

**Avista Low Income Rate Assistance Program (LIRAP) Emergency Share, Temporary
Exception Program
Report
Docket No. UE-160887**

I. Background

On July 8, 2016, Avista filed with the Washington Utilities and Transportation Commission (UTC) proposed revisions to its tariff Schedules 92 and 192 “Low Income Rate Assistance Adjustment” requesting a temporary exception for qualifying customers with incomes at or below 200% FPL, and who have made good faith payments and/or been in communication with Avista regarding their financial circumstances with an end date of May 31, 2017. Customer qualification would be conducted by Community Action Agencies (CAA) with the maximum grant amount for a qualifying customer to be \$1,550. The tariffs became effective August 8, 2016.

II. Implementation Overview

The temporary, exception program (TEP) for LIRAP Emergency for customers with extraordinarily high bills was implemented with the following guidelines:

- a. The TEP would provide a solution for the CAA when encountering customers that current energy assistant program benefit design is not helping; therefore more customers will be helped and remain connected to services.
- b. The TEP would conclude when funds were exhausted and/or considered for full implementation at the spring 2017 LIRAP meeting.
- c. The parameters for customer qualification were:
 - i. Available to customers up to 200% FPL.
 - ii. The customer must have made good faith payments and/or been in communication with Avista regarding their situation (e.g. set up payment arrangements).
 - iii. The benefit award must be approved by a CAA manager (i.e. intake worker cannot approve) in collaboration with Avista CARES representative. The CARES representative can provide specific information regarding the account that is necessary for making eligibility determination (e.g. item ii).
 - iv. Calculated as 90% of the collection amount less what the customer can pay.
 - v. The maximum grant amount for each individual customer will not exceed 90% of the average annual energy bill (Electric and Gas). That maximum has been determined to be \$1,550.
- d. Funding for the temporary, exception program will come from unspent direct service funding as proposed by Avista and agreed upon by the agencies (specific agency direct service amounts will be reduced to fund the temporary, exception program).

III. Eligibility and Benefit Amount Determination

The grant eligibility and benefit amount determination was confirmed between the Agency's Energy Supervisor (intake workers were not authorized to approve the TEP grants) through conversations with an Avista Customer Assistance Referral Evaluation Services (CARES) representative.

During the call CARES representative provided:

- a. Information regarding the account contact with Avista (e.g. had they contacted Avista regarding their current past due amount)
- b. Amount needed to keep services connected, 90% of the past due amount owing; however, the customer was still responsible for the full amount. The agency was to instruct the customer to call Avista to either pay the remaining amount or if eligible, possibly make arrangements on the remaining amount and to make a co-pay.

IV. Data Collection for Program Impact

The following were data sources for the TEP:

- a. Grant Data Log: During the Agency/CARES call, CARES representatives obtained information from the agency supervisor to input into a data collection spreadsheet:
 - Electric or Gas
 - Grant amount
 - Customer Co-pay amount
 - The situation surrounding the need for the exception program: simple explanation examples such as job loss, death, large medical bills, terminally ill, etc.
- b. Additionally, CARES input the following information from Avista Customer Care and Billing System into the data collection spreadsheet:
 - Past Due Amount
 - Customer Contact with Avista for the previous 6 months
- c. After the term of the program, agencies provided a report of the number of grants, total award amounts and household demographics.

V. Budget Overview

LIRAP Direct Service carryover from the 2016 program year funded the LIRAP Share Temporary Exception Program; the available amount for funding was \$585,000.

Avista’s approach to collecting funds for the TEP included meeting with agencies and agreeing on the appropriate amount to contribute to the program. The initial suggested amount was approximately 50% of the agencies anticipated unspent balance at the end of the program year. After agreeing on each agency’s funding amount, the funds were pooled into a single restricted account. As TEP grants were issued by the agencies, the grant amount was subtracted from the agencies direct service balance and the Company reimbursed the agency for the amount spent. This approach ensured that 1) the agency received credit for the grant, and 2) double counting of account balance reductions was avoided.

Table No.1

| LIRAP Share TEP Grant Awards August 8, 2016 through May 31, 2017 | | | |
|---|-------------------------|---------------------------|-----------------------------|
| | Number of Grants | Total Grant Amount | Average Grant Amount |
| LIRAP Share TEP | 712 | \$549,360 | \$775 |

VI. Temporary Exception Program Results

The majority of grants were distributed in February (222) and March (274). And the least amount was distributed at the program start with six (6) awards in August, seven (7) in September and five (5) in October. All but one LIRAP agency provided temporary exception grants to qualifying customers. The majority of grants were distributed by SNAP to customers residing in Spokane County. The lowest grant award was for \$148 and by design the maximum award was capped at \$1550.

