



**LOW-INCOME RATE ASSISTANCE PROGRAM
(LIRAP)**

ANNUAL SUMMARY REPORT

For the period May 2009 through April 2010

WASHINGTON

August 27st

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Overview

Avista Utilities' Low-Income Rate Assistance Program (LIRAP) approved by the Washington Utilities and Transportation Commission (UTC) in 2001, collects funding through electric and natural gas tariff surcharges on Schedules 91 and 191. These funds are distributed by Community Action Agencies (CAAs) in a manner similar to the Federal and State-sponsored Low Income Home Energy Assistance Program (LIHEAP). The purpose of LIRAP is to reduce the energy cost burden among those customers least able to pay energy bills.

On December 16, 2009, President Obama signed an omnibus appropriations bill that continued to provide \$5.1 billion in funding for the Low Income Home Energy Assistance program for the current fiscal year. The LIHEAP funding includes \$4.5 billion in formula funds and \$590 million in contingency funding. Washington's share of the LIHEAP funding was increased from \$74,603,000 to \$78,593,534. This bill also provides increased funding for weatherization assistance programs. These programs and the partnerships we have formed have been invaluable to customers who often have nowhere else to go for help.

Report Introduction

We have a history of making it a priority within our Company to maintain meaningful programs to assist our customers that are least able to pay their energy bills. Avista, along with the low income and senior/vulnerable advocates, has long sought to understand the reach and effectiveness of energy assistance and energy efficiency programs. The challenge has been how to estimate with more certainty the level of need which could provide information for the purpose of assessing program size and design. Having more definitive data on the type of unmet need could also inform policy discussions related to

programs that serve to provide direct grant assistance or programs that reduce energy use such as energy efficiency or energy conservation education. With this in mind, in 2009, Avista commissioned a study by the Institute for Public Policy and Economic Analysis through Eastern Washington University. The purpose of the study was “Assessing Heating Assistance Programs in Spokane County.”¹ As noted in that report, the study examined “the recent experience of the two largest heating assistance programs in Spokane County: the federal Low Income Home Energy Assistance Program (LIHEAP) and the Avista Utilities-funded Low Income Rate Assistance Program (LIRAP). The study’s central goal was to assess the reach of these programs among the eligible population.”²

The study had the following key findings:

1. The average heating burden (heating costs divided by total household income) for a household in the US is 1.3%.³
2. The average heating burden for households in Spokane County is 1.4%, very close to the US average.⁴
3. The average gross heating burden for low-income customers (defined as those customers assisted by Spokane Neighborhood Action Programs, (SNAP), which uses the 125% of the federal poverty guideline) is 6.1%.⁵
4. The average net heating burden for low-income customers is 1.4% (net being defined as heating costs less energy grants, divided by total income).⁶
5. In 2009, the report shows that 30% of eligible households were assisted by SNAP. This is much higher than the national average of 16%.⁷

¹ “Assessing Heating Assistance Programs in Spokane County”, Institute for Public Policy & Economic Analysis (Grant Forsyth, PhD, D. Patrick Jones, PhD, and Mark Wagner). January 2010.

² id., Page 1

³ id., Page 2

⁴ id., Page 2

⁵ id., Page 3

⁶ id., Page 3

⁷ id., Page 3

In short, this report demonstrates that limited income customers served by SNAP have a net energy (heating) burden that is not much different than the average household in Spokane County.

Program Year Results

Approximately \$2,784,757 of electric revenue was collected during the program year and \$1,436,080 natural gas revenue was collected for a total of \$4,220,837.⁸ For this program year, the average LIRAP heat grant, which is equivalent to a LIHEAP grant, averaged \$555. Over 10,529 electric and natural gas customers in the Company's Washington service territory received total energy grants averaging \$428.

In this program year, 62% of LIRAP participants had household average incomes less than \$15,000. Approximately 21% of the grant recipients had annual household incomes less than \$8,000. Over 65% of the LIRAP participants had households of two or more people. Customers renting their residences constituted 70% of the total.

