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VIA – Commission Web-Portal

July 28, 2017

Steven V. King
Executive Director and Secretary
Washington Utilities & Transportation Commission
1300 S. Evergreen Park Drive S. W.
P.O. Box 47250
Olympia, Washington 98504-7250

Dear Mr. King:

Attached for electronic filing with the Commission is an electronic copy of the proposed revisions to Avista's Senior & Disabled Residential Service Schedule 002 of Tariff WN U-28. The following tariff sheet is proposed to be effective October 1, 2017:

First Revision Sheet 002 Canceling Original Sheet 002

On June 25, 2015, the Commission in Order 07 in Docket Nos. UE-140188 and UG-140189 approved certain modifications and additions to the Company's Low Income Rate Assistance Program (LIRAP). One of the additions to LIRAP approved by the Commission was the implementation of a Senior and Disabled rate discount two-year pilot program ("Rate Discount Program" or "RDP"). The initial pilot term started on October 1, 2015 and expires on September 30, 2017.

The Rate Discount Program is applicable to customers in the State of Washington who were qualified by Spokane Neighborhood Action Partners ("SNAP") or Rural Resources during the initial pilot term. The total number of participants in this pilot for Schedule 2 (electric) and Schedule 102 (natural gas) is limited to 800 (700 for SNAP and 100 for Rural Resources) originally enrolled participants. In order to have been qualified for inclusion in the pilot by SNAP or Rural Resources, a participant must have a household fixed income between 126-200 percent of the Federal Poverty Level.

As a part of the RDP, an evaluation was completed by Evergreen Economics. That evaluation demonstrated the RDP was effective in achieving the program goals of reducing energy burden, keeping customers connected to services, and reaching more customers. Additionally, the evaluation revealed the RDP resulted in positive customer satisfaction and can be efficiently implemented within the processes established by the pilot.

On July 11, 2017, the Avista Energy Assistance Advisory Group (Advisory Group)¹, based on input from the members, approved an extension of the RDP for an additional two-year period, through September 30, 2019. There are several reasons for the proposed extension. First, the RDP from the Advisory Group's perspective has been very successful. That is evidenced by the positive Evergreen Economics report. The second reason is that a working subcommittee of the Advisory Group is continuing their exploration of additional energy assistance programs that may also provide positive impacts for participants. Those potential programs include a Percent of Income Payment Plan (PIPP) and Arrearage Management Program (AMP). In the end, the Advisory Group is not ready to fully implement a new energy assistance program (i.e., the RDP) until all pilots are complete, but at the same time does not want to see the RDP expire given its success.

Based on the findings from the pilot evaluation, the Advisory Group recommends that the extension include the following eligibility guideline changes for continued enrollment in the RDP:

1. Allow for a variable income sources as long as the household income is between 151% and 200% FPL to support the recommendation of the Evergreen Economics RDP report.
2. Allow those who now qualify for LIRAP Heat (those who are in the 126 percent to 150 percent FPL but previously only qualified for the RDP) to remain on the RDP if they so elect after receiving education about the benefits of both programs². This provision will allow those customers who are adverse to receiving a grant to continue to receive a rate discount.

Therefore, as shown on 1st Revision Sheet 002, the Company (with the support of the Advisory Group) is proposing to extend the Rate Discount Program through September 30, 2019, along with the other modifications discussed above. In order to ensure that the participants in the RDP still qualify within the eligibility guidelines for the program, a re-certification of the current enrollees will be conducted by SNAP and Rural Resources by September 30, 2017. No new enrollment will be conducted. With the limited enrollment, the budget for the extended two year term will be approximately \$600,000; accounting for the RDP budget will continue to be separate from the LIRAP budget.

¹ The Avista Energy Assistance Advisory Group is comprised of representatives from Avista, Commission Staff, Public Counsel, The Energy Project, SNAP, Rural Resources, the Washington State Department of Commerce, and Aging and Long Term Care of Eastern Washington.

² Under LIRAP Heat, assistance is provided to customers using the same eligibility determination as the Federal LIHEAP program (i.e., 0 percent to 150 percent of the FPL). Previously, only customers with a FPL up to 125 percent qualified for LIRAP Heat.

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The Company has an effective date of October 1, 2017. Please direct any questions regarding this filing to Ryan Finesilver at (509) 495-4873, or me at (509) 495-8620.

Sincerely,

A handwritten signature in black ink, appearing to read "Patrick Ehrbar", with a long horizontal flourish extending to the right.

Patrick Ehrbar
Senior Manager, Rates & Tariffs

Enclosures