



**Avista Corp.**

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July 31, 2025

Public Utility Commission of Oregon  
Attn: Filing Center  
201 High Street SE, Suite 100  
Salem, OR 97301-3612

**Re: Advice No. 25-06-G / ADV 1755 – Avista Utilities Low-Income Rate Assistance Program (LIRAP) Rate Adjustment**

Filing Center:

Pursuant to ORS 757.205, ORS 757.259, OAR 860-022-0025 and OAR 860-027-0300, Avista Corporation, dba Avista Utilities (Avista or the Company), hereby submits for electronic filing with the Oregon Public Utility Commission (Commission) its proposed modifications to its Tariff Schedule 493, “Residential Low-Income Rate Assistance Program (LIRAP) – Oregon”. The Company requests that the following tariff sheets, P.U.C OR No. 5, become effective on October 31, 2025:

**Eighth Revision Sheet 493**  
**Sixth Revision Sheet 493A**  
**Second Revision Sheet 493B**

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**Seventh Revision Sheet 493**  
**Supplemental Fifth Revision Sheet 493A**  
**First Revision Sheet 493B**

The primary purpose of the requested tariff revision is to update the rates contained within the Company’s LIRAP tariff to match future Schedule 493 revenues with current and forecasted expenditures needed to support Avista’s LIRAP. This “true-up” will reconcile the previous periods’ actual expenditures and collections to ensure the appropriate rate is set for future cost recovery. Additional modifications to the tariff are housekeeping in nature, intended to better align actual tariff descriptions with the processes of Avista and its partner Community Action Agencies (CAAs or Agencies), as joint administrators<sup>1</sup> of LIRAP.

Through this filing, the Company is requesting a decrease in overall retail revenues of approximately \$1.7 million, or 1.3%, effective October 31, 2025.

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<sup>1</sup> “Jointly administered” means that customers can enroll in LIRAP components at both the Agencies as well as directly through Avista.

## **I. BACKGROUND**

Avista's LIRAP was originally approved by the Commission in 2002. As a result of the passage of Oregon House Bill 2475 (HB 2475, or the Energy Affordability Act),<sup>2</sup> in 2022, the Company transitioned its formerly grant-based LIRAP into a jointly-administered income-based discount model ("My Energy Discount", or MED), with complementary arrearage assistance options (Arrearage Management Plan (AMP) and Arrearage Forgiveness), to better serve the specific energy burden of the households it serves.<sup>3</sup> With this change, Avista deferred all costs associated with offering differential rates to qualifying customers pursuant to HB 2475 (Docket No. UM 2232). In 2023, the Company then requested to amortize these costs via Avista's Schedule 493 – which provides the revenues to support the program through a natural gas surcharge – so that all costs borne by LIRAP<sup>4</sup> go through the Company's Schedule 493 LIRAP tariff (rather than the prior bifurcation of some expenses flowing through tariff and some being deferred). Schedule 493, which was historically applicable to, and collected from, Schedule 410/411 residential customers, was also modified to spread cost allocation to all residential, commercial, and industrial class sales customers (Schedules 410, 411, 420, 424, 425, 439, 440, and 444). These revisions were approved by the Commission in Order No. 23-394, with complete amortization of all balances deferred in UM 2232 now completed.

## **II. PROPOSED LIRAP RATE ADJUSTMENT**

The Company's current Schedule 493 LIRAP deferral, most recently authorized on May 31, 2024 in Docket No. UM 1978, records the funds collected through Schedule 493, netted with the costs of LIRAP, in a balancing account, with any adjustments needed requested in July of each year along with the Company's annual Purchased Gas Adjustment (PGA) filings. Interest accrues on this balancing account each month based on the average monthly fund balance at the Modified Blended Treasury (MBT) rate.

As of June 30, 2025, the net deferral for LIRAP is a surcharge balance of \$395,616. To support the sustained growth of LIRAP as it continues to reach an unprecedented number of customers with valuable energy assistance, the Company forecasts that approximately \$3.1-\$3.2 million will be needed over the next couple of program years (2025-2026 and 2026-2027, respectively) in order to meet the needs of Avista's Oregon service territory. This amount is subject to change based on customer participation as well as the outcome of various federal assistance programs such as The Low-Income Home Energy Assistance Program (LIHEAP). The rates included in the requested tariff revision are designed to balance the Schedule 493 revenues with the anticipated LIRAP expenditures, thereby reducing the net deferral balance to \$0, or as close to \$0 as possible, by the end of October 2026.

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<sup>2</sup> HB 2475 (2021 Regular Session) amended ORS 756.610, ORS 757.230, and ORS 757.072 and enacted new provisions to address equity in rate setting and participating in Commission proceedings, effective January 1, 2022. OR Laws 2021 Ch. 90.

<sup>3</sup> See Docket No. ADV 1410/ Advice No. 22-03-G.

<sup>4</sup> With the exception of existing [not incremental] Avista labor expenses associated with the administration of LIRAP, which remain within the Company's Operations and Maintenance (O&M) costs recovered within the Company's base rates. Any changes in the allocation of these costs would first require a removal of these costs from base rates, via a general rate case proceeding, and a subsequent proposal to instead run these costs through the LIRAP tariff rider.