This program year saw the energy burden reduced by approximately 48% for customers between 51% and 100% of the Federal Poverty Level (FPL); the energy cost burden was reduced by 41% for LIRAP participants between 100% and 125% of the FPL.

The following Table reflects the total amount disbursed since the inception of the Washington LIRAP program, these numbers include amounts for Direct Services, Administration, and Conservation Education:

⁸\$4,220,837 of the gross revenue generated from Schedules 91 and 191 over the twelve-month reporting period, \$409,719 of that total was applied to Avista's Conservation Education component.

Table 1 – Yearly Revenues and Disbursements

Program Year May 1-April 30	Beginning Balance	Total Revenue	Total Funds Disbursed	Ending Balance
2001-2002	\$ 0	\$ 2,731,616	\$ 2,476,529	\$ 255,087
2002-2003	\$ 255,087	\$ 2,678,068	\$ 2,197,150	\$ 736,005
2003-2004	\$ 736,005	\$ 3,158,220	\$ 2,533,916	\$ 1,360,309
2004-2005	\$ 1,360,309	\$ 3,039,672	\$ 3,169,051	\$ 1,230,930
2005-2006	\$ 1,230,930	\$ 3,157,635	\$ 3,230,665	\$ 1,157,900
2006-2007	\$ 1,157,900	\$ 3,846,394	\$ 4,155,463	\$ 848,831
2007-2008	\$ 848,831	\$ 3,302,091	\$ 3,320,239	\$ 830,683
2008-2009	\$ 830,683	\$ 4,078,532	\$ 2,955,033	\$ 1,954,182
2009-2010	\$ 1,954,182	\$ 4,220,837	\$ 5,534,638	\$ 640,381

Participants and Fund Distribution

Avista Utilities' LIRAP provided 10,529 grants in the current program year. The total grants averaged \$428 per customer. As noted by the tables below, the number of grants in the current program year (year 9) was significantly higher than the previous year (year 8) because the agencies had experienced the first year of the expanded LIHEAP funding (nearly double what was received in previous years) which in part, affected their delivery systems. Since carryover was not permitted with either LIHEAP or Project Share, those funds needed to be delivered first, leaving a larger than desirable balance at the end of that program year. For the current program year, the agencies were better prepared to distribute the larger funding levels and were also able to distribute the large carry over from program year 8.

Customers may have received a total of two grants from LIHEAP, LIRAP and LIRAP Project Share at different times during the program year. CAA's are able to serve repeat customers according

to the LIHEAP/LIRAP guidelines, specifically using income qualifications and by demonstrated need.

This year 822 customers received multiple LIRAP grants.

Table 2 - Number and Amount of Grants by Component

Year 9			
<u>Program Component</u>	<u>Number of Grants</u>	<u>Grant Amount</u>	<u>Avg. Grant Amt.</u>
LIRAP Heat	6,139	\$3,404,239	\$554.53
LIRAP Emergency Share	3,033	\$719,914	\$237.36
Senior Outreach	1,357	\$386,500	\$284.82
Total	10,529	\$4,510,653	\$428.40

Year 8			
<u>Program Component</u>	<u>Number of Grants</u>	<u>Grant Amount</u>	<u>Avg. Grant Amt.</u>
LIRAP Heat	1,214	\$674,379	\$555.50
LIRAP Emergency Share	2,187	\$536,496	\$245.31
Senior Outreach	1,170	\$327,205	\$279.66
Total	4,571	\$1,538,080	\$336.49

The table below shows a collection of demographic data intended to be responsive to requests for general information of participating customers. This data was collected by participating Community Action Agencies.

