



**Avista Corporation**

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June 30, 2023

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Amanda Maxwell  
 Executive Director and Secretary  
 Washington Utilities & Transportation Commission  
 621 Woodland Square Loop SE  
 Lacey, WA 98503

RE: **Avista Utilities Tariff WN U-28, Schedule 92, Low-Income Rate Assistance Program**

Dear Ms. Maxwell:

Attached for electronic filing with the Washington Utilities and Transportation Commission (Commission) are the proposed tariff revisions of Avista Corporation, dba Avista Utilities (Avista or the Company), requesting modifications to the following electric tariff sheets, WN U-28:

	<u>Revised</u>	
<b>Fourteenth Revision Sheet 92</b>	Canceling	<b>Thirteenth Revision Sheet 92</b>
<b>Eighth Revision Sheet 92A</b>	Canceling	<b>Seventh Revision Sheet 92A</b>
<b>Third Revision Sheet 92B</b>	Canceling	<b>Second Revision Sheet 92B</b>

New  
**Original Sheet 92C**

Canceled  
**Schedule 02, all tariff sheets**  
**Schedule 73, all tariff sheets**  
**Schedule 89, all tariff sheets**

The primary purpose of this filing is twofold:

1. To increase funding collected under Avista's electric tariff Schedule 92, "Low-Income Rate Assistance Program" (LIRAP), in alignment with the provisions of RCW 80.28.425(2) and the Commission's Final Order No. 10/04 in the Company's most recent

general rate case (GRC), Docket Nos. UE-220053, UG-220054, and UE-210854 (*Consolidated*).

2. To modify Avista’s LIRAP design elements in accordance with the provisions of the above-referenced order and the directives contained within the approved Full Multiparty Settlement Stipulation (Settlement). This filing is made in compliance with Section 24(a) of the Settlement, which states that “On July 1, 2023, Avista will make a subsequent filing (pursuant to WAC 480-07-855) providing the outcome of discussions with the Energy Assistance Advisory Group (“EAAG”) concerning these and other program design and implementation issues.” [Emphasis added].

With the exception of the exact monthly rates established on Sheet 92 as they were not yet fully developed, the Company shared these proposed revisions for Schedule 92 with its EAAG on June 14, 2023, and received feedback from The Energy Project (TEP), Northwest Energy Coalition (NWECC), and Spokane Neighborhood Action Partners (SNAP); all feedback has been addressed and/or incorporated into this filing where appropriate. All other changes included in this filing are made in support of the purpose stated above or are housekeeping in nature, including removal of the following Schedules: Schedule 02, “Senior & Disabled Residential Service – Washington”; Schedule 73, “Residential Debt Relief Program”; and Schedule 89, “Senior & Disabled Residential Service Discount Rate Adjustment – Washington”.

## I. INTRODUCTION

Avista’s LIRAP, approved by the Commission in 2001, collects funding through electric and natural gas tariff surcharges on Schedules 92 and 192. These funds have historically been distributed by Community Action Agencies (CAAs or Agencies) in a manner similar to the Federally sponsored and State-administered Low Income Home Energy Assistance Program (LIHEAP). LIRAP, like LIHEAP, can help a household avoid having its utilities shut off or help reestablish service after a disruption, and can also help pay ongoing energy costs. The current LIRAP tariff is comprised of the following components:

- **Heat:** Grant-based energy assistance available to customers at or below 150% Federal Poverty Level (FPL); mimics LIHEAP in terms of intake requirements and benefit calculation.
- **Emergency Share:** Provides financial assistance to customers in hardship or emergency situations, including risk of service disconnection, with the grant amount determined on a case-by-case basis, not to exceed \$350.
- **Energy Grant:** Provides a \$250 grant to qualifying customers with incomes at 151% FPL up to 200% FPL or 80% Area Median Income (AMI), whichever is higher.

- **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% FPL.
- **Automatic Hardship Grant:** A one-time grant for customers experiencing financial hardship as proven by a past due balance subject to thresholds determined by Avista’s Energy Assistance Advisory Group (EAAG or Advisory Group) and at timing intervals determined by the EAAG. Mimics “emergency” assistance (i.e., LIRAP Emergency Share or Project Share) processes. This emergency assistance is intended to cover past due balances only, not to exceed \$350.
- **Arrearage Management Plan (AMP):** Available to customers with income at 51-200 percent FPL, this program reduces customer arrearages owed over a 12-month period by providing an incentive for regular, on-time payment of these balances. Available twice within a 7-year period.

### **LIRAP Changes Already Approved Effective October 1, 2023<sup>1</sup>**

In its 2022 GRC, approved via Settlement with conditions on December 12, 2022, Avista included a proposal to introduce a Bill Discount into the Company’s LIRAP, consistent with the expectations of both the Clean Energy Transformation Act (CETA) and Senate Bill 5295 (SB 5295), and to, in turn, replace the existing grant-based LIRAP in favor of an income-based bill discount model for all eligible low-income customers. In collaboration with its EAAG, the Company opted to retain its current AMP and Emergency Share, expanding eligibility of the AMP to customers with incomes at 51-200% FPL or 80% AMI, whichever is greater, and to incorporate an Arrearage Forgiveness (Forgiveness) offering as a complementary element for customers within the lowest income range of 0-50% FPL. New program provisions intended to decrease existing barriers customers were experiencing in pursuing or receiving assistance, such as joint administration of LIRAP between both Avista and partner Community Action Agencies (CAAs or Agencies) – whereas, historically, customers had a singular, CAA-only, point of access for energy assistance – as well as customers being able to self-attest their income rather than completing a burdensome application process, were also introduced.<sup>2</sup> With these changes, approved effective October 1, 2023, the LIRAP tariff will now include the following components:

- 1) **Bill Discount.** Available to all low-income customers, and is composed of five distinct discount tiers, the amount of which is based on an individual household’s total gross income. Each income group—0 to 5% FPL, 6 to 50% FPL, 51 to 100% FPL, 101 to 150% FPL, and 151% FPL to 200% FPL or 80% AMI, whichever is greater—will be provided with a specified discount percentage, to be deducted from the participating

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<sup>1</sup> Docket No. UE-220053 et.al.

<sup>2</sup> For a complete description of these proposed LIRAP modifications, please see the direct testimony of Shawn J. Bonfield (SJB-1T), filed January 21, 2022 in Docket No. UE-220053 et.al.

customer’s net bill each month. This Bill Discount replaces the Company’s former LIRAP Heat grant, Senior/Disabled Rate Discount, and Energy Grant.

- 2) **Arrearage Management Plan.** Remains available to customers with household incomes at 51-200 percent FPL.
- 3) **Arrearage Forgiveness.** Formerly approved as “Past Due Payoff,”<sup>3</sup> this provides forgiveness of past due balances for customers with incomes at 0-50% FPL.
- 4) **Emergency Share.** Remains available to all customers experiencing a hardship or energy emergency, such as risk of disconnection; benefit amount and eligibility mimic the donation-based Project Share program.

The below chart provides an illustrative example of the LIRAP elements approved in Docket No. UE-220053 et.al., to become effective on October 1, 2023.

