



Avista Corp.

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July 19, 2022

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

Re: ADV 1410/Advice No. 22-03-G – Supplemental Tariff Filing

Filing Center:

On June 1, 2022, Avista Corporation, dba Avista Utilities (Avista or the Company), filed revisions to its natural gas Tariff Schedule 473, “Residential Low-Income Rate Assistance Program (LIRAP) – Oregon”, to introduce a Bill Discount into the Company’s LIRAP, consistent with Oregon House Bill 2475 (HB 2475), and to, in turn, replace the existing grant-based LIRAP in favor of an income-based bill discount model for all eligible low-income customers. After subsequent conversations with Commission Staff and UM 2211 stakeholders – including a workshop held on July 12, 2022 and continued discussion with a smaller group of interested participants on July 14, 2022 – Avista requests that the modifications and/or additions included within this supplemental filing be incorporated for approval by the Commission, and that the enclosed tariff sheets, P.U.C OR No. 5, replace the tariff sheets submitted on June 1, 2022 in their entirety. The proposed effective date of August 1, 2022, to allow for an October 1, 2022 go-live date, remains in effect; accordingly, a Less Than Statutory Notice Application (LSN) has been included pursuant to OAR 860-022-0020.

Revised

Supplemental Fifth Revision Sheet 493
Supplemental Fourth Revision Sheet 493A
Supplemental Original Sheet 493B

Canceling
Canceling
Canceling

Fifth Revision Sheet 493
Fourth Revision Sheet 493A
Original Sheet 493B

I. MODIFICATIONS TO ORIGINAL FILING

Throughout collaborations with Commission Staff, Community Action Agencies (CAAs or Agencies) and other interested stakeholders, several adjustments and improvements to Avista’s proposed LIRAP, including its Bill Discount and Arrearage Management Program (AMP), were identified. These changes, to be included with the Company’s implementation of the requested LIRAP modifications contained within ADV 1410/Advice No. 22-03-G, are summarized in the table below.

Table No. 1 – Summary of Requested Tariff Changes

	Original Filing	Final Design (Requested Change)
Post-Enrollment Income Verification	Agencies and Avista strive for 100% verification of all Bill Discount enrollees for the first year of program implementation, with continued discussion to potentially reduce the verification requirements to a smaller percentage of enrollees to be audited in the future.	3% random sampling of all Bill Discount participants, with initial verifications not to begin until 9 months after program implementation. Customers that have been auto-enrolled (i.e., energy assistance recipients) will be exempt from income verification, and Avista will continue to work with stakeholders to identify additional customer groups for exemption.
Income Exception for Hardship	Bill Discount available to self-attested low-income customers, with the definition of low-income being up to 60% State Median Income (SMI). As an exception to the usual qualification criteria, the intake worker has the discretion to enroll the customer in the Bill Discount at the lowest discount tier of 15% if above 60% SMI yet still expressing hardship/inability to pay bill.	Exceptions to income qualifications for the Bill Discount may be granted by the administering organization (CAA, Avista, or other 3 rd party if established in the future), with supervisory approval, if 1) the customer’s income is at or below 80% SMI and 2) job loss, medical crises or other hardship (to be determined via further stakeholder collaboration) is encountered. These customers will be enrolled in the 15% discount tier.
AMP Maximum Benefit Amount	Maximum award of \$500.	Maximum award of \$1,000. With some arrearages still relatively high as a result of the lingering effects of COVID-19, the maximum will be expanded for the 2022-2023 program and may be decreased in future years.

<p>Risk Free</p>	<p>Since its inception, Avista’s LIRAP has been risk-free and will continue to be. However, this has not specifically been spelled out in tariff.</p>	<p>If a customer is randomly chosen for income verification and subsequently fails to provide proof of eligibility/proves ineligible, the customer is not required to pay back any benefits received. LIRAP Bill Discount will be suspended for that customer and they will need to re-apply directly with an Avista or Agency representative.</p>
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As noted above, while some utilities are looking to complete their income verification every 12 months, Avista is instead pursuing a 9-month delay in its initial income verification; this issue is simply a matter of timing. Since it is the partner Agencies that will be responsible for the income verification of the random 3% of LIRAP Bill Discount enrollees, the Company is cognizant that a 12-month verification cycle would place an additional workload on the CAAs in October, at the same time that the program year begins, when weather begins to change, and the Agencies are preparing for the winter heating season. The Company believes that distributing these additional verifications during the summer months strikes a balance between allowing customers plenty of runway for ease of verification (9 months) and will also not over-burden the Agencies at a time when they already have an increased workload.