Table 3 -- Demographic Data

	# of Households	% of Households	Cumulative %
Home Ownership			
Own	3,155	30%	30%
Rent	7,374	70%	100%
Total	10,529		
Heating Fuel Source			
Electric	5,796	55%	55%
Natural Gas	4,692	45%	100%
Other	41	0%	100%
Total	10,529		
Size of Household			
1 Person	3,668	35%	35%
2 People	2,547	24%	59%
3 People	1,767	17%	76%
4+ People	2,547	24%	100%
Total	10,529		
Annual Income Level			
Under \$2,000	507	5%	5%
\$2,000-\$3,999	242	2%	7%
\$4,000-\$5,999	631	6%	13%
\$6,000-\$7,999	807	8%	21%
\$8,000-\$9,999	1,744	16%	37%
\$10,000-\$11,999	1,002	10%	47%
\$12,000-\$14,999	1,596	15%	62%
Over \$15,000	3,998	38%	100%
Total	10,529		

Enron Settlement Distribution Money

In November 2009, Avista Utilities received funds from the Attorney General of Washington in regard to an investigation into the 2000-2001 energy crisis. As a result of that investigation, the Attorney General's office reached settlements with several energy companies including Duke, El Paso, Reliant and, finally Enron. Combined, those settlements provided \$45 million to Washington businesses and programs to assist consumers. The Attorney General's office allocated the residential *cy pres* amount to utilities throughout the state based on residential population served. Based on that amount, the allocation to Avista was \$463,187. The Company committed to use the funds received for low-income energy assistance programs.

The Company, along with five Community Action Agencies who participate in Avista's Low Income Rate Assistance Program (LIRAP) designed a "Hardship Program," using the same guidelines as Project Share and LIRAP Emergency programs. It is specifically targeted to those customers who are over income guidelines for Low Income Home Energy Assistance Program LIHEAP or LIRAP Heat. The purpose of the Hardship Program is to provide grant assistance to customers facing recent economic hardship. It was designed to assist customers who are challenged in paying their bill due to impacts of the economy – job loss, cutbacks in work hours or other factors, but who don't meet the requirements of the other assistance programs. It can also be used for customers facing other crises such as medical crisis. These customers have most likely never applied for energy assistance and are over income guidelines to qualify. The full amount of funding was distributed to the agencies and as of July 31, 2010 the agencies have distributed 558 grants to Avista customers for a total dollar amount of \$165,951. The average grant has been \$299. A balance of \$297,969 (including interest) remains available for customers and will be distributed by December 31, 2010.

Program Guideline Adjustments

- Program Distribution Percentage Change - With the increase in LIHEAP funding in the last program year, the Company and the CAAs decided to adjust the percentage distribution for each LIRAP program. The original percentages recommended 80% for LIRAP Heat, 13% for LIRAP Emergency Share and 7% for Senior Energy Outreach. Last program year, in order to best leverage the additional LIHEAP funds, the distribution was changed to 60% for LIRAP Heat, 26% for LIRAP Emergency Share and 14% for Senior Energy Outreach. With the slow recovery of the economy impacting many of our customers, as well as LIHEAP continuing to be fully funded, the Company kept the percentages at the current levels rather than returning to the original distribution. These customers are often over the income guidelines for LIHEAP or LIRAP Heat, but do qualify for LIRAP Emergency Share and Project Share. We are also seeing an increase in the number of seniors asking for Senior Energy Outreach. Seniors on fixed incomes facing increased expenses with no ability to increase their income are often eligible for a Senior Energy Outreach grant. The Company will continue to monitor these percentages each program year and make adjustments as necessary in the best interest of our customers.
- Avista Natural Gas and Electric Revenue Clarification - In an effort to more equitably distribute LIRAP funds, the Company, along with the agencies made a change to the previous guidelines established. In the early years of the program, LIRAP funds were strictly distributed according to heat source. Ongoing discussions with agencies, Commission Staff and other interested parties resulted in the decision to allow electric revenue to be used for natural gas heat customers as long as those same customers also use Avista electric service.
- Energy Burden - “Energy burden” is the percentage of income that households pay for energy service. This term is relevant to low-income issues as a comparison to income used for other essential needs such as food, housing, clothing, and health services. Table 4, provided by SNAP, depicts reductions in the energy burden experienced by LIRAP participants in the current program year. The column titled “Before Benefits” represents

the energy burden to low-income customers prior to LIRAP benefits. Each successive column illustrates low-income customers' energy burden after receiving the specified LIRAP benefit. For customers receiving LIRAP benefits, the energy burden has been reduced by approximately 48% for customers between 51% and 100% of the federal poverty level (FPL). The energy burden was reduced by 41% for LIRAP participants between 101% and 125% of the FPL.

