



Avista Corp.

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March 29, 2021

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

RE: **Advice No. 21-02-G – Avista Utilities Schedule 493, Low-Income Rate Assistance Program (LIRAP)**

Filing Center:

Pursuant to ORS 757.205 and OAR 860-022-0025, attached for filing with the Public Utility Commission of Oregon (PUC or the Commission) is an electronic copy of Avista Corporation's, dba Avista Utilities (Avista or the Company), filing of its proposed revisions to the following tariff sheets, P.U.C. OR No. 5:

Fourth Revision Sheet 493
Third Revision Sheet 493A

Canceling
Canceling

Third Revision Sheet 493
Second Revision Sheet 493A

The primary purpose of this filing is to revise the Company's Schedule 493 "Residential Low-Income Rate Assistance Program (LIRAP)", to incorporate an Arrearage Management Plan (AMP) into its tariff and to extend the provision of LIRAP outreach funds to Avista as well as to the Community Action Agencies (CAAs or Agencies) that are already receiving such administration funds for the delivery of the program within the Company's service territory.

I. BACKGROUND

Avista's LIRAP, approved by the Commission in 2002, collects funding through natural gas tariff surcharges on Schedule 493. The revenue collected for LIRAP is then provided to the four CAAs in Avista's Oregon service territory for disbursement to qualifying customers in a manner

similar to the Federal and State-sponsored Low-Income Home Energy Assistance Program (LIHEAP), as well as to cover any administrative costs incurred by the Agencies in delivery of the program. LIRAP, like LIHEAP, can help a qualifying household maintain affordable, dependable utility services and avoid having its utilities disconnected, or help reestablish service after any such interruption in services does occur. Avista continuously strives to provide its Agencies with an open and adaptable low-income program, offering the utmost flexibility in its tariffs to allow the Agencies the discretion to serve customers in whatever way they deem most appropriate, including the 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).

As part of its dedication to providing a complete LIRAP portfolio through which the Agencies can provide energy assistance (EA) to customers, Avista launched a one-year Percentage of Income Payment Plan (PIPP) and AMP pilot program (Pilot) – from October 1, 2018 to September 30, 2019 – through its LIRAP in Washington State. This Pilot was administered in partnership with two of the Company’s local Agencies, Spokane Neighborhood Action Partners (SNAP), serving Spokane County, and Rural Resources, serving Stevens County, Lincoln County, and Pend Oreille County.¹ The Pilot was limited to 300 total participants and was funded by the carryover LIRAP funding from the 2016-2017 program year. The lessons learned from the Pilot, along with the final report provided by the third-party evaluator, Evergreen Economics,² prompted the Company to further explore the feasibility of offering a permanent PIPP and AMP as a potential strategy to prospectively limit the number of customer disconnections in accordance with Avista’s 2021 Disconnection Reduction Plan.³ The Company has since updated its LIRAP in Washington to contain permanent PIPP and AMP offerings,⁴ and with this filing intends to bring its AMP experience to its Oregon LIRAP as well.

¹ For the pilot programs, the PIPP was known as the Income-Based Payment Program (IBPP), and the AMP was a Balance Management Arrangement (BMA).

² See Docket Nos. UE-210077 and UG-210078, Attachment A to Avista’s February 18, 2021 filing.

³ Filed March 17, 2021 in compliance with provision 14(c) of the Settlement Stipulation approved via Final Order 09 in Dockets UE-190334, UG-190335, and UE-190222 (*Consolidated*), the Company was to develop a Disconnection Reduction Plan in collaboration with its Energy Assistance Advisory Group (EAAG) and present the results to the Commission no later than March 25, 2021.

⁴ See Docket Nos. UE-210077 and UG-210078.



II. PROPOSED AMP

Avista recognizes the need to put long-term solutions in place to ease the energy burden for customers whose income is perpetually not enough to keep up with the rising costs of basic living and essential needs. As the COVID-19 pandemic served to further magnify this need, the Company proposes that as a long-term approach to mitigate the potential for disconnection of vital natural gas services, an AMP be added as permanent offering of LIRAP. The AMP will provide financial relief for low-income customers who have unmanageable past-due balances, or arrears, on their Avista bills, thereby providing a continued solution for customers who have accumulated arrears in amounts that are not sufficiently addressed by a grant program alone.

The proposed AMP will be available to customers whose income is at or below 60% State Median Income (SMI) and will provide a benefit that covers 90% of the customer's arrears as an incentive for regular, on-time payments from the time of enrollment. The Company proposes to provide 90% forgiveness of a customer's arrears for multiple reasons. First, this design is the same as what was offered through the Company's Pilot described above, which a substantial portion of customers that participated were successful in making the required payments of the AMP to get caught up. Further, a 90% benefit provides an enticing incentive for participation and creates a situation where the probability of success of completing the AMP is high. The goal of the Pilot and with the Company's proposal described herein is to provide a significant benefit such that there is a high probability that the AMP arrangement is affordable for participating customers, whose energy burden is likely higher than what is deemed acceptable. Finally, enrollees of the Pilot cited their participation was driven by the ability to reduce what was owing from past bills to get caught up, making it easier to pay bills on time.

