



# Low-Income Rate Assistance Program (LIRAP)

## Annual Summary Report

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**For the program period October 2011 through September 2012**

**WASHINGTON**

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## Overview

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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 (CAA's) 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 that are experiencing difficulty paying their energy bills.

Avista is committed to reducing the burden of energy prices for our customers most affected by rising energy prices, including low income individuals and families, seniors, disabled and vulnerable customers. To assist our customers' in their ability to pay, the Company focuses on actions and programs in four primary areas: 1) advocacy for and support of energy assistance programs providing direct financial assistance; 2) low income and senior outreach programs; 3) energy efficiency and energy conservation education; and 4) support of community programs that increase customers' ability to pay basic costs of living.

In the Company's last general rate case<sup>1</sup>, the Parties agreed to increase LIRAP funding in 2013 and 2014. If approved by the Commission, the funding level for the electric low income program would increase by 3% and 3.68% for the natural gas low income program. In 2014, the funding level for the electric low income program would increase another 3%, and .94% for the natural gas low income program.

Included in UTC Staff's rebuttal testimony was a recommendation to require Avista, in its next general rate case, to submit a proposal for changing LIRAP from a grant-based program

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<sup>1</sup> Docket No. UE-120436 and UG-120437

to a discount rate program. As part of the multi-party settlement stipulation, Avista has agreed to work with Commission Staff and all interested parties to discuss the merits of the existing LIRAP program and other potential design options, including a discounted rate program and to propose changes, if necessary, in its next general rate case to conform the funding for low income programs to the language of RCW 80.28.068. The Company is cognizant that, while the funding from the LIRAP surcharge is distributed to qualifying customers through direct bill assistance (i.e., grants), there are some stakeholders who believe that the funding from LIRAP should be used to fund a low income discount rate. PacifiCorp currently offers such a discount rate in Washington, while Puget Sound Energy operates their low-income rate assistance program in a manner similar to that of Avista. The Company believes that the issue of the administration of low-income rate assistance should be addressed in a broader, state-wide context, with all of the affected parties – the Commission, utilities, low-income advocates, etc. – having a forum to discuss their ideas and proposals.

Commission Staff also recommended a two-year certification for certain qualifying customers under the current LIRAP program. This would allow the Agencies to increase the number of customers certified for any given year while keeping administrative costs down. The Company does not oppose Staff's proposal that certification of eligible customers be done on a two year basis and would like to work with the agencies to explore this option.

## Report Introduction

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We have a history of making it a priority within our Company to maintain meaningful programs to assist our customers that are experiencing difficulty paying 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

continues to be how to estimate with more certainty the level of need which could provide information for the purpose of assessing program size and design. Energy Burden will be discussed later in this report and what impact the energy assistance program has had in Spokane County.

## Program Year Results

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Approximately \$3,449,267 of electric revenue was collected during the program year and \$1,628,864 natural gas revenue was collected for a total of \$5,078,131.<sup>2</sup> For this program year, the average LIRAP heat grant, which is equivalent to a LIHEAP grant, averaged \$482. Over 12,527 electric and natural gas customers in the Company's Washington service territory received total energy grants averaging \$356.

In this program year, 65% of LIRAP participants had household average incomes less than \$15,000. Approximately 25% of the grant recipients had annual household incomes less than \$8,000. Over 59% 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 49% for customers between 51% and 100% of the Federal Poverty Level (FPL); the energy cost burden was reduced by 39% for LIRAP participants between 100% and 125% of the FPL.

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<sup>2</sup>\$5,078,131 of the gross revenue generated from Schedules 91 and 191 over the twelve-month reporting period, \$49,573 of that total was applied to Avista's Conservation Education component.