The following Table has been calculated as follows:

- The remaining households' energy burden was calculated by dividing the annual household income by the annual energy costs.
- Annual income was calculated by multiplying the three-month average, required at the time of application, by four to determine the annual amount.
- Annual energy costs were determined by the actual previous 12 months energy usage from the date of application. When annual energy costs are not available, a backup amount developed on the average cost for households, with that fuel type and vendor, was used.

Table 4 - Energy Burden -- Total Energy costs divided by household income

ENERGY BURDEN 2009/2010								
Energy Burden -- Total Energy costs divided by household income								
		Energy costs are reduced by benefits for these calculations						
		Before Benefits	EAP or Avista	Plus Base and Fema	Plus PS	Plus Senior	Plus Avista Emer	All Benefits
%Pov								
0-50%FPL	N							
	1478 elec	23.00%	12.00%	N/A	11.80%	12.00%	11.60%	11.50%
	897 gas	24.50%	11.30%	N/A	11.10%	11.30%	10.80%	10.50%
	2375 all	23.60%	11.70%	N/A	11.50%	11.70%	11.30%	11.10%
51-100%FPL	N							
	3603 elec	9.00%	5.10%	N/A	5.00%	5.00%	5.00%	4.90%
	2716 gas	9.70%	4.80%	N/A	4.70%	4.80%	4.70%	4.60%
	6319 all	9.30%	4.90%	N/A	4.90%	4.90%	4.80%	4.80%
101-125%FPL	N							
	1113 elec	6.50%	4.20%	N/A	4.10%	4.10%	4.10%	4.00%
	1143 gas	6.70%	4.00%	N/A	3.90%	4.00%	3.90%	3.80%
	2256 all	6.60%	4.10%	N/A	4.00%	4.10%	4.00%	3.90%

* Table 4 – Prepared and provided by Spokane Neighborhood Action Partnership (SNAP).

Unspent Funding

The Company continues to monitor all the agencies regarding unspent funding throughout the heating season and specifically at the end of each program year. At the end of Program Year 9, a balance of \$437,166 or 9% of direct service funding was unspent, noticeably below the acceptable range (15% - 20% is an acceptable range for carry over funding). Historically, permitting LIRAP funding to carry over to the following year has proven to be a value to all participants of the program. This policy allows the LIRAP agencies to spend their LIHEAP funds first. It has also made it possible for the LIRAP agencies to begin the heating season in October with a specific amount of funding. The Federal Government does not commit to their LIHEAP funding amount until the end of December, and sometimes not until as late as March. It must be noted that in the spirit of collaboration and to insure that as many low income customers as possible in Washington receive energy assistance, as well as sharing the responsibility of an acceptable carry over percentage, A Community Action Partnership in Lewiston (serving Asotin County) offered \$49,000 in electric funds and \$11,000 in natural gas funds to be transferred to Rural Resources (serving Stevens & other Northern WA Counties).

Program Process

Households contacting Community Action Agencies (CAA's) for help on their utility bills comprise the primary pool of potential participants. Also in Washington, Avista is currently working with over 3,437 special needs customers in the CARES (Customer Assistance Referral and Evaluation Services) program. Specially-trained representatives provide referrals to area agencies and churches for customers with special needs for help with housing, utilities, medical assistance, etc. Additional

targeted marketing focuses on payment-troubled households – those experiencing a shutoff notice, carrying a large arrearage, etc.