The AMP will be offered to customers in instances where energy and emergency assistance have already been utilized yet the customer still needs assistance with their past due balance. The Company will operate the AMP in the same manner in which its Washington Pilot was implemented, with partner CAAs income-qualifying customers and the Company then enrolling eligible customers. Upon enrollment, the 10% of the arrears the customer is responsible for will be spread out over a 12-month period. For each on-time payment the customer makes on their portion of the arrears and their current bill, 1/12th of their arrears will be forgiven. The following is an example of how the AMP customer benefit is applied:

Sample AMP Customer Benefit:

A customer has \$300 arrears when enrolled. Under the AMP, the arrears would be divided into two parts: (1) 10% of the balance (customer responsibility), and (2) 90% of the balance (LIRAP incentive). The following is an example of the amount to be billed to the AMP customer on a monthly basis:

10% of \$300 = \$30/12 months = **\$2.50/month** (to be paid by the customer)

90% of \$300 = \$270/12 months = **\$22.50/month** (to be paid by the LIRAP)

If the customer makes the \$2.50 payment to cover the 10%, in addition to their current monthly bill, they will receive a credit of \$22.50 on their bill. At the end of the 12 months, if the customer has made regular on-time payments as requested, they will have paid the full \$30 to cover their 10%, and as an incentive for this Avista will have covered the remaining \$270 (90%).

The AMP will be available to a customer twice every seven (7) years during the history of an account, with a maximum benefit of \$500 to be provided in each instance. Customers enrolled in the AMP will be terminated from the program after two (2) missed payments but will have the opportunity to re-enroll during the next program year if they have resolved their previous arrearage balance. On rare occasions, an Agency may offer a customer a third chance to enroll in the AMP during the 7-year period based on their discretion.

The AMP will assist these income-qualified customers that have amounts owed in arrears by reducing the amounts owed over-time and rewarding regular payment behavior. As the customer maintains consistent and on-time payments over a 12-month period, their past-due balance will be credited back on a monthly basis until their balance owed reaches zero. The intent is to incentivize customers to practice regular payment behavior, to reduce the burden that an arrearage places on a customer, to improve a customer's ability to pay current and future utility bills, to reduce Company program expenses associated with disconnections and reconnections, and lastly, to reduce the amount of bad debt that the Company may face as a result of non-payment.

Avista has already had discussions with its partner Agencies pertaining to the proposed AMP, and while the Company is requesting a June 1, 2021 effective date, the AMP will not begin being offered until **October 1, 2021**. This timing will allow for further collaboration with Agencies to ensure that the necessary processes and procedures are in place after approval of the program and will align with the beginning of the upcoming 2021-2022 program year, which starts on October 1, 2021.

AMP Funding

Initial funding for the October 1, 2021 implementation of the AMP will be provided by existing LIRAP funding levels, with no rate changes requested in this filing. Looking to the future, the Company plans to utilize its existing LIRAP budget and carryover funding from each program year to compensate for any potential increases resulting from the incorporation of the AMP, but also believes that with the changing environment in the low-income assistance sector, its LIRAP may benefit from a rate increase in the near future.⁵ While Avista does allow approximately 20% of unspent LIRAP Direct Service funding to carry over each year to ensure that the appropriate assistance is available for customers when the need begins to rise in colder months, actual carryover percentages have been as high as 28.51% over the past five years.⁶ The table below illustrates the year-over-year trend of LIRAP Direct Service funding carrying over into the subsequent program years:

Table No. 1 – Yearly Unspent LIRAP Direct Services (DS)

Program Year	Direct Service Carryover Funding	Percent Unspent
2015-2016	\$26,211	12.36%
2016-2017	\$7,546	3.65%
2017-2018	\$51,590	27.91%
2018-2019	\$67,110	27.53%
2019-2020	\$72,693	28.51%

As shown, at the end of the 2019-2020 program year, the Agencies had \$72,693 in carryover funds from Avista’s LIRAP.

Paralleling the unspent LIRAP Direct Services funding, the amount spent by the Agencies each year to operate and deliver energy assistance on behalf of Avista has also maintained a

⁵ Avista’s LIRAP rate, \$0.00451 per therm (\$.00438 per therm without gross revenue factor), represents approximately 0.46% of current retail rates and **has not been increased since the program’s inception in 2002.**

⁶ The Federal Government provides start-up funds as a portion of the total funding for Agencies each year, however, such amounts are not confirmed until after the heating season has already begun in October. Therefore, timing and availability of LIRAP funding is crucial in delivering immediate funding relief at the onset of the program year.

carryover balance at the end of each year. Table No. 2 below illustrates the year-over-year trend of LIRAP Administration funding carrying over into the subsequent program years:

Table No. 2 – Yearly Unspent LIRAP Agency Administration

Program Year	Agency Admin Carryover Funding	Percent Unspent
2015-2016	\$72,630	66.51%
2016-2017	\$63,094	54.14%
2017-2018	\$77,680	73.10%
2018-2019	\$42,696	34.70%
2019-2020	\$36,555	42%

