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REPORT NAME: Low-Income Rate Assistance Program (LIRAP) Annual Report

COMPANY NAME: Avista Corporation

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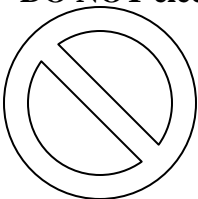
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# Low-Income Rate Assistance Program (LIRAP)

## Annual Summary Report

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For the program period October 2015 through September 2016

**OREGON**

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## Overview

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Avista Utilities' Low-Income Rate Assistance Program (LIRAP) approved by the Public Utility Commission of Oregon (PUC) in 2002 collects revenue under Schedule 410, "General Residential Natural Gas Service—Oregon." The current rate for LIRAP included in the Company's Tariff Schedule 410 is \$0.00451 per therm, which is approximately 0.4% of the current volumetric rate. The purpose of LIRAP is to reduce the energy cost burden among those customers least able to pay energy bills. This is the program summary report for the program year October 1, 2015 ending September 30, 2016.

## Program Year Results

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A total of 8,963 energy grants totaling \$2,471,732 have been provided since the LIRAP program inception in 2002. For the program year ending September 30, 2016, approximately 58% of LIRAP participants had household average incomes less than \$15,000. Approximately 27% of the grant recipients had annual household incomes of less than \$8,000. Over 69% of the LIRAP participants had households of two or more people. Customers renting their residences constituted 69% of the total.

Avista Utilities' Low-Income Rate Assistance Program provided 731 grants and distributed a total of \$185,789<sup>1</sup> during this program year. The grants averaged \$254 per customer. Table 1 shows the number of grants distributed during the reporting program year. It also includes a collection of demographic data intended to be responsive to requests for general information regarding participating customers. This data was collected by participating Community Action Agencies (CAAs or Agencies).

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<sup>1</sup> \$183,534 after reducing for \$2,255 of returned LIRAP payments.

<b>Table 1</b>				
<b>OREGON LIRAP</b>				
<b>Data Compilation - GRANTS</b>				
<b>Year 14 - October 1, 2015 - September 30, 2016</b>				
		<b># of Households</b>	<b>% of Households</b>	<b>Cumulative %</b>
<b>Home Ownership</b>				
Own		229	31%	31%
Rent		502	69%	100%
<b>Total</b>		<b>731</b>		
<b>Heating Fuel Source</b>				
Electric		-	0%	0%
Natural Gas		731	100%	100%
Other		-	0%	100%
<b>Total</b>		<b>731</b>		
<b>Size of Household</b>				
1 Person		230	31%	31%
2 People		191	26%	57%
3 People		127	17%	74%
4+ People		184	25%	99%
<b>Total</b>		<b>731</b>		
<b>Annual Income Level</b>				
Under \$2,000		88	12%	12%
\$2,000-\$3,999		25	3%	15%
\$4,000-\$5,999		42	6%	21%
\$6,000-\$7,999		46	6%	27%
\$8,000-\$9,999		93	13%	40%
\$10,000-\$11,999		50	7%	47%
\$12,000-\$14,999		80	11%	58%
Over \$15,000		308	42%	100%
<b>Total</b>		<b>731</b>		

Total revenue and interest funds distributed during the reporting program year were \$223,903. This amount equates to \$199,911 of new revenue collected through the

0.00451 per therm charge per Schedule 410 and \$23,992 of interest income accrued. The total unspent balance is \$26,211, calculated by adding \$31,935 of undistributed direct service funds carried forward from the previous reporting program year, and subtracting the current reporting program year administration and program delivery money paid to the agencies of \$43,837 (see Administration and Program Delivery) from the total revenue and interest. Table 2 below is a recap of the funds collected, spent, and the amount available at September 30, 2016.

<b>Table 2</b>	
<b>OREGON LIRAP</b>	
<b>Year 14 - October 1, 2015 - September 30, 2016</b>	
<b>Total Carry Over from Prior Year</b>	<b>\$ 31,935</b>
Oct - Sept - Total Revenue and Interest to Distribute	<b>223,903</b>
Oct - Sept - Admin & Program Delivery Funds paid to Agencies	<u>(43,837)</u>
Net Funds Available for Direct Services	212,000
Direct Service Funds Distributed by Agencies	<u>(185,789)</u>
Unspent Direct Service Funds at Sept 30, 2016	<u><u>\$ 26,211</u></u>
Percent Unspent in Comparison to Available Funds	12.36%
<p>Note: The percent unspent is calculated by dividing \$26,211 of unspent Direct Services funds from the total funds available for Direct Services \$212,000.</p>	

## Administration and Program Delivery

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The revenue collected is provided to the four Community Action Agencies in Avista's Oregon service territory for disbursement to qualifying customers and for administration of the program.

