



Low-Income Rate Assistance Program (LIRAP)

Annual Summary Report

For the program period October 2016 through September 2017

WASHINGTON

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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 92 and 192. These funds are distributed by Community Action Agencies (CAA's or "agencies") in a manner similar to the Federal and State-sponsored Low Income Home Energy Assistance Program (LIHEAP). LIRAP, like LIHEAP assistance can help a household avoid having its utilities shut off or help reestablish service after a disruption and can also help pay ongoing heating costs. The current LIRAP program is comprised of four components:

- LIRAP Heat: mimics the LIHEAP program in terms of intake requirements and benefit calculation. LIRAP Heat income eligibility has been updated for the 2018 program year to 150% FPL.
- LIRAP Emergency Share: LIRAP Emergency Share emulates the Project Share community fund that is funded through voluntary donations that are used to help customers in emergency or hardship situations.
- LIRAP Senior/Disabled Energy Outreach: targets a third distinct customer group by providing a one-time per program year benefit of \$100 or \$400 to seniors with incomes between 151 to 200 percent of the federal poverty level ("FPL"). Effective October 1, 2017 customers living with disability have been added to the eligibility criteria for this grant.
- Senior/Disabled Rate Discount Pilot: A rate discount program for senior and disabled households with fixed incomes between 126-200 percent FPL.

Avista is committed to reducing the burden of energy costs 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 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.

Program Year Results

Approximately \$5,062,103 of electric revenue was collected during the program year and \$3,043,881 of natural gas revenue was collected for a total of \$8,105,984.65¹. For this program year, 17,903 electric and natural gas customers in the Company's Washington service territory received total energy grants averaging \$364 and the average LIRAP heat grant averaged \$417.

In this program year, 59% of LIRAP participants had household average incomes less than \$15,000. Approximately 22% of the grant recipients had annual household incomes less than \$8,000. Over 64% of the LIRAP participants had households of two or more people. Customers renting their residences constituted 73% of the total.

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:

¹ Includes funding for both LIRAP and the Rate Discount Pilot Program.

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- Sept2011	\$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
2012 - 2013	\$2,018,713	\$5,481,754	\$6,030,999	\$1,469,468
2013 - 2014	\$1,469,468	\$5,692,143	\$5,671,179	\$1,490,432
2014 - 2015	\$1,490,432	\$5,922,010	\$5,869,750	\$1,542,693
2015 - 2016	\$1,542,693	\$6,722,288	\$6,893,275	\$1,371,706
2016 - 2017	\$1,371,706	\$8,105,985	\$8,627,713	\$849,977

The remaining Direct Service balance from the 2017 program year balance is \$581,687.

Those funds will be dedicated to the costs for the Percent of Income Payment Plan and Arrearage Management pilot that will be implemented October 1, 2018.

Participants and Fund Distribution

Participants may have received a total of two grants from LIHEAP, LIRAP and LIRAP Emergency 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.

Table 2 - Number and Amount of Grants by Component

Year 16 - October 2016 through September 2017			
Program Component	Number of Grants	Grant Amount	Avg. Grant Amt.
LIRAP Heat	7,269	\$3,029,926	\$417
LIRAP Emergency Share	8,935	\$2,868,087	\$321
Senior Outreach	1,699	\$620,156	\$365
Total	17,903	\$6,518,169	\$364

Year 15 - October 2015 through September 2016			
Program Component	Number of Grants	Grant Amount	Avg. Grant Amt.
LIRAP Heat	7,290	\$3,254,580	\$446
LIRAP Emergency Share	6,041	\$1,467,293	\$243
Senior Outreach	1,480	\$403,662	\$273
Total	14,811	\$5,125,535	\$346

Year 14 - October 2014 through September 2015			
Program Component	Number of Grants	Grant Amount	Avg. Grant Amt.
LIRAP Heat	6,786	\$3,127,524	\$461
LIRAP Emergency Share	4,077	\$967,712	\$237
Senior Outreach	1,618	\$421,747	\$261
Total	12,481	\$4,516,983	\$362

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 – Year 14 October 2016 – September 2017