Based on the Company’s Pilot experience, historical bill assistance uptake, and further analysis as detailed below, Avista estimates an approximate maximum cost impact to LIRAP of \$34,648 in the first year of the AMP implementation. This approximation is a high estimate, based on an estimated average AMP benefit amount of \$284 and an uptake of roughly 122 customers. To reach this forecast, the Company took into account the average past due amount of \$284 for Oregon residential customers as of March 15, 2021, in addition to the average monthly residential customer bill of \$61⁷ and the duration and thresholds in place for customers to actually have a “past due” balance. It is important to note that, due to the March (post-winter heating season) timing of the \$284 average provided, it is likely that the actual AMP impacts will be much lower. Additionally, the Company studied various analyses regarding low-income eligibility and energy assistance utilization in Oregon to arrive at the conclusion that while approximately 18,410 customers may potentially qualify for low-income assistance,⁸ only about 13% of these customers have actually sought assistance from the Company.⁹ Lastly, since customers will have access to other forms of bill assistance, such as LIHEAP, emergency assistance, and Avista’s COVID-19

⁷ The average residential customer within Avista’s Oregon service territory uses 47 therms per month; based on the Company’s current rates (as of March 1, 2021), the resulting monthly bill is \$60.71.

⁸ According to the 2020 Oregon LIHEAP & OEAP Evaluation conducted by the Applied Public Policy Research Institute for Study and Evaluation (APPRISE), there are 73,640 potentially eligible households (electric included) in Avista’s Oregon service territory. Then, the 2020 Oregon-LIHEAP-Evaluation-Market Assessment Report (also from APPRISE) states that 25% of low-income customers heat with natural gas. Avista therefore assumes that 18,410 households within its Oregon service territory may potentially be eligible for low-income assistance.

⁹ Avista’s 3-year average for customers who have received any form of energy assistance (LIRAP, LIHEAP, Housing Project Share, or Miscellaneous assistance from churches, non-profits, and other such organizations) is 2,448 total customers.



Debt Relief Program, it is anticipated that only a small portion of customers that seek energy assistance will take advantage of the AMP incentive during the 2021-2022 LIRAP program year. As such, estimating that 5% of Company's 2,448 bill assistance recipients participate in the AMP, the resulting update is around 122 customers.

Avista will continue to monitor LIRAP spending throughout the program year and file any requested modifications should they become necessary. Additionally, to address budget control for the AMP, the Company will work with the Agencies to track uptake of the program and may consider, at a later date, alternative options such as instituting a cap on the number of customers to be enrolled each program year, setting benefit amounts based on income tiers, or otherwise adjusting the \$500 maximum benefit amount.

III. LIRAP AMP AND OR COVID-19-DEBT RELIEF INTERACTION

As Avista strives to continuously deliver energy assistance programs that best serve the needs of its most vulnerable customers, ensuring that these programs are designed to be in alignment with, or complimentary to, existing or future offerings is an essential consideration. With this in mind, Avista designed its COVID-19 Debt Relief Program ("Debt Relief Program"), as approved by the Commission at its public meeting on March 23, 2021 (Docket No. ADV 1237), to provide arrearage forgiveness to customers facing hardship due to COVID-19 in a way that not only supports existing energy assistance offerings but is also synchronized with the implementation of its proposed LIRAP AMP. To ensure the most comprehensive assistance is achieved for each customer, qualifying customers will be able to receive through the Debt Relief Program first, prior to the application of additional benefits through LIHEAP or LIRAP. Receiving benefits through the COVID-19 Debt Relief Program does not preclude a customer from receiving the maximum amount of benefits available under LIRAP, including the AMP. While its Debt Relief Program will provide short-term relief from past due balances that have become excessively large and unmanageable for many customers as a result of the COVID-19 economic crisis, the AMP will continue these efforts on a longer term basis by providing continued support for those lower income customers that may chronically encounter difficulty paying their utility bills and, therefore, find themselves in a subsequent arrearage situation after the Debt Relief Program and other associated COVID-related assistance resources have subsided. This design provides that if the customer's financial hardship is resolved after receipt of Debt Relief Program funding, the

option to pursue additional energy assistance at a later date is still preserved. For those that are not fully served through the Debt Relief Program, additional assistance can be provided for those eligible. The Company believes this approach, in addition to any potential future legislation that may allow for certain utility rates to be set in consideration of a customer's income, may begin to set a path forward in assisting Oregonians that are continuously struggling to keep up with the costs of essential needs.

IV. AVISTA LIRAP OUTREACH COSTS

As noted previously, the COVID-19 health and economic crisis only helped to further amplify the many burdens faced by low-income and other vulnerable communities. As Avista endeavors to keep pace with the need to connect with more customers than ever before, and to provide help to those that have been historically “unreachable” by traditional outreach and marketing means, it has become evident that the costs associated with any such augmentation of the Agencies’ efforts is not something previously considered within the Company’s LIRAP. Historically, the costs for the Company’s support for the program has been covered in its Operations and Maintenance (O&M) budget each year, inclusive of allocations for all marketing and promotional efforts made to increase uptake and awareness of Avista’s energy assistance programs and the other offerings available to customers facing financial challenges. While the Company believes that a portion of its overall LIRAP administration is best suited to be handled through its LIRAP Schedule 493, much like the treatment of its energy efficiency program tariffs,¹⁰ it appreciates the relatively modest size of its existing LIRAP funding and does not want to burden the existing program structure with additional costs. For this reason, the Company is proposing to designate \$15,000 of the annual LIRAP budget to assist with funding of its customer outreach efforts. This funding will enable the Company to continue its commitment of pursuing outreach that engages customers that have not been historically reached, or who may not be aware of and have not been served by assistance programs in the past.

