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**Low-Income Rate Assistance Program (LIRAP)**

Update Summary Report

**For the program period May 2011 through September 2011**

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|  |

WASHINGTON

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Overview

Avista Utilities’ filed its Low-Income Rate Assistance Program (LIRAP) annual summary report on August 23, 2011. In the report the Company proposed changing the LIRAP program year to align with the LIHEAP program year. The program year of May 1st through April 30th was established based on the first day the LIRAP tariff went into effect. The LIHEAP program year is October 1st through September 30th, and is considered the norm for when the official Heating Season begins and for reporting data such as the number of households helped, amount of funding available for the year as well as to determine the year that a client receives a grant to avoid duplication. Since two of the LIRAP programs, LIRAP Heat and LIRAP Emergency Share, are modeled after the LIHEAP program guidelines, the agencies and Avista use the LIHEAP program year as the guideline for everything with the exception of reporting LIRAP funds collected, allocated and unspent in the Annual Summary Report. To make a transition to the timing of the LIHEAP program year, the Company proposed submitting a Summary Report for the months of May 1 through September 30, 2011, and then begin the next program year on October 1, 2011. This program summary report is responsive to that filing and represents reporting for the period from May 1, 2011 and ending September 30, 2011.

Results for May 1, 2011 through September 30, 2011

Approximately $1,273,284 of electric revenue was collected during the reporting period and $334,377 of natural gas revenue was collected for a total of $1,607,661. For this reporting period, the average LIRAP heat grant, which is equivalent to a LIHEAP grant, averaged $384. Over 745 electric and natural gas customers in the Company’s Washington service territory received total energy grants averaging $264.

**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  | $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  |

## Participants and Fund Distribution

Avista Utilities’ LIRAP provided 745 grants from May 1, 2011 through September 30, 2011. The total grants averaged $264 per customer.

**Table 2 - Number and Amount of Grants by Program Component**

|  |  |
| --- | --- |
| **Partial Year May 2011 - September 2011** |  |
|
| **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  |
|  |  |  |  |
|  |  |  |  |

 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 participating Community Action Agencies.

**Table 3 -- Demographic Data**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|   |  **# of Households**  | **% of Households** |  | **Cumulative %** |
| **Home Ownership** |  |  |  |   |
| Own | 276 | 37% |  | 37% |
| Rent | 469 | 63% |  | 100% |
| **Total** | **745** |  |  |  |
|   |  |  |  |   |
| **Heating Fuel Source** |  |  |  |   |
| Electric | 457 | 61% |  | 61% |
| Natural Gas | 286 | 38% |  | 100% |
| Other | 2 | 0% |  | 100% |
| **Total** | **745** |  |  |  |
|   |  |  |  |   |
| **Size of Household** |  |  |  |   |
| 1 Person | 293 | 39% |  | 39% |
| 2 People | 203 | 27% |  | 67% |
| 3 People | 123 | 17% |  | 83% |
| 4+ People | 126 | 17% |  | 100% |
| **Total** | **745** |  |  |  |
|   |  |  |  |   |
| **Annual Income Level # of Households** | **% of Households** |  | **Cumulative %** |
| Under $2,000 | 50 | 7% |  | 7% |
| $2,000-$3,999 | 22 | 3% |  | 10% |
| $4,000-$5,999 | 30 | 4% |  | 14% |
| $6,000-$7,999 | 37 | 5% |  | 19% |
| $8,000-$9,999 | 96 | 13% |  | 32% |
| $10,000-$11,999 | 39 | 5% |  | 37% |
| $12,000-$14,999 | 101 | 14% |  | 50% |
| Over $15,000 | 369 | 50% |  | 100% |
| **Total** | **745** |   |   |   |

 In this reporting period, 50% of LIRAP participants had household average incomes less than $15,000. Approximately 19% of the grant recipients had annual household incomes less than $8,000. Over 67% of the LIRAP participants had households of two or more people. Customers renting their residences constituted 63% of the total.

## Unspent Funding

At the end of this reporting period (May 1, 2011 through September 30, 2011), a balance of $2,376,631 or 90% of direct service funding was unspent, noticeably above the acceptable range (15% - 20% is an acceptable range for carry over funding). For the current reporting period, the Company supported a larger than normal carryover of unspent funds for the following reasons:

* The majority of LIHEAP Funds were distributed to the agencies in March, leading up to a very difficult time for the agencies to distribute the funds. For reasons not quite known, customers stop making appointments and/or do not show up for appointments more frequently when spring and summer arrive.
* The majority of Contingency Funds have been distributed this year. Normally, the Federal Government withholds LIHEAP funds from the current year to be distributed as Contingency Funding the following year. This provides the agencies a small amount of LIHEAP funds to begin the heating season in October. However, there are little to no Contingency Funds left to begin the next heating season.
* It is uncertain that the 2012 budget will remain funded at current levels or if LIHEAP funding will be at the 2008 level, which is half of what has been distributed for the past three heating seasons.

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.
* 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).
* Project Share—Customer, community, and company-funded program that provides one-time emergency energy assistance to families in our region.
* 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
* Opportunities Industrialization Center
* Community Action Center of Whitman County
* A Community Action Partnership (Asotin County)
* Washington Gorge Action Programs
* Rural Resources Community Action

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