**TABLE NO. 1 – APPROVED LIRAP ASSISTANCE BY INCOME TIER**

Household Income	Bill Discount	Arrearage Assistance
Zero to 5% FPL	94%	Arrearage Forgiveness
6 to 50% FPL	75%	
51 to 100% FPL	35%	Arrearage Management Program (AMP)
101 to 150% FPL	20%	
151% FPL to the greater of 200% FPL or 80% AMI	15%	

## **II. GRC COMPLIANCE**

While the proposed LIRAP modifications were generally accepted by the Commission’s GRC Order, section 24(a) of the Settlement noted the following terms related to the Company’s LIRAP work:

- i. Avista commits to further consult and seek consensus with its EAAG concerning the following program design and implementation issues:
  1. Joint administration with enrollment by Avista or the Community Action Partnership (“CAP”) agencies.
  2. Use of self-attestations of income and random audits instead of verifying 100 percent of participating customers’ income.
  3. Managing overlap between LIHEAP and the bill discount program.

To accomplish this additional consultation with its Advisory Group, these conditions were then taken back to Avista’s EAAG Subcommittee<sup>4</sup> for further dialogue and decision. The

<sup>3</sup> Approved in Docket Nos. UE-210077 and UG-210078 and subsequently suspended in Docket Nos. UE-210490 and UG-210491 at the Company’s request.

<sup>4</sup> This group, comprised of interested parties from Avista’s EAAG, was established in 2021 after the passage of SB 5295 to, among other things, evaluate the overall existing LIRAP structure to help inform any changes needed to appropriately align the Company’s program with current and future legislation. See Docket No. UE-220053 et.al., SJB-1T, Section IV. for further details.

Subcommittee was reconvened in August of 2022 and continued to meet bi-weekly, with increased cadence to a weekly occurrence as needed to dissect all LIRAP design elements and implementation details. Discussions ranged from not only the three commitments listed above, but to marketing and outreach strategies, crisis response, Bill Discount and Comfort Level Billing (CLB) interaction, collection of demographic information, principles of equity, and categorical eligibility, among other things. The following sections outline the agreements made amongst Subcommittee members with regard to the GRC-required issues, which were then brought to the larger EAAG for final decision on May 16, 2023; unanimous support was received.

### **Joint Administration**

Overall support for joint administration of the Bill Discount, providing ease in access to the program by allowing customers to enroll both with the Agencies as well as with Avista, was already garnered from the EAAG prior to the Company's original LIRAP proposal within the GRC and reconfirmed with the onset of newly convened group. As part of its work to continue discussions regarding joint administration, the Subcommittee focused on the more granular process details, such as the role of each administering organization (i.e., the Agencies and Avista), with the group agreeing that to ensure equity and efficiency within the joint administration process, the following practices are essential:

1. The enrollment process should be the same at Avista as it is at each CAA. This means that customers can enroll for both the Bill Discount and/or arrearage assistance at either entity, as both the Company and the Agencies will screen and qualify customers for these offerings.
2. As part of a holistic energy burden reduction strategy, it is incumbent upon Avista to educate customers about the benefits of engagement with their local CAA for connectivity to other programs that can help to stabilize the household. Customers enrolling in LIRAP with the Agencies are already assessed comprehensively for other complementary program qualifications, such as LIHEAP, rental, and water assistance, etc., therefore, it is vital that customers enrolling in LIRAP through Avista are also connected to their local Agency for a cohesive assistance experience.
  - a. Avista will send the Agencies reports of customers that are enrolled through the Company, inclusive of demographic data, in order to more directly connect the customers with the CAAs for additional assistance.

While joint administration was originally only requested for the Bill Discount,<sup>5</sup> further Subcommittee collaboration resulted in a modification to this program design element, deciding

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<sup>5</sup> Docket No. UE-220053 et.al., SJB-1T, pg. 20.

instead that customers should be able to access the Bill Discount and both arrearage assistance options through the Agencies and/or Avista. To avoid possible overutilization or other potential complications with regard to LIRAP's hardship-based offering, Emergency Share (rather than the income-based Bill Discount, AMP and Forgiveness), the Agencies will remain the sole administrator for LIRAP Emergency Share; the Subcommittee agreed to continue discussions in future program years regarding Emergency Share possibly being jointly administered.

### **Self-Attestation with Random Audits**

Possibly the largest change from the Company's original LIRAP proposal within the GRC is the request to utilize random audits instead of verifying 100 percent of participating customers' income, as well as the programmatic details associated with this self-attestation and verification process. In its initial request, Avista noted:

Although both Avista and the Agencies will be able to enroll a customer in the Bill Discount, it is the Agencies that will conduct the official verification of each applicant's actual income qualifications in order for the customer to remain on the Bill Discount. All customers enrolled in the Bill Discount must send the required low-income program application documentation to their local Agency within the first six months of enrollment; failure to submit such verification documentation will result in removal from the Bill Discount. Customers will be notified of this requirement at the time of enrollment and will receive further follow-up from the Agencies if no documentation has been received within the first three to four months of Bill Discount participation. For households enrolled by Avista, the Company will send an enrollment report to the Agencies so that the Agencies can then follow-up with each participant to obtain the necessary documentation.<sup>6</sup>

While this 100% verification request was based on the notion that the initial introduction of self-attestation would need to also have safeguards in place to maintain the integrity of LIRAP, the Company's proposal noted that as the Company and Agencies gained experience with the Bill Discount and with self-attestation, if the self-attested income information provided by customers was found to be consistently reliable (i.e., that a very high percentage of customers enrolled were proving to indeed be low-income), then such rigor in the verification process would not be warranted and the Bill Discount could then shift to a model where only a certain percentage of enrollees are audited for accuracy.

Continued discussions regarding self-attestation and random audits, as well as lessons learned from the State of Oregon's investigation into its House Bill 2475 (HB 2475)<sup>7</sup> – which, like

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<sup>6</sup> *Id.*, pgs. 21-22.

<sup>7</sup> Docket No. UM 2211.

Washington’s Senate Bill 5295 (SB 5295), extended the state’s regulatory policy to provide a pathway for differential rates or discounts for energy burdened customers<sup>8</sup> – provided a foundation for several Subcommittee decisions on this topic. Such decisions include:

1. Customer self-attestation of income will be completed using total household gross income, with deductions, in alignment with the qualifications utilized for LIHEAP. Customers that are employed received an automatic 20% deduction to account for taxes paid.
2. Self-attestation will be used for both the Bill Discount and arrearage assistance components of LIRAP.
3. As with the agreed-upon practice #2 for joint administration listed above, it is essential that Avista educate customers about the benefits of engagement with their local CAA for further assistance, and that the Agencies assess all customers comprehensively for possible qualification for additional programs.

