BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION, Complainant, v. AVISTA CORPORATION d/b/a AVISTA UTILITIES, Respondent.	DOCKET UE-240006 and UG-240007 *(Consolidated)*

TESTIMONY OF SHAYLEE N. STOKES

DIRECTOR OF THE ENERGY PROJECT

EXHIBIT SNS-1T

July 3, 2024

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I. Introduction

Q: Please state your name, pronouns, and business address.

A: My name is Shaylee Nicole Stokes and I use the pronouns she, her, and hers. My business address is PO Box 7130, Olympia, WA 98507.

Q: By whom are you employed and in what capacity?

A: I am employed by the Washington State Community Action Partnership as the Director of The Energy Project (TEP). TEP was previously a program of the Opportunity Council, and is now housed at Washington State Community Action Partnership.

Q: How long have you been employed by the Washington State Community Action Partnership?

A: I became The Energy Project's Director in September 2023. Prior to this, I was the Senior Manager of Energy Programs at Hopelink, a Community Action Agency that serves low-income families, children, seniors, and people with disabilities in King County.

Q: Would you please summarize your professional background as it relates to low-income programs?

A: I have been involved in the administration and design of low-income programs for more than a decade. Hopelink hired me in 2010 to screen customers for energy assistance, review customers' energy assistance applications, and award energy assistance grants to low-income customers. Over time I moved into a management role, training front-line staff in the administration of energy assistance procedures, and approving payments. Most recently, I was the Senior Manager of Energy Programs leading a staff of more than 30 in the day-to-day administration of energy assistance programs. I hold a Bachelor of Arts from the University of Washington in Seattle, WA. Exhibit SNS-2, included with this testimony, provides additional information on my qualifications and professional experience.

Q: On whose behalf are you testifying?

A: I am testifying on behalf of The Energy Project (TEP), an intervenor in this proceeding that represents the interests of low-income customers and vulnerable populations. TEP works with Community Action Agencies (CAAs or Agencies) that provide low-income weatherization and bill payment assistance for customers in Avista's service territory.

Q: Have you previously testified before the Washington Utilities and Transportation Commission (UTC)?

A: Yes. I provided testimony concerning PacifiCorp's 2023 General Rate Case, Docket UE-230172, PacifiCorp's inaugural Clean Energy Implementation Plan, Docket UE-210829, and Puget Sound Energy's General Rate Case, Docket UE-220066/UG-220067. I also previously provided public comments at UTC workshops and have worked closely with Commission staff on numerous occasions, including as a member of Puget Sound Energy's low-income advisory committee (LIAC) since 2018.

Q: Are you sponsoring any exhibits?

A: Yes, as described in the Exhibit List, I am sponsoring exhibits SNS-2 through SNS-14.

II. Purpose and Summary of TEP's Testimony

Q: Who are TEP's witnesses in this case, and what is the scope of their testimony?

A: Roger Colton and I provide testimony for TEP. My testimony is primarily concerned with Avista's language access, disconnection, and performance-based ratemaking practices. I also address select other issues that impact low-income customers and other vulnerable populations.

Roger Colton analyzes the affordability of Avista's bills, identifies the disproportionate impact of inflation on low-income households, identifies the disproportionate impact of higher customer charges on low-income households, and responds to Avista's proposal to discontinue arrearage and disconnection data reporting. Witness Colton also devotes a significant portion of his testimony to analyzing Avista's affordability, arrearage, and disconnection metrics reported pursuant to Avista's multi-year rate plan.

Q: Could you please summarize your testimony?

A: Yes. My testimony addresses five issues related to equity, affordability, and low-income customer service.

First, I demonstrate that Avista's existing disconnection policies are inequitable and recommend revisions to rectify those inequities. Avista sorts its customers into "credit codes." Most criteria used to calculate these codes are unrelated to a customer's present arrearages, instead focusing on a customer's disconnection or arrearage history. Low credit code customers are subject to shortened disconnection timelines and lower collections thresholds. Avista's system violates the equity tenets established by the Commission by inordinately burdening marginalized and vulnerable populations, including communities of color, low-income customers, customers without college degrees, and more. In my testimony, I recommend specific steps the Commission should order to reform Avista's policies, focusing on the need to remove criteria unrelated to present arrearages.

Second, I recommend that Avista maintain and improve several performance-based ratemaking metrics related to Affordable Service and Equitable Service. These metrics cover data related to average annual bills, low-income customer bills, disconnections, energy burdens, low-income participation in utility demand response, distributed energy, and electric transportation programs, electric vehicle support equipment, operations and management costs, equitable spending, and utility capital management. Among other sources, my recommendations are informed by the Commission’s Interim Policy Statement and the workshop discussions surrounding it.

Third, I recommend that Avista identify estimated low-income customers by fuel type and at the household level. These estimates are crucial to understanding household energy burdens and assessing the programs designed to ameliorate those burdens. As I discuss, the most straightforward mechanism to actualize this recommendation and analyze the data it returns is a Low-Income Needs Assessment. To that end, I recommend Avista develop a new Low-Income Needs Assessment, subject to minimum methodological standards as established by the Commission.

Fourth, I show that Avista’s language access services, while laudable, still underserve customers due to a lack of long-term language access planning. Consequently, I recommend that Avista develop a language access plan through a collaborative process with its Energy Assistance Advisory Group and Equity Advisory Group, report on its progress toward accomplishing the plan, and maintain and revise it as needed.

Finally, I discuss two additional issues impacting low-income customers. First, the Commission should reject the proposal to modify the Energy Recovery Mechanism in a way that shifts risk from Avista’s shareholders and onto customers. Second, I offer recommendations to ensure that Avista’s continues reporting all information found in its current decoupling report, which will ensure that the Commission and interested persons have sufficient information to evaluate the need for decoupling in the future.

I conclude by summarizing my proposals concerning these important issues.

Q: Please describe the implementation of Avista's bill discount rate for low-income customers.

A: On October 1, 2023 Avista launched "My Energy Discount," a multi-tiered bill discount program that provides varying discounts based on a customer's income and eliminated its existing LIRAP Heat and Energy Grants programs. At the program launch Avista automatically enrolled customers in the bill discount if they have received other qualifying energy assistance after July 31, 2021.

Customers currently enroll in My Energy Discount by declaring their income to a Community Action Agency or Avista, with a subset of customers chosen for post-enrollment verification of eligibility. Allowing customers to declare their income reduces barriers to enrollment by eliminating the requirement for all customers to locate and provide extensive income documentation before receiving assistance. It also ensures the efficient use of program funds by reducing the administrative burden associated with obtaining and reviewing documentation for every customer.

The random selection of customers for post-enrollment verification protects program integrity by providing a mechanism for accountability and measurements of incorrect program enrollments. Community Action Agencies and Avista started the new post-enrollment verification this year. Since then, CAAs have worked with customers to verify 6 percent of enrolled customers' incomes. In the event customers do not respond to a request for income verification, they are disenrolled from the discount. However, customers can receive a credit of up to 3 months for missed discounts, if they reenroll within 90 days of removal by providing their CAA appropriate income documentation.

This is a laudable protection for deserving customers who do not receive the initial notice or are slow to respond and eventually produce the required income documentation.

Every customer contact also provides CAAs the opportunity to enroll customers in other assistance programs they offer, such as LIHEAP, weatherization, housing, childcare, banking, and water assistance programs, among others.

Q: What is TEP's opinion of the program rollout process for My Energy Discount?

A: TEP is very pleased with the implementation of My Energy Discount. It has been a year of change for the Community Action Agencies in Avista's service territory as they worked to redesign processes and train employees to administer the new bill discount rate. This work was made easier because Avista worked closely with its advisory group and Community Action Agencies to anticipate concerns and address unanticipated issues that came up in the process. TEP thanks Avista for its collaborative approach to implementing the new program.

Q: Please describe the status of Avista's weatherization program?

A: TEP is pleased with the administration of Avista's low-income weatherization program and does not request any changes to the program at this time.