	# of Households	% of Households	Cumulative %
Home Ownership			
Own	4,852	27%	27%
Rent	13,051	73%	100%
Total	17,903		
Heating Fuel Source			
Electric	11,471	64%	64%
Natural Gas	6,432	36%	100%
Other	0	0%	100%
Total	17,903		
Size of Household			
1 Person	6,470	36%	36%
2 People	4,009	22%	59%
3 People	2,782	16%	74%
4+ People	4,642	26%	100%
Total	17,903		
Annual Income Level			
Under \$2,000	1,818	10%	10%
\$2,000-\$3,999	708	4%	14%
\$4,000-\$5,999	633	4%	18%
\$6,000-\$7,999	822	5%	22%
\$8,000-\$9,999	2,729	15%	37%
\$10,000-\$11,999	1,463	8%	46%
\$12,000-\$14,999	2,395	13%	59%
Over \$15,000	7,336	41%	100%
Total	17,903		

Administration and Program Support Fees

A portion of the revenue collected is provided to the six Community Action Agencies in Avista's Washington service territory for disbursement to qualifying customers and for administration of the program. These funds are referred to as "Administration and Program Support Fees" or "Admin Fees."

Customer eligibility for LIRAP Heat is determined according to existing guidelines established by Federal and State standards used for the Low-Income Home Energy Assistance Program. However, effective October 1, 2017 LIRAP Heat income eligibility is for customers at 150% FPL. Additionally, customers experiencing emergencies are eligible for assistance under LIRAP Emergency Share. For senior and disabled customers who exceed the federal income guidelines, there is LIRAP Senior/Disabled Outreach that is designed to be used in conjunction with Comfort Level Billing. The programs and partnerships Avista has formed have been invaluable to customers who often have limited incomes or have exhausted all of their resources.

For this reporting program year, a total of \$1,265,063 was distributed to the Agencies for administration and program support fees support, which was 16.5% of revenue collections. This amount, including the \$114,766 carry over from the previous reporting program year, totaled \$1,379,883 available for administration and program support costs.

Excluding the amount subsidized from other funding sources, the amount spent by the agencies from LIRAP funds was \$1,231,861 leaving an unspent administration and program support fees balance of \$147,968 at September 30, 2017. Admin and Program Support Fees are paid out to the individual agencies and per their discretion can be carried forward into the next reporting program year to cover future administration costs of the agencies. The table below

represents a recap of the administration and program fees spent and the amount available at September 30, 2017.

Table 4 – Administration and Program Support Fees

Table 4 WASHINGTON LIRAP Admin and Program Support Fees Funds October 1, 2016 through September 30, 2017	
Admin and Program Fees Carry Over from Program Year 15	\$ 114,766
Program Year 16 - Admin & Program Support Funds paid to Agencies	<u>1,265,063</u>
Net Funds Available for Admin and Program Support Fees	1,379,829
Admin and Program Support Funds Spent by Agencies	(1,231,861)
Unspent Admin and Program Support Fees at September 30, 2017	<u><u>\$ 147,968</u></u>
Percent Unspent in Comparison to Available Funds	10.72%
Note: The percent unspent is calculated by dividing \$147,968 of unspent Admin and Program Support Fees from the total funds available for Admin and Program Support Fees available to the Agencies \$1,379,829.	

Conservation Education Staff & Labor Support

The Company allocates 4.2% of program funding to help support labor related to the Conservation Education program. These funds are used to support the staffing and administration needs of each agency specifically for conservation education activities. “Conservation Education Staff & Labor”, or “Con Ed S&L” funds are paid out to the agencies in monthly payments along with Administration and Program Support funds.

For this reporting program year, a total of \$325,015 was distributed to the Agencies for Conservation Education Staff & Labor, which was 4.2% of revenue collections. This amount, including the \$35,658 carry over from the previous reporting program year, totaled \$357,673 available for Conservation Education Staff and Labor.

Excluding the amount subsidized from other funding sources, the amount spent by the agencies from LIRAP funds was \$307,228, leaving an unspent Conservation Education Staff and Labor balance of \$50,445 at September 30, 2017. This funding has been distributed to the individual agencies and per their discretion can be carried forward into the next reporting program year to cover future Conservation Education Staff and Labor costs of the agencies. The table below represents a recap of the Conservation Education Staff and Labor spent and the amount available at September 30, 2017.

