



e-FILING REPORT COVER SHEET

Send completed Cover Sheet and the Report in an email addressed to:
PUC.FilingCenter@state.or.us

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

COMPANY NAME: Avista Corporation

DOES REPORT CONTAIN CONFIDENTIAL INFORMATION? [X]No []Yes

If yes, please submit only the cover letter electronically. Submit confidential information as directed in OAR 860-001-0070 or the terms of an applicable protective order.

If known, please select designation: []RE (Electric) [X]RG (Gas) []RW (Water) []RO (Other)

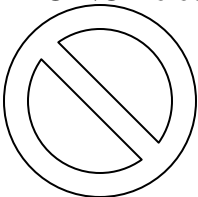
Report is required by: []OAR Enter rule number
[]Statute Enter Statute
[]Order Enter PUC Order No.
[X]Other Avista's approved Tariff Schedule 493

Is this report associated with a specific docket/case? [X]No []Yes

If yes, enter docket number:

List applicable Key Words for this report to facilitate electronic search:
LIRAP

DO NOT electronically file with the PUC Filing Center:



- Annual Fee Statement form and payment remittance or
• OUS or RSPF Surcharge form or surcharge remittance or
• Any other Telecommunications Reporting or
• Any daily safety or safety incident reports or
• Accident reports required by ORS 654.715

Please file the above reports according to their individual instructions.



Low-Income Rate Assistance Program (LIRAP)

Annual Summary Report

For the program period October 2014 through September 2015

OREGON

Table of Contents

Overview	3
Program Year Results	3
Administration and Program Delivery	6
Unspent Funding	7
Returned Direct Services	8
Outreach Support	8
Agency Meetings	8
Reporting Protocols	9
Key Terms	9
Data Collection	9
Participating LIRAP Agencies	10
Contacts	10

© 2015 Avista Corporation. All Right Reserved

Permission of the Copyright owner is granted to users to copy, download, reproduce, transmit or distribute any part of this document provided that: (1) the user includes Avista's copyright notice on all copies, and (2) the materials are not used in any misleading or inappropriate manner. Furthermore, no portion of the attached work shall be republished in printed or digital form without the written permission of the Copyright owner.

Overview

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 program year October 1, 2014 ending September 30, 2015.

Program Year Results

A total of 8,232 energy grants totaling \$2,285,943 have been provided since the LIRAP program inception in 2002. For the program year ending September 30, 2015, approximately 63% of LIRAP participants had household average incomes less than \$15,000. Approximately 32% of the grant recipients had annual household incomes of less than \$8,000. Over 68% of the LIRAP participants had households of two or more people. Customers renting their residences constituted 71% of the total.

Avista Utilities' Low-Income Rate Assistance Program provided 609 grants and distributed a total of \$158,978¹ during this program year. The grants averaged \$261 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

¹ \$154,967 after reducing for \$4,010.95 of returned LIRAP payments.

requests for general information regarding participating customers; this data was collected by participating Community Action Agencies (CAAs or Agencies).

Table 1				
OREGON LIRAP				
Data Compilation - GRANTS				
Year 13 2014-2015				
		# of Households	% of Households	Cumulative %
Home Ownership				
Own		177	29%	29%
Rent		432	71%	100%
Total		609		
Heating Fuel Source				
Electric		-	0%	0%
Natural Gas		609	100%	100%
Other		-	0%	100%
Total		609		
Size of Household				
1 Person		194	32%	32%
2 People		132	22%	53%
3 People		106	17%	71%
4+ People		177	29%	100%
Total		609		
Annual Income Level				
Under \$2,000		93	15%	15%
\$2,000-\$3,999		18	3%	18%
\$4,000-\$5,999		33	5%	24%
\$6,000-\$7,999		50	8%	32%
\$8,000-\$9,999		68	11%	43%
\$10,000-\$11,999		42	7%	50%
\$12,000-\$14,999		79	13%	63%
Over \$15,000		226	37%	100%
Total		609		

Total revenue and interest funds distributed during the reporting program year were \$201,860. This amount equates to \$181,355 of new revenue collected through the 0.00451 per therm charge per Schedule 410 and \$20,505 of interest income accrued. The total unspent balance is \$31,935, calculated by adding \$24,563 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 \$39,522 (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, 2015.

