21,609	20,847	20,883	20,745	19,163	-	-	-	193,307
Pay Station Payments	1,046	959	1,047	940	959	850	837	826	819	-	-	-	8,283
Web Based Payments	15,848	14,203	15,010	13,760	13,801	12,533	13,032	12,634	11,969	-	-	-	122,790

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

Chart No. 1



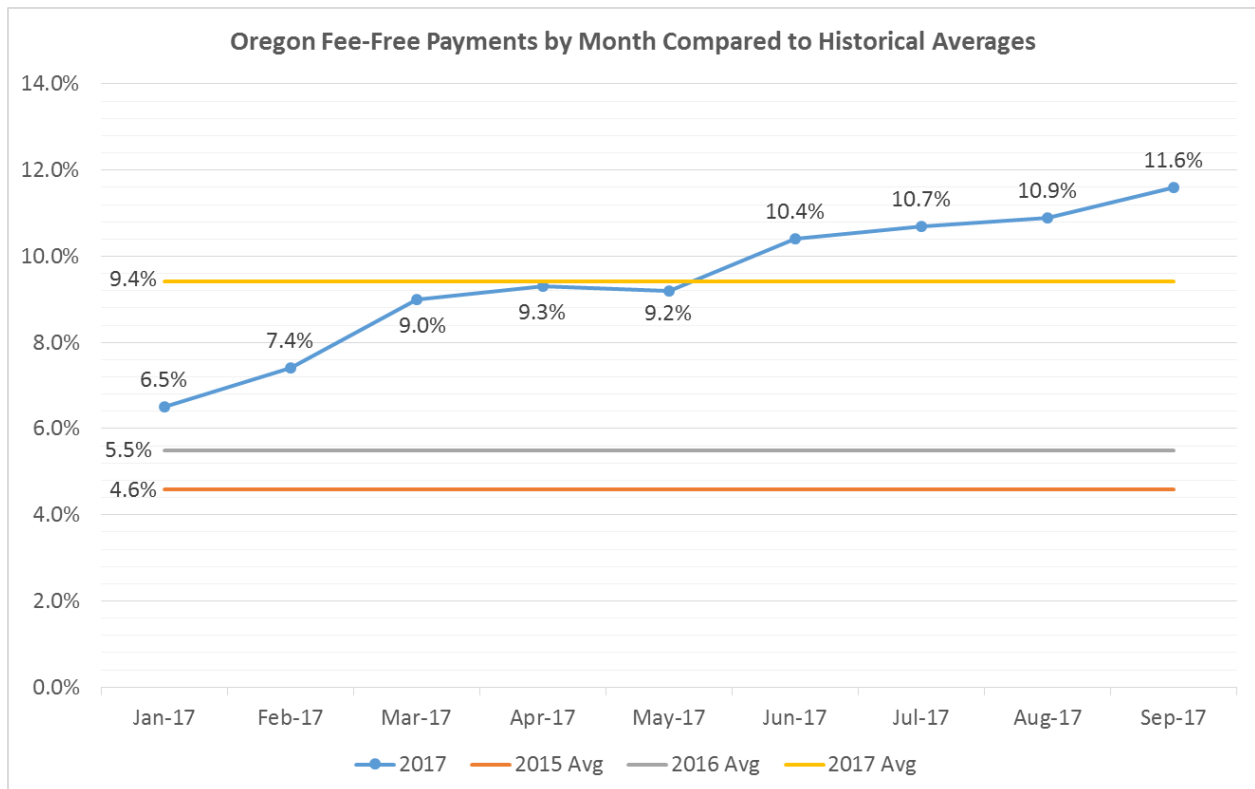
For historical comparison purposes Table No. 3 displays residential payment data from 2015 and 2016. The column labeled “Payments Subject to Convenience Fee” represents the payments that were previously charged a fee and no longer do through the Company’s fee-free payment program.

Table No. 3

Year	# of Residential Payments	Payments Subject to Convenience Fee	% of Total
2015	877,156	40,693	4.64%
2016	896,444	49,508	5.52%

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



To date the Company has paid invoices for February through April, of which \$22,075.38 has been deferred for customer transactions through the fee-free payment program. The

Company continues to work through the invoice reconciliation process with Fiserv and expects to begin paying invoices closer to the months when the expenses were incurred soon. The Company will conclude deferring costs associated with the fee-free payment program after paying the September invoice to Fiserv per Order No. 16-122, which directed the Company to stop deferring costs associated with the program when new rates from the Company's next General Rate Case went into effect. Rates from the Company's General Rate Case, Docket No. UM-325, went into effect on October 1, 2017. This report will also conclude the quarterly reports being submitted to the Commission.

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

Sincerely,

Linda Gervais

Sr. Manager Regulatory Policy
Avista Utilities