Eligibility was determined according to existing guidelines established by Federal and State standards used for the Low-Income Home Energy Assistance Program (LIHEAP). Additionally, customers experiencing emergencies are eligible for assistance under Project Share, an Avista donation-based program. The programs and partnerships Avista has formed have been invaluable to customers who often have limited incomes or have exhausted all of their resources. Per the Company's Tariff Schedule 493, Agencies are allowed a net combined administration and program delivery fee not to exceed 21.78% of the low-income bill payment assistance funds collected.

For this reporting program year, a total of \$43,837 was distributed to the Agencies for administration and program delivery, which was 19.38% of revenue collections and accrued interest. This amount, including the \$65,366 carry over from the previous reporting program year, totaled \$109,204 available for administration and program delivery support costs.

Excluding the amount subsidized from other funding sources, the amount spent by the agencies from LIRAP funds was \$36,574 leaving an unspent administration and program delivery balance of \$72,630 at September 30, 2016. This funding has been distributed to the agencies and can be carried forward into the next reporting program year to cover distribution costs of the undistributed direct services amount of \$26,211 described above. Table 3 represents a recap of the administration and program delivery spent and the amount available at September 30, 2016.

**Table 3**  
**OREGON LIRAP**  
**Admin and Program Delivery Funds**  
**Year 14 - October 1, 2015 - September 30, 2016**

<b>Admin and Program Fees Carry Over from Prior Year</b>	<b>\$ 65,366</b>
Oct - Sept - Admin & Program Delivery Funds paid to Agencies	<u>43,837</u>
Net Funds Available for Admin and Program Fees	109,204
Admin and Program Delivery Funds Spent by Agencies	<u>(36,574)</u>
Unspent Admin and Program Delivery Fees at September 30, 2016	<u><u>\$ 72,630</u></u>
Percent Unspent in Comparison to Available Funds	66.51%
<p>The percent unspent is calculated by dividing \$72,630 of unspent Admin and Program Delivery Fees from the total funds available for Admin and Program Delivery Fees available to the Agencies \$109,204.</p>	

## Unspent Funding

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The Company monitors the Agencies' unspent funding at the end of each program year. As shown on Table 2, based on allocated direct service funds distributed to the Agencies, the amount of unspent direct service funds at September 30, 2016 was \$26,211 or 12.36% remaining unspent.

Historically, permitting up to 20% of LIRAP funding for carry over to the following year has proven to be a value to the agencies' energy assistance programs. This policy allows the agencies to begin the heating season in October with a specific amount of LIRAP funding. While the Federal Government provides start-up funds, that are a portion of the total funding, those funding amounts are not confirmed until after the heating season starts in October; therefore, LIRAP is essential for starting the year when the need begins to rise.



## Returned Direct Services

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As with LIHEAP, any credit balance on a closed customer account due to a LIRAP payment may be transferred to another open Avista Utilities account or to a closed account if there is an outstanding balance. When the customer no longer has an active account with Avista, the credit balance that results from a LIRAP grant has been returned to the LIRAP general fund and redistributed to the agencies.

At September 30, 2016, an additional \$2,255 of returned LIRAP payments has accumulated and was disbursed among all of the Agencies.

## Outreach

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Although the Oregon LIRAP program does not contain a Conservation Education component, the Company provides energy saving guides and other energy saving information along with bill/payment options per agency request. The energy guides provide information regarding efficient home energy use.

Additionally, the Company has print advertising in senior publications throughout our service territory to raise awareness of Avista's energy assistance options; a sample of that advertisement is featured below.

An advertisement for Avista utilities targeting senior citizens. The top half features a photograph of three elderly men smiling and talking. Below the photo is a blue banner with the text "Helping you is energy well spent." The bottom half of the ad is white with black text. It starts with the heading "When budgeting for energy needs becomes challenging, Avista has options." followed by a bulleted list of services: "Bill Payment Options" (Confort Level Billing), "Senior Outreach" (educational workshops), "Referrals" (to local agencies), "Dedicated" customer service, and "Online Tools". At the bottom, it provides a phone number (1-800-227-9187) and a website (avistautilities.com/senior). The Avista logo is in the bottom right corner.

Helping you is energy well spent.

When budgeting for energy needs becomes challenging, Avista has options.