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:

Table 1 – Yearly Revenues and Disbursements

Program Year October 1 - September 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	\$636,267
2010-2011	\$636,267	\$4,701,900	\$3,638,166	\$1,700,001
May 2011- September 2011	\$1,700,001	\$1,607,661	\$668,243	\$2,639,419
2011 - 2012	\$2,639,419	\$5,078,131	\$5,698,838	\$2,018,713

Participants and Fund Distribution

Avista Utilities’ LIRAP provided 12,527 grants in the current program year. The total grants averaged \$356 per customer. As noted by Table 2 below, the number of grants in the current program year (2011/2012) was significantly higher than the previous year (2010/2011, year 10). Participants may have received a total of two grants from LIHEAP, LIRAP and LIRAP Project Share at different times during the program year. The CAA’s are able to serve repeat participants according to the LIHEAP/LIRAP guidelines, specifically using income qualifications and by demonstrated need. This year 1,088 participants received multiple LIRAP grants; compared to the last full program year of 404.

Table 2 - Number and Amount of Grants by Component

<b>Year 11 - October 2011 through September 2012</b>			
Program Component	Number of Grants	Grant Amount	Avg. Grant Amt.
LIRAP Heat	6,047	\$2,911,968	\$482
LIRAP Emergency Share	4,950	\$1,138,850	\$230
Senior Outreach	1,530	\$403,890	\$264
Total	12,527	\$4,454,708	\$356
<b>Partial Year - May 2011 through September 2011</b>			
Program Component	Number of Grants	Grant Amount	Avg. Grant Amt.
LIRAP Heat	72	\$27,660	\$384
LIRAP Emergency Share	358	\$85,157	\$238
Senior Outreach	315	\$84,041	\$267
Total	745	\$196,859	\$264
<b>Year 10 - May 2010 through April 2011</b>			
Program Component	Number of Grants	Grant Amount	Avg. Grant Amt.
LIRAP Heat	3,784	\$1,716,922	\$454
LIRAP Emergency Share	2,563	\$589,490	\$230
Senior Outreach	1,196	\$303,749	\$254
Total	7,543	\$2,610,161	\$346

Table 3 below shows a collection of demographic data intended to be responsive to requests for general information of participating customers. This data was collected by the participating Community Action Agencies.

Table 3 -- Demographic Data

	<b># of Households</b>	<b>% of Households</b>	<b>Cumulative %</b>
<b>Home Ownership</b>			
Own	3,710	30%	30%
Rent	8,817	70%	100%
<b>Total</b>	<b>12,527</b>		
<b>Heating Fuel Source</b>			
Electric	7,314	58%	58%
Natural Gas	5,169	41%	100%
Other	43	0%	100%
<b>Total</b>	<b>12,527</b>		
<b>Size of Household</b>			
1 Person	4,243	34%	34%
2 People	3,100	25%	59%
3 People	2,013	16%	75%
4+ People	3,171	25%	100%
<b>Total</b>	<b>12,527</b>		
<b>Annual Income Level</b>			
Under \$2,000	1,099	9%	9%
\$2,000-\$3,999	483	4%	13%
\$4,000-\$5,999	720	6%	18%
\$6,000-\$7,999	831	7%	25%
\$8,000-\$9,999	2,126	17%	42%
\$10,000-\$11,999	1,136	9%	51%
\$12,000-\$14,999	1,779	14%	65%
Over \$15,000	4,353	35%	100%
<b>Total</b>	<b>12,527</b>		



## Program Impacts

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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, prepared and provided by the Spokane Neighborhood Action Program (SNAP), depicts reductions in the energy burden experienced by energy assistance participants in the current program year. The column titled “Before Benefits” represents the energy burden to low-income customers prior to receiving the energy assistance benefits. Each successive column illustrates low-income customers’ energy burden after receiving the specified energy assistance benefit. For customers receiving energy assistance benefits, the energy burden has been reduced by approximately 49% for customers between 51% and 100% of the federal poverty level (FPL). The energy burden was reduced by 39% for LIRAP participants between 101% and 125% of the FPL.