III. Inequity in Existing Disconnection Policies

A. Avista's existing disconnection policies are inequitable.

Q: What is your understanding of the rules and procedures Avista follows when determining whether to disconnect a customer for nonpayment?

A: Avista follows three sets of rules for determining whether to disconnect a customer for nonpayment. First, Avista is subject to Washington's rules and regulations governing disconnection, including sections 480-100-128 and 480-100-143.[1] Second, Avista follows the disconnection rules contained in Rule 14B of Schedule 70 of its tariff on file with the Commission.[2]

Third, Avista also maintains internal policies and procedures that it uses to determine when it will disconnect a customer for nonpayment. Throughout this testimony, I refer to these policies as Avista's "Disconnection Policies." These policies are outlined in internal business documents, not Avista's tariff.[3]

Q: What is your understanding of the internal procedures Avista follows when determining whether to disconnect a customer for nonpayment?

A: Avista applies an internal collections process when determining whether to disconnect a customer for nonpayment. The steps in the disconnection process are as follows:

1. The customer bill is issued, with a due date twenty days after issue;
2. If the bill is unpaid by the due date, the customer receives a past due notice;
3. If the bill is unpaid by one week after the past due notice, the customer then receives a final notice;

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[1] WAC 480-100-128 contains rules regarding utility disconnections, including a requirement to give customers at least 3 days advanced notice prior to disconnection. WAC 480-100-143 contains rules concerning the winter low-income payment program, including prohibitions on disconnecting customers during the winter months under certain conditions.

[2] Avista's Schedule 70, Rule 14 (Rules and Regulations—Disconnection of Electric Service) further specifies Avista's disconnection policies, including notice rules, premise visit requirements for low-income customers, inclement weather event disconnection restrictions, and restrictions surrounding customers experiencing medical conditions or emergencies that require continued service, among other rules. Avista Tariff WN U-28, Rule 14 §§ (B)-(E) (Sept. 22, 2020).

[3] *See* Exh. SNS-3 at 2 (Avista Response to TEP DR 012) (outlining Avista's collections process that determines disconnection through internal flowcharts).

4. If the bill is unpaid within ten days of the final notice, the customer receives an automated phone call on their notice due date;
5. If the bill is unpaid within two days of the automated phone call, Avista will add the not identified low-income customer to the disconnect queue. A known low-income household will first receive a premise visit two days after the automated phone call. If the bill remains unpaid two days after that visit, Avista can disconnect a low-income customer.[4]

Additionally, at the time of enrollment in My Energy Discount Avista halts any active collections process and removes the customer from the disconnection queue.[5] This does not prevent a customer enrolled in My Energy Discount customers from entering, or later reentering, the disconnection queue.

Q: Do Avista's Disconnection Policies change based on a customer's arrearage or disconnection history?

A: Yes. While the steps in the process are broadly similar for all customers, important elements of the Disconnection Policies vary based on the "credit code" that Avista assigns its customers.[6] Credit codes are a value determined by Total Solutions Inc., a third-party vendor that provides "customer behavioral credit scoring."[7] Avista and Total Solutions Inc. use multiple criteria related to a customer's arrearage, disconnection, and account history to assign a credit code.

Q: What are the criteria used to calculate credit codes?

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[4] *Id*.

[5] Exh. SNS-3 at 2 (Avista Response to TEP DR 012).

[6] Exh. SNS-3 (Avista Response to TEP DR 012).

[7] Exh. SNS-4 (Avista Response to TEP DR 013).

A: A credit code is a score based on several factors:

1. How many times the customer was past due in the last 12 months;
2. How many months since last eligible for disconnection for nonpayment;
3. The number of days in arrears and the balance owed;
4. Length of time as customer and at current premise;
5. Whether a customer has a write-off balance; and
6. Whether a customer owes a prior obligation balance.[8]

Based on these criteria, Total Solutions Inc. uses an algorithm to place a customer in credit codes 0, 1, 2, or 3. According to Avista, customers "that consistently make payments towards their balance owed each month yield a credit code 3, while customers that make payments less frequently and have previous disconnections for nonpayment produce a lower credit code of 1 or 0."[9]

Q: Does a customer's credit code alter the Disconnection Policies Avista will apply in the event of nonpayment?

A: Yes. A customer's credit code changes two crucial elements of the Disconnection Policies: (1) the balance threshold that triggers the collections process and (2) the timelines for the collections and disconnection process. The balance thresholds differ as follows:

Table 1: Typical Season Balance Thresholds[10]

Credit Code	Winter Thresholds	Summer Thresholds
0	$250	$200
1	$300	$250
2	$350	$250

[8] Exh. SNS-4; Exh. SNS-5 (Avista Response to TEP DR 032).

[9] Exh. SNS-4 at 1.

[10] Exh. SNS-3 (Avista Response to TEP DR 012).

3	$1,000	$1,000

Additionally, customer codes 0 and 1 are afforded less time before disconnection based on their credit code.[11] For a customer coded 0 or 1, the past due notice is issued two days after the bill due date. For a customer coded 2 or 3, the past due notice is issued sixteen days after the bill due date. As a result, customers coded 0 or 1 have two fewer weeks—or about 25 percent less time—than customers coded 2 or 3 before potential disconnection.[12]

Q: Do you have concerns with Avista's Disconnection Policies?

A: Yes. The credit code methodology and its role in the Disconnection Policies are inequitable.

Q: How does the Commission typically evaluate the equity implications of utility policy?

A: The Commission applies an equity lens in all public interest considerations.[13] An equity lens provides consideration to characteristics "for which groups of people have historically, and are currently, marginalized."[14] The Commission's efforts to integrate equity into regulatory activities include "addressing historic underinvestment and

[11] Exh. SNS-3 at 2 (Avista Response to TEP DR 012).

[12] *Id*. In sum, the process spans 41 days for a not identified low-income customer coded 0 or 1; 43 days for a known low-income customer coded 0 or 1; 55 days for a not identified low-income customer coded 2 or 3; and 57 days for a known low-income customer coded 2 or 3. *Id*.

[13] *Washington Utilities and Transportation Commission v. Cascade Natural Gas Corporation*, Dkt. UG-210755, Final Order 09, ¶ 58 (Aug. 23, 2022).

[14] *Id*. (citing RCW 43.06D.010(4)).

exclusionary policies and practices that have allowed inequity to flourish."[15] Energy justice and its core tenets, including distributional, procedural, recognition, and restorative justice, are integral standards and sources of insight as the Commission applies its equity lens.[16]

Q: Do Avista's Disconnection Policies perpetuate inequities?

A: Yes. For reasons unrelated to a customer's current arrearages, a low-code customer is (1) sent to collections for lower arrearage amounts than a high-code customer and (2) given less time to avoid a disconnection than a high-code customer. In other words, even if the current arrearage amount and current time in arrearages are equal, some Avista customers are subject to a harsher disconnection process than other customers solely due to historical factors. Those practices perpetuate energy inequity by accelerating cycles of crisis and disconnection for households with demonstrated vulnerability to energy insecurity.

Q: Are any specific elements of the equity lens put forth by the Commission implicated by Avista's current Disconnection Policies?

A: Yes. Avista's Disconnection Policies implicate distributional justice. Policies that put an "inordinate share of the burdens on or [deny] access to benefits" for marginalized and vulnerable populations violate the principle of distributional justice.[17]

The Disconnection Policies violate the principle of distributional justice because the disparate treatment of customers with a history of energy insecurity inordinately

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[15] *Id*. ¶ 57 (citing Executive Order 22-04: Implementing the Washington State Pro-Equity Anti-Racism (PEAR) Plan and Playbook).

[16] *Id*. ¶ 56.