For clients receiving “regular” assistance (i.e., LIRAP Heat), the eligibility determination is the same as the Federal LIHEAP program. The amount of the assistance provided is based on household income, energy costs (all electric or natural gas costs, used for space heating or base load) and housing type (single family, multifamily, etc.) and then calculated using the Office of Community Development’s (OCD) mechanism. The benefits of using this mechanism include leveraging systems and staff knowledge already in place at the agencies as well as using a system that indexes assistance to income and need.

For clients receiving “emergency” assistance (i.e., LIRAP Project Share) or small benefit amounts, the process is similar to that used for Project Share. The amount of emergency assistance is determined on a case-by-case basis not to exceed \$300. Emergency assistance includes items such as imminent danger of disconnection. All energy costs resulting from electric or natural gas usage is eligible (including kWh and therm consumption, applicable taxes, and arrearages).

CAAs follow established protocols for the qualification of, and disbursement to, eligible customers. These guidelines are promulgated by the Washington State Office of Community Development and cover 1) eligibility, 2) documentation and verification, 3) energy assistance services, and 4) allowable costs. Participating CAA’s follow these guidelines for the disbursement of energy assistance funds originating from Schedules 91 and 191.

The Senior Energy Outreach is provided through the Avista CARES, via Elder Services and Aging and Long Term Care of Eastern Washington (ALTCEW), in-home caregivers and case managers, as well as the CAAs. Program guidelines are designed to help mitigate the impact of energy costs on vulnerable seniors living in their own homes, yet who are over income guidelines for energy

assistance. Included in this program are conservation education workshops specifically designed for seniors.

Conservation Education and Outreach

Conservation Education (Con-Ed) has proven to be a key component of energy assistance programs. Teaching and demonstrating improved approaches to managing energy costs can reduce customers' bills and increase customers' ability to pay. In 2001, in Docket Nos. UE-010436 and UG-010437, the Commission Staff's decision memo dated April 25, 2001 provides that "Staff believes that a comprehensive educational program should be designed to contribute toward changing the behavior of customers with respect to energy conservation and efficiency. The educational materials may include video, workshops, articles, brochures and newsletters, etc. The production of educational materials, including how well the message is structured, ease with which it can be comprehended by customers and whether or not there are alternative forms of educational materials to enhance conservation measures, should be evaluated by consultants." Also provided in Staff's memo is the inclusion of the 4% funding level.

In the spirit of the Con-Ed program, the Company has created a conservation education kit that includes weatherization and conservation materials for distribution by the agencies. The Company originally directed some energy assistance program funds to the production of support materials such as an updated video presentation that is currently used by the CAA's as part of their educational activities. Avista continues to research and expand the Conservation Education and Weatherization components of LIRAP with programs such as "Power to Conserve," and "Wattson Avista's Energy Watchdog" which are discussed in more detail below:

Energy Conservation Television Programming

Avista continued its partnership with BELO Television (the parent company of local affiliates KREM, KSKN and NW Cable News), focusing on creating awareness about energy efficiency. This year, we updated the previous half-hour “Power to Conserve” program. It was repurposed, resulting in the production of thirteen, 15 second spots and seven, 30 second vignettes called “The Every Little Bit House.” KREM, in conjunction with Avista, filmed the installation of several key measures being installed in a SNAP qualified customer’s home. The measures included insulation, installation of a high efficiency furnace, new windows, ENERGY STAR® appliances, CFLs and a home energy audit. The program covers low-cost and no-cost ways to save energy at home and maintain comfort during winter and summer. The goal of the program is to help limited income seniors and other vulnerable populations with their energy bills by providing home energy conservation education. Avista uses television in order to reach the largest number of the target group at the least cost. Television efficiently covers Avista’s large market area because of its broad reach and is excellent at visually demonstrating the value of products and services. This year, Toyota joined BELO in their support of Avista’s energy efficiency outreach, and donated a Prius automobile. The giveaway helped increase customer web traffic and overall program engagement. In total, 2,508 spots were run, compared to 1,408 in previous years. However, Avista purchased 498 spots with the remainder being sponsored by KREM/BELO in support of the promotion.

