

Intervention #1: Skip-a-Month (11-month levelized budget billing plan)

1. **Identify the need to be addressed:** Experience indicates that some low-income consumers have a seasonal difficulty in paying their bills. Two times of the year which have been found pose particular problems include "back to school" time (September) and Christmas time when other household expenditures impinge on the ability of the household to incorporate both these seasonal expenses into their limited income along with monthly utility bills.

2. **Design an intervention to respond to the need:**

- ◆ Intervention needed: Skip-a-Month (11-month levelized billing plan). During an enrollment period, allow customers to select a month in which they will not receive a utility bill. The bill that *would* have been rendered in that month is pro rated over the remaining months in which bills are rendered. (Effectively, what is being offered is a 11-month levelized budget billing plan.)
- ◆ To whom intervention directed: Skip-a-Month would be *available* to any residential customer. It would be marketed to (targeted to) low-income customers through fuel assistance agencies and other low-income service providers who find low-income customers who would benefit from the budgeting aspects inherent within it. It would be available to any customer otherwise qualifying for a levelized budget billing plan, with attention paid to not excluding customers because of the very problem which the payment option is designed to address. Skip-a-Month is not designed for consumers who just don't have enough money to pay their utility bills. It is designed as a budgeting device for customers who are economically marginal enough that they need budgeting help when other household expenses threaten their ability to pay.

3. **Identify the outcome(s) resulting from the intervention:**

Desired/expected performance: Year-round timely payment.

4. **Relate the outcomes to program objectives:**

Prompt, regular, automatic.

WUTC		
DOCKET NO. <u>WE-991606</u>		
EXHIBIT # <u>732</u>		
ADMIT	W/D	REJECT
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Intervention #2: Non-levelized budget billing plan.

1. **Identify the need to be addressed:** While it is generally accepted that levelized budget billing plans assist low-income households in paying their utility bills by making payments constant from month-to-month. What helps, however, is the *certainty* of the payment, not necessarily the levelized nature of the payment. For some low-income customers, levelized budget bills are not the ideal budget mechanism. Customers who use non-utility heating fuels may face high total energy bills during the heating season due to their non-utility bills. Customers who receive seasonal income may not benefit from levelized monthly bills.

2. **Design an intervention to respond to the need:**

- ◆ Intervention needed: Seasonally-differentiated levelized budget bills, with higher payments during the non-heating season and lower payments during the heating season.
- ◆ To whom intervention directed: The seasonally differentiated budget billing plan would be available to all residential customers. It would be marketed to (targeted to) low-income customers through fuel assistance agencies and other low-income service providers who find low-income customers who would benefit from the budgeting aspects inherent within it. It would be available to any customer otherwise qualifying for a levelized budget billing plan, with attention paid to not excluding customers because of the very problem which the payment option is designed to address. The seasonally-differentiated budget billing plan is not designed for consumers who just don't have enough money to pay their utility bills. It is designed as a budgeting device.

3. **Identify the outcome(s) resulting from the intervention:**

- ◆ Desired/expected performance: Timely payment during heating season or during non-working season.

4. **Relate the outcomes to program objectives:**

- ◆ Regular, timely, automatic.

Intervention #3: Adjunct company offices/Chronicles

1. **Identify the need to be addressed:** While the Company provides CARES services to low-income consumers, CARES does not have the financial or human resources to serve a broad customer base. In addition, rightly or wrongly, utility staffperson are not viewed by low-income payment troubled customers as "helpers" rather than as creditors.

Finally, despite the existence of dozens of federal, state and local public and private assistance programs, low-income households face many obstacles and barriers as they search for independence and self-sufficiency. Information about energy assistance programs is inconsistently distributed. The application process is often an intimidating mass of program rules and regulations that are barriers to program participation. Some of the barriers that exist to program participation include a lack of a centralized location at which to apply for public assistance, whether such assistance is cash, volunteer services, or employment and job training opportunities; different eligibility criteria, such as income and asset criteria, amongst the various programs; different methods for determining income and assets for household and family units; lengthy, repetitive and complex application forms. Many agencies have an in-depth knowledge of a few resources, but it is virtually impossible for any single agency to be proficient in the complexities and current changes in the rules and regulations of all programs. A low-income customer who is not receiving the full range of benefits he or she is entitled to often finds it difficult to make utility bill payments.

2. **Design an intervention to respond to the need:**

- ◆ Intervention needed: On-line access to customer billing information by selected community-based organizations (designated as "adjunct Company offices") along with the implementation of Chronicles (BOSS) software and the delegated ability to negotiate deferred payment arrangements on behalf of the Company.
- ◆ To whom intervention directed: Payment-troubled low-income customers (with no defined limits on "low-income").