With regards to the verification process, the Subcommittee reviewed the overall intent of what verification was meant to achieve and agreed that the purpose of verification is to prove that the program is engaging the intended population and providing the appropriate level of benefit to customers served. With this guiding understanding in place, the group reached consensus on the following:

1. Rather than verify 100% of Bill Discount participants, Avista will instead complete an audit of 6% of participants, randomly selected from the total pool of enrolled customers.
  - a. Random selection will be completed on a rolling basis, using the previous month’s total enrollments.
  - b. Probability characteristics (e.g., high energy users, those within the highest discount tier), as utilized in the California Alternate Rates for Energy (CARE) model to identify customers for verification,<sup>9</sup> will not be utilized to avoid the perception of inequity or bias.
  - c. Customers who are randomly selected yet have already been verified by the Agencies (i.e., completed income qualification for LIHEAP or other programs), will be captured in the verification percentage but will not be required to complete verification.
2. Income verification of this randomly selected 6% will be completed by the Agencies, with a 90-day timeline for completion of each verification.
  - a. Customers selected for verification will be notified that they have 90 days to complete the verification process.

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<sup>8</sup> Oregon’s HB 2475, effective January 1, 2022, expanded language under ORS 757.230 to include additional factors when establishing rate classifications, including the “differential energy burdens on low-income customers and other economic, social equality or environmental justice factors that affect affordability for certain classes of utility customers.”

<sup>9</sup> The post-enrollment verification (PEV) model used by the CARE program utilizes both an assessment of high energy users, as well as algorithms or probability models to identify which enrolled households are least likely to qualify for low-income programs, and requires various levels of income verification depending on a customer’s likelihood for qualification. <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M500/K053/500053162.PDF> at page 5, provides a summary of the PEV approach. See Docket No. A.19-11-003.

- i. If no response is received, or if the customer does not complete their verification within those 90 days, the customer will be removed from the LIRAP Bill Discount at 120 days.
    - ii. Non-responsive individuals may be verified by the CAA based on additional data available to the Agencies, as described within this filing, for continued participation in the program.
    - iii. Customers who miss the 90-day verification window may complete verification with the Agencies at any time to be re-enrolled into the Bill Discount.
3. Customers that are removed from the program due to lack of income verification, as described in 2(a)(i) above, will have the opportunity to receive missed benefits if verification is completed by the customer within 90 days from the date they were terminated from the program.
  - a. The customer will receive a credit on their Avista account to compensate for the month(s) they were without the Bill Discount, not to exceed the 90-day limit (3 months).
    - i. Bill credits will be an average discount amount specific to the income tier for which the customer has most recently qualified at and will be specific to the number of months between termination and verification (1-3 months).
  - b. Customers who complete income verification outside of this 90-day grace period are not eligible for any missed Bill Discount credits.
4. Once verified, a customer is eligible to stay on the Bill Discount for 2 years before re-enrollment (via self-attestation) is required. Customers on a fixed income<sup>10</sup> may be eligible for a 4-year term of enrollment.
  - a. Customers with a fixed income must be income-verified by a CAA to receive the extended term.
  - b. The 2- or 4-year term for Bill Discount participation begins from the date enrollment and/or income verification is approved by Avista.
  - c. Verification reporting must include the number of customers enrolled for each term length, and customer engagement details to help inform future verification design (e.g., once completed with the given term, did the customer re-engage for continued enrollment or did they not renew their Bill Discount once required to provide income verification?)
5. If a Bill Discount participant encounters a change in household income and/or number of individuals residing in their home during their enrollment term, it is the customer's responsibility to contact their local CAA for verification of their updated household information so that they may be allocated the appropriate discount tier.
  - a. Customers will be advised at the time of their initial enrollment into the Bill Discount, both with Avista or the Agencies, to contact their local Agency for any changes in household income or situation.

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<sup>10</sup> Fixed income customers are those whose income is derived from a source that is set at a particular figure and does not vary or rise with the rate of inflation, such as a pension, Supplemental Security Income (SSI), Veterans benefits Social Security Disability insurance (SSDI), or other private disability funding.



Avista's verification process, if approved by the Commission in this filing as described above, will begin in March 2024, 6-months after the LIRAP modifications become effective on October 1, 2023. This 6-month runway will allow the Agencies responsible for verification sufficient time to become acclimated to the overall LIRAP modifications and to appropriately focus their attention on the winter heating season before turning to the process of monthly income verification for those enrolled.

### **Managing the LIHEAP/LIRAP Overlap**

As noted in Avista's initial LIRAP proposal within its GRC, the interaction between the Bill Discount and LIHEAP grants was discussed at length with the Subcommittee. Such conversations resulted in the following agreements:<sup>11</sup>

- Customers that receive the Bill Discount will remain eligible to receive benefits from LIHEAP as well;
- Customers that receive both a LIHEAP grant and the Bill Discount will have the LIHEAP grant applied first such that the grant may fully cover a customer's bill. Any credited grant amount will continue to be utilized each month until the benefit is exhausted, and in any month when a customer has a balance owing *after* the application of the LIHEAP grant, the Bill Discount will then be applied to the net bill.
- To ensure that the maximum amount of LIHEAP dollars continue to be allocated to the Agencies each year (as the amount of LIHEAP funds awarded to the Agencies each year includes historical customer billing data), the LIHEAP benefit calculation will be completed *prior* to the application of the Bill Discount, therefore, the customer's original billing totals are preserved.

As discussions continued regarding the interface between LIRAP and LIHEAP, additional consensus was established regarding the following considerations:

1. Again, as noted multiple times herein, customers who enroll through the Company will be encouraged to connect with their local CAA, for LIHEAP and other assistance. This message will be communicated both during the attestation process as well as in the enrollment letter sent to each Bill Discount participant.
  - a. In support of the above connectivity, Agencies will be provided with a list of customers enrolled by Avista on a monthly basis, for referral and potential follow-up for additional assistance options.
2. To further underpin the assurance that LIHEAP funding would not be decreased as a result of the LIRAP Bill Discount, Avista's Energy Assistance Workbench (Workbench), the secure portal utilized by the Agencies to obtain and input customer information for purposes of processing bill assistance programs (including posting funding pledges and enrolling customers in the Bill Discount), provides the customer's pre-discount billing history for ease of use by the Agencies.

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<sup>11</sup> Docket No. UE-220053 et.al., SJB-1T, pgs. 16-17.

3. Customers declaring zero income will not be required to complete a “Zero-Income Statement”<sup>12</sup> to address how basic living costs are being paid. This form will only be used during the verification process.
  - a. Reporting of Bill Discount enrollments by tiers will allow the Company and Agencies to monitor each tier for any perceived over-representation of a given tier.
4. Agencies will continue to utilize the best assistance option for the specific customer’s current household situation.
5. Agencies cannot prioritize Avista customers for LIHEAP among others in the community. This means that while a customer may immediately self-attest for the Bill Discount, they must still seek an appointment through agency process and provide income verification to receive LIHEAP, therefore there may be instances where the customer will be provided with LIRAP benefits in advance of LIHEAP as they proceed through the processes for the federal benefit with their local CAA.

As with all components of Avista’s LIRAP, the Company’s EAAG will continue to track the success of the aforementioned programmatic decisions and, should modifications be needed to any LIRAP design elements, will update the program as appropriate and seek approval from the Commission for such changes where applicable.