The television spots target low-income, senior and vulnerable customers, providing helpful energy conservation tips, information on community resources and ways for customers to manage their energy bills. In 2010, Avista was able to increase the overall reach and frequency of the program by over 20% on average. In previous years, vignettes pulled a 74.8% reach and a 5.1 frequency for the adult 18+ audience. In 2010, we increased this to 93% reach and 11 frequency for adults 18+, and

98% reach and 19 frequency for adults 65+. In addition, we offered web promotion and web page information for customers. Throughout the Spring promotion period, web traffic to Avista's energy efficiency website, everylittlebit.com, increased 64% over 2009, from 9,943 pageviews to 16,325 pageviews. The Every Little Bit House page on everylittlebit.com saw 1,962 visits as a brand new page.

The spots ran January through February and again April through May. These spots ran throughout the day and evening from July through February as well.

Fall Energy Conservation Programs

Conservation Education is a critical component for customers to reduce their energy use. It is the Company's hope that each Avista customer who applies for either a LIHEAP or LIRAP Heat grant receives both information and materials to help them live a more energy efficient life. We've accomplished this goal by creating an Energy Efficiency Kit to be provided to these customers. Each kit contains two compact fluorescent lights bulbs, plastic window covering, draft stoppers for exterior light switches and electrical outlets, weather stripping, a shower timer, and a letter with energy saving tips. The CAA's, as well as customers, reported that the kits were well received.

In past years, kits were mailed to the agencies for distribution to Avista customers who were applying for energy assistance. The CAAs commented that storage of the kits as well as having to manage frequent orders and distribution of the kits added to an already hectic energy season. A change was implemented this year and kits were mailed to each customer who received a LIHEAP grant or a LIRAP Heat grant. The process insured that every eligible customer received important information and materials to help them save energy, as well as, it reduced the burden on the CAAs. Avista's low income customers received 11,695 kits during the last program year. For the current

program year, kits were mailed to 13,209 customers and with the additional LIHEAP funds again this year, the CAAs continued to distribute energy assistance grants well into the summer months, Avista has mailed an additional 547 kits for a total of 13,756 for this season.

Senior Energy Workshops and Kits

With the help of additional workshop presenters, 22 Senior Energy Workshops were held during the past program year. Over 1600 seniors were reached and were given Senior Energy Efficiency kits along with learning about low-cost/no-cost ways to reduce energy use. Each kit contains energy-saving items such as compact fluorescent light bulbs, plastic window covering, draft stoppers for exterior light switches and outlets, v-seal for drafty doors and a polar fleece lap blanket. The Company approaches talking with seniors about reducing their energy use very respectfully and carefully to assure health, safety and comfort. We discuss lifestyle changes that could be made and steps to take before turning the thermostat up, and not necessarily keeping the thermostat too low.

Senior Wellness Conference

Over 3,000 seniors attended the Senior Wellness Conference in the fall of 2009. As one of the event sponsors, Avista provided energy efficiency information in the form of live demonstrations throughout the day of how to install compact fluorescent light bulbs, window plastic covering, v-seal for drafty doors, rope caulking as well as other weatherization materials. Each senior received the materials that were shown at the demonstration.