[17] *Id*. ¶ 56.

burdens marginalized and vulnerable populations. Research shows that people of color, families with young children, low-income customers, and other highly impacted communities are disproportionately affected by disconnections for nonpayment.[18] While communities of color are vulnerable to systemic inequities in economic security and access to wealth, documented racial disparities in disconnections persist even after controlling for income.[19] As one example, in a study of data from the United States Energy Information Administration's Residential Energy Consumption Survey, Hernández and Laird (2021) found that even after controlling for "the effects of income, having a head of household who is Black or a household head who does not have a

[18] The Energy Project, the Joint Advocates, and outside experts have provided evidence of these inequitable impacts in the COVID-19 docket and the Credit and Collections Rulemaking, among others. *See, e.g.*, Dkt. U-200281, In the Matter of Response to the COVID-19 Pandemic, Joint Comments on Behalf of the Office of the Attorney General Public Counsel Unit, The Energy Project, NW Energy Coalition, Puget Sound Sage, Front & Centered, and Sierra Club, at 15 (Sept. 30, 2020) (presenting evidence showing that "[c]ommunities of color are disproportionately impacted by utility disconnections"); Dkt. U-210800, Second Comments of the Energy Project, at 2 (Aug. 19, 2022) (summarizing research showing that "even at comparable levels of income, Black households face disconnections at disproportionately high rates, relative to white households"); Dkt. U-210800, Comments of Joint Advocates, at 1-5 (Oct. 17, 2022) (reviewing research on inequitable impacts of disconnections on communities of color); id. at 4 (citing an analysis of zip code level utility disconnection data in California finding that Black and Latinx households disproportionately experience utility shutoffs); Dkt. U-210800, Presentation Materials of David Konisky, at 11 (June 22, 2023) (presenting research showing that Black and Hispanic households experience disconnections at disproportionately high rates).

[19] See, e.g., Exh. SNS-6 at 2 (Kowalski, K., *Racial disparities persist in electric service. Is 'willful blindness' to blame?*, Energy News Network (July 1, 2020), (accessed June 24, 2024)) (summarizing researching showing that "on a nationwide basis, African Americans earning less than 150% of the poverty level were about twice as likely to have their electricity shut off as white households with comparable incomes"); Exh. SNS-7 at 11, 13, 17 (Gabriela Sandoval & Mark Toney, *Living Without Power: Health Impacts of Utility Shutoffs in California* (TURN 2018)) (presenting zip-code level analysis of utility shutoffs in California showing that disconnections disproportionately impact Black and Latinx communities); Exh. SNS-8 at 9-11 (Franklin, M. & Kurtz, C., Lights Out in the Cold: Reforming Utility Shut-off Policies as if Human Rights Matter, National Association for the Advancement of Colored People (2017), https://naacp.org/resources/lights-out-cold).

college degree are both associated with higher odds of receiving a disconnection notice."[20] These results are supported by several other studies.[21]

Low-income customers, customers without college degrees, residents of mobile homes, and families with children are also more likely to experience disconnection than other customers.[22] These inequities and the literature that uncovers them underscore the role that marginalization, exclusion, and vulnerability play in determining the likelihood that a particular customer will experience disconnection.

Avista's Disconnection Policies compound these existing inequities. Historically marginalized groups are more likely to experience arrearages and disconnection. By design, the Disconnection Policies treat those customers more harshly than others. If those customers experience energy security once more, the cycle repeats. Once a disconnection history leaves its mark on a customer, the Disconnection Policies burden them with a lower bar and accelerated timeline for disconnection. These burdens are inordinate. By exacerbating distributional injustice and worsening cycles of disconnection, Avista's Disconnection Policies do not meet the Commission's equity standards.

[20] Exh. SNS-9 at 15 (D. Hernández & J. Laird, *Surviving a Shut-Off: U.S. Households at Great Risk of Utility Disconnections and How They Cope*, American Behavioral Scientist 00(0) (May 2021)).

[21] *See, e.g.*, Exh. SNS-8 (*Lights Out in the Cold*) at 14 (summarizing research showing that "among financially similar customers, African Americans experienced disconnections more frequently" than other households).

[22] Exh, SNS-9 (*Surviving a Shut-Off*) at 15.

B. The Commission should order Avista to adopt more equitable disconnection policies.

Q: Does The Energy Project have any recommendations regarding Avista's disconnection practices?

A: Yes. The Commission is currently weighing whether to permit disconnection for nonpayment in the Credit and Collections rulemaking.[23] If the Commission decides in that rulemaking to permit utilities to continue residential nonpayment disconnections, Avista should rectify its existing practices by amending its Disconnection Policies and conducting a holistic equity review of its Disconnection Policies.

Q: What specific steps should the Commission order Avista to take?

A: Specifically, the Commission should order Avista to:

- Remove any provision from the credit coding system that scores customers based on any metric except current arrearage amount and current length of time in arrearage;
- Prioritize customers for disconnection based only on the two factors identified above; and
- Conduct a robust equity review of the Disconnection Policies in consultation with the Energy Assistance Advisory Group and the Equity Advisory Group.

Q: Why should Avista conduct an equity review of its Disconnection Policies?

A: Mandating a robust equity review of the Disconnection Policies in consultation with the Advisory Groups will improve the policymaking process. By working to apply an equity lens to the full suite of Avista's disconnection practices, Avista can proactively reform inequitable elements of its Disconnection Policies beyond the removal of the criteria I identified above.

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[23] Dkt. U-210800, Credit and Collections Rulemaking (Oct. 19, 2021).

Q: How can the Commission ensure that Avista conducts a robust equity review of its Disconnection Policies?

A: TEP recommends two steps. Unless the Commission ends residential nonpayment disconnections in the Credit and Collections rulemaking, the Commission should direct Avista to: (1) by March 2025, present Avista's Disconnection Policies to a joint meeting of the Energy Assistance Advisory Group and the Equity Advisory Group, soliciting verbal and written feedback on the equity impacts of its Disconnection Policies, and (2) by August 1, 2025, incorporate the feedback received and make a subsequent filing (pursuant to WAC 480-07-885) with new disconnection policies and procedures. The Commission should require the subsequent filing to discuss any feedback it did not incorporate and the reasons for declining to do so.

Q: Why should the Commission take these steps?

A: The Commission should take these steps for three reasons. First, the Commission should order presentation to and review by the Advisory Groups to promote accountability, collaboration, and expert consultation on crucial equity issues. Second, the Commission should require a subsequent filing to provide an orderly means for reviewing Avista's new policies and procedures. Third, the Commission should order action with the deadlines suggested here to facilitate timely revisions of Avista's existing practices.

IV. The Commission should retain critical measures of affordability and equity when evaluating Avista's performance.

Q: Can you summarize Avista's existing Performance-Based Ratemaking Metrics and its metric proposals in this proceeding?

A: Yes. Avista currently reports on 95 metrics, including 15 Affordable Service metrics, two Capital Formation metrics, 17 Equitable Service metrics, 15 Electric Reliability metrics, 17 Wildfire metrics, six Customer Experience metrics, seven Pollution and Greenhouse Gas Emissions Reductions metrics, 10 Electric Grid Benefits metrics, three Natural Gas System benefits metrics, and three additional metrics adopted after the first rate year of its current multi-year rate plan.[24] Avista proposed to eliminate the majority of these metrics, including seven Affordable Service metrics, both Capital Formation metrics, and eight Equitable Service metrics.[25]

Q: Do you have any concerns with Avista's proposals?

A: Yes. As I will discuss, Avista proposed to eliminate many metrics that it should continue to report. The Commission should also strengthen Avista's current reporting requirements by revising some existing metrics and adding one new metric. To these ends, The Energy Project has developed recommendations related to nine existing or newly proposed metrics.[26] These recommendations take into consideration the Commission's Interim Policy Statement and the subsequent workshop discussing that document.[27]

Q: Does witness Roger Colton also address performance-based ratemaking?

A: Yes. Witness Colton's testimony primarily addressing performance-based ratemaking:

- Witness Colton examines affordability, arrearage, and disconnection metrics to determine major lessons interested persons should learn from the data. Witness Colton's findings serve to illustrate the importance of robust reporting on those issues. My testimony builds on those findings by fashioning metric recommendations.

[24] *See* Exh. SJB-2, 2023-2024 Existing Performance-Based Ratemaking Metrics; Bonfield, Exh. SJB-1T at 3.

