



Idaho Public Utilities Commission

P.O. Box 83720, Boise, ID 83720-0074

C.L. Butch Otter, Governor

Paul Kjellander, Commissioner
Kristine Raper, Commissioner
Eric Anderson, Commissioner

Case No. AVU-E-16-01, AVU-G-16-01, Order No. 33459

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www.puc.idaho.gov

Avista wants to eliminate convenience fee

BOISE (Feb. 25, 2016) – Avista Utilities is seeking authority to initiate a program that would allow it to eliminate the “convenience fee” residential customers are charged when they pay electric and gas bills online or by telephone. The \$3.50 per transaction fee is paid to a third-party vendor. Avista serves about 125,000 electric and 80,000 natural gas customers in northern Idaho.

Avista maintains it can process the online and telephonic payments for as low as \$1.50 per transaction, but would collect the amount in rates if it is later determined that the company and its shareholders were losing money as a result of the fee-free payment program. Avista estimates it will cost about \$195,000 per year to process the payments for Idaho electric customers and \$120,000 per year for natural gas customers.

Avista claims the convenience fee is “one of the largest frustrations” expressed by its growing number of customers who pay electronically or by telephone. Only about 38 percent of customers mailed in payments in 2015.

Avista is not seeking an increase in rates at this time, but is asking the Idaho Public Utilities Commission for authority to defer the program’s costs for up to 36 months. Avista would update the commission on program participation rates and the fees incurred every six months and, after establishing a history with the program, may seek to recover program costs as part of a general rate case. Avista does not seek to earn a return on its investment in the program.

The utility is seeking similar approval in its Washington and Oregon jurisdictions as well and hopes to begin the fee elimination program in the first half of this year.

The commission is taking comment through March 14. Comments are accepted via e-mail by accessing the commission’s website at www.puc.idaho.gov and clicking on “Case Comment Form,” under the “Consumers” heading. Fill in the case number (AVU-E-16-01) and enter your comments. Comments can also be mailed to P.O. Box 83720, Boise, ID 83720-0074 or faxed to (208) 334-3762.