Children's Energy Conservation Program

The children's program, featuring the character of Wattson the Energy Watchdog, was developed in 2008 to engage children in learning about the things that they and their family could do to conserve energy. Since the inception of the program, Wattson is growing in recognition and impact among children. Beginning in 2008, a portion of the Conservation Education funds were dedicated to the education of low-income children on energy efficiency to help reduce the energy cost burden for low-income customers. The goal has been to reach these children and to teach life-style changes regarding energy use. Reaching children with energy conservation education is part of the overall comprehensive approach to help our customers, in particular our limited income customers, learn to use energy saving behaviors to help lower their energy bill. The Wattson program utilizes a mascot to reach the target audience of low-income children and their families. The Wattson mascot attends affordable family events, Avista's energy fair and school programs. "Wattson" the Energy Watchdog is fast becoming a household name within Avista's service territory. When he first appeared at community events some four years ago, we would often hear kids mistakenly calling him Scooby Doo. "No, this is Wattson the Energy Watchdog," we would correct them. This doesn't happen anymore – now when kids see him, they shout out "Hey Wattson!!" Kids love to tell Wattson that they're turning off the lights and get an encouraging high five from the larger-than-life mascot dog.

The Wattson television ads feature energy conservation and safety messages continue to run on cable, broadcast and public television channels during the early morning and prime time viewing slots.

The popular mascot duo appeared in more than 20 major community events including two televised parades and several other school and neighborhood venues that reached an estimated 120,000 kids in 2009. The events are carefully selected to assure that they reach a large number of children and families and are considered to be affordable, family-friendly venues.

Research will be conducted later this calendar year to compare to a baseline study done at the inception of the program that will measure the recognition level of Wattson among the target audience and the effectiveness of his conservation education message.

SNAP Educational Video

Avista continues to support the production and updating of SNAP's video that provides information to the community about their low-income programs. The video is used to educate the community about the many other services that are available at SNAP including weatherization, conservation and household budgeting. This year the video will be shown at SNAPS's community breakfast and lunch events. They estimate at least 500 guests will attend. The video is also shown to community groups throughout the year, increasing awareness and providing additional opportunities for fundraising.

Senior Directories and Publications

Avista updated its one page ad that is continuing to be placed in local directories and senior publications. These ads are part of a strategic effort to reach seniors with information about energy efficiency, billing assistance, Senior Energy Outreach workshops and CARES information.

Energy Fair

A new way of reaching out to our limited income, senior and working family customers was successfully rolled out in January 2010. The Energy Fair was held at the Spokane Community College in Spokane and attendees were able to talk with Avista staff and community partners about energy savings measures, energy assistance and customer billing options. In partnership with the Community

Colleges of Spokane, the event served to provide a series of informative demonstrations, including helpful giveaways of energy efficiency items like compact fluorescent light bulbs, low-flow showerheads, window plastic, v-seal, etc. Partner organizations represented were SNAP, WorkSource Spokane and the CASH Coalition. The children learned about energy efficiency from Wattson with activities that included Wattson crafts about how to save energy. The attendees' feedback was consistently positive and affirmed that the event was informative and helpful. An estimated 325 people attended throughout the day.

Earned Income Tax Credit

As a member of the Cash, Assets, Savings and Hope (CASH) coalition, Avista helps low-income, working families receive the Earned Income Tax Credit (EITC) benefit. In partnership with Spokane County United Way, SNAP, AARP, VOICES, DSHS, USCW 1, Bank of Whitman, WA State Employees Credit Union, Inland NW Bank, Wells Fargo & American West Banks, Avista participates in strategic planning and outreach. This includes using a bill insert and an Avista Connections customer newsletter article to disseminate information about the EITC and free tax preparation sites. Low-income families are offered financial management classes as well as no-service-fee bank accounts. Families are also educated of the danger of predatory lenders by helping them acquire a no-service-fee bank account in order to receive their refund electronically. This year, over 5,100 households received \$5.2 million in EITC largely due to this effort.

LIHEAP Outreach

LIHEAP funds were still available in late spring in Spokane County. Avista partnered with SNAP and A Community Action Partnership (serving Asotin County) and mailed postcards to

customers that met specific criteria and may have been eligible to receive a LIHEAP or LIRAP Heat grant. Over 11,000 postcards were mailed and both CAA's reported a positive response.

