

March 29, 2017

VIA ELECTRONIC FILING

Steven V. King
Executive Director and Secretary
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive SW
PO Box 47250
Olympia, WA 98504-7250

RE: Advice 17-04—Schedule 17—Low Income Bill Assistance Program

Pacific Power & Light Company, a division of PacifiCorp (Pacific Power or Company), submits the following revised tariff sheets in accordance with RCW 80.28.050 and WAC chapter 480-80. The Company respectfully requests an effective date of May 1, 2017.

Fifth Revision to Sheet No. 17.1	Schedule 17	Low Income Bill Assistance Program—Residential Service—Optional for Customers
Second Revision to Sheet No. 17.2	Schedule 17	Low Income Bill Assistance Program—Residential Service—Optional for Customers

The Low Income Bill Assistance (LIBA) Program has been available through Schedule 17 since November 2003. It is currently designed to provide credits to income eligible households on monthly usage over 600 kWh within the winter months defined as November 1 through April 30.

In Order 12 in Docket UE-152253, Pacific Power was ordered to initiate a stakeholder collaborative to discuss LIBA program changes for the 2017-18 program year. It also stated that the stakeholder group should develop a mutually agreed upon funding plan and file modifications with the Commission by April 1, 2017.

Stakeholders representing Staff, the Energy Project, Public Counsel, Boise, NW Energy Coalition, Pacific Power, and the three local agencies that administer LIBA (Blue Mountain Action Council in Walla Walla, Northwest Community Action Center in Toppenish, and Opportunities Industrialization Center in Yakima) participated in these discussions. The first two meetings were held in Toppenish on July 11, 2016, and August 25, 2016, and additional conference calls were held on January 20, 2017, and February 28, 2017.

Stakeholders agreed to the following proposed program modifications for the next five program years beginning October 1, 2017:

1. Annual Enrollment—The stakeholders propose to increase the current maximum annual enrollment cap of 4,720 households by two percent annually. The following table reflects the proposed annual enrollment cap by program year:

Program Year	Proposed Annual Enrollment Cap
2017/2018	4,814
2018/2019	4,910
2019/2020	5,008
2020/2021	5,108
2021/2022	5,210

This increase will allow additional households to participate in the program at a level determined to be manageable by the administering agencies.

- Two-Year Enrollments—Each program year, the agencies will strive for 25 percent of enrollments to be qualified for a two-year period. The current program plan directs agencies to certify 25% of enrollments as eligible for a two-year period in the 2016/2017 program year.

The remaining participants will be certified as eligible for a one-year period. Generally, the agencies enroll households with fixed incomes for a two-year period as their income is unlikely to change over this timeframe. Because of the two year enrollment allowance, participation numbers can be greater than the annual enrollment caps listed above. There will be households participating that had been certified as eligible for two years in the previous year.

- Application of Credits—Currently, credits are applied to the participant’s monthly usage over 600 kWh in the heating months of November through April. The stakeholders propose to extend these credits over all 12 months of the year. This will expand benefits to eligible households. This change is intended to address the fact that cooling is essential to many households in Pacific Power’s service area, which increases the electricity usage during the non-heating months.
- LIBA Credit Levels—The following table shows the current LIBA credits provided to participating customers within the three income tiers:

Household Income	Credit Level
0-75% of Federal Poverty Level	8.508 cents per kWh over 600 kWh
76-100% of Federal Poverty Level	5.724 cents per kWh over 600 kWh
101-150% of Federal Poverty Level	3.577 cents per kWh over 600 kWh

These credits will increase on September 15, 2017, in conjunction with the second-step rate increase ordered in Docket UE-152253 and will be applied to billings in the next program year beginning in October 2017. The increase to LIBA credits will be based on decisions from the collaborative reviewing cost of service, rate spread, and rate design issues. If stakeholders do not reach consensus by the time this rate increase becomes effective, then LIBA credits in each tier will increase by 4.7 percent, twice the residential rate increase, effective September 15, 2017.

