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April 2, 2020

Mark L. Johnson
Executive Director and Secretary
Washington Utilities & Transportation Commission
621 Woodland Square Loop SE
Lacey, WA 98503

Dear Mr. Johnson:

Attached for filing with 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 natural gas tariff sheet, WN U-29.

Third Revision Sheet 192A Canceling Second Revision Sheet 192A

The purpose of this filing is to modify Avista’s Schedule 192, “Low Income Rate Assistance Rate Adjustment”, to incorporate temporary modifications that mitigate the economic impact of the COVID-19 pandemic, and to remove the existing Income Based Payment Plan (IBPP) Pilot and the Balance Management Arrangement (BMA) Pilot from its tariff, as these pilots concluded September 30, 2019. In order to provide immediate relief to its customers, Avista is requesting that these revisions be approved with Less than Statutory Notice (LSN) pursuant to WAC 480-80-122, with an effective date of April 13, 2020.

I. Introduction

Avista Utilities’ Low-Income Rate Assistance Program (LIRAP), approved by the Washington Utilities and Transportation Commission (Commission) in 2001, collects funding through electric and natural gas tariff surcharges on Schedules 92 and 192. These funds are distributed by Community Action Agencies (CAAs or “Agencies”) in a manner similar to the Federal and State-sponsored Low Income Home Energy Assistance Program (LIHEAP). LIRAP, like LIHEAP assistance can help a

household avoid having its utilities shut off or help reestablish service after a disruption and can also help pay ongoing heating costs. The current LIRAP program is comprised of six components:

- LIRAP Heat: mimics the LIHEAP program in terms of intake requirements and benefit calculation, though income eligibility was updated to 150% FPL in 2018.
- LIRAP Emergency Share: LIRAP Emergency Share emulates the Project Share community fund that is funded through voluntary donations that are used to help customers in emergency or hardship situations.
- LIRAP Senior/Disabled Outreach: A grant-based program for senior and/or individuals with disability with incomes 151 to 200 percent FPL. This program is set to conclude on September 30, 2021.
- Senior/Disabled Rate Discount: A rate discount program designed to help mitigate the impact of energy costs on senior and/or individuals with disability who have variable incomes between 151-200 percent FPL.
- Income-Based Payment Plan (IBPP) Pilot: Available to electric customers with income at 10-50 percent FPL, this program provides a fixed percentage discount that reduces the customer's bill to 6% of their income. The pilot is limited to 300 customers and will commence on October 1, 2018 and end September 30, 2019.
- Balance Management Arrangement (BMA) Pilot: Available to customers who have qualified for enrollment in the IBPP and have amounts owed in arrears or a balance they cannot pay at the time of enrollment. The BMA is a one-time benefit that reduces customer arrearage owed over a 12-month period by providing an incentive for regular, on-time payment of these balances.

This filing is intended to remove the expired IBPP and BMA pilots listed above, and, more urgently, to integrate the temporary provisions described below in anticipation of customer hardships resulting from the COVID-19 pandemic.

II. Proposed Temporary LIRAP Modifications

Due to the COVID-19 public health and economic crisis, Avista expects that customer need for energy assistance may increase exponentially as customers experience loss of income, coupled with increased energy utilization as individuals isolate in their in homes. Such occurrences may result in higher energy burden, inability to pay bills due to lack of monetary resources, or insurmountable arrears. To meet this potential influx of need and help alleviate COVID-19 related hardships, Avista

suggests a temporary modification of its Low-Income Rate Assistance Program. The requested modifications were presented to Avista's Energy Assistance Advisory Group (Advisory Group) for expedited consideration on March 26, 2020, and after unanimous support from the Advisory Group, Avista respectfully requests that these temporary changes, and associated Schedule 192 tariff revisions, be approved by the Commission effective April 6, 2020. The Company's proposal includes the following three items:

1. Temporary COVID-19 Hardship Assistance ("Hardship Grant"): One-time grant that provides assistance to customers experiencing financial hardship due to the Coronavirus crisis, with the following considerations:
 - a. Eligibility: No income guidelines; this grant is available to all Avista Washington residential customers with an unpaid, past due balance that verbally express difficulty in paying their energy bill due to COVID-19.
 - b. Benefit Amount: Hardship Grant amount will be issued for the full amount owing on the customer's account, up to a maximum of \$350.
 - (i) Issuance of the Hardship Grant should not result in a credit on the account. However, at its discretion, the Agency issuing the grant may contact Avista's Customer Assistance Referral & Evaluation Services (CARES) to obtain customer account history information and, based on the information provided, may decide to award a Hardship Grant that *does* result in a credit if they determine that the circumstances warrant such an overage.
 - c. Leveraging of Other Funding Sources: The one-time Hardship Grant can be combined with additional energy assistance, including LIRAP Heat, LIHEAP, and Project Share. The following scenarios are provided as examples of qualifying customers and the benefits they may receive:

Customer Situations	Energy Assistance Benefit
Received Energy Assistance ¹ , but not Emergency Assistance ²	Qualifies for Project Share and COVID-19 Hardship Grant
Received Energy Assistance and Emergency Assistance	Qualifies for COVID-19 Hardship Grant
Does not qualify for Energy Assistance, received Emergency Assistance	Qualifies for COVID-19 Hardship Grant
Does not qualify for Energy Assistance, has not received Emergency Assistance	Qualifies for Emergency Assistance and COVID-19 Hardship Grant
Received Energy Assistance, Emergency Assistance, and LIHEAP Contingency benefit	Does not qualify for Avista COVID-19 Hardship Grant
Customer has received Energy Assistance and <u>two</u> Emergency Assistance grants (as allowed below)	Does not qualify for COVID-19 Hardship Grant

2. Suspension of Specified LIRAP Emergency Share Guideline: Current Emergency Share guidelines restrict the issuance of Emergency Assistance to one-time per customer, per year, and does not allow duplication of this grant with Project Share assistance. Temporary suspension of this guideline will allow customers to receive two Emergency Assistance grants within the 2020 program year. Remaining Emergency Share guidelines and the current \$350 maximum still apply.
3. Alignment of LIRAP Heat Eligibility Verification Requirements with LIHEAP Emergency Modifications: Current eligibility verification requirements for income-based LIRAP components will parallel the LIHEAP Emergency Modifications as established by the Department of Commerce (Commerce). This includes replacing the three-month income verification requirement with a one-month provision, thereby allowing easier access to Energy Assistance for customers experiencing short-term financial difficulties due to COVID-19.

The proposed LIRAP modifications will be implemented concurrently with Commerce's COVID-19 Emergency Declaration Contingent Benefit Policy, and in partnership with the CAAs serving Avista's service territory. For efficiency and ease, the proposed modifications have been developed in a way that can be incorporated into existing processes, systems and reporting requirements. The temporary LIRAP modifications are anticipated to expire at the end of the program year on September 30, 2020, however, Avista will monitor program activity and make a recommendation to its Advisory Group if an extension is needed.

¹ "Energy Assistance" is inclusive of either a LIRAP Heat grant or a LIHEAP grant

² "Emergency Assistance" is inclusive of a LIRAP Emergency Share grant or a Project Share grant

III. LIRAP Modification Funding

As of March 1, 2020, the LIRAP Direct Service (DS) balance remaining for the October 1, 2019 – September 30, 2020 program year is approximately \$4.9 million. This funding, in addition to the 6.5% increase in LIRAP electric budget and 4.8% increase in the natural gas budget effective April 1, 2020,³ provides a total of approximately \$5.4 million in available LIRAP Direct Service funding. Of the available budget, \$3 million is available for electric assistance, and \$2.4 million is to be distributed for natural gas assistance. With the 2019-2020 heating season coming to an end, Avista is hopeful that the existing LIRAP funding will easily accommodate the proposed LIRAP modifications. With the full economic impact of the COVID-19 crisis unknown, however, the Company is also requesting a 10% soft cap budget increase be included with these LIRAP modifications. This increase, recommended by Commission Staff and supported by Public Counsel at Avista's Advisory Group meeting, is to be utilized only in the event that energy assistance need related to COVID-19 hardships far exceeds current expectations. This contingency will allow for flexibility as Avista navigates this unprecedented assistance need, and alleviate any additional requisite filings to further fund this matter. Any overages beyond the existing budget will be updated through the Company's existing annual LIRAP true-up filing.

IV. Conclusion

Avista appreciates the hard work and support of its Advisory Group, as well as the compassion and swiftness shown by the Commission in its efforts to minimize the impact of the COVID-19 pandemic on Washington residents. To immediately respond to the rapidly changing economic conditions facing its customers due to this crisis, the Company respectfully requests that the Commission allow these LIRAP modifications, and associate tariff changes, to become effective as of April 13, 2020, with Less than Statutory Notice ("LSN") as provided in WAC 480-80-122. Avista believes the requested modifications to be in the best interest of its customers based on the unforeseeable need for assistance resulting from COVID-19, and therefore a practical show of good cause for LSN.

Please direct any questions regarding this filing to Ana Matthews at (509) 495-7979 or Jaime Majure at (509) 495-7839.

³ April 1, 2020 LIRAP funding increase is the result of Avista's most recent general rate case, Docket Nos. UE-190334, UG-190335, and UE-190222

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Sincerely,

/s/Linda Gervais/

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Avista Utilities

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