[25] Exh. SJB-2 at 1-6.

[26] For a summary of these recommendation, *see* Exh. SNS-10 (summarizing TEP's performance-based ratemaking recommendations for affordability and equitable service metrics).

[27] Dkt. U-210590, Interim Policy Statement Addressing Performance Measures and Goals, Targets, Performance Incentives, and Penalty Mechanisms (Apr. 12, 2024).

- Witness Colton also discusses the COVID-19 arrearage reporting, disconnection reduction reports, and performance-based ratemaking data, concluding that the data reported are not duplicative and recommending minor additions to the data reported. The recommendations made serve as a complement to my testimony.

Q: Does TEP address all of Avista's proposals concerning performance metrics in this case?

A: No. TEP focused its evaluation of Avista's proposals on those that most directly impact low-income customers and vulnerable populations. TEP's failure to address other metrics addressed by witness Bonfield should not be construed as an agreement with his recommendations. Those metrics which TEP does not address are beyond the purview of TEP's testimony in this proceeding.

A. Avista should maintain and improve its Affordable Service metrics.

Q: Does Avista propose to continue tracking any current metrics that TEP believes are particularly important to maintain?

A: Yes. The Energy Project concurs with Avista's proposal to maintain Avista Metric 1, which measures average annual bill, by class, and by census tract.[28] Measuring average annual bills by class and census tract provides a high-level figure that contextualizes other Avista metrics. That context allows the Commission to compare growth in bills with increases or decreases in other figures. The Commission should maintain this metric.

Q: Does Avista track any other metrics related to bills that are particularly important to maintain or improve?

[28] Exh. SJB-2 at 1.

A: Yes. Avista Metric 12 measures the average bill as a percentage of low-income customers' average income.[29] Avista proposed to maintain this metric.[30]

Q: Has the Commission proposed any related metrics in its Interim Policy Statement?

A: Yes. The Commission proposed tracking the annual residential bill divided by the average area median income by census tract for all customers, comparing outcomes in Non-Named and Named Communities, with electric and natural gas service stated separately for dual-fuel utilities.[31]

Q: What action should the Commission take with respect to this low-income bill metric?

A: The Commission should direct Avista to track and report a modified version of the Commission's proposed metric. Specifically, Avista should adopt a more granular version; instead of comparing outcomes in Non-Named and Named Communities, Avista should separately track these bill figures for low-income communities, vulnerable populations, and highly impacted communities. This modified version is more effective than Avista's current metric and the Commission's proposed metric because it measures income at the census tract level and provides precise data about rate impacts in specific communities.

Q: Should the Commission improve any other metrics Avista proposed to maintain?

A: Yes. It is unclear if Avista Metric 9 applies to electric customers only, or both gas and electric customers. The text of Metric 9 says the "number and percentage of residential

[29] *Id*.

[30] *Id*.

[31] Dkt. U-210590, Interim Policy Statement Addressing Performance Measures and Goals, Targets, Performance Incentives, and Penalty Mechanisms at 21 (Apr. 12, 2024).

electric disconnections for nonpayment by month, measured by location and demographic information . . . (E & G)."[32] The text of Metric 9 only references electric disconnections, but the parenthetical at the end indicates that applies to both electric (E) and gas (G). To avoid any ambiguity that Metric 9 applies to both electric and gas, the Commission should modify it to read: "electric and gas disconnections for nonpayment."

Q: Does Avista propose to eliminate any valuable metrics related to energy burden?

A: Yes. Avista Metrics 13 and 14 currently track the number and percentage of households with a high energy burden, quantifying energy burden as a household paying over six percent of its income for its electric and gas service combined.[33] Avista separately identifies known low-income and Named Communities in these metrics. Avista proposed to maintain Metric 13, which measures the total number of households, and eliminate Metric 14, which measures the percentage of households.[34]

Q: What action should the Commission take with respect to these energy burden metrics?

A: The Commission should direct Avista to continue tracking and reporting Avista Metrics 13 and 14. First, as demonstrated in witness Colton's testimony, the Commission and interested persons can draw valuable conclusions from reporting energy burden data. Tracking the percentage of households with a high energy burden is essential to contextualizing the overall number of households with a high energy burden. For example, Avista may report that the total number of energy-burdened households

[32] Exh. SJB-2 at 1.

[33] *Id*.

[34] *Id*.

remained flat over a given year. The Commission can only meaningfully assess that update if it knows whether the total number of Avista customers grew, shrank, or remained flat.

All Avista needs to calculate the proportion in addition to the total number of energy-burdened household is the total number of customers. That is easily accessible. Because Avista Metric 14 is essential to understanding Avista Metric 13 and not more time intensive to calculate, the Commission should direct Avista to continue reporting both metrics.

Q: Should Avista refine these energy burden metrics?

A: Yes. As The Energy Project discussed in its June 4 comments in the policy docket, energy burdens should be separately calculated by fuel type. As TEP noted, "we can accept single-fuel utilities reporting high energy burden based on a 6% energy burden for customers with electric heating, or a 2% gas burden and 4% electric burden for customers with natural gas heat. TEP selected a 2% gas burden and 4% electric burden instead of 3% because natural gas bills typically make up slightly less than half of total energy burden, and electric bills typically make up slightly more than half of total energy burden."[35] Further, witness Colton recommends performing energy burden assessments using the 2% gas and 4% electric thresholds when considering an overall energy burden of 6%.[36] Roger Colton discusses the merit of refining energy burden calculations in his testimony as well.[37]

[35] Dkt. U-210590, The Energy Project's Ninth Comments on Performance Based Regulation (PBR) and the UTC's Interim Policy Statement at 4 (June 4, 2024) (internal citations omitted).

[36] Colton, Exh. RDC-1T, Section IV.

[37] *Id*.

B. Avista should maintain and improve its Equitable Service metrics.

Q: Does Avista propose to eliminate any valuable metrics related to low-income participation in demand response, distributed energy resource, renewable energy, or electric vehicle programs?

A: Yes. Avista Metric 19 measures the percentage of low-income customers participating in Demand Response (DR), Distributed Energy Resources (DER), and renewable energy utility programs.[38] Avista Metric 23 measures the percentage of low-income customers participating in utility electric vehicle programs.[39] Avista proposed to eliminate both metrics.

Q: What data did Avista report concerning low-income participation in DR, DER, and renewable energy programs?

A: Table 1 shows the data Avista provided for Metric 19.[40]

Table 1: % of Known Low-Income Customers that Participated in DR, DER or Renewable Energy Programs*

Year	**Q1**	**Q2**	**Q3**	**Q4**
2023	0.5%	0.5%	0.12%	0.12%
2024	1.14%			

*Avista did not offer any demand response programs in Q1 2024. The data represents DER and renewable energy programs participation. Energy Efficiency program participation is included in Metric 1 and Metric 16.

Q: Can you use this data to evaluate Avista's performance enrolling low-income customers in DR, DER, and renewable energy programs?

[38] Exh. SJB-2 at 2.

[39] *Id.*

[40] Avista Utilities, Performance Based Ratemaking Metrics, Equitable Service, at 2 (accessed June 28, 2024), https://www.myavista.com/-/media/myavista/content-documents/our-rates-and-tariffs/wa-pbr/wa-grc-pbr-equitable-service-metrics.pdf.

A: Partially. First, this data shows that Avista did not offer any demand response programs in Q1 2024, which is a notable omission. Second, the data shows that known low-income customers enrollment in DER and utility renewable energy programs is minuscule and not consistently increasing. However, with only five datapoints, I am unable to draw conclusions about the trajectory of low-income enrollments. With the benefit of a larger time-series, I could make more definitive conclusions about Avista's performance.

I would like Avista to continue to report this data so the Commission and the public can continue to evaluate Avista's performance enrolling low-income customers in these programs, which are an aspect of the clean energy transition.

Q: What data did Avista report concerning low-income participation in electric vehicle programs?