Table 5 – Conservation Education Staff and Labor

Table 5 WASHINGTON LIRAP Conservation Education Staff and Labor October 1, 2016 through September 30, 2017	
ConEd Staff and Labor Carry Over from Program Year 15	\$ 35,658
Program Year 15 - ConEd Staff and Labor paid to Agencies	<u>322,015</u>
Net Funds Available for ConEd Staff and Labor	357,673
ConEd Staff and Labor Funds Spent by Agencies	(307,228)
Unspent ConEd Staff and Labor at September 30, 2017	<u><u>\$ 50,445</u></u>
Percent Unspent in Comparison to Available Funds	14.10%
Note: The percent unspent is calculated by dividing \$50,445 of unspent ConEd Staff and Labor from the total funds available for ConEd Staff and Labor available to the Agencies \$357,673.	

Program Impacts

Energy & Heat Burden

“Energy burden” is the percentage of income that households pay for energy service for a 12 month period. 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. “Heat burden” is the heat cost divided by income. Table 6 includes information provided by the Spokane Neighborhood Action Partners (SNAP), depicts reductions in the energy burden experienced by Spokane County energy assistance participants in the current program year; Table 7 shows the impact of assistance for heat burden. 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. Information for customer Energy Burden (table 6) is featured for October 2016 through May 2017 due to a technical glitch. However the information in the heat burden (table 7); this information is for the full program year – October 2016 through September 2017.

Table 6 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.

Conversely, for Table 7 the same methodology is used for determining heat burden but uses heat costs verses annual energy costs in the equation.

Table 6 - Energy Burden - Total Energy costs divided by household income

ENERGY BURDEN 2016/2017²						
Energy costs are reduced by benefits for these calculations						
		Before Benefits	EAP or Avista	Plus Senior	Plus Avista Emergency	All Benefits
0-50%FPL	N 228 elec <u>110 gas</u> 338 all	29.7% 34.8% 31.3%	18.9% 25.5% 21.1%	18.9% 25.5% 21.1%	17.0% 23.3% 19.0%	17.0% 23.3% 19.0%
51-100%FPL	N 713 elec <u>401 gas</u> 1,114 all	9.3% 11.1% 9.9%	6.2% 8.3% 7.0%	6.2% 8.3% 7.0%	5.8% 7.9% 6.6%	5.8% 7.9% 6.6%
101-125%FPL	N 193 elec <u>162 gas</u> 355 all	6.7% 7.8% 7.2%	4.9% 6.2% 5.5%	4.9% 6.2% 5.5%	4.6% 5.9% 5.2%	4.6% 5.9% 5.2%

For customers receiving energy assistance benefits, the energy burden has been reduced by approximately 39% for customers between 0 and 50% of the federal poverty level (FPL); 33% for those between 51% to 100% FPL and by 28% for energy assistance recipients between 101% and 125% of the FPL.

² Table 6 – Energy Burden information provided by Spokane Neighborhood Action Partners (SNAP) and features their experience in Spokane County; includes eight months of data (October 2016 through May 2017).

Table 7 - Heat Burden - Total Heat costs divided by household income

HEAT BURDEN 2016/2017³						
Heating costs are reduced by benefits for these calculations						
		Before Benefits	EAP or Avista	Plus Senior	Plus Avista Emergency	All Benefits
0-50%FPL	N 1,003 elec <u>475 gas</u> 1,478 all	18.3% 16.7% 17.8%	10.0% 8.7% 9.5%	10.0% 8.7% 9.5%	8.2% 6.5% 7.6%	8.2% 6.5% 7.6%
51-100%FPL	N 1,931 elec <u>1,139 gas</u> 3,070 all	7.2% 5.9% 6.6%	4.4% 3.4% 4.0%	4.3% 3.4% 3.9%	3.8% 2.8% 3.4%	3.8% 2.8% 3.4%
101-125%FPL	N 664 elec <u>533 gas</u> 1,110 all	5.4% 4.1% 4.8%	3.6% 2.7% 3.2%	3.6% 2.7% 3.2%	3.2% 2.3% 2.8%	3.2% 2.3% 2.8%

For customers receiving energy assistance benefits, the heat burden has been reduced by approximately 57% for customers between 0 and 50% of the federal poverty level (FPL); 48% for those between 51% to 100% FPL and by 42% for energy assistance recipients between 101% and 125% of the FPL.

³ Table 7 – Heat Burden information provided by Spokane Neighborhood Action Partners (SNAP) and features their experience in Spokane County; includes 12 months of data (October 2016 through September 2017).