¹⁰ The Avista Oregon Low-Income Energy Efficiency program, governed by Schedule 465 and funded through the Company’s Public Purpose Funding Surcharge (Schedule 469) is inclusive of a small share of Company administration costs, as are fellow IOU’s comparable programs. Avista’s Demand Side Management (DSM) programs in both Idaho and Washington are also inclusive of a portion of such costs.



V. CONCLUSION

In conclusion, the Company believes that the incorporation of the AMP into its existing LIRAP offerings will result in the availability of a variety of energy assistance programs to address the diversity of need among the Company's low-income customer population and those experiencing hardship. The proposed program provides a benefit offering to low-income customers to address the issue of affordability that many customers struggle with. Avista stands ready to collaborate further with its CAAs for the delivery of the AMP and recognizes that continuous expansion of energy assistance offerings provides a complete toolbox for the partner Agencies to be able to adequately serve those seeking assistance in paying their utility bill. Additionally, the Company finds it appropriate, if not long-overdue, to incorporate a small portion of its internal administrative costs in tariff at this time, to ensure that the proper funds are available and designated to support promotion and outreach strategies for the LIRAP and other bill assistance opportunities.

Included with this filing are the Company's current LIRAP Guidelines and Proposed AMP Guidelines. If approved the Company will incorporate the AMP Guidelines into the LIRAP Guidelines. The Company respectfully requests the tariff changes as outlined in Schedule 493 become effective for services on June 1, 2021. Please direct any questions regarding this filing to Ana Matthews at (509) 495-7979 or Jaime Majure at (509) 495-7839.

Sincerely,

/s/ Shawn Bonfield

Shawn Bonfield
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Enclosure



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 bill payment assistance for Avista’s qualifying low-income residential customers, in accordance with ORS 757.315.

APPLICABLE:

To all residential Customers in the State of Oregon where the Company has natural gas service available. This Residential Low Income Rate Assistance Program (LIRAP) Adjustment is applicable to all residential customers taking service under Schedule 410.

MONTHLY RATE:

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

SPECIAL CONDITIONS:

1. Each month, the Company will bill and collect low-income bill payment assistance funds from all Residential Customers. By the 10th of the month following the billing month, using the Company’s internal cashless voucher system, the Company will determine and send the monthly voucher amount showing the Program funds available to each participating Community Action Agency (“Agencies”). 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. Each Agency will process client intake, authorize payments, and provide the Company with a payment report. Based on this payment report, the Company will transfer the authorized payments to the individual customer’s utility account. (T)
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. (M)
|
(M)

(M) material transferred from Second Revision Sheet 493A

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June 1, 2021

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

- 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)
|
(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). (N)
- 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 Arrearage Management Plan (AMP). (T)
- 6. 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. (N)
- 7. The LIRAP program year is October 1st through September 30th. (N)

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) material transferred to Fourth Revision Sheet 493

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By

Patrick Ehrbar, Director of Regulatory Affairs



Oregon

Low-Income Rate Assistance Program Guidelines

Updated July 2020

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Introduction

The Avista Low-Income Rate Assistance Program (LIRAP) Guidelines provides a framework for the operations of the program for the Community Action Agencies, their representatives and Avista staff who play a role in the program delivery.

If questions arise, please contact the LIRAP Manager, Ana Matthews.

Avista LIRAP Program Description

The Avista Residential Low-Income Rate Assistance Program Adjustment is applicable to all residential customers taking service under Schedule 410 to generate funds to be used for bill payment assistance for Avista's qualifying low-income residential customers, in accordance with ORS 757.315.

The purpose of the Avista Low-Income Rate Assistance Program (LIRAP) is to reduce the energy cost burden among those customers least able to pay energy bills. A goal of LIRAP funding is to supplement the federal Low Income Home Energy Assistance Program (LIHEAP) funding to benefit additional Avista households.

LIRAP Purpose:

Reduce energy cost burden among those customers least able to pay energy bills

Avista will work together with Community Action Agencies to enhance program effectiveness and coverage

Community Action Agencies

The program's effectiveness and scope are enhanced by the collaboration with Community Action Agencies (CAAs). The LIRAP funding is distributed through the CAAs that are currently serving Avista households with LIHEAP funding. Customer eligibility is determined by the respective participating agencies and should be consistent with the LIHEAP guidelines established for Oregon, except for situations where the Avista customer does not have a social security number. In those situations the guidelines for benefit determination should mimic those of Oregon Energy Assistance Program (OEAP).

The program design allows CAAs to offer combinations of funding (LIHEAP, LIRAP, OEA, OR Heat or Project Share) based upon the needs of each client. This flexibility allows the ability to help the most number of customers with the appropriate funding amount to meet individual customer needs.

The agencies and counties they serve are:

Community Action Agency	County/Counties Served
United Community Action Network (UCAN - Douglas County)	Douglas
United Community Action Network (UCAN - Josephine County)	Josephine
ACCESS	Jackson
Klamath Lake Community Action Services	Klamath
Community Connection of Northeast Oregon	Union

Community Action Agency

- Verifies eligibility
- Posts pledge in the Avista Workbench for qualified customers
- Forwards payment to Avista Remittance (Remittance email)
- Forwards Monthly Data Request to Avista Accounting
- Forwards Quarterly Administrative Reports to Avista Accounting



Avista

- Remittance processes payment and posts to the account
- Accounting processes reports to create payment and voucher documents
- Avista reports on the program to the Oregon Public Utilities Commission

Avista LIRAP Administration

The Avista LIRAP program consists of a cashless payment system and reporting. The cashless payment system includes: monthly vouchers, payment summary, adjustment report and agency reports.