A: Table 2 shows the data Avista provided for Metric 23.[41]

Table 2: % of Known Low-Income Customers that Participated in Residential Electric Vehicle Programs

Year	**Q1**	**Q2**	**Q3**	**Q4**
2023	1.1%	1.0%	0.9%	1.8%
2024	2.5%			

Q: Can you use this data to evaluate Avista's performance enrolling low-income customers in electric vehicle programs?

A: Partially. The data shows that for the first three quarters of 2023 about 1% of known low-income customers were enrolled in electric vehicle programs, and after that enrollment has increased for two quarters. At this time, I do not feel confident drawing conclusions about the trajectory of low-income customer enrollment in electric vehicle programs.

[41] *Id*., at 3-4.

With the benefit of a larger time-series, I could make more definitive conclusions about Avista's performance.

Q: What action did the Commission recommend taking with respect to these metrics in its Interim Policy Statement?

A: The Commission recommended maintaining a revised version of these metrics. The Interim Policy Statement proposed the following language and suggestions as Metric 25:

> "Number of customers in Named Communities or low-income customers enrolled in each utility distributed energy resource programs (providing a separate calculation for energy efficiency, electric transportation, net metering, and demand response)/total customers enrolled in each program. Add # of customers enrolled/# of eligible customers for additional context. May need electric and gas specific definitions for DER programs."[42]

Functionally, the Commission's proposal differs from Avista's existing metrics in two respects: (1) the Commission's metric measures enrollment in "electric transportation" programs, not just electric vehicle programs, and (2) the Commission's metric measures low-income enrollment as a percentage of total enrollment in the programs, whereas Avista's current metrics measure low-income enrollment as a percentage of the total low-income customer base.

Q: What action should the Commission take with respect to these metrics?

A: The Commission should direct Avista to continue tracking Metric 19 and Metric 23 with two modifications. First, Avista should integrate into Metric 23 the Commission's recommendation to track electric transportation programs, not just electric vehicle programs. This change reflects the value of utility investment in electric public transportation programs, not just electric vehicle programs.

[42] Dkt. U-210590, Interim Policy Statement Addressing Performance Measures and Goals, Targets, Performance Incentives, and Penalty Mechanisms at 24 (Apr. 12, 2024).

Second, both Metric 19 and Metric 23 should measure the number of customers that directly benefit from the measured programs, not just those enrolled in the programs. The change of language from “electric vehicles” to “electric transportation” strengthens the case for benefit-focused language, given that enrollment is not an appropriate metric of success for programs that invest in electric public transportation.[43] Indeed, enrollment is a limited metric for all the programs measured by Metrics 19 and 23, not just electric transportation.

Q: Should the Commission additionally direct Avista to change the measure 19 & 23’s denominator?

A: No. Avista’s current approach of measuring enrollment as a proportion of total low-income customers is sound. Measuring the participation of Named Community or low-income customers as a proportion of the total number of customers enrolled in or benefitting from a program is imprecise and could produce misleading figures. For example, a program’s enrollment could spike both amongst low-income customers and non-low-income customers, but if enrollment grew faster among the latter, the metric could suggest that Avista’s program management is failing to achieve the Commission’s goals. By maintaining its existing denominator, Avista will directly measure progress or regress in its efforts to deliver program benefits to low-income and Named Community customers.

Q: Does Avista propose to eliminate any valuable metrics related to operations and maintenance (O&M) costs?

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[43] Dkt. U-210590, The Energy Project’s Eighth Comments on Performance Based Regulation (PBR) and the UTC’s Interim Policy Statement at 9 (May 17, 2024).

A: Yes. Avista Metric 7 tracks O&M per customer for electric and gas service.[44] Avista proposed to eliminate this metric.[45]

Q: What data did utilities in Washington state provide concerning operations and maintenance costs?

A: Table 3 shows the data Avista provided for Metric 7.[46]

Table 3: O&M Per Customer

	Q1 2023	**Q2 2023**	**Q3 2023**	**Q4 2023**	**Q1 2024**
Electric	$567	$603	$633	$659	$817
Natural Gas	$463	$269	$251	$471	$598

Note: O&M is the total expenses before federal income taxes per the Company's monthly Results of Operations assigned to Washington customers, by service, for the quarter. That number is divided by average actual billed customers during the quarter to get O&M per customer for the quarter.

Puget Sound Energy also reports this metric, showing 2023 O&M as $438 per electric customer, and $214 per gas customer.[47]

Q: Can you use this data to evaluate Avista's performance?

A: No. With the time and resources available to me, I cannot draw any conclusions about utility O&M costs. However, I note that PSE reports its O&M per electric customers as almost $200 less than Avista's 2023 average. This difference is something that Commission Staff or other interested parties with the resources to evaluate O&M costs may wish to explore in the future.

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[44] Exh. SJB-2 at 1.

[45] *Id.*

[46] Avista Utilities, Performance Based Ratemaking Metrics, Affordability, at 5 (accessed June 28, 2024), https://www.myavista.com/-/media/myavista/content-documents/our-rates-and-tariffs/wa-pbr/wa-grc-pbr-affordability-metrics.pdf.

[47] Dkt. UE-220066 & UG-220067, Puget Sound Energy Multi-Year Rate Plan Annual Report, Attachment A, tab "12. Aff 58-61, 76-81" (March 29, 2024), https://apiproxy.utc.wa.gov/cases/GetDocument?docID=3787&year=2022&docketNumber=220066.

Q: What action should the Commission take with respect to this metric?

A: The Commission should direct Avista to continue tracking and reporting Metric 7. Measuring O&M per customer reveals important trends in utility financial management. Understanding whether Avista's O&M costs per customer increase or decrease over time, as well as comparing its costs to peer utilities, can inform future assessments of Avista's performance.

Q: Does Avista propose to eliminate any valuable metrics related to electric vehicle supply equipment?

A: Yes. Avista Metric 25 tracks the percentage of utility-owned and -supported electric vehicle support equipment by use case located within and/or providing direct benefits and services to Named Communities.[48] Avista proposed to eliminate this metric.[49]

Q: What action should the Commission take with respect to this metric?

A: The Commission should direct Avista to continue tracking and reporting this metric. Measuring the deployment of electric vehicle support equipment located in and/or benefiting Named Communities enables the Commission, Avista, and interested parties to assess utility efforts to make electric vehicle ownership viable in Named Communities. This metric also contextualizes Avista's measurement of electric transportation spending. If electric vehicle spending and support equipment spending are not following the same trends, Avista's investment strategy may not optimally increase electric vehicle adoption in Named Communities.

[48] Exh. SJB-2 at 2.

[49] *Id*.

Q: Does Avista propose to eliminate any valuable metrics related to spending in Named Communities and highly impacted communities?

A: Yes. Avista Metric 26 measures the percentage of non-pipe alternative spending that occurs in highly impacted communities and on vulnerable populations.[50] Avista Metric 31 measures incremental spending each year in Named Communities.[51] Avista proposed to eliminate these metrics.[52]

Q: What action should the Commission take with respect to these spending metrics?

A: The Commission should direct Avista to continue tracking and reporting both metrics. Avista's percentage of non-pipe spending in highly impacted communities and on vulnerable populations shows whether Avista is equitably deploying financial resources that aid the transition away from gas service. In 2022 and 2023, zero percent of non-pipe alternative spending occurred in Named Communities.[53] It would be useful for the Commission and the public to know if Avista begins investing in non-pipe alternatives in Named Communities or not. Additionally, measuring overall incremental spending in Named Communities shows whether Avista is making consistent, yearly investments that promote equity in its operations and support underserved customers. In 2022, Avista spent $486,658 incrementally in Named Communities and its 2023 report shows an increase to $1,382,129.[54]

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[50] *Id*.

[51] *Id*. at 3.

[52] *Id* at 2-3.

[53] Avista Utilities, Performance Based Ratemaking Metrics, Equitable Service, at 5.

[54] Avista Utilities, Performance Based Ratemaking Metrics, Equitable Service, at 7.