Program Distribution Percentage

The percentages for program distribution among the three grant programs (i.e., LIRAP Heat, Emergency Share and Senior Outreach) are 60% for LIRAP Heat; 26% for LIRAP Emergency Share; and 14% for Senior Energy Outreach. The Direct Service distribution results for this program year were as follows:

Table 7 – Direct Service Distribution

Agency	Heat	Emergency Share	Senior Outreach
Recommended Percent for Program Distribution	60.00%	26.00%	14.00%
Community Action Partnership Asotin	72.43%	24.41%	3.16%
OIC	55.87%	29.54%	14.59%
Rural Resources	75.12%	13.97%	10.91%
SNAP	70.44%	20.21%	9.35%
WGAP	96.79%	3.21%	0.00%
Community Action Center Whitman	31.84%	60.28%	7.88%
Total	69.24%	21.43%	9.33%

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.

Avista Electric and Natural Gas Assistance

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 assistance grants issued, approximately 66% was electric and 34% was natural gas. The 2016/2017 results for heating source assistance are as follows:

Table 8 – LIRAP Direct Service Assistance Allocation

Agency	Electric	Gas
Community Action Partnership Asotin	55.63%	44.37%
OIC	96.63%	3.37%
Rural Resources	85.55%	14.45%
SNAP	62.13%	37.87%
Community Action Center Whitman	69.73%	30.27%
Total	66.39%	33.61%

Regulatory Changes

Senior and Disabled Customer Rate Discount Pilot

Beginning October 2015, Avista introduced a Rate Discount pilot for senior and disabled households with fixed incomes between 126-200 percent of FPL. The per kilowatt-hour and per therm rate discounts were designed to provide an average benefit of \$300 per participant per program year, the discount was consistent with the grant amount provided through the existing LIRAP Senior Energy Outreach program⁴. The rate discounts is \$0.03153 per kilowatt-hour of electricity and \$0.40663 per therm of natural gas. The pilot program was originally set to conclude

⁴ The actual benefit amount received by each customer may be more or less than \$300 depending on actual usage.

at the end of the 2016-2017 program year. However, as the Company prepares to implement additional pilots to be considered for their LIRAP portfolio and based on discussions with the Energy Assistance Advisory Group, the Company extended the term for the current rate discount enrollment to remain on the rate schedule until it is decided whether the program will be fully implemented or terminated.

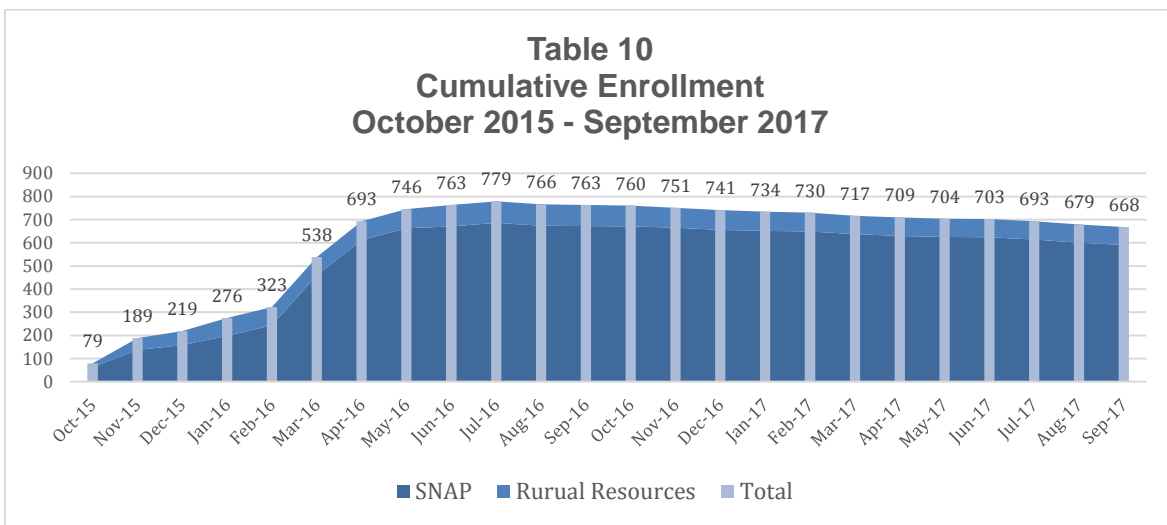
The pilot program aimed to enroll a total of 800 participants (700 or 87.5% from SNAP, 100 or 12.5% from Rural Resources) between October 1, 201 and September 30, 2017. At the conclusion of the original pilot term, the Rate Discount Pilot had 668 individual participants remaining on the program. Of this amount, 444 customers received discounts for their electric service and 224 for their natural gas service. SNAP provided discounts to 590 customers and Rural Resources provide discounts to 78 customers. The below table summarizes this information.

