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May 22, 2014

***Via Electronic Mail***

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

Re: Docket No. U-140632 - Comments of Avista Utilities

Dear Mr. King,

Avista Corporation dba Avista Utilities (Avista or Company) submits the following comments in accordance with the Washington Utilities and Transportation Commission’s (Commission) Notice of Opportunity to Submit Written Comments (Notice) issued in Docket U-140632.

On April 23, 2014 the Washington Utilities and Transportation Commission (Commission) notified interested parties of their plan to hold a workshop regarding the benefits of different program designs for electric and natural gas utility low-income assistance programs at a recessed open meeting on Thursday, May 29, 2014. This workshop is intended to explore policy goals and program structures that may enhance or improve low-income assistance programs. At the workshop, the Commission will solicit stakeholder feedback on:

* What policy goals should guide the implementation of electric and natural gas low-income assistance programs;
* Which program design elements best support those goals;
* How to provide fair access if funds are insufficient to serve all eligible customers; and
* What lessons can be learned from low-income assistance programs in other states.

To better understand the elements of low-income assistance programs in Washington, the Commission requested that electric and natural gas utilities regulated by the Commission submit written comments to the Commission. The following is Avista’s response to the requested information:

**1. A brief description of the company’s low-income assistance program.**

Avista Utilities’ Low-Income Rate Assistance Program (LIRAP) approved by the Washington Utilities and Transportation Commission (UTC) in 2001 collects funding through electric and natural gas tariff surcharges on Schedules 91 and 191. These funds are distributed by Community Action Agencies (CAA’s) in a manner similar to the Federal and State-sponsored Low Income Home Energy Assistance Program (LIHEAP)[[1]](#footnote-1). LIRAP, like LIHEAP assistance can help a household avoid having its utilities shut off or help reestablish service and can also help pay ongoing heating costs, assisting families who may have a hard time paying utility bills, and meeting other basic household expenses such as food, prescriptions, rent, or child care.

The LIRAP Program has three (3) components for determining customer eligibility and determining assistance:

* LIRAP HEAT replicates LIHEAP guidelines for eligibility and benefit amount determination. A customer cannot receive both LIRAP HEAT and LIHEAP in the same program year.
* LIRAP Share is Emergency Assistance that replicates Project Share; a customer cannot receive both, but can receive another form of energy assistance. The maximum payment guideline is $300.
* Senior Energy Outreach is for seniors that are living on fixed incomes, 60+ years, income at or below 200% of the Federal Poverty Level (FPL) when adjusted for non-reimbursed medical expenses. The standard benefit is $300 for heating customers and $100 for customers using other fuels and is designed to work in conjunction with Comfort Level Billing

Conservation Education (Con-Ed) is an important component of the LIRAP as identified in the Commission Staff’s decision memo dated April 25, 2001 in Docket Nos. UE-010436 and UG-010437. As of 2012, LIRAP Con Ed activities are conducted solely by the agencies. The partnership with the agencies is governed by agreements and annual guidelines that are updated as changes occur.

**2. A description of how the company measures the success of its low-income assistance program.**

The Company files an annual report with the Commission at the end of every program year. This annual report provides documentation of the LIRAP performance through a variety of program measures:

* the revenues and disbursements;
* number of grants distributed;
* demographic data of grant recipients;
* energy burden impacts (as provided by Spokane Neighborhood Action Partners (SNAP) for Spokane County);
* conservation education (as reported by the agencies); and
* other program related information.

**3. The total number of residential customers in the company’s service territory, an estimate of the total number of low-income customers in the company’s service territory, and the number of customers participating in the company’s low-income assistance program for each of the last five program years.**

1. WA residential customers: 240,426 electric and 151,676 natural gas (as of Dec. 31, 2013).
2. The Company does not track customer income.
3. Number of customers that received LIRAP assistance for the last five heating seasons:



**4. The number of customers who receive low-income assistance two or more years in a row, and the distribution of the number of years that assistance was received by those customers in each of the last five program years.**

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| **Number of Accounts EA Grants in Consecutive Years** | | | | | | |
|  | **Number of Years with EA Payment** | | | | |  |
| **Consecutive Years** | **1** | **2** | **3** | **4** | **5** | **Total (Consecutive Years)** |
| **1** | 32,007 | 1,649 | 68 |  |  | 33,724 |
| **2** |  | 9,337 | 1,067 | 243 |  | 10,647 |
| **3** |  |  | 3,720 | 512 |  | 4,232 |
| **4** |  |  |  | 1,899 |  | 1,899 |
| **5** |  |  |  |  | 2,362 | 2,362 |
| **Total**  **(Years with EA Payment)** | 32,007 | 10,986 | 4,855 | 2,654 | 2,362 | 52,864 |
| *1 consecutive year = only 1 year received EA payment.* | | | | | | |

**5. The number and proportion of low-income assistance customers who also receive low-income weatherization, and the total number of customers who received low-income weatherization in each of the last five program years.**

* The number of low income assistance customer accounts that received energy assistance from 2008 to 2012 was 53,935;
* The number of low income assistance customer accounts that received both energy assistance and weatherization services from 2008-2012 was 1,394;
* There were 1,655 income qualified customer accounts that received weatherization services from 2008-2012; and
* Of those, 57 received weatherization services in more than one program year from 2008-2012.

**6. A spreadsheet or distribution curve of the monthly energy usage of low-income assistance recipients.**

Provided below is the distribution curve of the monthly electricity usage of those low-income assistance recipients in the State of Washington[[2]](#footnote-2):



**7. Disconnection ratios for the past three years comparing total customer population with low-income assistance recipients. Please indicate the percentage of disconnected low-income assistance recipients whose service was restored because of low-income programs.**



Avista appreciates the opportunity to provide these comments, and we look forward to participating in the workshop scheduled for May 29, 2014, and the issues related to this topic. If you have any questions regarding these comments, please contact me at 509-495-4975 or at [linda.gervais@avistacorp.com](mailto:linda.gervais@avistacorp.com).

Sincerely,

/s/Linda Gervais/

Manager, Regulatory Policy

Avista Utilities

[linda.gervais@avistacorp.com](mailto:linda.gervais@avistacorp.com)

509-495-4975

1. The Low Income Home Energy Assistance Program (LIHEAP) is a federal program established in 1981 and funded annually by Congress. These federal dollars are released directly to states, territories, tribes and the District of Columbia who use the funds to provide energy assistance to low-income households. LIHEAP offers financial assistance to qualifying low-income households to help them pay their home heating or cooling bills. Under federal law, a household must have income below either 150 percent of the federal poverty level or 60 percent of state median income level, whichever is higher. However, states can set lower income thresholds if they choose to. Some states use non-federal funds to expand their programs to include more households or to provide higher benefits. [↑](#footnote-ref-1)
2. The Company used the actual, non-weather normalized electricity usage data from 4,362 customers who received service for the entire period of July 1, 2012 through June 30, 2013, and received either a LIHEAP or LIRAP grant. Customers who had partial year usage were excluded. [↑](#footnote-ref-2)