Q: Should the Commission direct Avista to adopt any metrics that it does not currently track?

A: Yes. The Commission should direct Avista to track and report net plant in service per customer for gas and electric service. Avista does not currently track this metric.[55] It is valuable for two reasons. First, it reveals high-level trends in utility capital investment, providing one metric to assess if a utility is acting prudently. Second, it signals utility choices regarding the replacement of aging assets. Avista's current metrics do not aid these assessments as directly as a net plant in service per customer measurement.

Q: Should Avista be subject to any performance incentive mechanisms associated with its metrics?

A: No. It is important to gather sufficient data to determine performance baselines prior to adopting performance incentive metrics, as opposed to reported metrics or target metrics. At this time, the Commission and interested parties do not have sufficient information to set targets or formalize an incentive framework. Avista has also stated that it does not believe it is necessary for the Commission to approve further performance incentive mechanisms in this case.[56] I concur.

V. Avista should identify estimated low-income customers by fuel type and at the household level.

Q: Has Avista undertaken a low-income needs assessment?

[55] Exh. SJB-2 at 1-6.

[56] Bonfield, Exh. SJB-1T at 11.

A: Yes. Avista submitted a low-income needs assessment ("LINA") as an attachment to its 2019-2020 Low-Income Rate Assistance Program Report.[57]

Q: What did Avista's 2019-2020 LINA examine?

A: Avista contracted with Evergreen Economics to conduct four primary analyses:

1. Estimate the total number of Avista customers eligible for low-income energy assistance;
2. Identify and characterize households that had recently received assistance;
3. Compare participants to eligible, unenrolled participants to assess the relationship between penetration rate and customer segment; and
4. Assess patterns in arrearages across households to assess arrearage and disconnection risk.[58]

Among other findings, the report revealed that only 21 percent of all eligible households received energy assistance.[59]

Q: Did Avista identify estimated low-income customers by fuel type and at the household level in its LINA?

A: No. In the last LINA, Avista's consultant, Evergreen Economics, determined the Public Use Microdata Areas where Avista electric or gas customers were located, overlaid the geographic boundaries onto Census data, and adjusted its population estimates using Avista's low-income program data.[60] It did not identify low-income customers at a household level and by fuel type.

Q: Does Avista otherwise identify estimated low-income customers by fuel type and at the household level?

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[57] Dkt. UE-010436/UG-010437 ("Dkt. UE-010436"), Low-Income Rate Assistance Program Report, Avista Low Income Needs Assessment (Dec. 29, 2020).

[58] *Id*. at 1-2.

[59] *Id*. at 2.

[60] *Id*. at 9-12.

A: To my knowledge, no.

Q: What is the value of identifying estimated low-income customers by fuel type?

A: There are several valuable ways to use data estimating low-income customers by fuel type. Household energy burdens vary by fuel type, so it is helpful in developing a deeper understanding of energy burden. Further, collecting estimates of low-income customers by fuel type would allow for a more granular analysis of the saturation rate, *i.e.*, the percent of estimated low-income customers enrolled in Avista's energy assistance programs. As the state continues to transition its energy supply to clean sources and natural gas usage declines, it will be important to monitor the percent of estimated low-income customers that remain connected to the natural gas system, and if they are enrolled in assistance programs or not.

Q: Will this data enable Avista to report any metrics with additional granularity?

A: Yes. Once Avista determines how to separately identify low-income customers by fuel type and assesses program saturation rates based on fuel type, Avista should separately calculate and report saturation rates for electric, gas, and dual-fuel low-income customers enrolled in energy assistance programs. That will enable a more granular evaluation of Avista's energy assistance programs and outreach.

Q: What is the value of identifying estimated low-income customers at the household level?

A: Estimating low-income customers at the household level will allow Avista to target outreach for assistance programs to those customers that are likely low-income. Identifying potentially income eligible customers also provides data analysis and learning opportunities that may assist the utility in improving & tailoring types of DER and energy efficiency program offerings in addition to bill and payment assistance.

Q: Do other utilities in Washington identify estimated low-income customers at the household level?

A: Yes, Puget Sound Energy and Cascade Natural Gas identify low-income customers at the household level. Puget Sound Energy purchases data from credit reporting company Experian,[61] while Cascade Natural Gas hired Forefront Economics to develop a low-income propensity model.[62]

Q: Considering this, what do you recommend?

A: The Commission should order Avista to identify estimated low-income customers by fuel type and at the household level. The most straightforward way to do this would be for Avista, to prepare a new LINA which includes the new information.

Q: What approach should Avista take in the development of a new LINA?

A: Avista should work with its Energy Assistance Advisory Group to develop a methodology for a new LINA. While the discussion between Avista and the Energy Assistance Advisory Group should result in more detailed choices about methodology, any new LINA should require the household-level, fuel-type estimate of low-income customers discussed above. The Commission has supported development of new LINAs at various times.[63]

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[61] Dkt. UE-240004 and UG-240005, *Washington Util. and Transp. Comm. v. Puget Sound Energy*, Jhaveri, Workpaper BDJ Energy Burden Assessment Data Sources (March 4, 2024).

[62] Dkt. UG-240008, *Washington Util. and Transp. Comm. v. Cascade Natural Gas*, Tillis, Exh. DLT-1T, at 20:5-11 (March 29, 2024); *Id*., Exh. DLT-9.

[63] *See* Dkt. UG-181053, *Washington Util. & Transp. Comm. v. Northwest Natural Gas*, Order 06, at 30-31 (October 21, 2019) ("The Advisory Group and the Company's low-income evaluation
(footnote continued on next page)

Q: Should the LINA include any other information?

A: Yes. First, the LINA should undertake a customer participation analysis, including demographics, data, and trends, including impacts on Named Communities. This analysis will enable Avista, the Commission, and interested parties to assess the effectiveness of Avista's energy assistance outreach and programming. Avista conducted this kind of research in its earlier LINA, which provided useful information with respect to customer participation by program, renter status, region, and household composition.[64]

Second, the LINA should include an arrearage and disconnection analysis, including demographics, data, trends, and including impacts on Named Communities. A disconnection and arrearage analysis will enable an assessment of the customers most at risk of losing service. That assessment will inform action from Avista, the Commission, and interested parties designed to prevent disconnections and arrearages, as it did when Avista conducted its original LINA. Additionally, arrearage and disconnection demographics, data, and trends will inform the equity review of the Disconnection Policies proposed in this testimony.

Third, the LINA should include an analysis of the revised low-income bill assistance program structure. As I explained above, Avista launched the My Energy

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study are both welcome advances. Staff explains that funding for the GREAT Program has been underutilized in recent years, and that the number of households receiving GREAT benefits has been flat. The Company thus will collaborate with the Advisory Group to "more effectively deliver benefits to qualifying customers." We thus find that the Settlement's proposed changes to NW Natural's GREAT Program are in the public interest."); *Washington Util. & Transp. Comm. v. Cascade Natural Gas*, UG-152286, Order 04, ¶ 12 (July 7, 2016); *In the Matter of the Joint Application of PSE et al.*, Docket UE-180680 (Macquarie Sale), Order 06 (Corrected), Commitment 44 (Jan. 1, 2022).

[64] Dkt. UE-010436, Low-Income Rate Assistance Program Report, Avista Low Income Needs Assessment at 29-40 (Dec. 29, 2020).

Discount program on October 1, 2023, with income-based discount tiers designed to reduce low-income customers' energy burden to under 6 percent of household income. As the program progresses from launch to maturity, the LINA can evaluate if the discounts for each tier are effective at reducing energy burden, and if the program is equitably reaching customers.

Q: Witness Colton recommends that Avista perform an annual Energy Burden Assessment. Is the LINA that you recommend different?