With these requested changes, the Company has also provided guardrails for its request to provide exceptions to the stated income qualification criteria. While its initial proposal was intended to address Staff’s desire for a program’s level of relief to allow “flexibility or direct engagement opportunities in program design to accommodate enrollments reasonably outside specific eligibility terms”¹—permitting the administering entity (either Avista or the CAA) to provide an exception to the self-attested 60% SMI threshold at their discretion—the Company heard from Staff and stakeholders that such an exception was too broad and required further refinement in terms of specified boundaries or stipulations to be met in order to receive an exception. As such, Avista has incorporated additional conditions for receipt of such exception, as explained in Table No. 1 above.

Lastly, in addition to the reduction in income verification requirements, from 100% of all Bill Discount recipients verified to a 3% random sample, the Company will also continue to work

¹ UM 2211, Staff Interim Action Proposal Update, p. 3 (Feb. 1, 2022) (<https://edocs.puc.state.or.us/efdocs/HAC/um2211hac17313.pdf>).

with stakeholder to ensure that the requirements of this verification have less rigor than traditional income eligibility requirements (i.e. LIHEAP).

II. CONCLUSION

Avista respectfully requests that the tariff changes proposed for Schedule 493 be effective for service rendered on and after August 1, 2022. Though the Company is not requesting any changes in rates at this time, information related to this filing has been included on the Company's website, www.myavista.com.

If you have any questions regarding this filing, please contact me at (509) 495-7839 or jaime.majure@avistacorp.com.

Sincerely,

/s/ Jaime Majure

Jaime Majure
Regulatory Policy Analyst

LESS THAN STATUTORY NOTICE APPLICATION

This document may be electronically filed by sending it as an attachment to an electronic mail message addressed to the Commission's Filing Center at puc.filingcenter@puc.oregon.gov.

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

IN THE MATTER OF THE APPLICATION OF <u>Avista Corporation dba Avista Utilities</u> (UTILITY COMPANY))))))	UTILITY L.S.N. APPLICATION NO. _____ (LEAVE BLANK)
TO WAIVE STATUTORY NOTICE.		

NOTE: ATTACH EXHIBIT IF SPACE IS INSUFFICIENT.

1. GENERAL DESCRIPTION OF THE PROPOSED SCHEDULE(S) ADDITION, DELETION, OR CHANGE. (SCHEDULE INCLUDES ALL RATES, TOLLS AND CHARGES FOR SERVICE AND ALL RULES AND REGULATIONS AFFECTING THE SAME)
 Low-Income Rate Assistance Program (LIRAP) modifications updated in tariff to include a decrease in the number of customers to be subject to post-enrollment income verification (3% sample audit instead of 100% verification as originally requested); clarification of risk-free enrollment (Company will not bill customers for any benefits received if the customer is proven to be income ineligible); increase Arrearage Management Program (AMP) maximum to \$1,000 (initial filing included \$500 maximum).

2. APPLICANT DESIRES TO CHANGE THE SCHEDULE(S) NOW ON FILE KNOWN AND DESIGNATED AS: (INSERT SCHEDULE REFERENCE BY NUMBER, PAGE, AND ITEM)
 P.U.C. OR No. 5, Fourth Revision Sheet 493 and Third Revision Sheet 493A

3. THE PROPOSED SCHEDULE(S) SHALL BE AS FOLLOWS: (INSERT SCHEDULE REFERENCE BY NUMBER, PAGE AND ITEM)
 P.U.C. OR No. 5, Supplemental Fifth Revision Sheet 493, Supplemental Fourth Revision Sheet 493A, and Supplemental Original Sheet 493B

4. REASONS FOR REQUESTING A WAIVER OF STATUTORY NOTICE:
 The Company and stakeholders (including Commission Staff) have agreed upon several modifications to be made to the program.

5. REQUESTED EFFECTIVE DATE OF THE NEW SCHEDULE(S) OR CHANGE(S): **August 1, 2022**

AUTHORIZED SIGNATURE 	TITLE Director of Regulatory Affairs	DATE July 19, 2022
PUC USE ONLY		
<input type="checkbox"/> APPROVED <input type="checkbox"/> DENIED	EFFECTIVE DATE OF APPROVED SCHEDULE(S) OR CHANGE	
AUTHORIZED SIGNATURE	DATE	

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 493

RESIDENTIAL LOW-INCOME RATE ASSISTANCE PROGRAM (LIRAP) –
OREGON

PURPOSE:

The purpose of this schedule is to adjust rates in Schedule 410, “General Residential Natural Gas Service – Oregon”, to generate funds to be used for energy assistance for Avista’s qualifying low-income residential customers, in accordance with ORS 757.315(3) and ORS 757.230, and to describe the various forms of energy assistance available to qualifying low-income customers.