### **Inflation Reduction Act (IRA) & Infrastructure Investment and Jobs Act (IIJA)**

In its Final Order 10/04, Docket No. UE-220053 et.al., the Commission conditioned its approval with the following:<sup>13</sup>

***Condition.** We condition our approval of the Settlement on the inclusion in Avista’s consultations and consensus-seeking with its EAAG, as well as its July 1, 2023, and September filings with the Commission, of its considerations for how funds through the IRA and IIJA might be used to support and promote low-income programs, projects, and interests. Further, Avista will report in future low-income annual filings during the MYRP its actions to seek funding through the IRA and IIJA to support and promote low-income programs, projects, and interests. Subject to this condition, we determine that the Settling Parties’ agreed low-income terms are reasonable, consistent with applicable law, in the public interest, and should be approved.*

While the work resulting from the Inflation Reduction Act (IRA) of 2022 and the Infrastructure Investment and Jobs Act (IIJA) of 2021 remains ongoing, the Company met with its Advisory Group on March 21, 2023 to discuss how to potentially leverage these recent legislative movements in consideration of low-income interests. At this meeting, Avista provided an overview of the IRA and IIJA and the possible opportunities associated with each, the Company’s actions thus far in pursuing grants, loans, or other investments under this legislation, and the community

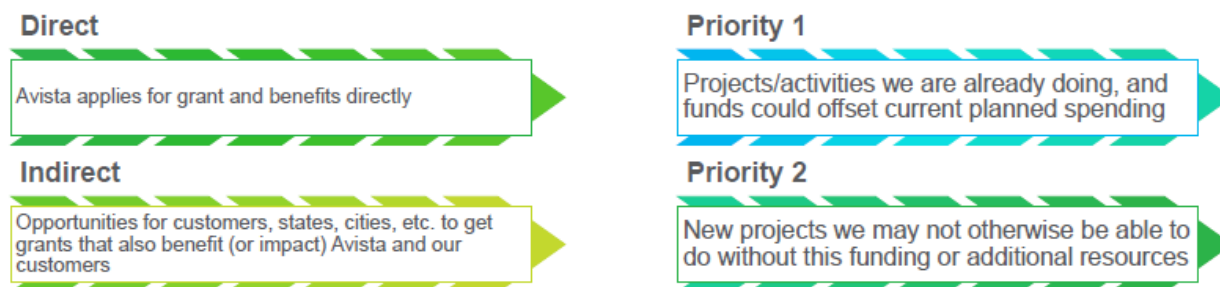
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<sup>12</sup> *Id.*, pg. 22.

<sup>13</sup> Docket No. UE-220053 et.al., Final Order 10/04, pg. 41.

benefits of these potential opportunities. As part of this discussion, the Company provided an explanation of potential direct or indirect opportunities presented by this legislation, a summary of which is provided below.

**ILLUSTRATION NO. 1 – IRA AND IJJA IMPACT TYPE AND PRIORITIZATION**



With these categorizations in mind, Avista identified 14 IJJA opportunities under the following focus categories:

**TABLE NO. 2 – IJJA OPPORTUNITIES FOR AVISTA AND OUR CUSTOMERS**

Focus Category	Direct	Indirect
Hydropower Incentives Funding	X	
Grid Resilience and Innovation Partnerships (GRIP)	X	
Broadband	X	X
Energy Efficiency and Weatherization		X
Transportation Electrification	X	X

Each specified IJJA opportunity contains a Community Benefit Plan which details the benefits to Avista customers and communities, including plans for engaging with various communities or organizations regarding the given project/activity, as well as the ways in which the project or activity invests in job quality or workforce continuity; advances diversity, equity, inclusion, and accessibility; and, contributes to the Justice 40 Initiative’s goal that 40% of the overall benefits of certain Federal investments flow to historically disadvantaged communities. Avista also provided key opportunities presented under the IRA, including the current or future availability of tax credits, grants or rebates related to electric vehicles, energy efficiency, wildfire, and utility clean generation.

The Company ultimately sought feedback on ways in which it might utilize the IRA and IJJA to support and promote low-income programs, projects, or interests, and received the following guidance from its EAAG:

- Those without reliable internet access may not be able to fully glean the benefits from any opportunities pertaining to the digitized arena, such a utilization of devices like smart appliances that may be helpful to in offsetting costs.
- Consider non-profit organizations as partners for federal grant opportunities to advance low-income objectives, they also have significant experience in applying for grants.
- Low-income customers may not be able to participate in peak hour programs, or other situations that smart grid enabled technology for discretionary load provides, due to their work hours or other obstacles.
- Ensure connectivity among the various requirements and opportunities to offset customer costs, such as Climate Commitment Act (CCA), CETA, as well as IRA and IJA.

Avista has taken this feedback as essential guidance as it continues its work within the scope of IRA and IJA efforts and will continue to provide updates on the Company's activities and collaborations in its annual LIRAP Report, as directed by the above-referenced GRC condition.

### **III. ADDITIONAL LIRAP MODIFICATIONS**

In addition to the specific LIRAP design elements approved in Docket No. UE-220053 et.al. and those described above, Avista's continued implementation meetings with its EAAG and EAAG Subcommittee have resulted in additional clarifications or modifications deemed necessary to be included the new LIRAP offerings being made effective October 1, 2023. The below sections are inclusive of these new proposed changes.

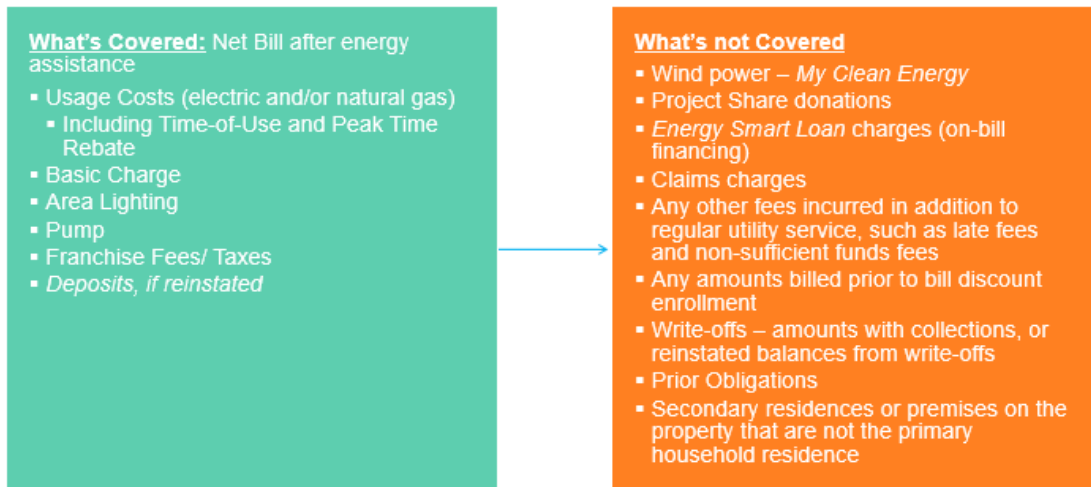
#### **Costs Covered by LIRAP Bill Discount**

In its initial LIRAP proposal, the Company noted that the Bill Discount would be applied to the customer's net bill, with "net bill" then defined as "all costs incurred by the customer related to the provision of utility service. This includes any charges related to electric or natural gas usage, as well as the basic charge, but does not include any applicable taxes or franchise fees that may be charged by third-party entities such as the city or county in which the customer resides."<sup>14</sup> As conversation continued surrounding the applicability and implementation of the Bill Discount, the Company and its EAAG Subcommittee further refined specific potential billing line items that should or should not be included within the Bill Discount calculation; the following illustration provides the resulting summary list of customer utility costs that are or are not covered by the Bill Discount.