Table 2 OREGON LIRAP Year 13 2014-2015	
Total Carry Over from 2014 Annual Report	\$ 24,563
Oct - Sept - Total Revenue and Interest to Distribute	201,860
Oct - Sept - Admin & Program Delivery Funds paid to Agencies	<u>(39,522)</u>
Net Funds Available for Direct Services	186,902
Direct Service Funds Distributed by Agencies	<u>(154,967)</u>
Unspent Direct Service Funds at Sept 30, 2015	<u><u>\$ 31,935</u></u>
Percent Unspent in Comparison to Available Funds	17.09%
<p>Note: The percent unspent is calculated by dividing \$31,935 of unspent Direct Services funds from the total funds available for Direct Services \$186,902.</p>	

Administration and Program Delivery

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 \$39,522 was distributed to the Agencies for administration and program delivery, which was 19.58% of revenue collections and accrued interest. This amount, including the \$54,191 carry over from the previous reporting program year, totaled \$93,713 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 \$28,346 leaving an unspent administration and program delivery balance of \$65,366 at September 30, 2015. 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 \$31,935

described above. Table 3 represents a recap of the administration and program delivery spent and the amount available at September 30, 2015.

Table 3 OREGON LIRAP Admin and Program Delivery Funds Year 13 2014-2015	
Admin and Program Fees Carry Over from Annual Report	\$ 54,191
Oct - Sept - Admin & Program Delivery Funds paid to Agencies	<u>39,522</u>
Net Funds Available for Admin and Program Fees	93,713
Admin and Program Delivery Funds Spent by Agencies	<u>(28,346)</u>
Unspent Admin and Program Delivery Fees at September 30, 2015	<u><u>\$ 65,366</u></u>
Percent Unspent in Comparison to Available Funds	69.75%
Note: The percent unspent is calculated by dividing \$65,366 of unspent Admin and Program Delivery Fees from the total funds available for Admin and Program Delivery Fees available to the Agencies \$93,713.	

Unspent Funding

The Company continues to monitor 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, 2015 was \$31,935 or 17.09% 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

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.

At September 30, 2015, an additional \$4,010.95 of returned LIRAP payments has accumulated and was disbursed among all of the Agencies.

Outreach Support

Although the Oregon LIRAP program does not contain a Conservation Education component, the Company provides energy saving guides per agency request; these guides provide information regarding efficient home energy use.

Agency Meetings

Avista met with the LIRAP agencies 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.

Reporting Protocols

The Company reviewed the program year results each year with the Company's Advisory Group. This Report is intended to be responsive to several areas identified for evaluation as part of the PUC's authorization of this program.

Key Terms

Key terms used in this Report are described as follows:

- Participants—Customers who received LIRAP grant(s).
- Project Share—Customer, community, and company-funded program that provides one-time emergency energy assistance to families in our region.

Data Collections

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

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

Contacts

For further information, please contact:

- Ana Matthews
LIRAP Manager
509.495.7979
ana.matthews@avistacorp.com
- Linda Gervais
Manager, Regulatory Policy
509.495.4975
linda.gervais@avistacorp.com
- Ryan Finesilver
Regulatory Analyst
509.495.2098
ryan.finesilver@avistacorp.com
- Avista Utilities
1411 E. Mission, MSC-29
P.O. Box 3727
Spokane, WA 99220-3727
www.avistautilities.com



Low-Income Rate Assistance Program (LIRAP)

Annual Summary Report

For the program period October 2014 through September 2015

OREGON

Table of Contents

Overview	3
Program Year Results	3
Administration and Program Delivery	6
Unspent Funding	7
Returned Direct Services	8
Outreach Support	8
Agency Meetings	8
Reporting Protocols	9
Key Terms	9
Data Collection	9
Participating LIRAP Agencies	10
Contacts	10

© 2015 Avista Corporation. All Right Reserved

Permission of the Copyright owner is granted to users to copy, download, reproduce, transmit or distribute any part of this document provided that: (1) the user includes Avista's copyright notice on all copies, and (2) the materials are not used in any misleading or inappropriate manner. Furthermore, no portion of the attached work shall be republished in printed or digital form without the written permission of the Copyright owner.