LIRAP Program Year

In a public meeting of April 1, 2002, the Oregon Public Utilities Commission (OPUC) allowed Avista Utilities' Low-Income Rate Assistance Program (LIRAP) under ORS 757.315 to become effective on April 2, 2002. For the first ten years the program year was July 1st through June 30th. The LIHEAP program year is October 1st through September 30th and is considered the norm for the official heating season timeframe and for reporting data such as the number of households helped, amount of funding available for the program year. As a result of discussion with the participating Community Action Agencies and Avista regarding the administrative challenges of the differences of the program years, Avista proposed changing the LIRAP program year to align with the LIHEAP program year in the 2012/2013 LIRAP Annual Report filed with the OPUC.

The LIRAP Program Year Key Activities

- LIRAP Energy Assistance program year: October 1st through September 30th
- Agencies provide LIRAP monthly data request each month
- Avista provides LIRAP revenue allocation and payment vouchers to each agency monthly
- Agencies provide LIRAP Administrative & Program expenditures quarterly
- Agencies and Avista meet to discuss guidelines, program activities and performance once, each year
- Annual report due from Avista to the OPUC December 31st

I. Avista Customer Grant - Process

Each agency is responsible for granting LIRAP funds to Avista customers based on guidelines outlined in the vendor agreement.

Effective July 14, 2020 agencies may income qualify customers who are receiving Temporary Assistance for Needy Families (TANF) and/or Supplemental Nutrition Assistance Program (SNAP) for LIRAP as verified through the Department of Health Services database and/or the customer's eligibility letter.

In the payment reports that are submitted to Avista Remittance, it is important to keep LIRAP grants separate from all other energy grants submitted for processing (for example: LIHEAP and Project Share).

Individual grant amounts may be rounded up to the nearest dollar.

For accurate and efficient processing of energy assistance payments Agency Payment Reports should include the following information, at minimum:

1. Agency Name
2. Date of Report
3. Name on the account, and when available alternative name on the account
4. Payee Name

5. Account Number
6. Address
7. Type of grant award
8. Amount of grant award
9. Totals

Some key factors that can affect accurate and efficient processing are:

1. Unique agency identifiers, such as abbreviations for grant types
2. Incorrect Account Numbers. Providing the account holder name and address information enables the Remittance staff to research to locate the correct address so that grants can be correctly processed in a timely manner.

Avista customer grants payment reports should be emailed (not faxed unless previously arranged) to Remittance at: Remittance@avistacorp.com.

Questions:

Please direct questions regarding customer grant payments to Remittance at: Remittance@avistacorp.com.

II. Monthly Voucher

LIRAP functions under a “Cashless” Voucher system that reports monthly to each participating agency.

Avista will email each agency the “Oregon LIRAP Voucher Form” by the 10th of each month.

The Monthly Voucher will list:

- 1) The amount available to grant to customers from the revenues collected the previous month.
- 2) The total amount released for funding during the current program year.
- 3) The total amount available to grant to customers.
- 4) The administration and program support check amount and the date it will be mailed.
- 5) The total amount paid for Administration and Program Support during the current program year.

Agencies are encouraged to monitor Direct Service balances to ensure that program balances at the end of the program year do not exceed 20% carryover. Agencies with a significant Direct Service carryover amount will need to submit a request for the carryover to Ana Matthews that addresses:

- a. a need for the funds exists among eligible Avista customers in the agency service area, and
- b. the agency capability of disbursing the additional funds in a timely manner.

Questions:

Questions regarding the **Monthly Voucher** should be directed to Morgan Loosmore at: Morgan.Loosmore@avistacorp.com.

III. Monthly Payment Summary

Avista will email a monthly payment summary to each agency by the 10th of every month. This report shows all grants received by Avista for the previous month and applied to customer accounts. Agencies should review this list upon receipt to ensure that all grant requests submitted are included in this report and that their records agree with Avista's records.

Questions:

Questions regarding the **Payment Summary** should be directed to Morgan Loosmore at: Morgan.Loosmore@avistacorp.com.

IV. Monthly Request for Data Forms

Each month the agencies are asked to provide data regarding the customers served by LIRAP funding. At the conclusion of each program year, the information collected is then reported in Avista's annual summary that is filed with the Commission. This form needs to be completed accurately monthly and then emailed to Avista by the 20th of each month.

Please email the **Monthly Request for Data** form to: Mikaela Terpko at: Mikaela.Terpko@avistacorp.com.

Questions:

Please direct all questions regarding the **Monthly Request for Data** form to Mikaela Terpko at: Mikaela.Terpko@avistacorp.com.

V. Administration and Program Delivery Payment

Avista will mail each agency a monthly payment by the 20th of each month for the Administration and Program Delivery funds collected from the previous month's revenue. The amount will fluctuate each month based on revenues.