3. **Identify the outcome(s) resulting from the intervention:**

- ◆ Desired/expected performance: Increased resources to devote to both current bills and arrears.

4. **Relate the outcomes to program objectives:**

- ◆ Full, regular, timely, automatic.

Intervention #4: Capitalized payment security fund.

1. **Identify the need to be addressed:** Low-income customers often face daunting cash security deposit requirements. Even when spread over several months, incomes are often insufficient to pay security deposits in addition to regular monthly bills. Letters of guarantee are generally accepted in lieu of a cash security deposit. A letter of guarantee offers the same protection to the utility as a cash security deposit. Low-income consumers, however, often find it difficult to obtain a letter of guarantee in lieu of a deposit.

2. **Design an intervention to respond to the need:**

- ◆ Intervention needed: Capitalize a fund to be administered by SNAP to serve as the basis for a guarantee fund in lieu of deposits. Claims on the fund would be limited to the amount of what the deposit would have been. Releases on the guarantee would be granted at the time at deposit would have been subject to refund.
- ◆ To whom intervention directed: Low-income consumers would face the potential continuing lack of utility service due to an inability to pay a cash security deposit.

3. **Identify the outcome(s) resulting from the intervention:**

- ◆ Desired/expected performance: Increased access to utility system. Increased resources available for current monthly bills.

4. **Relate the outcomes to program objectives:**

- ◆ Continuing, full.

Intervention #5: Safety Net Payment Plan

1. **Identify the need to be addressed:** Households living with incomes below a certain level simply do not have sufficient household resources to pay all their household expenses. The budget needed to meet the energy payment ability deficit, however, outstrips the ability of a utility such as Avista to meet. Because of these budget constraints, the energy bill ability to pay deficit will be coupled with an affirmative manifestation of that deficit through demonstrated payment problems.

2. **Design an intervention to respond to the need:**

- ◆ Intervention needed: A safety net payment plan with monthly credits provided to plan participants.
- ◆ To whom intervention directed: A budget of \$2.643 million will allow Avista to serve the following number of low-income customers (given an average household size and an average home energy bill): electric (non-heating): 4,200; and gas heating: 3,200.

3. **Identify the outcome(s) resulting from the intervention:**

- ◆ Desired/expected performance: Increased access to utility system. Increased resources available for current monthly bills.

4. **Relate the outcomes to program objectives:**

- ◆ Continuing, full, prompt, regular, automatic.

Intervention #6: Direct Vendor Payment Plan

1. **Identify the need to be addressed:** Residents of subsidized housing frequently receive "utility allowances" to help pay their home energy bills. These utility allowances are, in effect, provided as cash payments to the customer. Given the extremely low-incomes of tenants of subsidized housing, these payments are often diverted to other necessary non-utility home expenditures.

2. **Design an intervention to respond to the need:**

- ◆ Intervention needed: An incentive for subsidized housing tenants to enter into direct vendor payment agreements through which utility allowances are directly paid to the utility. A rate discount of 10% of any otherwise applicable rate is proposed.
- ◆ To whom intervention directed: Avista customers who receive utility allowances through state or federally subsidized housing. If successful, persons receiving TANF benefits (as per PSEG E-Team Partners program).

3. **Identify the outcome(s) resulting from the intervention:**

- ◆ Desired/expected performance: Automatic monthly payment of substantial portion of customer bill.

4. **Relate the outcomes to program objectives:**

- ◆ Continuing, full, prompt, regular, automatic.

Intervention #7: Arrearage forgiveness program.

1. **Identify the need to be addressed:** Low-income customers frequently become behind far enough in their bills that they end up in a hole too big to get out of. The impact of these arrears yields a cascading impact, with the initial level of arrears leading to further nonpayment and even greater levels of arrears.

2. **Design an intervention to respond to the need:**

- ◆ Intervention needed: An arrearage work-out program modelled on the Illinois "A Step-up" program. Under the Step-up program, low-income consumers are allowed to retire their utility arrears, while gaining important job experience, by working in agreed upon community service jobs. Arrears credits are earned at the rate of \$10 - \$12 per hour.
- ◆ To whom intervention directed: Low-income consumers who could benefit from obtaining job/workplace experience as well as who have arrears substantial enough to be problematic without being so substantial as to be out-of-reach of a workout through the Step-up process.

3. **Identify the outcome(s) resulting from the intervention:**

- ◆ Desired/expected performance: Improved timeliness of payment given the work-out of preprogram arrears.

4. **Relate the outcomes to program objectives:**

- ◆ Continuing, full, prompt, regular, automatic.