- **Bill Payment Options** such as Confort Level Billing to even out your energy bill's seasonal highs and lows.
- **Senior Outreach** educational workshops to learn how to conserve and use energy efficiently.
- **Referrals** to local agencies for assistance.
- **Dedicated** customer service representatives to help with medical or family crisis situations.
- **Online Tools** to help you with your home energy management.

For more information, please call 1-800-227-9187 or visit [avistautilities.com/senior](http://avistautilities.com/senior).



## Agency Meetings

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The Avista LIRAP Manager visited with each of the LIRAP agencies at their sites prior to the heating season to discuss topics of relevance for the efficient processing of assistance for customers. Valuable discussion occurs during the meetings that often results in continued fine-tuning and clarifying of processes. Avista appreciates the time invested by the LIRAP agencies, their experience and knowledge has made LIRAP an effective program.

The LIRAP manager attends Oregon Energy Coordinators Association meetings; these meetings provide a good medium for interacting with the agencies and discussing issues and topics regarding energy assistance and the target population.

## Data Collections

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The data collection and measures used by Avista Utilities in the evaluation of LIRAP include:

- LIRAP Database;
- Customer Service System (Avista Utilities' information management data base);
- Community Action Agency records; and
- Ongoing Advisory Group review.

## Participating Agencies

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- Community Connection of Northeast Oregon
- ACCESS
- United Community Action Network (UCAN) – Josephine and Douglas Counties
- Klamath Lake Community Action Services

## Contacts

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**ATTACHMENT 1  
OREGON LIRAP  
Monthly Revenue and Grants  
Year 14 - October 1, 2015 - September 30, 2016**

	Beginning Balance	Total Revenue	Total Interest (1)	Total Revenue and Interest	Total Admin/Prog Del Pd to Agencies	Total Funds Distributed	Ending Balance
<b>Sep-15</b>				Carry over from Year 2015 Annual Report			<b>\$ 31,935</b>
Oct-15	<b>31,935</b>	6,496.00	1,700	8,196	(1,604.64)	(5,574)	32,952
Nov-15	32,952	15,306.00	1,702	17,008	(3,329.87)	(17,535)	29,095
Dec-15	29,095	34,414.00	1,710	36,124	(7,072.60)	(4,415)	53,731
Jan-16	53,731	38,519.00	1,817	40,336	(7,897.30)	(8,465)	77,705
Feb-16	77,705	29,712.00	2,035	31,747	(6,215.63)	(19,498)	83,738
Mar-16	83,738	24,363.00	2,185	26,548	(5,197.85)	(25,471)	79,618
Apr-16	79,618	17,804.00	2,231	20,035	(3,922.61)	(14,801)	80,929
May-16	80,929	11,046.00	2,253	13,299	(2,603.77)	(30,020)	61,604
Jun-16	61,604	7,407.63	2,214	9,622	(1,883.82)	(25,817)	43,525
Jul-16	43,525	5,459.00	2,103	7,562	(1,480.50)	(13,015)	36,592
Aug-16	36,592	4,358.00	2,035	6,393	(1,251.77)	(12,690)	29,043
Sep-16	29,043	5,026.00	2,007	7,033	(1,376.94)	(8,488)	26,211
Program Year		199,911	23,992	223,903	(43,837)	(185,789)	26,211

(1) Interest is computed each month based on the average monthly fund balance undistributed at the Company's currently authorized rate of return (8.19%)

**ATTACHMENT 2  
OREGON LIRAP  
Monthly Recap of Number and Amount of Grants  
Year 14 - October 1, 2015 - September 30, 2016**

Total Grant Disbursements			# of Households or Grants		
Month	<u>Monthly Totals</u>		Month	<u>Monthly Totals</u>	
Oct-15	(5,574.00)		Oct-15	21	
Nov-15	(17,535.00)	<u>2015</u>	Nov-15	73	
Dec-15	(4,415.00)	\$ (27,524)	Dec-15	18	
Jan-16	(8,465.00)		Jan-16	35	
Feb-16	(19,498.00)		Feb-16	78	<u>2015</u>
Mar-16	(25,471.00)		Mar-16	98	112
Apr-16	(14,801.00)		Apr-16	59	
May-16	(30,020.00)		May-16	116	
Jun-16	(25,817.00)		Jun-16	100	
Jul-16	(13,015.00)		Jul-16	53	
Aug-16	(12,690.00)	<u>2016</u>	Aug-16	48	<u>2016</u>
Sep-16	\$ (8,488)	\$ (158,265)	Sep-16	32	619
<b>Oct - Sept Totals</b>	<b>\$ (185,789)</b>		<b>Oct - Sept Totals</b>	<b>731</b>	