Overview

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 program year October 1, 2014 ending September 30, 2015.

Program Year Results

A total of 8,232 energy grants totaling \$2,285,943 have been provided since the LIRAP program inception in 2002. For the program year ending September 30, 2015, approximately 63% of LIRAP participants had household average incomes less than \$15,000. Approximately 32% of the grant recipients had annual household incomes of less than \$8,000. Over 68% of the LIRAP participants had households of two or more people. Customers renting their residences constituted 71% of the total.

Avista Utilities' Low-Income Rate Assistance Program provided 609 grants and distributed a total of \$158,978¹ during this program year. The grants averaged \$261 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

¹ \$154,967 after reducing for \$4,010.95 of returned LIRAP payments.

requests for general information regarding participating customers; this data was collected by participating Community Action Agencies (CAAs or Agencies).

Table 1 OREGON LIRAP Data Compilation - GRANTS Year 13 2014-2015				
		# of Households	% of Households	Cumulative %
Home Ownership				
Own		177	29%	29%
Rent		432	71%	100%
Total		609		
Heating Fuel Source				
Electric		-	0%	0%
Natural Gas		609	100%	100%
Other		-	0%	100%
Total		609		
Size of Household				
1 Person		194	32%	32%
2 People		132	22%	53%
3 People		106	17%	71%
4+ People		177	29%	100%
Total		609		
Annual Income Level				
Under \$2,000		93	15%	15%
\$2,000-\$3,999		18	3%	18%
\$4,000-\$5,999		33	5%	24%
\$6,000-\$7,999		50	8%	32%
\$8,000-\$9,999		68	11%	43%
\$10,000-\$11,999		42	7%	50%
\$12,000-\$14,999		79	13%	63%
Over \$15,000		226	37%	100%
Total		609		

Total revenue and interest funds distributed during the reporting program year were \$201,860. This amount equates to \$181,355 of new revenue collected through the 0.00451 per therm charge per Schedule 410 and \$20,505 of interest income accrued. The total unspent balance is \$31,935, calculated by adding \$24,563 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 \$39,522 (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, 2015.

Table 2 OREGON LIRAP Year 13 2014-2015	
Total Carry Over from 2014 Annual Report	\$ 24,563
Oct - Sept - Total Revenue and Interest to Distribute	201,860
Oct - Sept - Admin & Program Delivery Funds paid to Agencies	<u>(39,522)</u>
Net Funds Available for Direct Services	186,902
Direct Service Funds Distributed by Agencies	<u>(154,967)</u>
Unspent Direct Service Funds at Sept 30, 2015	<u><u>\$ 31,935</u></u>
Percent Unspent in Comparison to Available Funds	17.09%
<p>Note: The percent unspent is calculated by dividing \$31,935 of unspent Direct Services funds from the total funds available for Direct Services \$186,902.</p>	

Administration and Program Delivery

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 \$39,522 was distributed to the Agencies for administration and program delivery, which was 19.58% of revenue collections and accrued interest. This amount, including the \$54,191 carry over from the previous reporting program year, totaled \$93,713 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 \$28,346 leaving an unspent administration and program delivery balance of \$65,366 at September 30, 2015. 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 \$31,935

described above. Table 3 represents a recap of the administration and program delivery spent and the amount available at September 30, 2015.

Table 3 OREGON LIRAP Admin and Program Delivery Funds Year 13 2014-2015	
Admin and Program Fees Carry Over from Annual Report	\$ 54,191
Oct - Sept - Admin & Program Delivery Funds paid to Agencies	<u>39,522</u>
Net Funds Available for Admin and Program Fees	93,713
Admin and Program Delivery Funds Spent by Agencies	<u>(28,346)</u>
Unspent Admin and Program Delivery Fees at September 30, 2015	<u><u>\$ 65,366</u></u>
Percent Unspent in Comparison to Available Funds	69.75%
Note: The percent unspent is calculated by dividing \$65,366 of unspent Admin and Program Delivery Fees from the total funds available for Admin and Program Delivery Fees available to the Agencies \$93,713.	