Table 4 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

<b>ENERGY BURDEN 2011</b>								
		Energy costs are reduced by benefits for these calculations						
		<b>Before Benefits</b>	<b>EAP or Avista</b>	<b>Plus Base and Fema</b>	<b>Plus PS</b>	<b>Plus Senior</b>	<b>Plus Avista Emer</b>	<b>All Benefits</b>
<b>0-50%FPL</b>	N 1424							
	elec	26.30%	14%	N/A	13.90%	14%	13.10%	12.90%
	967 gas	25%	12.10%	N/A	11.90%	12.10%	10.70%	10.50%
	2391 all	25.80%	13.20%	N/A	13.10%	13.20%	12.10%	12.00%
<b>51-100%FPL</b>	N 3485							
	elec	9.20%	5.40%	N/A	5.30%	5.40%	5.10%	5.00%
	2638 gas	8.90%	4.70%	N/A	4.70%	4.70%	4.40%	4.30%
	6123 all	9.10%	5.10%	N/A	5.00%	5.10%	4.80%	4.70%
<b>101-125%FPL</b>	N 1018							
	elec	6.70%	4.40%	N/A	4.40%	4.40%	4.20%	4.10%
	1136 gas	6.20%	3.90%	N/A	3.80%	3.90%	3.70%	3.60%
	2154 all	6.40%	4.10%	N/A	4.10%	4.10%	3.90%	3.90%

\* Table 4 – Information provided by Spokane Neighborhood Action Partnership (SNAP) and includes their experience in Spokane County.

Program Distribution Percentage - Initially, the CAA's and the Company had mutually agreed that the percentages for program distribution among the three grant programs (i.e., LIRAP Heat, Emergency Share and Senior Outreach) would be: 80% for LIRAP Heat, 13% for LIRAP Emergency Share and 7% for Senior Energy Outreach. In the 2010/2011 program year, in order to best leverage the additional LIHEAP funds, the CAA's and the Company agreed that the distribution should be changed to: 60% for LIRAP Heat, 26% for LIRAP Emergency Share and 14% for Senior Energy Outreach. That distribution was maintained for the 2011/2012 program year. The experience was as follows:

<b>Agency</b>	<b>Heat</b>	<b>Emergency Share</b>	<b>Senior Outreach</b>
Recommended Percent for Program Distribution	60%	26%	14%
Community Action Partnership Asotin	64.80%	29.09%	6.11%
OIC	85.48%	9.43%	5.09%
Rural Resources	70.52%	18.22%	11.26%
SNAP	64.96%	26.61%	8.43%
WGAP	88.00%	5.69%	6.31%
Community Action Center Whitman	5.68%	83.30%	11.02%
<b>Total</b>	64.51%	26.89%	8.60%

The Company recognizes that each agency service territory is unique and attributes the differences in program distribution to diversity of need that each agency experiences. However, the Company will continue to monitor and assess these differences.

Avista Electric and Natural Gas Revenue Clarification - To improve the equitability of the distribution of LIRAP funds and based on discussions with Commission Staff and other interested parties, the Company agreed to allow electric revenue to be used for natural gas heat

customers as long as those same customers also use Avista electric service. Of the total LIRAP funds distributed approximately 68% was electric and 32% was natural gas. The 2011/2012 experience for heating source assistance was as follows:

<b>Agency</b>	<b>Electric</b>	<b>Gas</b>
A Community Action Partnership Asotin	64.94%	35.03%
OIC	91.22%	8.78%
Rural Resources	87.54%	12.46%
SNAP	50.59%	49.41%
Community Action Center Whitman	70.38%	29.62%
<b>Total</b>	<b>57.37%</b>	<b>42.63%</b>

Duplicate Payments Review - As an assessment of LIRAP performance, the Company conducted a review of over 9,600 energy assistance payments to identify whether there were any duplicate payments to households. Of that review 262 were identified for further review, of which 40 did not conform with the LIRAP guidelines. The Company grouped the payments to identify the trends in practice variances from the program guidelines. The Company (the LIRAP Manager and CARES representatives) met individually with each agency representative(s) to discuss the discrepancies to achieve mutually agreed solutions for program administration at their agencies.