### **3% Annual Rate Impact Test**

Pursuant to ORS 757.259 and OAR 860-027-0300, the overall annual average rate impact of the amortizations authorized under the statutes may not exceed three percent of the natural gas utility's gross revenues for the proceeding calendar year, unless the Commission finds that allowing a higher amortization rate is reasonable under the circumstances. Total gross revenue for calendar year 2024 was \$144,378,437 and total amortizations resulting from this filing, which is deemed to be the net deferral balance as of June 30, 2025, is \$408,766. The resulting annual average rate impact from the LIRAP amortization is 0.3%. Including the effect of the Company's other amortization rates effective coincident with this filing, the resulting annual average rate impact from the Company's qualifying amortization is (7.8)%. Please see Attachment C of the Company's PGA workpapers in Advice No. 25-02-G for a detailed calculation, and applicable amortization schedules, for the 3% test.

Pursuant to OAR 860-022-0025 and OAR 860-022-0030, the total number of customers affected by the filing, and the annual revenue before and after the impact of the proposed rate change, are as follows:

<b><u>Rate Schedule</u></b>	<b><u>Present Revenue</u></b>	<b><u>Change</u></b>	<b><u>Proposed Revenue</u></b>	<b><u>% Change</u></b>	<b><u>Customers</u></b>
Schedule 410/411	\$ 78,957,314	\$ (1,090,519)	\$ 77,866,795	-1.4%	95,714
Schedule 420	\$ 37,691,615	\$ (507,442)	\$ 37,184,173	-1.3%	11,975
Schedule 424/425	\$ 2,597,250	\$ (21,189)	\$ 2,576,061	-0.8%	100
Schedule 439/440	\$ 6,636,641	\$ (71,714)	\$ 6,564,927	-1.1%	48
Schedule 444	\$ 86,947	\$ (704)	\$ 86,243	-0.8%	2
Schedule 456	\$ 2,817,427	\$ -	\$ 2,817,427	0.0%	29
	<b>\$ 128,787,194</b>	<b>\$ (1,691,569)</b>	<b>\$ 127,095,625</b>	<b>-1.3%</b>	

If approved, a residential customer using an average of 46 therms a month could expect their bill to decrease by \$0.94 or 1.4%, for a revised monthly bill of \$67.48 effective October 31, 2025. However, after combining the impact of this filing with the other regulatory filings with an October 31, 2025 effective date<sup>5</sup>, a residential customer using an average of 46 therms a month could expect their bill to increase by \$2.85, or 4.2%, for a revised monthly bill of \$71.28 effective October 31, 2025.

### **III. ADDITIONAL MODIFICATIONS**

In addition to the requested rate adjustments, all other modifications requested within this tariff filing are housekeeping in nature and do not materially impact the Company's LIRAP. For ease of reference and review, below is a summary of the changes proposed:

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<sup>5</sup> On July 31, 2025, Avista filed to update effective October 31, 2025 Schedules 461 Purchased Gas Cost Adjustment and 462 Gas Cost Rate Adjustment (Advice No. 25-02-G), Schedule 463 CPP (Advice No. 25-07-G), Schedule 467 COVID Deferred Costs (Advice No. 25-08-G), Schedule 475 Decoupling (Advice No. 25-03-G), Schedule 476 Intervenor Funding (Advice No. 25-04-G), Schedule 482 Regulatory Fee Amortization (Advice No. 25-05-G), and Schedule 493 LIRAP (Advice No. 25-06-G). The net effect of all filings is a revenue increase of approximately \$6.8 million or 5.3%.

- Deletion of the reference pertaining to HB 2475/UM 2232 deferral recovery within the “Purpose” section, as that language is no longer relevant with the amortization of the deferral through Schedule 493 now complete.
- Removal of overly prescriptive language in Special Condition 1 related to the process by which Avista remits payment to the Agencies for administration and program delivery. Special Condition 3 more aptly covers this process, as it aligns these processes with the Guidelines established between the CAAs and Avista. This allows for flexibility in compensation structure without requiring a tariff revision each time a process or procedure changes. Conversations between Avista and the Agencies regarding any potential amendments or improvements to existing administration and program delivery structure - including distribution, amounts, and processes – are ongoing, to ensure appropriate reimbursement and support for all Agencies administering Avista’s LIRAP
- The removal of the sentence in Special Condition 1 prompted repagination for Special Condition 3; all of Special Condition 3 now exists on Sixth Revision Sheet 493A.
- The Special Condition referenced within Special Condition 4 was corrected to be Special Condition 8, not 6.
- The date by which Avista’s annual LIRAP Report is to be submitted was updated from December 31<sup>st</sup> to January 31<sup>st</sup>. This adjustment is being made to accommodate Avista and the Agencies’ closing of the prior program year and beginning the new program year in October, then allow 90 days after that time for the final submission.

#### **IV. CONCLUSION**

Therefore, Avista respectfully requests that the tariff changes proposed for Schedule 493, inclusive of the requested rate adjustment for the Company’s LIRAP and the additional housekeeping modifications, be effective for service rendered on and after October 31, 2025.