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<sup>14</sup> Docket No. UE-220053 et.al., SJB-1T, pg. 15.

## **ILLUSTRATION NO. 2 – COSTS COVERED BY THE LIRAP BILL DISCOUNT**



### **Schedule 02/102 Transition Plan**

While Avista's approved LIRAP design hinges on the replacement of its former grant-based LIRAP components – LIRAP Heat, the Energy Grant, and the Senior/Disabled Rate Discount – in favor of an income-based bill discount model for all eligible low-income customers, the process by which the Senior/Disabled Rate Discount (RDP) customers would be transitioned to the Bill Discount remained an implementation topic for the Company's EAAG. Based on the income ranges of RDP participants (seniors and/or individuals with disability whose incomes are between 151% to 200% FPL), the most equitable approach to this transition is to automatically enroll RDP customers into the 15% discount tier of the Bill Discount, as this discount tier is applicable to customers with incomes at 151% FPL to 200% FPL or 80% AMI, whichever is greater. The Company is aware, however, that the current RDP rate was designed to provide an average annual benefit of approximately \$400 to these customers,<sup>15</sup> and that this amount, for some customers, can equate to an average discount that ranges between approximately 21% for dual-fuel customers, to as much as 40% for some customers served by natural gas only – all of which are above the 15% discount they will begin receiving effective October 1, 2023. While this is equitable in terms of matching income to the appropriate discount in order to adequately decrease the energy burden of a given household, Avista is cognizant of the customer experience involved in transitioning a customer to a lower discount than what they had been previously accustomed to

<sup>15</sup> Based on Avista RDP participant data provided to the Subcommittee on June 6, 2023, RDP participants receive an average of \$488 annually for electric-only participants, \$425 for natural gas-only, and \$405 for dual fuel.

receiving. To help mitigate this impact, Avista worked with its Subcommittee to determine a suitable outreach strategy and potential interim compensation for these customers.

To help ease the transition from the RDP to the Bill Discount, which more accurately reflects these customers' incomes, Avista plans to send preemptive communications to these customers making them aware of the upcoming Bill Discount and what this specifically means for them. The Company also proposes that a one-time \$250 LIRAP Energy Grant be applied to RDP participants' accounts prior to their automatic enrollment in the Bill Discount (and prior to the Energy Grant's expiration), to help ease any budgeting concerns that may be encountered by these customers that will now be receiving decreased assistance. The Company anticipates this change will impact nearly 1,500 customers,<sup>16</sup> of whom approximately 711 are single fuel customers – the latter being the customers whose discount decrease will be most pronounced. If approved, the Energy Grants will be issued to all RDP participants in September 2023.

#### **Automatic Enrollment of Known Income-Eligible Customers**

As part of the October 1, 2023 launch of its LIRAP Bill Discount and associated program design modifications, Avista believes that automatic enrollment of customers who have qualified for and received income-based assistance – such as LIHEAP, LIRAP Heat, RDP, or the Energy Grant – is an appropriate step in removing barriers to assistance for its customers. Since these customers have already been recently income qualified (within the past two calendar years), the Company and its partner Agencies would be able to enroll them at a customized percentage based on the income information they have already supplied to the Agencies previously. To complete this automatic enrollment, on August 1, 2023 Avista will distribute to the CAAs a list of customers who have received income-qualified assistance, dating back to July 31, 2021, and, in turn, the Agencies will report back to the Company which corresponding discount tier each customer should be enrolled into. Customers for whom the CAA is unable to identify an appropriate discount will be enrolled at the lowest discount tier of 15%. Customers who are automatically enrolled will receive notification of this enrollment, which includes their specific discount amount as well as instruction to contact Avista or their local CAA to seek a discount more in alignment with their

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<sup>16</sup> As of June 26, 2023, 1,493 customers were enrolled in the RDP.

household situation if needed, or if their household situation changes. If approved, approximately 18,500 customers will be automatically enrolled in the Bill Discount in October 2023.

### **Retention of Approved Automatic Hardship Grant**

On July 27, 2022, Avista filed a request with the Commission to incorporate an Automatic Hardship Grant into its LIRAP, to allow the Company to utilize existing LIRAP carryover funds to provide a one-time automatic grant to customers with past due balances, not to exceed \$350 and subject to the specifications agreed upon by the EAAG and contained within the filing.<sup>17</sup> This grant, approved by the Commission on August 11, 2022, resulted in the distribution of nearly \$2.2 million to help approximately 8,700 customers that were struggling with past due balances. Due to the timing of these revisions, the Company did not include this grant in the LIRAP modifications that are currently approved by the Commission via the prior GRC. While the Company has no immediate plans to issue any such grant in the near future – and believes that the suite of LIRAP offerings already set to launch will provide a comprehensive set of components that adequately and appropriately meet the energy assistance need<sup>18</sup> within its service territory – Avista would like to leave this grant option within the tariff as a safeguard should it be needed. The verbiage already included for this grant within Schedule 92 provides flexibility for the EAAG to determine the thresholds and timing applicable to any future Automatic Hardship Grants should they be needed unexpectedly in the future. Retention of this tariff language will allow for swift action should such a grant ever be warranted again and will decrease the administrative burden of a potentially Less Than Statutory Notice (LSN) tariff modification request (as was the Company’s original request for incorporation of this grant due to the urgent nature of the assistance needed).

### **AMP and Arrearage Forgiveness Modifications**

While not historically written prescriptively in tariff, several proposed changes to the design details of LIRAP’s arrearage assistance options have been established through the continuous enhancement of the LIRAP components that has occurred over the past two years in partnership with Avista and its EAAG. As previously approved, Avista’s AMP was available to a customer with a past due balance twice every seven (7) years during the history of an account,

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<sup>17</sup> Docket Nos. UE-220565 and UG-220566.