Program Direct Service Spend - The LIRAP program year was first established by the effective date of the Commission approved tariff on May 2, 2001. For the first nine years, the program year was May 1, through April 30. The LIHEAP program year is October 1<sup>st</sup> through September 30<sup>th</sup> and is considered the norm for the official heating season timeframe and for reporting data such as the number of households helped, amount of funding available for the year. The Company has aligned its LIRAP program year with the LIHEAP program year. With this change

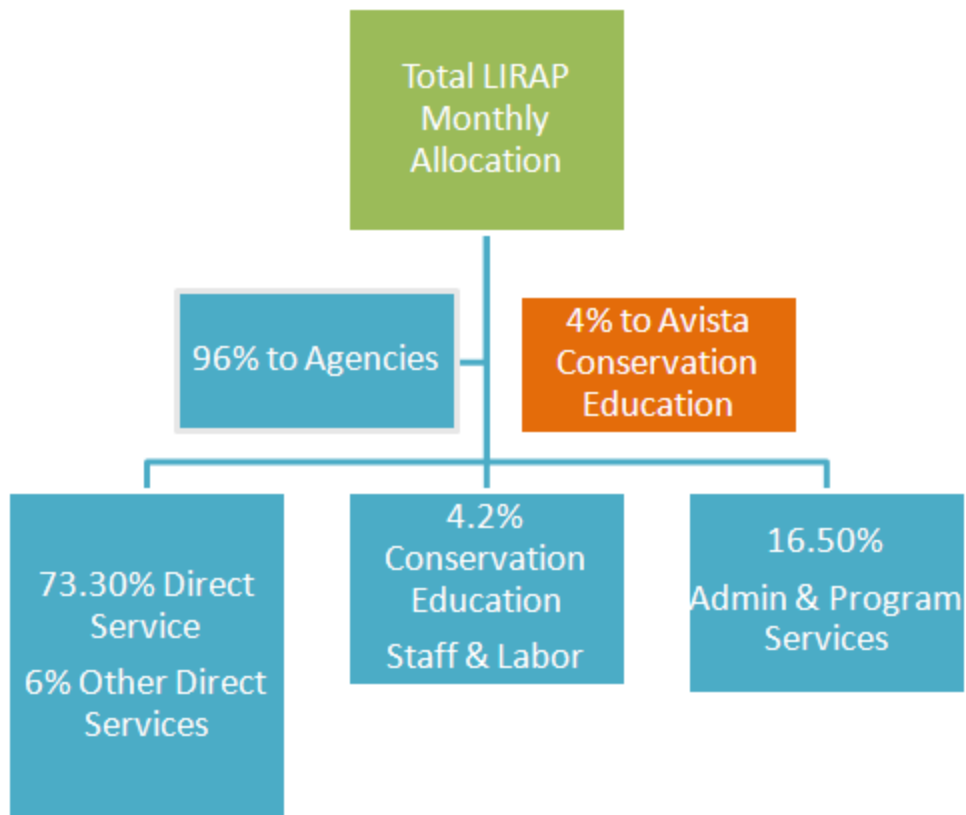
there is never a break in the distribution of awarding grants since it is essentially a “year-round” program. For example, SNAP has typically suspended conducting energy assistance appointments in the summer months. This year, after they had completed distributing LIHEAP funds in June 2012, SNAP continued with LIRAP appointments July 1 through August 31, 2012. In the expanded time period, SNAP was able to distribute \$242,872 in additional LIRAP grants. In fact, all of the agencies distributed grants during this time period totaling 914 grants. The additional funding equaled \$292,224; with an average grant award of \$319.72. Overall, 74% of the available direct service funds were spent this program year.

One of the benefits of having LIRAP funds at the beginning of the heating season enables the agencies to start providing heating assistance when the heating season begins and without confirmation of their LIHEAP funding.

In October 2011, Rural Resources utilized \$5,000 of their LIRAP Administrative & Program Support funds to provide additional direct services (e.g. energy assistance) to their clients.