- 1) Agencies can convert unused Administrative & Program Delivery funds to Direct Services. To convert Administrative funds to direct services funds there are two methods, depending on when the funds are converted:

Prior to allocation of Administrative/Program Support from Avista for the month, please notify Ana Matthews by email prior to the first of the month.

Please note the month that you would like funds reallocated and the percentage of Administrative/Program Support funds you would like allocated. This ensures the funds converted are reported on the next available Monthly Voucher.

Example: It is November and you would like to reallocate your December Administrative/Program Support to Direct Services. Notify Ana Matthews prior to the

end of November so the funds can be allocated accordingly. Be sure to note how much of your Administrative/Program costs that you would like allocated to Direct Services for grant funding.

After Administrative/Program Support has been allocated, agencies must mail a list of grantees, their account information and a check that covers the benefit amount to Ana Matthews within 30 days of pledging the award.

Example: You received your November check for Administrative/Program Support and Conservation Education Staff and Labor, and you would like to use some of those funds for LIRAP Direct Services. Within 30 days of pledging those funds, a check along with the list that includes the grantee names and account information should be provided to Ana Matthews.

Questions

Questions regarding the **Administrative payments** should be directed to Ana Matthews at: Ana.Matthews@avistacorp.com.

Confidentiality

In administering LIRAP, each agency has access to Avista customer utility account information which is considered to be confidential and proprietary to Avista (“Confidential Information” or “Information”). With respect to all information collected or learned by, or furnished or made accessible to the agency in connection with LIRAP (including but not limited to, information relating to the consumption history, energy usage, account balances and payments of an Eligible Customer), it is the shared responsibility of the agencies to protect such information consistent with Avista’s Privacy Policy.

In accessing customer utility account information through the Avista Workbench, it is important to adhere to the following:

- The information is confidential and proprietary to Avista;
- The information should not be used for any purpose other than to determine eligibility for low-income assistance programs;
- The information should not be divulged to third-parties who could use the information to market services or offer products to a customer who does not already subscribe to that service or product without customer written permission; and
- The information is the property of Avista and the customer, and except to the limited extent necessary for administering LIRAP and other assistance programs, will not disclose the information to any other person or entity without the express written authorization of the Avista customer, as applicable.

Any questions regarding confidentiality should be addressed to Ana Matthews at: ana.matthews@avistacorp.com or by telephone at: 509-495-7979.

CARES

Avista CARES is available for Avista customers with unique and special needs. Agencies should refer customers to CARES for consideration for their caseload; please refer customers to Avista CARES for the following situations:

- Medical crisis (e.g. large medical bills, terminally ill, car accident, medical certificate)
- Recent family crisis causing financial hardship (e.g. home fire, death in family, recent job loss with no compensation)
- Medical Equipment

A CARES representative can be reached Monday through Friday, 8 AM to 5 PM, by telephone at: 1-888-700-2757 or by email at: caresqueue@avistacorp.com.

Avista LIRAP Contacts

Ana Matthews
Avista LIRAP Manager
P.O. Box 3727
1411 E. Mission
Spokane, WA 99220
1-800-727-9170 ext. 7979
Ana.Matthews@avistacorp.com

Morgan Loosmore
Revenue Accounting Analyst
P.O. Box 3727
1411 East Mission
Spokane, WA 99220
800-727-9170 ext. 2939
Or direct at: 509-495-2939
Morgan.Loosmore@avistacorp.com

Remittance Processing
P.O. Box 3727
1411 East Mission
Spokane, WA 99252-0001
1-800-727-9170 ext. 2216
Remittance@avistacorp.com

Wendy Krasselt
CARES Manager
Avista Contact Center
P.O. Box 3727, MSC-R7
208-798-1435
Wendy.Krasselt@avistacorp.com

Avista Arrearage Management Program Program Guidelines

Program Overview

An Arrearage Management Program (AMP) provides relief for income-qualified, residential customers who have unmanageable past-due balances (arrears) on their bills. The AMP benefit is designed to assist qualified customers by reducing the amounts of an unpaid, past due balance owed over time and by rewarding regular payment behavior.

The AMP is an option once energy and emergency assistance has been utilized and the customer needs assistance with an unpaid past due amount (an arrears).

The **intent** of the AMP is to:

- incentivize customers to adopt and practice stable payment behavior,
- reduce the burden an arrearage places on customers and their ability to pay current and future utility bills,
- reduce individual, business and program expenses associated with disconnections and reconnections, and
- reduce the amount of bad debt that the company carries as a result of nonpayment.

AMP Eligibility & Benefit/Participation Conditions

Eligibility

Available to residential customers up to 60% State Median Income (SMI) once all forms of assistance have been utilized.

Opt-in

Income qualified customers (i.e. 60% SMI) who elect to participate in the AMP program will elect to opt-in to the program. This gives the customer the option to decide when they would like to use the one-time benefit with the premise being that customer choice means they are actively engaged. This is an essential component of the program, as

participation in the program is contingent on regular, on-time payments from the customer.

Incentive

90% of the customer's arrears are amortized over a twelve-month period and forgiven from the customer's account with each on-time payment. The AMP will reduce the arrearage each month the customer participates by 1/12 of the overall arrears balance. The intent is that the incentive will influence desired payment behavior of regular, on-time payments.