A: Yes, TEP's primary purpose in requesting a LINA at this time is to fill gaps in our understanding of Avista's low-income customer base with regard to fuel-type makeup and customer-level income propensity. Is it necessary to periodically (although not annually) refresh our understanding of the demographic makeup, characteristics, and driving needs of Avista's low-income customer base, and the LINA is a vehicle by which to refresh this data. This data will enable the company and interested parties to set strategy for serving low-income customers in the next phase of program implementation and planning. The LINA may be compared to a tool or document that informs broad, multi-year strategic direction, while an annual Energy Burden Assessment tracks and measures the effectiveness of Avista's current programs, policies, and tactics for reducing energy burden and arrears and informs timely adjustments to current practices.

Q: How should the Commission guarantee that Avista takes these steps?

A: The Commission should direct that Avista, by January 1, 2026:

1. Separately identify estimated low-income customers taking electric service, gas service, and dual fuel service;
2. Analyze arrearage and disconnection demographics, data, and trends, including impacts on named communities;
3. Analyze customer participation geography, demographics, data, and trends, including impacts on named communities; and

4. Analyze the revised program structure that became effective October 1, 2023.

Additionally, no later than January 1, 2026, the Commission should require Avista to incorporate into its annual reporting separate saturation rates for electric, gas, and dual-fuel low-income customers enrolled in energy assistance programs.

VI. The Commission should order Avista to develop a language access plan.

Q: What steps has Avista taken to serve customers who speak a primary language other than English?

A: Avista has taken several steps to provide services to customers who speak a primary language other than English. Among other initiatives, Avista maintains a system for tracking customers' preferred languages, which records preferences for over forty languages.[65] Avista also offers Spanish translation at payment kiosks and plans to deploy by the second half of 2024 a Spanish self-service website option that includes bill payment, outage information, and energy efficiency rebate application pages.[66] Once the Spanish option is operational, Avista intends to develop self-service websites in other languages.[67] Additionally, Avista translates printed materials advertising selected programs, like wildfire resiliency and energy assistance programs.[68] Avista has taken laudable first steps towards increasing language access.

Q: Do you have concerns with the existing suite of language services Avista provides to customers who speak a primary language other than English?

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[65] Exh. SNS-11 (Avista Response to TEP DR 003).

[66] Exh. SNS-12 (Avista Response to TEP DR 002).

[67] *Id*.

[68] Exh. SNS-13 (Avista Response to TEP DR 005).

A: Yes. In general, Avista takes a reactive approach to meeting language access needs. The Company does not have a comprehensive document or policy describing when and how to provide services or communication in a language that is not English. Instead, Avista most commonly learns of customer language access needs when customers request translation services.[69]

Consequently, Avista's data show that the Company underserves customers who prefer services in a language other than English. Avista's September 2022 Public Engagement Plan recorded 5,285 people with limited English proficiency living in Avista's service territory, but in 2023, Avista only recorded 1,426 customers' indicated preference for a language other than English.[70] These data suggest a significant gap between the number of Avista customers who likely prefer services in a language other than English and the number of customers Avista currently serves in a language other than English.

Q: Does TEP have any recommendations regarding language access?

A: Yes. Avista should develop a language access plan for its low-income programs in consultation with its Energy Assistance Advisory Group and Equity Advisory Group. A language access plan would provide Avista with a structured approach to meeting language access customer needs.

Q: What is a language access plan?

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[69] Exh. SNS-13 (Avista Response to TEP DR 005) (stating that Avista does not have a formal document or policy guiding language access services); Exh. SNS-11 (Avista Response to TEP DR 003) (explaining that the "most common way Avista is informed about a language preference is through the call center when a customer asks for a translator").

[70] Exh. SNS-14 (Avista Response to TEP DR 004, Attachment A) (providing demographic data for Avista customers, including language proficiency); *id.* at Attachment B (reporting translation requests made through Avista's contact center in 2023).

A: A language access plan is a policy setting out in detail (1) the language needs and preferences of an organization's clients and partners and (2) the steps the organization will take to improve language access and multilingual services.[71] Language access plans help organizations deliver high-quality language services.

Q: What does a language access plan include?

A: Language access plans are typically comprised of several major components, including: (1) A comprehensive needs assessment, (2) identification and implementation of improvements to language services, (3) actions to enhance awareness among clients and customers regarding the organization's available language services, (4) training for employees on language access needs, policies, and programs, and (5) a framework and metrics to evaluate the success of the language access plan.[72]

Q: Why should Avista prepare a language access plan?

A: Language access plans serve several important functions. The plan will (1) guide Avista's implementation of existing and developing language access initiatives, (2) improve customer relations, and (3) provide more equitable access to Avista programs targeted toward low-income customers, including weatherization and energy assistance programs. During plan preparation, Avista will comprehensively evaluate customer language preferences and existing services. Its assessment will reveal deficiencies and avenues for improvement. Avista will also learn best practices in providing multilingual services.

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[71] Centers for Medicare and Medicaid Services, *Guide to Developing a Language Access Plan*, https://www.cms.gov/About-CMS/Agency-Information/OMH/Downloads/Language-Access-Plan-508.pdf; United Language Group, *Guide to Developing a Language Access Plan*, https://www.unitedlanguagegroup.com/resources/developing-a-language-access-plan (accessed Sept. 1, 2023).

[72] United Language Group, *Guide to Developing a Language Access Plan*.

Finally, the language access plan promotes reflection and accountability by giving Avista and other interested persons clear evaluation criteria in assessing Avista's language access efforts.

Q: Has the Commission supported the adoption of utility language access plans in the past?

A: Yes. As the Commission observed, "[a]ccessibility and the development of language access plans are an important consideration for all" investor-owned utilities."[73] To that end, the Commission stated support for increasing language access in cases concerning for Puget Sound Energy and Northwest Natural Gas, and approved a requirement for PacifiCorp to develop a language access plan.[74]

Q: How should the Commission ensure that Avista develops and implements an effective language access plan?

A: The Commission should direct Avista to take five steps:

a. By June 1, 2025, evaluate language barriers to accessing low-income programs in a draft language access plan,

b. By June 1, 2025, provide its Energy Assistance Advisory Group and the Equity Advisory Group a draft language access plan for its low-income programs and request feedback on the plan,

c. By October 1, 2025, incorporate feedback it receives, discuss any feedback received on the draft not incorporated into the final, state the reason Avista did not incorporate the feedback into the final, and make a subsequent filing (pursuant to WAC 480-07-885) with a final language access plan for its low-income program,

[73] *Washington Utilities & Transportation Commission v. Puget Sound Energy*, Dkt. UE-220066/UG-220067, Order 32, ¶ 57 (May 16, 2024).

[74] *Id.*; *Washington Utilities & Transportation Commission v. PacifiCorp*, Dkt. UE-230172, Order 08, ¶ 104 (Mar. 19, 2024); *Washington Utilities & Transportation Commission v. Northwest Natural Gas*, UG-200994, Order 05, ¶ 45 n.22 (Oct. 21, 2021).

d. Report on its progress toward accomplishing the language access plan in its annual Low-Income Rate Assistance Program Annual Summary Report, and

e. Maintain and revise the language access plan as needed, with approval and feedback from the Energy Assistance Advisory Group and the Equity Advisory Group.

Q: Why should the Commission direct Avista to evaluate language barriers to accessing low-income programs in a draft language access plan by June 1, 2025?

A: A comprehensive evaluation of language barriers to low-income programs will show where Avista can best spend its resources to meet customers' language access needs. Once Avista has identified the areas in greatest need of improvement, it can take a structured, efficient approach to serving customers' language needs across programs.

Q: Why should the Commission direct Avista to provide its draft language access plan to its Energy Assistance Advisory Group and Equity Advisory Group for feedback by June 1, 2025?

A: Requesting feedback from the Energy Assistance Advisory Group and Equity Advisory Group promotes collaboration. A formal feedback mechanism will give the Advisory Groups the opportunity to shape Avista's approach and identify areas for improvement. These Advisory Groups are well-positioned to work with Avista to identify any oversights in its draft plan. Additionally, the proposed dates balance the need for timely action with the importance of thoughtful, rigorous evaluation.

Q: Why should the Commission direct Avista to incorporate feedback into its final plan, identify any feedback not incorporated into the final plan, and state why it chose not to incorporate that feedback by October 1, 2025?