## LIRAP Program Distribution Revision

This fall, on behalf of the agencies, the Energy Project requested that Avista work with the CAA’s to change the LIRAP funding allocations. At the Fall LIRAP meeting, the agencies supported the changes as proposed by SNAP to redistribute the percent of LIRAP allocation between Administrative & Program Support, Direct Services and Conservation Education. The Company agreed to redistribute LIRAP funding effective October 1<sup>st</sup> for the 2012/2013 program year as follows:



\*Note: The first \$180K Avista Conservation Education of each year goes towards the agency Direct Services; once \$180K is achieved the 4% funding goes to Avista Con Ed; an overview of this funding distribution is further explained in the Conservation Education section of this document (page 19).

The rationale for the proposed revision was to align the LIRAP program distribution with LIHEAP. For example, with the federal funding, Washington State agencies administering the program can use a portion of direct service funds to purchase materials for conservation education activities. Additionally, a portion of the funds are to be used to pay for salaries to support conservation education activity.

To ensure that a significant portion of the direct service funding is dedicated energy assistance benefits to eligible customers, no more than 6% of direct service funds should be used for conservation education materials.

To adjust to the new program funding distribution plan, the remaining conservation education funds in 2011/2012 were reallocated as follows: 4.2% to conservation education activity and the remaining to Direct Services (of which, up to 6% may be used for conservation education material purchases). The following is a summary of the distribution percentage shifts in LIRAP funds:

<b>Program Element</b>	<b>Original Distribution Percentage</b>	<b>Changed Distribution Percentage</b>	<b>What costs are used for</b>
Admin & Program Support	15%	16.50%	Agency administrative and program costs; may also be used for direct service costs
Conservation Education Staff & Labor	5.92%	4.2%	Funds to pay salaries to support agency conservation education activities; will be paid out in the monthly agency check with Admin & Program Support
Direct Services	79.80%	73.30%	Direct client benefit
Other Direct Services		6%	Funds to pay for conservation education materials; will remain available for direct service if not used for conservation education.

To monitor LIRAP performance in serving the eligible population and providing conservation education, the following activities will begin in the 2012/2013 program year:

- Agencies will be required to provide an annual report that provides an overview of their conservation education program (which includes an overview of their strategy for educating Avista customers, the materials distributed and intended program objectives); number of Avista households reached; the number of materials provided; and progress in achieving their LIRAP conservation education program objectives (the Conservation Education report template was provided with their LIRAP Guidelines Manual);
- Avista will include the percent of allocated direct service funding that was distributed as energy assistance benefits within the program year in the LIRAP annual report.
- Agencies will need to send an email to the LIRAP manager to provide formal notification when Administrative and Program Support funds will be used for direct services prior to the month for which the transfer will occur.
- When LIRAP Administrative & Program Support funds are used for direct services, the agency will need to submit payment to cover the amount of the benefit award(s).

Avista updated the LIRAP Guidelines to reflect the new program revision and provided the agencies with a template for the annual conservation education report. Furthermore, the process for using direct service funds for conservation education materials was established - agencies can either continue to have kits mailed to households that have received an energy assistance grant or provide the invoice for their conservation education materials to Avista for processing.



## LIRAP Programs

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LIRAP Heat: For clients receiving “regular” energy 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.

LIRAP Project Share (Emergency): For clients receiving “emergency” assistance (i.e., LIRAP Project Share) or small benefit amounts, the process is similar to that used for the donation-based Project Share program. The amount of emergency assistance is determined on a case-by-case basis not to exceed \$300. Emergency assistance qualification criteria include 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).

LIRAP Senior Outreach: The Senior Energy Outreach 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. This program also includes conservation education workshops specifically designed for seniors.

CAA’s follow established protocols to qualify and distribute the assistance 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. The participating CAA’s follow these guidelines for the disbursement of energy assistance funds originating from Schedules 91 and 191.

## Program Process

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### Agency Meetings

The Company continues to meet regularly with the LIRAP agencies. It has been determined that two group meetings each year are most effective when held before the heating season commences and right after the season ends. The discussion that occurs during the meetings provides direction for continued program refinement and clarity for program implementation.

In addition to the group meetings, the Company has discovered that meeting with each of the agencies at their location is extremely beneficial. During the agency site meeting, the agency staff, the Avista LIRAP Manager and CARES representative can discuss in detail how LIRAP functions at the agency, best serves their customer population and any topics of special interest to the agency.