Benefit Conditions

The AMP is available twice every seven (7) years during the history of the account for a total of \$500

- a) The customer has discretion to use the one-time benefit, even for small balances.
The customer education should include payment arrangement as an option for those with smaller, outstanding balances.
- b) A customer can drop from the program **once a year** for two times during the seven-year period.
- c) For a 2nd participation, the following criteria is required:
 - a. balance from the previous attempt should be paid prior to eligibility for second participation (i.e. the customer has addressed previous year's balance through a variety of means: customer payment, bill assistance, payment arrangements).
 - b. customer is not eligible until the next program year (e.g. October 1st)
- d) Based on the agency's discretion, the customer may have a third chance as long as they have not exceeded the maximum amount.

Conditions for Participation

To remain on the program:

- The customer must make regular, on-time monthly payments
- The amount owing must be received in full by the bill due date

Program Termination

Customers will be terminated from the AMP after two (2) payments in full and on-time are missed.

A letter will be sent to customers who have missed a payment and are behind on the 2nd payment to provide an alert of pending termination from the program if payment in full is not received immediately.

If a customer has a change in address, based on their situation the following will apply:

Customer Situation	Action
Moves to gas and/or electric household within the Oregon service territory	Maintained on the AMP for the term of the program without any adjustments made
Moves to Avista service area in Idaho or Oregon	Terminated from the program and all balances are due
Moves to other utility or outside of the Avista service area	Terminated from the program, all balances are due

Emergency Assistance

A customer may seek and be qualified for emergency assistance while participating in the program. The benefit should be for the amount that has been billed.

Similar to Project Share guidelines, if the customer's grant amount is less than the maximum amount of \$350 the customer may qualify for Project Share a second time within the program year if funds are still available. The total amount of both grants will not exceed the maximum.

Key Messages for customer at Enrollment

- a) Incentive program is a 12-month payment arrangement
- b) By electing to participate in the program the customer is agreeing to a 12-month payment arrangement
- c) On-time payment, in full, by the bill due date is required to remain on the program
- d) Two missed consecutive payments will result in termination from the program, and customer is responsible for the full amount owing
- e) For every on-time payment in full, a credit on the account will apply to a portion of the past due balance
- f) Successful completion of the program is that 90% of the past due balance over a 12-month period is paid by Avista LIRAP
- g) Program does not work with Comfort Level Billing. Customers enrolled in CLB will be removed as part of the enrollment process.
- h) The customer may be contacted by Avista to complete enrollment; if Avista leaves a message additional information is needed for enrollment. If Avista is unable to connect with the customer, the customer may not qualify for full benefits under the program.
- i) Active gas or electric service in Oregon is required to remain on the AMP.

Sample AMP Customer Benefit:

Customer has \$350 arrears when enrolled in program. Under the AMP the arrears would be divided in two parts: (1) customer payment at 10% of the balance, and (2) incentive for 90% of the balance:

$90\% \text{ of } \$350 = \$315 / 12 \text{ months} = \$26.25 / \text{month}$

$10\% \text{ of } \$350 = \$35 / 12 \text{ months} = \$2.92 / \text{month}$

If the customer makes the \$2.92 payment to cover the 10% (in addition to their current monthly bill), they will receive a credit of \$26.25 on their bill. At the end of the 12 months, if the customer has made regular on-time payments as requested, they will have paid the full \$35 to cover their 10% and as an incentive for this we will have covered the remaining \$315 (90%).

AMP Enrollment Process

The AMP Enrollment Process

1. During intake, the agency representative will include the customer's contact information for any follow-up that is needed. The representative then obtains account details (account balance, current charges, past due amount and deposit balance due) on the workbench and enters into the Program Information section of the form. The calculator will provide the AMP amounts or refer the representative to contact CARES if unable to calculate (due to deposit owing).
2. The agency representative will copy and paste the populated information below the calculator into the Enrollments Sheet.
3. The Enrollment Sheet will be uploaded daily to the Shared Drive. You will be provided a link (unique to each agency) from Mikaela Terpko.
4. Upon receiving the enrollment sheet, Avista CARES will review the account and will set up the payment arrangement on the account or attempt to contact the customer if further information is needed.

Enrollment Form Example:

Customer Information	
Customer Name	Fred Rogers
Account Number	1234567890
Email	beautifulday@neighborhood.com
Address	123 Main St. Spokane, WA 99216
Phone	509-555-6789
Service Type	Electric and Gas
Program Information	
Account Balance	\$ 543.00
Current charges displayed on most recent bill	\$ 143.00
Past Due Amount	\$ 400.00
Deposit Balance Due	\$ -
Calculated Values	
Utility Balance Owing	\$ 543.00
Past Due Customer Responsibility (10%)	\$ 54.30
Estimated Required Monthly Payment*	Current Charges + \$ 4.53
Past Due Forgiven with 12 On-Time monthly payments (90%)	\$ 488.70
Estimated Debt Forgiveness Monthly Credit (When Monthly Payment Requirement met)*	\$ (40.73)
Debt Forgiveness Credit Total (after completing 12 on time monthly payments)	\$ (488.70)
Customer Fully Educated Y/N	Yes

Required Customer Education Upon Enrollment:

- Incentive program is a 12-month payment arrangement
- By electing to participate in the program the customer is agreeing to a 12-month payment arrangement
- On-time payment, in full, by the bill due date is required to remain on the program
- Two missed consecutive payments will result in termination from the program, and customer is responsible for the full amount owing
- For every on-time payment in full, a credit on the account will apply to a portion of the past due balance
- Successful completion of the program is that 90% of the past due balance over a 12-month period is paid by Avista LIRAP
- Program does not work with Comfort Level Billing. Customers enrolled in CLB will be removed as part of the enrollment process.
- The customer may be contacted by Avista to complete enrollment; if Avista leaves a message additional information is needed for enrollment. If Avista is unable to connect with the customer, the customer may not qualify for full benefits under the program.