Information related to this filing has been included on the Company’s website, [www.myavista.com](http://www.myavista.com), with additional notice to customers provided via newspaper advertisement both now and following the updated PGA filing in mid-September.

If you have any questions regarding this filing, please contact Marcus Garbarino at (509) 495-2567 or Jaime Majure at (509) 495-7839.

Sincerely,

*/s/ Jaime Majure*

Jaime Majure  
Regulatory Affairs Manager

Enclosures

AVISTA CORPORATION  
dba Avista Utilities

SCHEDULE 493

RESIDENTIAL LOW-INCOME RATE ASSISTANCE PROGRAM (LIRAP) –  
OREGON

**PURPOSE:**

The purpose of this schedule is to generate funds to be used for energy assistance for Avista's qualifying low-income residential customers (in accordance with ORS 757.315(3) and ORS 757.230) and to describe the various forms of energy assistance available to qualifying low-income customers.

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**APPLICABLE:**

To all residential Customers in the State of Oregon where the Company has natural gas service available. The Residential Low-Income Rate Assistance Program (LIRAP) Adjustment is applicable to all retail sales customers taking service under Schedules 410, 411, 420, 424, 425, 439, 440 and 444 and the energy assistance offered through LIRAP is made available to all income-qualified Schedule 410 and Schedule 411 customers. Income-qualified is defined as customers with gross household income at or below 60% of Oregon State Median Income (SMI), adjusted for household size, as described herein or established in collaboration with the Community Action Agencies ("Agencies"). Exceptions to income qualifications may be granted with supervisor approval, as described within this tariff.

**MONTHLY RATE:**

<b>Rate Schedule</b>	<b>Rate</b>
Schedule 410/411	\$0.03616 per Therm
Schedule 420	\$0.02906 per Therm
Schedule 424/425	\$0.00557 per Therm
Schedule 439/440	\$0.00366 per Therm
Schedule 444	\$0.00620 per Therm

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By

Patrick Ehrbar, Director of Regulatory Affairs



AVISTA CORPORATION  
dba Avista Utilities

SCHEDULE 493

RESIDENTIAL LOW-INCOME RATE ASSISTANCE PROGRAM (LIRAP) –  
OREGON

LIRAP COMPONENTS:

The following energy assistance options may be available for each household within the income range provided:

Income Range	Bill Discount	Arrearage Assistance
Zero to 5% SMI	90%	Arrearage Forgiveness
6 to 20% SMI	60%	
21 to 40% SMI	25%	Arrearage Management Program (AMP)
41 to 60% SMI	15%	

- Bill Discount – the Bill Discount will be applied to a participating customer's monthly net bill, the amount of which is determined by the customer's income range.
- Arrearage Management Program (AMP) – reduces customer arrearages owed over a 12-month period by providing an incentive for on-time, regular payment of their current bill plus a portion of the past due balance, for a maximum award of \$1,000.
- Arrearage Forgiveness – provides arrearage forgiveness for customers with incomes at or below 20% SMI, for a maximum award of \$1,000.

SPECIAL CONDITIONS:

1. Each month, the Company will bill and collect low-income energy assistance funds from all retail sales customers.
2. The Company will compute interest each month based on the average monthly fund balance undistributed at the current Modified Blended Treasury (MBT) rate.
3. The Company is responsible for program administration and funds distribution to qualifying local Agencies in accordance with terms and conditions ("Guidelines") established by the Company and the entity. All funds collected under this program, less program administration and delivery costs paid to the individual agencies and outreach funding to the Company, are distributed to income-eligible residential customers of Avista Utilities.

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AVISTA CORPORATION  
dba Avista Utilities

SCHEDULE 493

RESIDENTIAL LOW-INCOME RATE ASSISTANCE PROGRAM (LIRAP) –  
OREGON

4. Utilization of program administration and delivery costs will be summarized in the annual evaluation report described herein (Special Condition 8).
5. Customer eligibility for LIRAP is determined in cooperation with the Agencies and captured in the LIRAP Guidelines, including eligibility and administration of the LIRAP Bill Discount and AMP.
6. Exceptions to income qualifications for the Bill Discount may be granted by the administering Agency or Company, with supervisory approval, if extenuating circumstances such as job loss, medical crises, or other hardship is encountered by the customer. Customer income for such exceptions shall not exceed 80% SMI, and enrollment for these customers will be made at the 15% discount tier.
7. LIRAP participants may be subject to post-enrollment verification audit sampling. If a customer is found to be ineligible for the program in which they are enrolled, the customer's LIRAP benefit will be suspended. The customer will not be billed for any previous LIRAP benefits received. Customers may re-apply for LIRAP by providing verification of eligibility.
8. The Company will provide an annual summary evaluation report on the progress of the LIRAP for review by the Commission by January 31<sup>st</sup> following the end of each program year.
9. The LIRAP program year is October 1<sup>st</sup> through September 30<sup>th</sup>.

RULES AND REGULATIONS:

Service under this schedule is subject to the General Rules and Regulations contained in the tariff of which this schedule is a part, and to those prescribed by regulatory authorities.

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