



Avista Corp.

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February 28, 2022

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

Re: UM 2211 – Avista Utilities HB 2475 Explanation of Existing Interim Action

Avista Corporation, dba Avista Utilities (Avista or the Company), hereby submits for electronic filing with the Oregon Public Utility Commission (Commission) its “Explanation of Existing Interim Action” (Explanation) pursuant to the guidance provided by Commission Staff in their Interim Action Proposal Update (Update), filed February 1, 2022 in Docket UM 2211. In its Update, Staff noted three separate anticipated work flows resulting from their call for interim action related to the 2021 passage of House Bill 2475 (HB 2475). The second workflow provided by Staff specifies that while Staff understands that the natural gas utilities are planning to file differential rate proposals for implementation in Q4 2022, Staff expects that, in the interim, “some level of relief to income-eligible customers” will remain a priority, and that the three natural gas utilities “will continue to provide arrearage management programs (AMP) or other enhanced bill assistance until differential rate programs are implemented.” Commission Staff also provides that:

In terms of process, Staff proposes that natural gas utilities submit requests for additional authorizations or tariff changes to ensure these bill assistance opportunities remain available to their customers by February 28, 2022. To the extent a natural gas utility finds they have existing offerings and tariffs that meet this criteria, Staff advises the utility to engage stakeholders for feedback and submit a letter to the Commission under Docket No. UM 2211 expressing its intentions and rationale by February 28, 2022.¹ [Emphasis added]

This filing is intended to be responsive to the emphasized directive provided above. As described herein, the Company believes that its existing bill assistance options, specifically the

¹ The dates contained within this reference have been modified to reflect the intent of a subsequent modification by Commission Staff; while the deadline by which natural gas utilities must file was updated to February 28, 2022 in “Next Steps” (page 7), the excerpt from page 2 noted above remained inadvertently unchanged from its original February 15, 2022 date.

Arrearage Management Program (AMP) already being offered as a part of the Company's Low-Income Rate Assistance Program (LIRAP), fully meet the intent of interim action by offering a suite of options available to help Avista customers that may be struggling with financial hardships or resource inadequacies.

Current Energy Assistance Programs

As detailed in the Company's February 16, 2022 Request for Stakeholder Feedback, Avista's existing LIRAP is comprised of two components: Bill Assistance and an Arrearage Management Program. Available to income-qualified customers at 60% State Median Income (SMI) or below, LIRAP is administered in partnership with the Community Action Agencies (CAAs or Agencies) within Avista's Oregon service area. The Bill Assistance portion of LIRAP is designed to be used in conjunction with the Federal and State-sponsored Low-Income Home Energy Assistance Program (LIHEAP) and other forms of assistance to best help the household with their energy costs. For ease of enrollment, the Company strives to provide the Agencies with the utmost flexibility in using their own discretion to serve customers in whatever way they deem most appropriate, including determination of eligibility based on existing participation in adjacent income-qualified [non-energy] programs such as Temporary Assistance for Needy Families (TANF), Supplemental Security Income (SSI), and Supplemental Nutrition Assistance Program (SNAP, formerly Food Stamps).

The AMP, introduced in late 2021 as a long-term solution to ease the energy burden for customers who accumulate a past due balance, is an incentive-based program that forgives 90% of a customer's past due balance over the course of 12 months.² Upon enrollment in the AMP, 10% of the arrears the customer is responsible for will be spread out over a 12-month period; for each on-time monthly payment the customer makes on their portion of the arrears and their current bill, 1/12th of their past due balance is forgiven by Avista's LIRAP. When taken together, Avista's LIRAP offerings provide customers with options to not only lower their energy burden and maintain affordability each month, but also to alleviate the burdensome impact that a past due balance can have on a customer.

In addition to having provisions to help customers with their current bill and any past due balances, Avista's donation-based Project Share is available to help customers experiencing hardship or an energy emergency (i.e. in jeopardy of disconnect due to non-payment).

Rationale for Existing Interim Action

With the above existing programs in mind, Avista believes it has already taken interim action as desired by Staff and stakeholders by offering a permanent AMP for qualifying low-income customers. It is worth noting that Avista is the only utility to have a permanent AMP in place, which, when coupled with the additional assistance noted within this Explanation, will help

² See ADV 1254/Advice No. 21-02-G.

to address any arrearages that may result from the 2021/2022 heating season and continue to provide meaningful reductions in customer energy burden until such time the Company is able to offer its proposed Bill Discount pursuant to HB 2475. Therefore, rather than focusing its efforts in designing an additional interim program or components of LIRAP to implement in the short-term, Avista is instead concentrating its efforts on collaborating with stakeholders to design a comprehensive Bill Discount Program, expected to be proposed effective with the new LIRAP program year beginning October 1, 2022.

To that end, the Company provides the below timeline of anticipated events pertaining to Avista’s HB 2475 differential rate implementation:

Date	Activity
February 11	File deferral application for expenses associated with HB 2475 differential rates (UM 2232)
February 15	Meet with CAAs to discuss existing interim action approach (request input/feedback) and future Bill Discount proposal
February 16	Letter to stakeholders requesting feedback on proposed interim action
February 28	File explanation of existing interim action (UM 2211)
March timeframe	Low-Income Needs Assessment (LINA) data available
March 30	ADV 1254 Workshop: AMP update, introduce proposed LIRAP Bill Discount for collaboration/feedback
June 1	File tariffs to implement bill discounts
October 1	Bill Discount effective

As noted in the timeline above, the Company engaged with its partner Agencies to discuss its approach to interim action (i.e. that Avista has already complied with the intent of interim action), and to discuss whether the CAAs found the existing assistance structure to be sufficient, or if any modifications to the current LIRAP or AMP design were warranted as an interim action. After receiving no feedback or requests to take further interim action by our CAAs, Avista then solicited feedback from stakeholders in Docket No. UM 2211 and, again, received no further input.

Outside of the milestones listed above, Avista has already engaged with a third-party contractor, Empower Dataworks, to conduct a Low-Income Needs Assessment (LINA) for the Company’s Oregon service territory. Having already conducted a LINA for Avista in Washington, Empower Dataworks is anticipated to deliver, among other things, insights into the number of customers potentially eligible for low-income programs, the current energy burden of such customers, and the amount of discount needed to reduce customers’ burdens to six percent or less. This LINA will help to inform the appropriate eligibility threshold, income tiers, and discount

percentages to be ultimately incorporated into Avista's Bill Discount design. The Company plans to continue working collaboratively with the CAAs and any interested stakeholders as it develops its outreach strategies, marketing campaign, and weatherization cross-referral strategy in preparation for the Bill Discount. Additionally, Avista continues to maintain consistent communication with its partner Agencies regarding Bill Discount implementation processes and will seek to incorporate any input received by the CAAs during these meetings, or by additional stakeholders in response to the Company's March presentation regarding its Bill Discount design proposal, into its final Bill Discount proposal in June.

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