<sup>18</sup> As defined by WAC 194-40-030, “Energy assistance need” means the amount of assistance necessary to achieve an energy burden equal to six percent for utility customers.

with a maximum benefit of \$2,500 to be provided during this timeframe. Arrearage Forgiveness, following the design of its original approval as “Past Due Payoff” in Dockets UE-210077 and UG-210078 as noted previously, also had a maximum benefit of \$2,500 and could only be used one time during a customer’s account history, unless granted a rare exception by the administering organization.<sup>19</sup> As part of the October 1, 2023 tariff modifications for Schedule 92, the notation that the AMP was available twice within a 7-year period has been removed from the tariff itself, to provide flexibility for such granular programmatic elements, such as the frequency for which a customer is eligible for each arrearage component, to be instead handled as part of the continuous improvement of LIRAP through EAAG agreement and contained within program guidelines or contracts rather than within tariff. Additionally, while \$2,500 is generally, and has traditionally been, a large enough sum of assistance to set customers with past due balances up with a “clean slate” from which they can then focus their attention on current balances, there are instances now, in the wake of the COVID-19 pandemic and the chronic plague of customer arrearages that has followed, where that is no longer the case. In scenarios where customer balances are unable to be resolved with the \$2,500 maximum, a customer eligible for the AMP must find additional funding to pay down or obtain assistance for the overage amount in order to be enrolled in the AMP, and a Forgiveness-eligible customer will receive Forgiveness for only the \$2,500 maximum, thereby leaving a remaining past due balance. As such, the Company, in agreement with the Subcommittee and EAAG, has included in its October 1, 2023 tariff modifications a provision for both the AMP and Arrearage Forgiveness to include an exception to the \$2,500 maximum. This exception would allow for a maximum of up to \$5,000 for both arrearage assistance components as a rare exception for customers experiencing an extreme, extenuating customer situation (as defined by the EAAG). This exception to the arrearage maximum can only be authorized by an Energy Supervisor at the Agencies, after consultation with a Customer Assistance Referral & Evaluation Services (CARES) representative from Avista and is subject to the requirement that the customer has made good faith payments and/or been in communication with Avista regarding their situation. To receive this exception, all forms of available energy assistance must have also been exhausted; this benefit can only be utilized by a customer one time during the duration of their service with Avista.

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<sup>19</sup> As noted in the Company’s original February 5, 2021 filing in Dockets UE-210077 and UG-210078, “As a rare exception, each Agency has the discretion to award the PDP twice during a customer’s account history in instances of extraordinary circumstances such as a medical emergency or prolonged unemployment.”



In addition to the tariff modifications noted, the Company also proposes to change an AMP design detail that, while not prescribed in tariff, has been an agreed-upon guideline between the Agencies and Avista since the AMP's inception. Currently, Avista's AMP is intended to only be an option once energy and emergency assistance has been utilized, yet the customer still needs assistance with an unpaid past due amount. However, as the Company and Agencies gained experience with the AMP, it was made clear by the CAAs that this parameter, in some situations, hindered their ability to assist customers comprehensively by limiting the assistance available to those awaiting appointments with the Agencies. With the implementation of joint administration amongst both the Agencies and Avista, the need to align with the CAA's process for setting appointments and provide the discretion to help the customer, as needed, based on their situation, prompted a need for change in this policy. While the priority and preference is still to only have the LIRAP AMP as an option once energy and emergency assistance has been utilized and the customer needs assistance with an unpaid arrearage, there is now discretion to enroll a customer in an AMP prior to exhaustion of all forms of assistance when it aligns with agency process or can best serve the customer situation (e.g., the customer needs assistance with a past due balance immediately, but need to wait for an appointment for further assistance such as LIHEAP). If a customer receives additional bill assistance after enrollment into the AMP, that subsequent bill assistance can then be applied to their entire account balance – including the AMP balance; depending on the credit received, this could result in a reduction in the customer's AMP enrollment term and the overall AMP benefit provided.

### **Categorical Eligibility**

In alignment with the permissions allowable under with RCW 80.28.068(2), which allows customers to be approved for a utility's low-income programs based upon verification of a low-income customer's receipt of any means-tested public benefit, or verification of eligibility for LIHEAP or any such successor program as long as the eligibility for said program does not exceed the low-income definition set by RCW 19.405.020 (WAC 194-40-030) – often referred to as “categorical eligibility” – Avista discussed the possibility of such processes with its Subcommittee. While the Subcommittee agreed that only programs with similar LIRAP income eligibility guidelines and qualification rigor comparable to that of LIHEAP would be appropriate for such verification, and that such enrollees may also be exempt from random selection for verification, the group ultimately recognized that the complexity of various design aspects would take time to

develop and may not be ready for the October 2023 implementation of the proposed LIRAP modifications. As such, continued work is needed to, among other things, properly identify programs with similar means testing and income eligibility, establish partnerships with those organizations to share client information for auto-enrollment (and/or those organizations' preferred processes for enrolling their clients into the Bill Discount), determine the process to verify eligibility for categorical eligibility attestations, and consider various discount amount options based on the eligibility thresholds of various programs. This topic is part of an ongoing list of action items the Subcommittee will continue to address, with further Commission approval to be requested where applicable once experience with the LIRAP Bill Discount has been established and these additional focus areas have been appropriately evaluated.

### **Communication and Outreach**

Throughout the aforementioned decisions made, LIRAP modifications proposed, and best practices noted, a common foundational theme is the importance of connectivity with not only Avista's customers but also with the Company's partner Agencies. The development and distribution of substantial outreach and marketing, as well as collaborating in-step with each of the administering organizations to ensure parallel messaging and promotion, is an essential consideration as Avista looks to exponentially increase its LIRAP customer engagement now and into the future. As required by SB 5295, and codified within RCW 80.28.068(3):

Each gas or electrical company shall conduct substantial outreach efforts to make the low-income discounts or grants available to eligible customers and must provide annual reports to the commission as to the gas or electrical company's outreach activities and results. Such outreach: (a) Shall be made at least semiannually to inform customers of available rebates, discounts, credits, and other cost-saving mechanisms that can help them lower their monthly bills for gas or electrical service; and (b) may be in the form of any customary and usual methods of communication or distribution including, without limitation, widely broadcast communications with customers, direct mailing, telephone calls, electronic communications, social media postings, in-person contacts, websites of the gas or electrical company, press releases, and print and electronic media, that are designed to increase access to and participation in bill assistance programs.

With the approval in place to now utilize its LIRAP tariff for outreach costs,<sup>20</sup> the Company has sought to establish an outreach approach that is broad enough to generate program awareness and encourage engagement and participation, yet tailored enough to meet its customers and

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<sup>20</sup> See Docket No. UE-220053 et.al., Settlement Sec. (24)(c)(5).

communities where they are. Avista recognizes the importance of a comprehensive outreach plan, which includes not only communication with customers, but with its partner Agencies and community organizations as well. Such inclusion requires the use of various communication channel options, including telephone, print (newsletters, local publications, bill inserts, flyers, and other print media available for distribution or postal mailing), email, or digital media (website, QR codes, ads, or search tools), as well as ensuring in-person connection wherever possible. The Company has a robust outreach and education program that strives to engage and educate vulnerable customers (such as seniors, low-income, individuals living with disability and/or facing hardship) about bill assistance programs, effective home energy management methods and community resources. Avista achieves connectivity with these audiences through workshops, mobile and general outreach, Energy Fairs and representation or collaboration at community events. With the implementation of the Bill Discount, the Company will continue its outreach activities with heightened emphasis to promote and enroll customers into the Bill Discount. Furthermore, the Company will continue to explore the viability of the Community Partner Network (CPN) as an administrating source for customer intake for achieving increased customer engagement in hard-to-reach and underserved areas by utilizing established representatives within the communities they serve.