LIRAP Partner Agency Change

In February, 2010, North Columbia Community Action Agency closed its doors, leaving low-income customers in three counties needing to be served. Rural Resources has taken on the additional responsibility of Lincoln County, and Opportunities Industrialization Center (OIC) is taking Adams and Grant Counties. Both transitions have gone fairly smoothly. OIC is a new agency for LIRAP, and its Energy Assistance Manager was able to join us for our spring LIRAP meeting.

Low-Income Work Bench

The "Avista Energy Assistant" is a new web-based, self-service tool which enables Community Action Agencies to access usage history and credit and collection information needed to qualify customers for energy assistance grants. The Avista Energy Assistant was designed at no cost to the LIRAP program in partnership with local Community Action Agencies and was successfully deployed in the fall of 2009. Both the agencies and Avista benefit from this new program. The agencies no longer have to call Avista for the information needed to help our customers. With the customers permission, they are able to access the information they need, as well as, enter a grant promise on the customer's Avista account. In many cases, the agencies are able to stop collection activity by entering the grant promise, serving our customers in a timely manner and saving the agency the time of calling the Company. The CAA's have all reported positive feedback regarding Avista's Energy Assistant.

Key Events

Advisory Meetings

Avista continues to meet regularly throughout the year with the LIRAP agencies. 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.

Future Issues

Low-Cost/No Cost Energy Efficiency Educational DVD

The production of a video that demonstrates low-cost/no-cost energy efficiency tips that will be specifically related to the low-income kit content is planned for the upcoming heating season. The DVD will be included in each kit mailed.

Children's Energy Conservation Outreach

For as successful as the Wattson mascot has become, it has still been a challenge to gain entrée to the majority of schools with our interactive assembly program which is an excellent way to deliver Wattson's full energy conservation message to the entire school population in a learning environment.

Through a partnership with our Demand Side Management (DSM) team, we developed a compact fluorescent lights (CFL) fundraiser program. Schools are offered the opportunity to sell CFLs to raise money for the school and we provide our Wattson conservation assembly as part of the sales

campaign kick-off. The children learn about how energy conservation helps the planet and using CFLs is just one way to conserve energy. We've been more successful getting the schools to accept the assembly now that it's part of the CFL fundraiser program and look forward to more participation in the next program year.

Low-Income Senior Outreach

Avista is planning outreach efforts at Senior Centers in low-income zip code areas to reach larger numbers of seniors with low-cost/no-cost energy efficiency information and to distribute helpful, easy to use weatherization materials.

Reporting Protocols

The Company reviewed the program year report in the Fall of 2009 with the Company's External Energy Efficiency Board (Triple E)⁹ and provided an update regarding program implementation in Spring of 2010. This Report is intended to be responsive to several areas identified for evaluation as part of the UTC's authorization of this program.

Key Terms

Key terms used in this Report are described as follows.

- Energy Cost Burden, Energy Burden—The percentage of income that households pay for energy service.
- LIRAP Base—Funds provided for non-heating customer load.

⁹ The Triple E is composed of a broad array of stakeholders, including all customer groups, as well as other representatives with a direct interest in the success and improvement of the proposed energy assistance programs.

- LIRAP Heat—Benefit calculated using customer heating costs. This benefit is always combined with LIRAP Base Benefit.
- LIRAP Project Share—Funds provided for “emergency” purposes. The term “Project Share” is used because this LIRAP emergency funding is patterned after the Project Share Program.
- Participants—Customers who received LIRAP grant(s).
- Schedule 91—Avista tariff including the electric surcharge LIRAP rate.
- Schedule 191—Avista tariff including the natural gas surcharge LIRAP rate.
- Senior Energy Outreach—This program denotes an offering unique to low-income senior customers.

Data Collection

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 External Energy Efficiency Board review.

Participating LIRAP Agencies

- Spokane Neighborhood Action Programs
- North Columbia Community Action Council
- Community Action Center of Whitman County
- A Community Action Partnership (Asotin County)
- Washington Gorge Action Programs
- Rural Resources Community Action

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