Table 9 – Rate Discount Pilot - Participants

Table 9 WASHINGTON LIRAP RATE DISCOUNT PILOT - PARTICIPANTS October 1, 2016 through September 30, 2017			
	SNAP	Rural Resources	Total
Targeted Enrollment			
Electric	378	66	444
Gas	212	12	224
Total Enrollment	590	78	668
Targeted Enrollment	700	100	800
Percent of enrollment target achieved	84%	78%	84%
Note: Total sign-ups reflect total individuals enrolled at the end of the program year.			

Since the pilot period aimed to isolate a population of 800 participants, the program experienced a natural attrition in its participation. At the beginning of the program year, the program had 763 participants which had decreased to 668 by the end of the year. Please see the table below to illustrate the enrollment levels of customers during the program year and since the program’s inception.

Table 10 – Participant Enrollment



The total budget for the two-year pilot was \$700,000, including \$50,000 for a third-party evaluation.

Program Results

The total dollar amount of discounts issued by the pilot program during the program year totaled \$273,801 (\$197,432 Electric, \$76,369 Natural Gas). Of this amount, SNAPs customer base received \$227,006 in discounts (\$154,912 Electric, \$72,094 Natural Gas) and Rural Resources’ customers received \$46,796 in discounts (\$42,520 Electric, \$4,276 Natural Gas).

The initial goal of the Rate Discount Pilot was to provide each participating household with total annual discounts of approximately \$300 for their service type. On average, customers participating in the Electric discount program received a total annualized benefit of \$493 or an average monthly discount of \$41.11. For Natural Gas customers participating in the pilot, the annualized average discount was \$337 or an average monthly discount of \$28.07. Please see the below tables to illustrate the monthly average discounts received by Rate Discount participants.

Table 11 – Average Monthly Discount per Customer - Electric

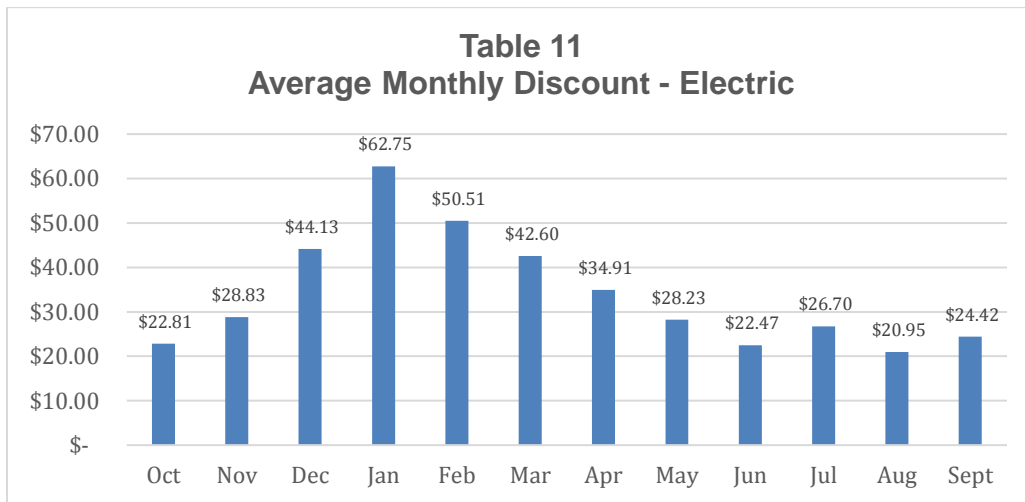
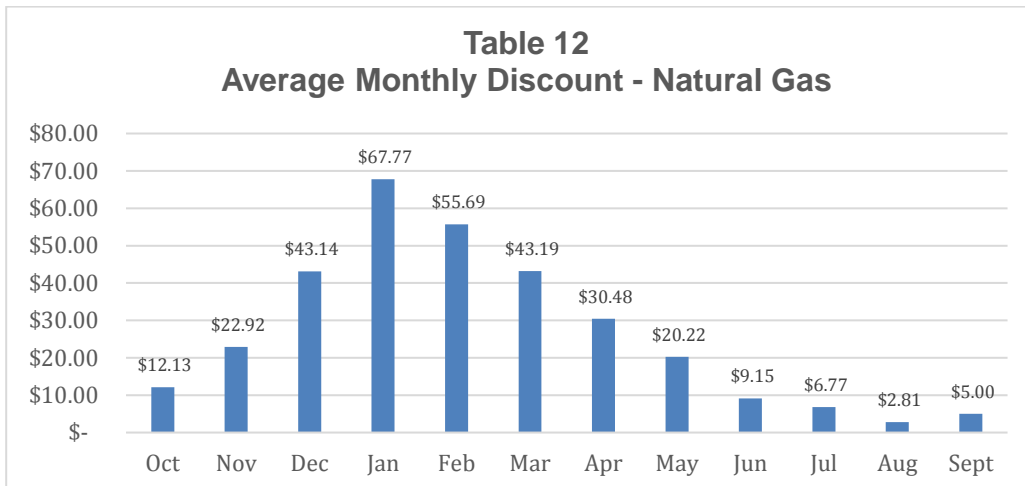