Table No. 2

| Agency | Service Area | Number of Grants | Percent of Distribution |
|-----------------------------------|-----------------------------|-------------------------|--------------------------------|
| SNAP | Spokane | 545 | 77% |
| Rural Resources | Ferry, Stevens, and Lincoln | 122 | 17% |
| Community Action Center | Whitman | 16 | 2% |
| Community Action Partnership | Asotin | 21 | 3% |
| OIC of Washington | Grant and Adams | 8 | 1% |
| Washington Gorge Community Action | Klickitat and Skamania | 0 | 0% |

The average account with a past due balance was \$686, the minimum past due balance was \$253 and the maximum balance was \$3,113. The eligibility determination for the household with the highest balance was related to a husband/father having passed away leaving only one income for a household of six members.

The situations that TEP households were under were rarely a single source or reason; the majority had multiple issues such as chronic health conditions, high balances with limited incomes. In some situations the account holder may have been a victim of a crime such as robbery or theft, or a violent crime. Many homes had lost of income either due to lay-offs, divorce, and/or loss of a loved one or incarceration. A significant amount were single parent households or homes where five or more relied on a single income or some sort of assistance.

Table No.3

| Household Situation | Number of Accounts |
|----------------------------|---------------------------|
| Bankruptcy | 1 |
| CLB Cancelled | 5 |
| Crime Victim | 16 |
| Disabled | 17 |
| Fixed Income | 45 |
| Hardship | 62 |
| Health | 102 |
| High Usage | 29 |
| Life Support | 1 |
| Loss of Income | 55 |
| Low/Limited Income | 125 |
| Medical Expenses | 48 |
| No Income | 22 |
| Terminally Ill | 6 |
| Unemployed | 102 |
| Unexpected Costs | 50 |

The reasons by household were captured manually by the CARES staff in discussion with the agency representative. In some instances the information was not captured; therefore, the reasons for all grant recipients are not available.

Table No.4

Demographic Data for the LIRAP Share, TEP grant recipients

| | # of Household | % of Households |
|----------------------------|----------------|-----------------|
| Home Ownership | | |
| Own | 268 | 38% |
| Rent | 444 | 62% |
| Total | 712 | |
| Heating Fuel Source | | |
| Electric | 443 | 62% |
| Natural Gas | 269 | 38% |
| Other | 0 | 0% |
| Total | 712 | |
| Size of Household | | |
| 1 Person | 157 | 22% |
| 2 People | 172 | 24% |
| 3 People | 146 | 21% |
| 4+ People | 237 | 33% |
| Total | 712 | |
| Annual Income Level | | |
| Under \$2,000 | 362 | 51% |
| \$2,000 to \$3,999 | 187 | 26% |
| \$4,000 to \$5,999 | 26 | 4% |
| \$6,000 to \$7,999 | 3 | 0% |
| \$8,000 to \$9,999 | 20 | 3% |
| \$10,000 to \$11,999 | 4 | 1% |
| \$12,000 to \$14,999 | 29 | 4% |
| Over \$15,000 | 81 | 11% |
| Total | 712 | |

According to the manually populated grant recipient information sheet, 523 grant recipients had been in touch with Avista in the previous 6 months to discuss their account and make payment arrangements on their account, one had only called to discuss their account, and 163 did not contact Avista. For the remaining, data is not available.

The average customer co-pay amount reported at the time of the CARES and agency account discussion was \$74 and the maximum \$337.

VII. Summary

While the intent of the TEP was to provide a solution for customers who had accumulated high balances due to the suspension of collections in the first part of 2015 with the implementation of the Customer Care and Billing system, and later in the year due to the windstorms, it proved to be vital while serving customers during the severe winter we experienced during the 2016/2017 heating season. At the spring 2017 LIRAP Meeting, the agencies expressed that it was an essential tool in helping keep customers connected to services.

TEP has demonstrated to be an effective form of assistance for customers who have exhausted all energy assistance options and for those whom are experiencing hardship where assistance is not available. The results of the TEP will be used to inform the Advisory Group subcommittee's research of an arrearage management program.