A: Incorporating feedback recommended by the relevant advisory groups and explaining why Avista chose not to incorporate any feedback it rejects will facilitate accountability and transparent decision-making. Rather than requiring the Commission or interested parties to undertake the cumbersome process of determining what feedback was integrated or rejected, Avista should clearly detail the choices it makes. A transparent approach will improve Avista's language access plan and inform future efforts surrounding improvements to its plan.

Q: Why should the Commission direct Avista to report on its progress toward accomplishing the language access plan in its annual Low-Income Rate Assistance Program Annual Summary Report?

A: Regular reports enable transparency and inform the Commission and interested parties about the utility's work. TEP believes that the Annual Summary Report is a sensible forum for Avista to provide an interim update regarding its progress.

Q: Why should the Commission direct Avista to maintain and revise the language access plan as needed, with approval and feedback from the Energy Assistance Advisory Group and the Equity Advisory Group?

A: As Avista implements its language access plan, some efforts will enjoy greater success or encounter tougher obstacles than others. Requiring regular revisions of Avista's language access plan will ensure that the Company can learn from its efforts and meet the new and changing language needs of its customers. Advisory Group involvement will promote accountability and add additional expertise throughout the revision process.

VII. Other Issues that impact low-income customers

A. The Commission should reject Avista's proposal to shift risk from shareholders to customers by changing the Energy Recovery Mechanism.

Q: What does Avista propose concerning its Energy Recovery Mechanism (ERM)?

A: The Company proposes to eliminate the $4 million deadband and include only a single sharing band where 95% of the costs are borne by customers, and only 5% of the costs are borne by shareholders.[75]

Q: How do you respond to the Company's proposal to change the ERM?

A: The Commission should reject Avista's proposal for two reasons. As a regulated utility, Avista has the ability and obligation to control its energy costs. First, most individual customers do not understand the structure of the region's energy markets, nor can individual customers make a significant impact on Avista's power costs. Accordingly, it is inappropriate to modify the ERM so that it places virtually of the costs on customers.

Second, by enacting SB 5295, the Legislature directed the Commission to establish and maintain regulatory processes that measure and incent utility performance. Avista's proposal in this case would modify the ERM from a mechanism which provides Avista's shareholders a dead band with a $4 million incentive to contain energy costs to one in which shareholders are provided a comparatively tiny 5% incentive. Such a change runs counter Legislature's direction in SB 5295 that the Commission incent utilities to improve their performance by controlling their costs.

B. If the Commission accepts Avista's proposal to discontinue its Quarterly Decoupling Report it should require Avista to include equivalent information in its annual decoupling rate adjustment filing.

Q: What does Avista propose concerning its Quarterly Decoupling Report?

A: Avista proposes discontinuing its Quarterly Decoupling Report because the same information is provided in Avista's annual decoupling rate adjustment filing.[76]

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[75] Kinney, Exh. SJK-1T at 50.

[76] Exh. SJB-4, line 10.

Q: Do you agree that Avista's annual decoupling rate adjustment filing includes the same information as the Quarterly Decoupling Report?

A: No. While the annual rate adjustment filing includes more information than the Quarterly Decoupling Report, it does not include all the same information. For example, the Quarterly Decoupling Report provides the number of new customers excluded from decoupling, while the annual report does not.[77] In addition, the Quarterly Decoupling Report separately identifies the electric weather and gas weather component, while the annual decoupling rate adjustment filing does not. Further, the *Decoupling Account Monthly Balance* workpaper filed with the Quarterly Decoupling Report is formula-based, while in the annual adjustment filing the same data is hard coded.[78]

Q: Was TEP able to easily locate the annual decoupling adjustment filings?

A: No. Each annual adjustment filing is assigned a new docket number; by contrast, the Quarterly Decoupling Reports are filed in the same docket, which makes it is easy to locate historical data.

Q: What does TEP recommend concerning the decoupling reports?

A: If the Commission discontinues the Quarterly Decoupling Report, it should order Avista to include in all future annual adjustment filings:

- all information that was available in the Quarterly Decoupling Reports, including:
    - electric weather component and gas weather component,
    - new customers excluded from decoupling, and

[77] Dkts. 190334-35, Workpaper 190334-35-AVA-Q42023DecouplingRpt-Native-2-29-2024.xlsx, https://apiproxy.utc.wa.gov/cases/GetDocument?docID=3688&year=2019&docketNumber=190334.

[78] Compare *id*., and Dkt. UG-220379, Workpaper 220379-Avista-WP-Decoupling GL Account Monthly Balance.xlsx, https://apiproxy.utc.wa.gov/cases/GetDocument?docID=15&year=2022&docketNumber=220379.

    - a formula-based (and not hard coded) *Decoupling Account Monthly Balance* workpaper; and
- the docket numbers for electric and gas annual decoupling reports filed in the past five years.

VIII. Conclusion

Q: What are TEP's proposals concerning disconnections?

A: The Commission should order Avista to:

a. Remove any provision from the credit coding system that scores customers based on any metric except current arrearage amount and current length of time in arrearage;

b. Prioritize customers for disconnection based only on the two factors identified above; and

c. Conduct a robust equity review of the Disconnection Policies in consultation with the Energy Assistance Advisory Group and the Equity Advisory Group, including:

1. By March 2025, present Avista's Disconnection Policies to a joint meeting of the Energy Assistance Advisory Group and the Equity Advisory Group, soliciting verbal and written feedback on the equity impacts of its Disconnection Policies, and

2. By August 1, 2025, incorporate the feedback received and make a subsequent filing (pursuant to WAC 480-07-885) with new disconnection policies and procedures. The Commission should require the subsequent filing to discuss any feedback it did not incorporate and the reasons for declining to do so.

Q: What are TEP's proposals concerning performance-based ratemaking?

A: The Commission should direct Avista to report on the affordability and equity metrics contained in Exhibit SNS-10, namely:

a. Maintain Avista Metric 1, 7, 25, 26, and 31;

b. Modify and maintain Avista Metrics 9, 12, 13, 14, 19, and 23; and

c. Add a metric measuring average annual net plant in service per customer.

Q: What are TEP's proposals concerning the identification of estimated low-income customers by fuel type and at the household level?

A: The Commission should direct that Avista, by January 1, 2026:

a. Separately identify estimated low-income customers taking electric service, gas service, and dual fuel service;

b. Analyze arrearage and disconnection demographics, data, and trends, including impacts on named communities;

c. Analyze customer participation geography, demographics, data, and trends, including impacts on named communities; and

d. Analyze the revised program structure that became effective October 1, 2023.

Additionally, no later than January 1, 2026, the Commission should require Avista to separately calculate saturation rates for electric, gas, and dual-fuel low-income customers enrolled in energy assistance programs.

Q: What are TEP's proposals concerning language access?

A: The Commission should direct Avista to take five steps:

a. By June 1, 2025, evaluate language barriers to accessing low-income programs in a draft language access plan,

b. By June 1, 2025, provide its Energy Assistance Advisory Group and the Equity Advisory Group a draft language access plan for its low-income programs and request feedback on the plan,

c. By October 1, 2025, incorporate feedback it receives, discuss any feedback received on the draft not incorporated into the final, state the reason Avista did not incorporate the feedback into the final, and make a subsequent filing (pursuant to WAC 480-07-885) with a final language access plan for its low-income program,

d. Report on its progress toward accomplishing the language access plan in its annual Low-Income Rate Assistance Program Annual Summary Report, and

e. Maintain and revise the language access plan as needed, with approval and feedback from the Energy Assistance Advisory Group and the Equity Advisory Group.

Q: What are TEP's proposals concerning other issues that impact low-income customers?

A: First, the Commission should reject Avista's request to modify the ERM. Second, if the Commission discontinues the Quarterly Decoupling Report, it should order Avista to include in all future annual adjustment filings all information that was available in the Quarterly Decoupling Reports.

Q: Does this conclude your testimony?

A: Yes.