### Energy Assistance Touch-Point Team

In the summer of 2012, Avista convened a work group to conduct a review of the energy assistance service process to identify and implement solutions to improve the experience for Avista customers seeking energy assistance. The work group was comprised of an Avista protection engineer, senior GIS analyst, LIRAP manager, a CARES representative, a SNAP intake worker and data analyst. The group mapped out the process from the perspective of the individual seeking assistance either by working directly with the agency or having been referred by Avista Customer Service. The mapping included each individual touch, from program outreach, to grant award.

The team determined that a majority of the individuals seeking assistance are familiar with energy assistance resources and how to access them; however, the work group also believes

there are others that may not know about the available assistance until they're facing collections activity from Avista. Furthermore, the workgroup determined that from the individual's perspective (most specifically those with the least resources) navigating the intake and application process can be extremely complex and challenging.

The team identified and began implementation of some of the eight opportunities that could increase awareness of the program services and improve accessibility to the services for the eligible population, expedite and simplify the application and grant award process and develop information sharing among the agencies and the Company:

- 1) Notice Redesign: Provided Past Due and Final Notice design recommendations to heighten customer understanding of the collection process.
- 2) Agency Status Website: A newly implemented site that provides up-to-date assistance and appointment information for Avista Customer Service Representatives directly from CAA agencies.
- 3) SNAP Energy Assistance Message Line: Improved the process more for efficiency and consistency and removed steps that led to error and time delay.
- 4) Appointment Assistance: Avista Customer Service Representatives may help customers sign up for SNAP appointments online and may conduct a phone transfer to the CAA in their area.
- 5) Pay Station Awareness: Train CAA's on the customer benefit of using approved pay stations, explicitly no cost and quicker posting to the account.
- 6) Rapid Grant Posting: SNAP to begin posting grants on the Low Income Workbench at certification to expedite Avista knowledge of the grant award and truncate the grants process by approximately three weeks.
- 7) Mobile Outreach: A possible Avista vehicle equipped with an office and staffed by Company Consumer Affairs and/or Customer Service representatives that will travel throughout the Company service area to provide outreach to low-income and senior populations. The primary function of the vehicle will be to provide information about bill

assistance and community resources for energy assistance and low-cost weatherization materials.

- 8) Training for Avista Customer Service and CAA's on all the initiatives.

## Conservation Education and Outreach

Conservation Education (Con-Ed) has proven to be a key component of the LIRAP energy assistance program. Most importantly it supports the program's intent to encourage self sufficiency. Teaching and demonstrating improved approaches to managing energy use may potentially reduce customers' bills and increase customers' ability to pay. In the original program dockets (Docket Nos. UE-010436 and UG-010437) the Commission Staff's decision memo dated April 25, 2001 states: "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 to the Company for Conservation Education.

Based on this order, Avista has recognized the following educational strategies as efficient and effective means for delivering the energy conservation program:

- Energy Conservation workshops for groups of Avista customers with the primary focus on reaching seniors and low-income.
- Energy Conservation kits that include items such as: window plastic, V-seal, outlet draft stoppers, and other items to encourage effective energy management practices and that all

Avista customers who have received an energy assistance grant be provided with energy conservation materials.

- Avista printed materials that feature information on:
  - Avista Assistance Programs, such as payment arrangements, comfort-level billing, preferred due date, and
  - Energy saving methods and resources

However, the results from the rate order<sup>3</sup> effective January 1, 2012, provided for a reallocation of \$180,000 from Avista Conservation Education to direct services (e.g. the low-income energy bill assistance). As a result of this order, Avista has significantly decreased its conservation education activity. For the 2011/2012 LIRAP year, to achieve compliance with the order, Avista suspended LIRAP-funded conservation education, effective January 1, 2012.