*This calculation is an estimate only; final customer responsibility and monthly benefit will be displayed on the first bill following enrollment.



Auto Populates: copy and paste onto enrollment tab of form (must paste values):

Customer Fully Educated	Name	Account Number	Address	Email	Phone	Customer Responsibility	Forgiveness Total	Service Type	Date
Yes	Fred Rogers	1234567890	123 Main St. Spokane, WA 99216	beautifulday@neighb	509-555-6789	\$ 54.30	\$ (488.70)	Electric and Gas	3/15/2021

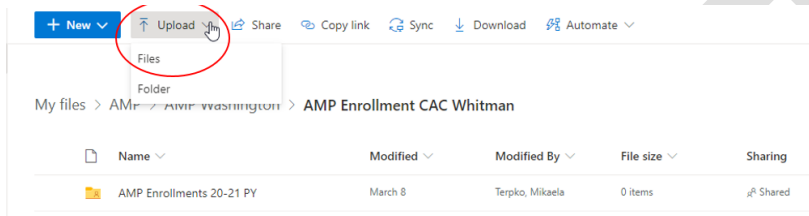
Upload daily enrollments using the link on the form:

Arrearage Management Program Participants

[Upload Enrollments Here](#)

Please submit enrollments daily

The link will take you to the designated folder for your agency. Upload files.



CARES will receive notification that enrollment file has been uploaded and completes enrollment.

AMP Reporting

AMP should be included in LIRAP Monthly Request for Data. An additional section has been added to the template to capture AMP enrollments. AMP enrollee demographic data should be aggregated with LIRAP recipients for the month reported.

Arrearage Mangement Program		Electric	Gas	Dual Fuel
# AMP customers				
	<i>AMP Total # of Customers</i>			

Program Contacts

Agency	Name	Title	Phone	Email
Avista	CARES	CARES Queue	1.888.700.2757	caresqueue@avistacorp.com
Avista	Mikaela Terpko	Program Coordinator	509.495.7874	Mikaela.terpko@avistacorp.com

Snapshots of Customer Letters

(1) Enrollment

This letter is to confirm you have been enrolled in Avista's Arrearage Management Program. The program has two parts to help you address your past due balance and stay current on your monthly bill.

Here are some key details:

Your outstanding balance is divided into two parts over the course of a 12-month time period. (1) 10% of your outstanding balance that you will be responsible for, and (2) an incentive for the remaining 90% of the balance to be paid by Avista.

As an example, if your outstanding balance is \$300:

What you pay: 10% of \$300 = \$30 divided by 12 months = \$2.50 per month

What Avista pays: 90% of \$300 = \$270 divided by 12 months = \$22.50 per month

Per the example above, if you make the \$2.50 payment (to cover the 10% of your outstanding balance) *in addition* to your current monthly bill, you will receive a credit of \$22.50 towards the past due balance. At the end of the 12 months, if you have made regular on-time payments as required, you will have paid the full \$30 to cover your 10% and we will have paid the remaining \$270 (90%).

The credit will be visible in the **Bill at a Glance** section on your next bill.

Please note: An important requirement for participation is regular on-time payments. If you miss two payments, your participation will be terminated from the program.

If you find yourself in a situation where you will not be able to pay, please contact us as soon as possible as you may be eligible for emergency bill assistance through your local community action agency. You can get information for your local agency by calling us or visiting myavista.com/assistance.

Your monthly AMP amount is \$2.22 per month. This amount is due in addition to your current monthly charges.

For questions about your enrollment in this program, Avista Call Center Representatives are available to assist you Monday through Friday, 8:00 a.m. to 5:00 p.m. at (800) 227-9187 or email at askavista@avistacorp.com.

Snapshots of Customer Letters

(2) Missed Payments

As you know, a condition for participation in the Arrearage Management Program is to make regular on time payments. At this time, you are in jeopardy of being terminated from the program due to nonpayment.

Please note that to remain on the program, payment is due immediately – please contact us as soon as possible to discuss payment arrangements or other assistance options that may be available.

Customer Service Representatives are here to assist you Monday through Friday 7:00 a.m. to 7:00 p.m. and Saturday 9:00 a.m. to 5:00 p.m. at (800) 227-9187.

Sincerely,
Avista Customer Service

(3) Cancellation

Please note that your enrollment in the Arrearage Management Program has been cancelled due to non-payment.

The conditions for participation in the program required on-time payments for both your portion of the outstanding balance as well your current monthly bill. Missing two payments resulted in termination from the program.

Payment of the full account balance is due at this time – please call us to discuss payment arrangements or other assistance options that may be available.

Customer Service Representatives are here to assist you Monday through Friday 7:00 a.m. to 7:00 p.m. and Saturday 9:00 a.m. to 5:00 p.m. at (800) 227-9187.

Sincerely,
Avista Customer Service