Unspent Funding

The Company continues to monitor 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, 2015 was \$31,935 or 17.09% 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

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.

At September 30, 2015, an additional \$4,010.95 of returned LIRAP payments has accumulated and was disbursed among all of the Agencies.

Outreach Support

Although the Oregon LIRAP program does not contain a Conservation Education component, the Company provides energy saving guides per agency request; these guides provide information regarding efficient home energy use.

Agency Meetings

Avista met with the LIRAP agencies 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.

Reporting Protocols

The Company reviewed the program year results each year with the Company's Advisory Group. This Report is intended to be responsive to several areas identified for evaluation as part of the PUC's authorization of this program.

Key Terms

Key terms used in this Report are described as follows:

- Participants—Customers who received LIRAP grant(s).
- Project Share—Customer, community, and company-funded program that provides one-time emergency energy assistance to families in our region.

Data Collections

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

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

Contacts

For further information, please contact:

- Ana Matthews
LIRAP Manager
509.495.7979
ana.matthews@avistacorp.com
- Linda Gervais
Manager, Regulatory Policy
509.495.4975
linda.gervais@avistacorp.com
- Ryan Finesilver
Regulatory Analyst
509.495.2098
ryan.finesilver@avistacorp.com
- Avista Utilities
1411 E. Mission, MSC-29
P.O. Box 3727
Spokane, WA 99220-3727
www.avistautilities.com

ATTACHMENT 1
OREGON LIRAP
Monthly Revenue and Grants
Year 13 - October 1, 2014 - September 30, 2015

	Beginning Balance	Total Revenue	Total Interest (1)	Total Revenue and Interest	Total Admin/Prog Del Pd to Agencies	Total Funds Distributed	Ending Balance
Sep-14				Carry over from 2014 Annual Report			\$ 24,563
Oct-14	\$ 24,563	\$ 4,750	\$ 1,454	\$ 6,205	\$ (1,215)	\$ (12,243)	\$ 17,310
Nov-14	17,310	12,797	1,433	14,230	(2,786)	(385)	28,369
Dec-14	28,369	26,026	1,460	27,486	(5,381)	(4,437)	46,036
Jan-15	46,036	33,012	1,605	34,617	(6,778)	(14,523)	59,353
Feb-15	59,353	32,061	1,757	33,819	(6,621)	(11,216)	75,334
Mar-15	75,334	22,414	1,887	24,301	(4,758)	(16,855)	78,022
Apr-15	78,022	17,549	1,945	19,494	(3,817)	(31,152)	62,547
May-15	62,547	12,229	1,810	14,039	(2,749)	(11,030)	62,807
Jun-15	62,807	7,036	1,844	8,881	(1,739)	(20,069)	49,880
Jul-15	49,880	4,327	1,817	6,143	(1,203)	(10,191)	44,629
Aug-15	44,629	4,087	1,765	5,852	(1,146)	(13,640)	35,695
Sep-15	35,695	5,065	1,729	6,794	(1,330)	(9,225)	31,935
Program Year		\$ 181,355	\$ 20,505	\$ 201,860	\$ (39,522)	\$ (154,967)	\$ 31,935

(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 13 - October 1, 2014 - September 30, 2015**

Total Grant Disbursements			# of Households or Grants		
Month	<u>Monthly Totals</u>		Month	<u>Monthly Totals</u>	
Oct-14	\$ (12,243)		Oct-14	54	
Nov-14	(385)	<u>2014</u>	Nov-14	2	
Dec-14	(4,437)	\$ (17,066)	Dec-14	20	
Jan-15	(14,523)		Jan-15	56	
Feb-15	(11,216)		Feb-15	44	<u>2014</u>
Mar-15	(16,855)		Mar-15	74	76
Apr-15	(31,152)		Apr-15	115	
May-15	(11,030)		May-15	44	
Jun-15	(20,069)		Jun-15	74	
Jul-15	(10,191)		Jul-15	41	
Aug-15	(13,640)	<u>2015</u>	Aug-15	50	<u>2015</u>
Sep-15	(9,225)	\$ (137,902)	Sep-15	35	533
Oct - Sept Totals	<u>\$ (154,967)</u>		Oct - Sept Totals	<u>609</u>	