### **Conservation Education Activities**

#### **Home Energy Kits**

It is the Company's goal 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. This goal has been accomplished with the creation of an Energy Efficiency Kit that is mailed to these customers. Each kit contains energy saving items and information. For the 2011/2012 program year, the Company coordinated the distribution of 9,641 mailed conservation education kits that included weatherization and conservation materials for individuals who had received a grant at SNAP and OIC. These kits included low-cost weatherization items such as weather-stripping and window plastic; awareness building items such as refrigerator thermometers, hot water gauges, calendars and energy saving night lights. Each kit also includes a letter with information about the kit contents and a tip sheet with no-cost/low-cost energy

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<sup>3</sup> Docket Nos. UE-110876 and UG-110877.

efficiency ideas. The kits were funded out of SNAP and OIC's conservation education LIRAP allocations.

The other agencies chose to purchase energy saving items to disburse to individuals at the time of their appointment. The Community Action Partnership that serves Asotin County purchased: polyethylene tape, outlet/switch gaskets covers, pipe insulation, tri-flow aerators, shower-heads, compact fluorescent light bulbs, programmable thermostats, low-expansion foam and door sweeps. Rural Resources serving Stevens, Lincoln and Ferry counties purchased light switches that are equipped with a thermometer, window plastics, V-Seal for door drafts, nightlights, weather-stripping, door sweeps, shower heads, kitchen aerators, switch and outlet gaskets, water temperature cards and various types of CFLs. Furnace whistles, V-Seal for door drafts, refrigerator thermostats, window plastic, hot water temperature cards, and outlet/switch gasket covers were purchased for Community Action Center in Whitman County.

#### Senior & Low-Income Energy Workshops and Kits

Between September and December 2011, Avista conducted 10 workshops, reaching 326 senior and low-income individuals. Workshop attendees were provided with low-cost, no-cost ways to efficiently manage and conserve their home energy. Each attendee was provided a kit that contains energy-saving items such as plastic window covering, draft stoppers for exterior light switches and outlets, v-seal for drafty doors, rope caulk, a refrigerator coil cleaner, furnace whistle, an Energy Savings Guide and for seniors - a polar fleece lap blanket. The objectives of the workshops are to heighten awareness about effective methods for managing energy use and equipping attendees with resources that are easy to implement. The conservation education messages that are communicated during workshops concentrate on low-cost/no-cost methods for managing energy use and preserving safety and comfort. The information delivered at workshops is communicated by verbal instruction and simple displays of the items in a classroom setting;

audience engagement is sought by seeking individual input through question and answer discussion.

### Children's Energy Conservation Program

The Children's Energy Conservation Program, featuring the character of "Wattson the Energy Watchdog," was developed in 2008 with a portion of the conservation education funds to engage children in learning about the things that they and their family can do to conserve energy. Since the inception of the program, Wattson continues to grow in recognition and impact among children and families. 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 mascot attends family-friendly, affordable community events, Avista's regional energy fairs and various school programs.

The popular mascot duo appeared in more than 12 major community events at school and neighborhood venues that reached an estimated 180,000 kids and families in September through December 2011. 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. The Wattson show is performed in an educational assembly-style show filled with energy-saving tips; Wattson and Edison interact with the audience and distribute age-appropriate collateral materials including educational puzzle pages and coloring books.

Wattson the Energy Watchdog is fast becoming a household name within Avista's service territory. Kids love to tell Wattson what they're doing to use less energy and get an encouraging high five from the larger-than-life mascot dog.

## Energy Fairs

Prior to suspending LIRAP related conservation education, Avista hosted two energy fairs in the fall of 2011. The fairs were held at Walla Walla Community College in Clarkston, Washington and West Central Community Center, in Spokane, Washington. Approximately, 525 individuals attended the Energy Fairs.

The Company seeks to host these events at venues that have a high probability of reaching the low-income and senior populations. The fairs were conducted in locations that provide services to individuals / households that have qualified for federal programs such as HeadStart and WIC or that are located in areas that are identified as having a significant concentration of low-income households. For example, the neighborhood where the West Central Community Center is located has been featured in a recent Spokane Regional Health District publication “Odds Against Tomorrow: Health Inequities in Spokane County” as having a 46.6 to 60.3% of the population that is  $\leq 200\%$  Federal Poverty Level. Additionally, Spokane Public Schools located in the West Central neighborhood has 55.7% of the school population that qualifies for free and reduced meals. Glover Middle School that is within close proximity to the West Central Community Center has 69.1% of its population that qualifies for free and reduced meals. The West Central Community Center also houses HeadStart and WIC programs.

