

July 2, 2021

**VIA ELECTRONIC FILING**

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Washington Utilities and Transportation Commission  
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COMMISSION

**RE: Advice 21-04—Schedule 17—Low Income Bill Assistance Program—Residential Service—Optional for Customers**

PacifiCorp dba Pacific Power & Light Company (PacifiCorp) submits this proposed tariff applicable to PacifiCorp’s electric service in the state of Washington in compliance with RCW 80.28.050, WAC Chapter 480-80, and the Washington Utilities and Transportation Commission’s (Commission) Rules and Regulations. PacifiCorp respectfully requests an effective date of August 1, 2021.

First Revision of Sheet No. 17.1	Schedule 17	Low Income Bill Assistance Program—Residential Service—Optional for Customers
First Revision of Sheet No. 17.2	Schedule 17	Low Income Bill Assistance Program—Residential Service—Optional for Customers
First Revision of Sheet No. 19.1	Schedule 19	Residential Service—Time of Use Pilot

Section 12 of the Clean Energy Transformation Act (CETA), codified as RCW 19.405.120, includes provisions regarding energy assistance, or utility programs undertaken to reduce customer energy bills. One of the energy assistance provisions in RCW 19.405.120(2) requires electric utilities to “make programs and funding available for energy assistance to low-income households by July 31, 2021.” To comply with this requirement, by July 31, 2021, utilities must either (1) file any necessary tariffs or tariff revisions with the Commission or (2) submit information to Docket UE-200629 demonstrating current compliance. Based on the statutory requirements, utilities must offer at least one energy assistance program to all low-income households with “income that do not exceed the higher of eighty percent of area median income or two hundred percent of federal poverty level, adjusted for household size.”<sup>1</sup>

PacifiCorp submits this advice letter to: 1) modify income guidelines for the Low Income Bill Assistance (LIBA) program under RCW 19.405.120 and Docket UE-200629; 2) propose modification of the discount from a credit per kWh in excess of 600 kWh to a percentage discount of the net bill, with the size of the discount based on household income; 3) eliminate the annual enrollment cap to comply with Senate Bill (SB) 5295 Section 3(5), which states that “[a]

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<sup>1</sup> WAC 480-109-060(22).

residential customer eligible for a low-income discount rate must receive the service on demand.”<sup>2</sup>

**Current LIBA program Design**

PacifiCorp’s Low Income Bill Assistance (LIBA) Program has been available through Schedule 17 since November 2003. It is currently designed to provide credits over all 12 months of the year to income-eligible households with monthly usage over 600 kWh. In Order 12 in Docket UE-152253, PacifiCorp was ordered to initiate a stakeholder collaborative to discuss LIBA program changes for the 2017-2018 program year. Stakeholder discussions and the resulting filing of Advice 17-04—Schedule 17—Low Income Bill Assistance Program modified the program for the next five program years beginning October 1, 2017. The discount is designed to reflect the energy burdens borne by income eligible households through a three-tier credit with the largest discount provided to customers with the lowest income. Current program design includes an annual enrollment cap. The following tables reflect the income tier and credit levels, and annual enrollment cap.

Income Threshold

Households with an income no greater than 150% of Federal Poverty Guidelines were eligible to participate. Current credits by income level are as follows:

<b>Tiers</b>	<b>Household Income</b>	<b>Credit Level</b>
1	0-75% of Federal Poverty Guidelines	8.904 cents credit per kWh above 600
2	76-100% of Federal Poverty Guidelines	5.989 cents credit per kWh above 600
3	101-150% of Federal Poverty Guidelines	3.744 cents credit per kWh above 600

Annual Enrollment

Annual Enrollment cap increased by two percent annually. Each program year, 25 percent of the enrollments are qualified for a two-year period. Generally, agencies enroll households with the fixed incomes for a two-year period as their income is unlikely to change. The remaining participants are certified as eligible for a one-year period.

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

<sup>2</sup> Engrossed Substitute SB 5295, Section 3(5) (2021).