Having already begun its work to improve the accessibility and understandability of its outreach techniques and deliverables within its Clean Energy Implementation Plan (CEIP), Avista has committed to an internal multi-lingual transformation process, through which it plans to assess and expand its existing communication structure on an ongoing basis to ensure appropriate and accurate access to Avista's programs, through all communication channels, for all Avista customers – specifically for whom English is not the primary language. Through these efforts, Avista has already translated all of its past due and final notices into Spanish, and is working to integrate translation services into its website. The Company is also cognizant of not only its methods of communication, but the actual verbiage it uses to communicate, and strives to eliminate utility jargon or overly complex terminology in favor of more simple, readable language.

The Company continues to work through the implementation of this multi-channel, multi-lingual approach, including the creation of unified message points and Frequently Asked Questions (FAQs) for use at both Avista as well as at the Agencies. As alluded to previously, customers enrolling in the Bill Discount or other LIRAP components, whether automatically enrolled by the

Company or after having pursued enrollment themselves, will be met with several touchpoints of awareness regarding the availability of energy assistance programs. Whether it is a pre-enrollment message informing all customers that are eligible for automatic enrollment that a discount is coming, or a letter congratulating them on their new Bill Discount, all interactions with customers will utilize the customer's preferred communications method wherever possible. When the time comes for income verification, customers will again be contacted several times in an effort to promote a verification process that is as seamless as possible – with multiple reminders and letters, all in the customer's preferred communication method, if such has been established. To ensure connectivity with the Agencies aside from the reporting previously mentioned, Avista and the CAAs will remain continuously engaged in communication regarding LIRAP's progress and shared learnings, and Avista will continue to provide information regarding local CAAs on both its website and included in all correspondence mentioning energy assistance or billing/payment options. Reporting of all communication and outreach endeavors will continue to be included in the Company's annual LIRAP Report.

#### **IV. PROPOSED LIRAP RATE ADJUSTMENT**

In previous years, Avista's LIRAP has operated based on a set annual program budget, distributed to the CAAs based on the customer meter count within each Agency's service area, with certain percentages allocated for direct customer assistance ("Direct Service" – 79.3% of total budget), some for administration and program support costs ("Admin" – 16.5%), as well as funds to be used for conservation education, including staff and labor ("ConEd" – 4.2%). Avista was also allocated 0.8% of this prior annual program budget for their own ConEd. With its approval within the GRC to "allow the budget for LIRAP to holistically follow the need",<sup>21</sup> the LIRAP budget will no longer be set at a specific amount with specific percentages, but rather a tariff rider mechanism – much like Avista's Schedule 91, "Demand Side Management Rate Adjustment – Washington", which is used to support the Company's energy efficiency customer programs – that is designed to match future revenue with budgeted expenditures. To ensure appropriate recovery of the funding needed to support ongoing LIRAP costs, the mechanism includes a true-up feature that reconciles the previous periods' actual expenditures and collections. As provided in the

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<sup>21</sup> Docket No. UE-220053 et.al., SJB-1T, pg. 25.

Settlement,<sup>22</sup> Avista will request this true-up annually, if such an adjustment is needed, to become effective November 1<sup>st</sup> of each year; this filing is intended to be the first of these annual true-ups.

In its original estimates regarding the potential cost impact of the Bill Discount and associated arrearage assistance options, Avista utilized information from its 2020 Low-Income Needs Assessment (LINA)<sup>23</sup> as well as its 2021 Energy Burden Assessment (Assessment),<sup>24</sup> which provided that approximately 94,500 of 225,00 identified Avista households were estimated to qualify under LIRAP's income eligibility threshold (under 80% of the Area Median Income).<sup>25</sup> Anticipated costs impacts based on this information resulted in a potential cost impact of nearly \$12 million to LIRAP for the first year of implementation.<sup>26</sup> While these original estimates informed the Company of the initial need, Avista soon determined that with the establishment of Performance-Based Ratemaking Metrics<sup>27</sup> and the ongoing analysis expectations of CETA, the Company required a more long-term solution: internal management of data regarding low-income customer trends for tracking and reporting, rather than relying on periodic third-party analytics. This updated data, while comprehensive and available in real-time, has served to increase the number of customers potentially eligible for Avista's LIRAP and, therefore, reduce the Company's previously stated saturation rates for its energy assistance programs. Avista currently estimates that approximately 129,500 customers within its Washington service territory – a 37% increase from its original estimates – are potentially under the 80% AMI threshold, and therefore eligible for LIRAP. The rate adjustment request contained within this filing is inclusive of this increase in potential customer uptake, as well as the continued provision of CAA Admin and ConEd as described herein and referenced in Settlement;<sup>28</sup> also included in this filing is a true-up of the estimated revenues collected for LIRAP to the actual collections for the prior October to September LIRAP program year – comprised of an estimated \$4.1 million in carryover funding from the current 2022-2023 LIRAP budget, which will serve to help offset the forecasted rate increase needed to support LIRAP.

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<sup>22</sup> Docket No. UE-220053 et.al., Settlement, Sec. 28(b).

<sup>23</sup> *Avista Low Income Needs Assessment*. Evergreen Economics, January 2020. Included as Attachment A to the Company's 2019-2020 LIRAP Report (Dockets UE-010436 and UG-010437).

<sup>24</sup> *Avista Energy Burden Assessment, Energy Burden Reduction Strategy*. Empower Dataworks, September 2021.

<sup>25</sup> *Id.*, at pg. 15; 42% of households (225,000) would fall under 80% AMI.

<sup>26</sup> Docket No. UE-220053 et.al., SJB-1T, pgs. 23-24.

<sup>27</sup> Docket No. UE-220053 et.al., Settlement, Attachment B.

<sup>28</sup> Docket No. UE-220053 et.al., Settlement, Sec. 24(c)(i).

## **LIRAP Administration**

As committed within the GRC, the Company has included within its forecast an increase of 7%<sup>29</sup> for the Agencies' Admin, in addition to the incorporation of LIRAP outreach costs,<sup>30</sup> which will be utilized to help expand the customer engagement and outreach of Avista's LIRAP, thereby reducing the energy assistance need within its service territory. This resulting increase provides for a total of \$2,402,188 in Admin and \$728,875 in ConEd to be provided to the Agencies for the 2023-2024 program year, an increase from the prior program year's \$2,245,036 and \$681,192, respectively.

In alignment with Section 24(b) of the Settlement, Avista agreed to "collaborate with its EAAG to determine the appropriate method, amounts, and administrative structure for future program years." For the 2023-2024 program year, the EAAG has yet to make any decisions regarding these discussions, but is committed to collaborating on this issue and will include a proposal for such funding structure changes in its September 2024 rate adjustment filing.