Consistent with the Company's current five-year LIBA program, LIBA credits will be revised if any rate changes are implemented during this five-year LIBA plan. The stakeholders will discuss the appropriate modification in credits moving forward based on data described in #8 below, following the 2017/2018 program year.

5. Agency Administration Fees—Three local agencies certify customers as income eligible and assign them to one of the three income tiers. They currently receive \$75.00 for each certified customer. The fee will remain at this level because the stakeholders have not yet reached a consensus on an appropriate agency administration fee moving forward. Stakeholders will continue the discussion on this issue and may recommend an adjustment to the agency fee in the future.
6. Program Year Period—Stakeholders propose to revise the program year to match the federally funded Low Income Home Energy Assistance (LIHEAP) program year, which runs October 1 through September 30. This change will increase the agency's efficiencies in administering both LIHEAP and LIBA. The new monthly LIBA credits will begin to be applied to bills starting in October 2017. Agencies will continue to certify eligible customers before the beginning of the 2017/2018 program year. Participants enrolled between May 1 and September 30, 2017 will have an effective date of October 1, 2017, in conjunction with the beginning of the program year. This will allow them to receive benefits for their entire participation period of one or two years.
7. Annual Review of the LIBA Surcharge—The Company collects funds to cover LIBA program costs through Schedule 91. As of December 31, 2016, approximately \$2 million was in the LIBA balance account. The requested program changes will increase LIBA costs, reducing the balance. And, it is proposed that the current surcharge remain in place at this time which will also decrease this balance. The Company will review the balance and estimate future expenditures annually to determine if a change to the surcharge is necessary. If needed, the Company will submit an annual filing to revise the surcharge in August, with a requested effective date of October 1. The first review will occur in August 2018.

The design of the surcharge was also discussed in one of the collaborative meetings. This included a review of the current method where an increase is spread by an equal percentage per rate schedule and a discussion of a revenue share method. It was determined that a change could create a large impact on some customers. It was agreed that this one issue related to the LIBA program could be addressed in a general rate case forum as it is open to more entities.

8. Review of LIBA and LIHEAP Benefits—Many households receiving financial benefits from LIBA also obtain energy assistance through the LIHEAP program. Staff requested data to determine total benefits received by LIBA participants from both programs. They are interested in reviewing the combined benefits and comparing that to the customers Pacific Power bills. The Company will provide a report with this information by

December 31, 2018, with details covering the 2017/2018 program year. The annual LIBA benefit, the amount of LIHEAP payment, and the total billed by Pacific Power in the 2017/2018 program year will be included for each LIBA participant in this report. The income tier will also be reported for each participant.

9. Data for Needs Assessment—Pacific Power and the Washington Department of Commerce provided data to the Energy Project, which was discussed during the stakeholder meeting held on August 25, 2016. This information was helpful in determining that it is appropriate to keep the LIBA credit structure with the three income tiers in place. It was also useful in verifying that it is appropriate to increase participation numbers.

Based on this discussion, there is no additional data needed that is not publicly available. The additional data previously mentioned that will be provided by Pacific Power after the 2017/2018 program year will also be helpful in future analysis of the LIBA benefits and program structure.

Exhibit A provides details related to proposed enrollments, administrative costs, and customer credits over the next five program years, beginning October 1, 2017.

It is respectfully requested that all formal correspondence and Staff requests regarding this filing be addressed to:

By e-mail (preferred): datarequest@pacificcorp.com

By regular mail: Data Request Response Center
PacifiCorp
825 NE Multnomah Street, Suite 2000
Portland, Oregon, 97232

Please direct any informal inquiries regarding this filing to Ariel Son at (503) 813-5410.

Sincerely,



R. Bryce Dalley
Vice President, Regulation

Enclosures

Attachments

Attachment A: Summary Page of Tariffs

Attachment B: Proposed Tariff Sheets

Exhibit A: Proposed Enrollments, Administrative Costs, and Customer Credits