**Program Modification**

The changes PacifiCorp proposes are the result of collaboration with the Company’s Low Income Advisory Committee. PacifiCorp held virtual meetings with the Low Income Advisory Committee including stakeholders representing Staff, the Energy Project, Public Counsel, NW Energy Coalition, and the three local agencies that administer LIBA, which include Blue Mountain Action Council in Walla Walla, Northwest Community Action in Toppenish, and Opportunities Industrialization Center in Yakima. The meetings were held May 6, 2021, and June 18, 2021. Through discussions, stakeholders agreed to the three following proposed program modifications that prioritize assistance to those households that are most in need.

**Income Guideline and Discount**

PacifiCorp proposes to expand Tier 3 Income Guideline to 200 percent of Federal Poverty Guideline or 80 percent of Area Median Income. Under the Company’s proposal, income guidelines for Tier 1 and Tier 2 would remain unchanged and continue to be based on Federal Poverty Guidelines.

PacifiCorp also proposes to change the discount program from a per kWh credit (in excess of 600 kWh) to a straight percentage discount on the customer’s bill. The intent of this proposal is to ensure that all customers, including those who use less than 600 kWh per month, receive equitable benefits from the program. Under the current structure, households that use less energy, such as those that live in multi-family dwellings, receive less or even no benefit. This comports with SB 5295’s requirement that electrical companies offer a “discount rate for... low income customers” because each component of a customer’s bill, including non-volumetric components, is a rate approved by the Commission.<sup>3</sup>

Additionally, a percentage discount would be more transparent and easier for customers to understand. PacifiCorp has received feedback from stakeholders that the existing program structure is difficult for customers to understand and often difficult to explain. A percentage discount on the customer’s net bill is more customer friendly and will alleviate these difficulties, and provide greater benefits to more customers.

The table below details the modified income table and the proposed percentage discounts by tier.

<b>Tiers</b>	<b>Household Income</b>	<b>Discount of Net Bill</b>
1	0-75% of Federal Poverty Guidelines	70 percent
2	76-100% of Federal Poverty Guidelines	35 percent
3	101-200% of Federal Poverty Guidelines or 80% of Area Median Income, whichever is greater	15 percent

<sup>3</sup> See, e.g. Pacific Power Rate Schedule 16, *see also WUTC v. Puget Sound Energy*, UE-170033 and UG-170034 (consolidated), Order No. 08, p. 97 (Dec. 5, 2017) (discussing basic charges as a component of “rate design”); *US West Communications v. WUTC*, 949 P.2d 1321, 1328 (1997) discussing Commission’s “substantial discretion in selecting the appropriate ratemaking methodology.”).

### Annual Enrollment Cap

PacifiCorp proposes to remove the annual enrollment cap. The agencies that administer the LIBA program have indicated they have staffing and resources available to support and manage the expected increase in program participation.

### Agency Administration Fees and Certification Period

The agencies certify customers as income eligible and assign them to one of the income tiers. They currently receive \$75.00 for each certified customer. The fee will remain at this level.

PacifiCorp proposes to continue with offering two-year enrollment certification for those customers that are on fixed income. The remaining participants will be certified as eligible for a one-year period.

### Estimated Cost of Credits

Using the billing determinants from the Company's last general rate case, Docket UE-191024 (2021 Rate Case), the Company estimates that the cost of credits provided to participants is about \$2.973 million per year under the existing program and rate structure. Assuming that lifting the cap and changing the program results in a 10 percent increase in adoption, the Company estimates that the cost of credits would increase to \$3.362 million per year. Attachment C to this filing shows the estimated cost of credits for the existing and proposed program.

### LIBA Surcharge

The Company collects funds to cover LIBA program costs through Schedule 91. As of May 31, 2021, the LIBA balance account was under-collected by approximately \$2.7 million. The requested program changes will also increase costs, thus increasing the balance. PacifiCorp proposes that the current surcharge remain in place at this time until the Company can review the balance and estimated future expenditures with the advisory committee. Consistent with the LIBA plan, after discussing with the advisory committee, the Company will likely need to propose a rate change in the coming weeks for rates effective October 1.

Please direct all formal correspondence and data requests regarding this filing to:

By e-mail (preferred): [datarequest@pacificorp.com](mailto:datarequest@pacificorp.com)

By regular mail: Data Request Response Center  
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Washington Utilities and Transportation Commission

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

Sincerely,

                  /s/                    
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Enclosures

Attachments

Attachment A: Summary Page of Tariffs

Attachment B: Proposed Tariffs

Attachment C: Estimated Costs of Credits for the Existing and Revised Program