(T)
(T)
(N)
(N)

APPLICABLE:

To all residential Customers in the State of Oregon where the Company has natural gas service available. The Residential Low-Income Rate Assistance Program (LIRAP) Adjustment is applicable to all residential customers taking service under Schedule 410, and the energy assistance offered through LIRAP is made available to all income-qualified Schedule 410 customers. Income-qualified is defined as customers with gross household income at or below 60% of Oregon State Median Income (SMI), adjusted for household size, as described herein or established in collaboration with the Community Action Agencies (“Agencies”). Exceptions to income qualifications may be granted with supervisor approval, as described within this tariff.

(T)
(N)
|
(N)

MONTHLY RATE:

With Gross Revenue Factor: \$.00451 per therm
Without Gross Revenue Factor: \$.00438 per therm

LIRAP COMPONENTS:

The following energy assistance options may be available for each household within the income range provided:

(N)(M)

Income Range	Bill Discount	Arrearage Assistance
Zero to 5% SMI	90%	Arrearage Forgiveness
6 to 20% SMI	60%	
21 to 40% SMI	25%	Arrearage Management Program (AMP)
41 to 60% SMI	15%	

- Bill Discount – the Bill Discount will be applied to a participating customer’s monthly net bill, the amount of which is determined by the customer’s income range.

(N)(M)

(M) material transferred to Fourth Revision Sheet 493A

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August 1, 2022

Issued by Avista Utilities
By

Patrick Ehrbar, Director of Regulatory Affairs

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 493 (continued)

RESIDENTIAL LOW-INCOME RATE ASSISTANCE PROGRAM (LIRAP) –
OREGON

- Arrearage Management Program (AMP) – reduces customer arrearages owed over a 12-month period by providing an incentive for on-time, regular payment of their current bill plus a portion of the past due balance, for a maximum award of \$1,000. (N)
- Arrearage Forgiveness – provides arrearage forgiveness for customers with incomes at or below 20% SMI, for a maximum award of \$1,000. (N)

SPECIAL CONDITIONS:

1. Each month, the Company will bill and collect low-income energy assistance funds from all residential customers. By the 20th of the month following the billing month, the Company will remit payment to each Agency for allowed administrative and program delivery costs. (T) (D)
2. The Company will compute interest each month based on the average monthly fund balance undistributed at the company’s currently authorized rate of return.
3. The Company is responsible for program administration and funds distribution to qualifying local Agencies in accordance with terms and conditions (“Guidelines”) established by the Company and the entity. All funds collected under this program, less program administration and delivery costs paid to the individual agencies and \$15,000 in outreach funding to the Company, are distributed to income-eligible residential customers of Avista Utilities. (M)
4. Total Agencies’ program administration and delivery costs shall not exceed 21 percent of the total low-income bill payment assistance funds collected. Utilization of program administration and delivery costs will be summarized in the annual evaluation report described herein (Special Condition 6).
5. Customer eligibility for LIRAP is determined in cooperation with the Agencies and captured in the LIRAP Guidelines, including eligibility and administration of the LIRAP Bill Discount and AMP. (N) (M)


(M) material transferred to Original Sheet 493B

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dba Avista Utilities

SCHEDULE 493 (continued)

RESIDENTIAL LOW-INCOME RATE ASSISTANCE PROGRAM (LIRAP) –
OREGON

- 6. Exceptions to income qualifications for the Bill Discount may be granted by the administering Agency or Company, with supervisory approval, if extenuating circumstances such as job loss, medical crises, or other hardship is encountered by the customer. Customer income for such exceptions shall not exceed 80% SMI, and enrollment for these customers will be made at the 15% discount tier.
- 7. LIRAP participants may be subject to post-enrollment verification audit sampling. If a customer is found to be ineligible for the program in which they are enrolled, the customer's LIRAP benefit will be suspended. The customer will not be billed for any previous LIRAP benefits received. Customers may re-apply for LIRAP by providing verification of eligibility.
- 8. The Company will provide an annual summary evaluation report on the progress of the LIRAP for review by the Commission by December 31st following the end of each program year.
- 9. The LIRAP program year is October 1st through September 30th.

(N)

(N)

(M)

RULES AND REGULATIONS:

Service under this schedule is subject to the General Rules and Regulations contained in the tariff of which this schedule is a part, and to those prescribed by regulatory authorities.

(M)

(M) material transferred from Third Revision Sheet 493A

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