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VIA – Commission Web-Portal

July 8, 2016

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

Dear Mr. King:

Attached for 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 tariff sheets, WN U-28 and WN U-29:

First Revision Sheet 92A	Canceling	Original Sheet 92A
First Revision Sheet 192A	Canceling	Original Sheet 192A

The Company respectfully proposes revisions to Schedules 92 and 192 “Low Income Rate Assistance Rate Adjustment” (LIRAP). The purpose of this filing is to increase the amount of Emergency Share funding from \$300 to \$350 per individual grant and to request that a temporary bill assistance exemption be made available for qualifying customers who have an income at or below 200% Federal Poverty Level (FPL).

By way of background, LIRAP collects funding through electric and natural gas tariff surcharges through Schedules 92 and 192. 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. 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 four components:

- LIRAP Heat: mimics the LIHEAP program in terms of income eligibility, intake² requirements, and benefit calculation.
- LIRAP Share Emergency³: LIRAP Share Emergency emulates the Project Share program. Project Share is funded through voluntary contributions that are used to help customers in emergency situations.
- LIRAP Senior Energy Outreach: targets a third distinct customer group by providing a one-time per program year benefit of \$100 or \$300 to seniors with incomes up to 200 percent of the federal poverty level ("FPL").
- Senior/Disabled Rate Discount Pilot: A rate discount program for senior and disabled households with fixed incomes between 126-200 percent FPL⁴.

During the Spring 2016 LIRAP meeting with the CAAs, the group discussed that LIRAP funding allocations have increased over the past five years while number of customers served has remained constant at approximately 12,500, and as the average grant amount continues to remain the same. Additionally, per Docket No. UE-150204 and UG-150205, LIRAP funding will increase 7% annually, over the next five years.

Applying the LIRAP goals of serving more customers, keeping individuals connected to services, and reducing energy burden as a guide, the group considered the following factors: (1) agency capacity; (2) customer awareness of the program; (3) eligibility standards, and; (4) benefit amounts.

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.

² LIRAP intake is a process established to screen, acquire and record all mandatory household documentation to determine qualifications for heating assistance.

³ Emergency Assistance funded by LIRAP that replicates Project Share, customers cannot receive both but can receive other forms of energy assistance. Maximum payment guideline: \$300.

⁴ Beginning in the 2015-2016 heating season.

Through these discussions, the Avista Energy Assistance Advisory Group supported the following solutions to improve program reach and impact:⁵

1. Increase LIRAP Emergency Share \$300 up to \$350.
 - a. This change may help to alleviate the energy burden and keep services connected for qualifying customers with past due or final notices.
 - b. Effective August 8, 2016.
2. Implement a temporary, exception program for LIRAP Emergency for customers with extraordinarily high bills.
 - a. This change may provide a solution for the CAAs when encountering customers where the current benefit design may not be helping; therefore more customers will be helped and remain connected to services.
 - b. This program would be implemented immediately and conclude May 31, 2017.
 - c. The parameters for qualifying for this program are:
 - i. Available to customers up to 200% FPL.
 - ii. Must have made good faith payments and/or been in communication with Avista regarding their situation (e.g., set up payment arrangements).
 - iii. Must be approved by a CAA manager (i.e., intake worker cannot approve) in collaboration with Avista Customer Assistance Referral and Evaluation Services (CARES) representative. The CARES representative can provide specific information regarding the account, that is necessary for making eligibility determination (e.g., item ii).
 - iv. Calculated as 90% of the collection amount less what the customer can pay.
 - v. The maximum grant amount for each individual customer will not exceed 90% of the average annual energy bill (Electric and Gas). That maximum has been determined to be \$1,550.

⁵ The Avista Energy Assistance Advisory Group members include representatives from the WUTC Staff, Community Action Agencies, The Energy Project and Public Counsel.

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Funding for the temporary exception program defined in No. 2 above will come from unspent direct service funding, and therefore no request has been made to change rates applicable to Schedules 92 or 192.

In conclusion, the Company requests the Commission approve the proposed revisions contained in Schedules 92A and 192A with an effective date of August 8, 2016.

Please direct any questions regarding this filing to Ryan Finesilver at (509) 495-4873, or myself at (509) 495-4975.

Sincerely,

/s/Linda Gervais

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Enclosures

cc: Avista Energy Assistance Advisory Group