## **Requested Rate Adjustment**

In accordance with RCW 80.28.425(2), with the approval of the Company's multiyear rate plan in Docket No. UE-220053 et.al. Avista must concurrently increase the amount of its low-income bill assistance by "...[a]t a minimum, the amount of such low-income assistance increase must be equal to double the percentage increase, if any, in the residential base rates approved for each year of the rate plan. The commission may approve a larger increase to low-income bill assistance based on an appropriate record." Using the base rates from this GRC, this would result in a minimum required increase of 4.6% for electric and 2.4% for natural gas, or \$0.4 million and \$0.1 million, respectively. For purposes of budgeting at the Agencies during this transitional program year, the CAAs were provided with a budget in May 2023 that contained a hypothetical increase of 7%, as historically established;<sup>31</sup> this increase provided the necessary 7% increase for Agencies' Admin costs, as noted above, and would have resulted in a total of nearly \$14.7 million

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<sup>29</sup> Docket No. UE-220053 et.al., SJB-1T, pg. 31.

<sup>30</sup> Docket No. UE-220053 et.al., Settlement, Sec. 24(c)(5).

<sup>31</sup> Order 05 in Docket UE-150204 et. al. established a five-year plan and true-up schedule which required Avista to file revisions to Schedules 92 and 192 by August 15<sup>th</sup> of each year, to increase LIRAP funding by the greater of 7 percent or 2-times the amount of any residential base rate increase, beginning October 1, 2016, with annual funding increases to continue through October 1, 2019. Order 09, in Docket UE-190334 et. al. extended the five-year funding plan through Avista's next general rate case, and Final Order 08/05 in Dockets UE-200900 et.al. further extended this funding mechanism.

available to serve LIRAP under the prior CAA-only administration model.<sup>32</sup> To more appropriately anticipate the amount of revenues needed to support LIRAP once the Bill Discount and associated arrearage assistance options are live on October 1, 2023, however, the Company is requesting an increase that brings the available LIRAP funding more in alignment with the approximate \$28 million potential spend, as described below and provided within the Company’s workpapers in support of this request.<sup>33</sup>

Avista’s forecasted LIRAP expenditures, as previously described herein, are based upon a potentially eligible customer population of 129,500; the Company has built its 2023-2024 rate adjustment with an anticipated 37% saturation rate in mind, which means that Avista expects to reach and serve approximately 47,915 customers with comprehensive LIRAP benefits during the 2023-2024 program year. The table below shows the overall financial impact of this forecast for Direct Services, Agency Admin and ConEd, and Avista Outreach/ConEd.

**TABLE NO. 3 – LIRAP ELECTRIC EXPENSE FORECAST, 2023-2024**

<b>LIRAP Electric Expense Forecast 2023-2024</b>	
Bill Discount	\$13,076,243
AMP	\$45,906
Arrearage Forgiveness	\$511,151
Emergency Share	\$679,901
Other Direct Service*	\$1,073,490
<b>Direct Service Total</b>	<b>\$15,386,691</b>
Agency Admin	\$1,492,215
Agency ConEd	\$379,777
<b>CAA Admin/ConEd Total</b>	<b>\$1,871,992</b>
Avista Outreach	\$441,000
Avista ConEd	\$72,933
<b>Avista Outreach/ConEd Total</b>	<b>\$513,933</b>
<b>Total LIRAP</b>	<b>\$17,772,616</b>

\*6% Allocation of Direct Services to be usable by the CAAs for additional ConEd.

The estimated annual revenue change associated with this filing is an increase of approximately \$11.5 million, or an increase of 2% in overall billed rates. The proposed rate increase will have an average monthly bill impact of \$2.12 for residential electric customers using

<sup>32</sup> Inclusive of Agency Direct Service, Admin, and ConEd (for both Avista and the Agencies), approximately \$9,116,660 for electric services and \$5,559,464 for natural gas services would have been made available within the LIRAP budget for the 2023-2024 program year under the prior model.

<sup>33</sup> The Company estimates total LIRAP expenses of nearly \$17.8 million for electric, as provided in this filing, and nearly \$10.5 million for natural gas, as provided in its parallel natural gas tariff Schedule 192 filing.

932 kWhs per month, or 2.3%. If approved, the average monthly bill would increase from \$91.67 to \$93.79. This change, however, will be made effective concurrent with the following annual rate adjustments on November 1, 2023: Schedule 59, “Residential and Farm Energy Rate Adjustment” (BPA); Schedule 88, “Wildfire Expense Balancing Account”; and a new schedule that will be introduced to implement the Company’s Insurance Cost tracker. The combined effect of all four filings will not be known until the filing date of these remaining adjustments, which is anticipated no later than September 1, 2023.

Pursuant to WAC 480-100-194(1), the Company will provide notice to customers, by way of a bill insert, in the September/October 2023 billing cycle, as well as a posting on the Company’s website coincident with the date of the remaining filings. Due to the incongruent timing of these collective filings, a draft customer notice has not been provided as an attachment to this filing, but will be provided as a supplement to the filing once the remaining rate adjustment requests have been made and the complete rate impact to customers is known; this approach will still provide the statutory thirty days’ notice required. The Company’s workpapers supporting its LIRAP rate adjustment proposal have been provided.

## **V. REMOVAL OF TARIFF SCHEDULES 02, 73, AND 89**

In support of the LIRAP modifications described herein, the Company requests to delete, in their entirety, its electric tariff Schedules 02, 73, and Schedule 89. With the discontinuation of the Company’s RDP, Schedule 02 (the tariff in which the Senior/Disabled Rate Discount is detailed) and Schedule 89 (the adjustment schedule through which the revenues for the RDP are tracked) are no longer needed. As noted previously, all customers currently on RDP (Schedule 02), will be transitioned to the Company’s LIRAP Bill Discount, which is applied as a percentage discount on the customer’s bill, with revenues from LIRAP’s Schedule 92, rather than the per-kilowatt rate discount via Schedule 02; Schedule 02 customers will be moved to the Company’s residential Schedule 01 to receive the Bill Discount. With regards to Schedule 73, as it pertains to Avista’s COVID-19 Residential Debt Relief Program (Debt Relief) approved by the Commission in Docket Nos. UE-210114 and UG-210115, the removal of this tariff is simply housekeeping in nature. The duration of Avista’s Debt Relief was set to conclude no later than September 30, 2022, or until all allocated funds were spent; the Company completed spend of this funding in August 2021.



## VI. CONCLUSION

Avista respectfully requests that the Commission approve the modifications proposed herein – including the Company’s revisions to electric tariff Schedule 92, the associated increase in rates and charges, and the removal of electric tariff Schedules 02,73, and 89 in their entirety – effective October 1, 2023. As detailed in Schedule 92, if approved, the requested rate adjustment will become effective on November 1, 2023. Pursuant to WAC 480-07-855(1)(a) and (c), the Company hereby requests a new docket for this subsequent filing and has provided a copy of this filing to all parties in Docket UE-220053 et.al.

If you have any questions regarding this filing, please contact me at (509) 495-7839 or [jaime.majure@avistacorp.com](mailto:jaime.majure@avistacorp.com).

Sincerely,

*/s/ Jaime Majure*

Jaime Majure  
Regulatory Policy Analyst

CC: Docket UE-220053 et.al Service List