

Exhibit No. \_\_\_ T (JMW-1T)  
Dockets UE-140188/UG-140189  
Witness: Juliana M. Williams

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

**v.**

**AVISTA CORPORATION, DBA  
AVISTA UTILITIES,**

**Respondent.**

**DOCKETS UE-140188 and  
UG-140189 (*Consolidated*)**

**TESTIMONY OF**

**Juliana M. Williams**

**STAFF OF  
WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION**

*Low-Income Issues*

**July 22, 2014  
Revised August 1, 2014 (pp 2, 21-23)**

1 organizer of the Washington Utilities and Transportation Commission's  
2 ("Commission") recent workshop on low-income assistance programs.<sup>2</sup>

3  
4 **II. SCOPE AND SUMMARY OF TESTIMONY**

5  
6 **Q. What is the scope of your testimony?**

7 A. My testimony addresses issues related to Avista Corporation's ("Avista or  
8 "Company") low income customers. My testimony also responds to the testimony of  
9 Mr. Kopczynski, Exhibit No. \_\_\_ (DFK-1T), regarding Avista's Low-Income Rate  
10 Assistance Program ("LIRAP") and proposes changes to that program.

11  
12 **Q. Please summarize Staff's proposed changes to LIRAP.**

13 A. Staff's recommendations generally fall into three categories. First, Staff  
14 recommends the Commission order Avista to adopt express LIRAP program goals of  
15 minimizing disconnections and reducing energy burden, as well as performance  
16 targets for those goals. Second, Staff recommends the Commission order Avista to  
17 establish Pilot Electric and Natural Gas Low-Income Rate Discounts, to be funded  
18 from the surplus of existing LIRAP funds. Third, Staff recommends the  
19 Commission order Avista to implement a multi-year plan to improve LIRAP through  
20 incremental improvements to the existing LIRAP program, including increasing  
21 funding by twice the percentage of any residential ~~general raterevenue requirement~~  
22 increase. Staff expects these changes to significantly improve Avista's service to its

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<sup>2</sup> Docket U-140632, Workshop on electric and natural gas utility low-income assistance program design.

1           Additionally, Avista should work with the CAAs to better estimate the  
2           number of appointments that could be made available halfway through the program  
3           year, based on expected LIRAP collections.

4  
5   **Q.    Please describe Staff's recommendations regarding Avista's disconnection**  
6   **policy.**

7   A.   Staff recommends that Avista adopt a policy to hold off on disconnecting a customer  
8       that is in the process of applying for assistance through any of the existing LIRAP  
9       programs or the proposed rate discounts. Because one of the goals of low-income  
10      assistance should be to minimize disconnections, it is reasonable and consistent with  
11      RCW 80.28.010 to allow time for the customer to receive assistance and apply it to  
12      the bill prior to getting disconnected.

13           As discussed at the workshop, Puget Sound Energy has such a policy, and  
14       Staff believes it is appropriate for Avista to do the same. Implementing this policy  
15       may require closer coordination between Avista and the CAAs regarding the  
16       customers who have begun the process of applying for assistance but have not yet  
17       received assistance. Staff recommends that Avista identify any actions needed to  
18       implement this policy for program year 2014-15.

19  
20   **Q.    Please describe Staff's recommendation regarding LIRAP funding.**

21   A.   Staff recommends that in this rate case, and any rate case filed prior to September  
22       2017, the funding for low-income assistance increase by twice the percentage of any  
23       ~~general rate revenue requirement~~ general rate revenue requirement increase for residential customers, by service type

1 (electric or natural gas). If the residential rates-revenue requirement does not change  
2 or decline as a result of a general rate case, Staff recommends maintaining the level  
3 of low-income assistance funding.

4 In this case, Staff proposes ~~a decrease~~ a 1.7 percent increase in the electric  
5 residential volumetric rates-revenue requirement above the revenue requirement  
6 reflected in Avista's 2014 rates,<sup>23</sup> and no change to the natural gas residential  
7 volumetric rates-revenue requirement.<sup>24</sup> As a result, Staff recommends Avista  
8 increase electric LIRAP funding levels by 3.4 percent and maintain current natural  
9 gas LIRAP funding levels. To implement this, Staff recommends that the  
10 Commission require Avista to make a compliance filing pursuant to WAC 480-07-  
11 880 within thirty days of the order, to increase, if necessary, LIRAP funding by twice  
12 the percentage of any residential revenue requirement increase established by the  
13 Commission.

14  
15 **Q. Why do you recommend this increase in low-income funding for rate cases filed**  
16 **prior to September 2017?**

17 A. As mentioned above, Avista's current programs serve only approximately one-fifth  
18 of eligible low-income customers. Staff believes the program changes proposed will  
19 begin to increase the participation in the low-income programs. Further, it is likely  
20 that Avista will file another general rate case within the next three years, and  
21 agreeing on a multi-year approach to funding for low-income programs is the most  
22 efficient way to steadily increase funding levels to meet need. Establishing a

<sup>23</sup> Mickelson, Exhibit No. \_\_\_\_ (CTM-3) at 1, column hm.

<sup>24</sup> Mickelson, Exhibit No. \_\_\_\_ (CTM-6) at 1, column h.

1 funding plan will allow stakeholders in the next rate case to focus on other aspects of  
2 LIRAP, such as increases in the number of participating customers, performance  
3 toward goals and data tracking. Further, the proposed low-income rate discounts are  
4 a two-year pilot set to begin October 2015 and end in September 2017. After the  
5 conclusion of the pilot, parties may want to revisit the structure of Avista's LIRAP  
6 program, and it would be appropriate to discuss funding levels in the context of any  
7 structural changes.

8  
9 **Q. Does this conclude your testimony?**

10 **A. Yes.**