The Energy Fairs provide attendees with access to Avista Customer Service Representatives who can educate interested participants about their energy bill and various online tools such as the hi-lo-average bill feature, online energy audit, bill analyzer – all of these tools provide vital information for understanding energy use, its cost impacts and how to manage energy use. Avista staff provides low-cost resources for containing drafts and efficient energy use; these items include: outlet gasket covers, window plastic, rope caulk, door sweeps, and compact fluorescent light bulbs. Staff conducts demonstrations for the proper application of the



low-cost weatherization items. Additionally, energy efficiency engineers answer individual questions about energy efficiency energy management practices.

Community partners are invited to host booths to educate fair attendees about their services. Organizations such as the Community Action Agency, WorkSource, Second Harvest, Aging & Long Term Care, Money Management/Consumer Credit Counseling participate in the fairs.

#### Agency Conservation Education Activity

SNAP commissioned a consultant to expand upon his initial 2010 body of work to:

- 1) Build on SNAP's recent Energy Assistance Program (EAP) process improvements, to optimize available EAP services, effectiveness, and efficiency within available resources;
- 2) Identify meaningful outcome metrics for the EAP;
- 3) Develop a strategy, diagrams, and logic for a centralized resource referral process for EAP Intake Workers; and
- 4) Include analysis that provides assurance that the regulatory intent of LIRAP serving as a supplement to LIHEAP for Avista's heating customers is being met.

#### Outreach

The majority of households seeking assistance contact the Community Action Agencies (CAA's) directly. However, Avista has a variety of methods to support outreach efforts to engage those in need and guide them to the agencies and promote the availability of assistance programs at the agencies. Avista Customer Assistance Referral and Evaluation Services (CARES) team is comprised of specially-trained representatives that provide referrals to area agencies and churches for customers with special needs for help with housing, utilities, medical assistance, etc. Currently, the CARES team is working with 2,531 special needs customers in Washington. Additionally, all Avista Customer Service representatives are informed about the

agencies that administer LIRAP so they can appropriately refer customers seeking assistance. Additionally, at Avista-hosted community workshops, the facilitator informs audiences of the local agency and the services they provide.

### Earned Income Tax Credit

Avista participates as a member of the Cash, Assets, Savings and Hope (CASH) coalition. In partnership with Spokane County United Way, SNAP, banks and credit unions, Avista participates in strategic planning and outreach. The coalition provides low-income families financial management classes as well as no-service-fee bank accounts.

Through the CASH coalition, Avista helps low-income, working families learn about the Earned Income Tax Credit (EITC) benefit. Information about the EITC and free tax preparation sites is disseminated through an Avista bill insert and an Avista Connections customer newsletter article. By helping families establish a no-service-fee bank account they can receive their refund electronically. In Spokane County, the coalition sites helped to prepare 4,816 returns; of those 1,107 were EITC resulting in \$1,660,445 in EITC return dollars and total refunds of \$5,536,233. The percentage of low-income returns that were prepared was 3.38% (compared to 3.77% Washington State and 3.19% national average).

### Senior Directories and Publications

The Company continued the past practice of placing ads 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. The Company is unsure if this activity will be continued in the future due to the cuts in LIRAP conservation education funding.

## Reporting Protocols

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The Company reviewed the program year report in the fall of 2011 with its Energy Efficiency Advisory Group and provided an update regarding program activity in spring of 2012. 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

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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 Heat—Benefit calculated using customer heating costs. 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

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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);
- Ongoing Advisory Group review.

## Participating LIRAP Agencies

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- Spokane Neighborhood Action Programs
- Opportunities Industrialization Center of Washington
- Community Action Center of Whitman County
- A Community Action Partnership (Asotin County)
- Washington Gorge Action Programs
- Rural Resources Community Action

## Contacts

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