Table 12 – Average Monthly Discount per Customer – Natural Gas



The evaluation from Evergreen Economics found that the Rate Discount was successful in engaging new customers for assistance (647), that the participants reported helped that the discount helped them to heat home more (62%) and not miss payments (78%) and 99% would enroll again. For Consumption and Savings, the report revealed that electric customers' consumption increased in use 1.5%, but costs decreased by \$309/26% and gas customers' consumption stayed the same, and cost savings were \$354/38%.

In order to preserve the continuity of the rate discount pilot, and to avoid disruption to participating customers, the Energy Assistance Advisory Group, supported by the third-party evaluation report made the recommendation to continue the rate discount pilot while the Company and the CAAs test other programs such as the Percentage of Income Payment Program ("PIPP") and the Arrearage Management Program ("AMP"). A copy of the evaluation report has been included with this report as Appendix A.

True-Up Mechanism

As per the Dockets UE-140188 and UG-140189 dated June 25, 2015, the Company will make an annual true-up filing to ensure recovery of the annual budget each year; the true-up mechanism aligns the dollars collected with the annual budgeted amounts communicated to the agencies. The difference between the actual collections and the annual budgeted amount will be adjusted in the LIRAP rate schedules 92 and 192. For the current program year, LIRAP collections from customers were lower than the targeted budget by \$32,957.81 (\$27,914 over collected Electric and \$60,871 under collected Gas). The resulting adjustment to customer rates would decrease the electric LIRAP rate (Schedule 092) and increase the gas LIRAP rate (Schedule 192) so that actual collections from ratepayers would align with the program budget.

LIRAP Emergency Share, temporary exception program

Avista implemented a temporary exception for LIRAP Emergency Share for customers with extraordinarily high past due or final notices. This additional plan segment provided a solution for agencies encountering customers where the current benefit design did not provide a solution to their situation. The temporary exception program (TEP) sought to provide grants to those customers and help them remain connected to services. The program began on August 8, 2016 and concluded May 31, 2017. The parameters for qualifying for this program were that the customer could be up to 200% FPL and must have made good faith payments and/or been in communication with Avista regarding their situation. Individuals considered for the exemption were to be approved by a CAA manager in collaboration with an Avista Customer Assistance Referral and Evaluation Services (CARES) representative. The maximum grant amount for each individual customer is up to 90% of the average annual energy bill (electric and gas) and had a maximum grant amount of \$1,550.

Funding for the TEP was from unspent direct service funding from the previous program year. During the term of the exception program grants totaling \$543,976 were issued under helping a total of 709 customers. The average grant amount for these recipients was \$767.24.

While the intent of the TEP was to provide a solution for customers who had accumulated high balances due to the suspension of collections in the first part of 2015 with the implementation of the Customer Care and Billing system and later in the year due to the windstorms, it proved to be vital while serving customers during the severe winter we experienced during the 2016/2017 heating season. At the spring 2017 LIRAP Meeting, the agencies expressed that it was an essential tool in helping keep customers connected to services.

TEP has demonstrated to be an effective form of assistance for customers who have exhausted all energy assistance options and for those whom are experiencing hardship where assistance is not available. The results of the TEP will be used to inform the Advisory Group subcommittee's research of an arrearage management program.

The Avista Low Income Rate Assistance Program (LIRAP) Emergency Share, Temporary Exception Program Report Docket No UE-160887 includes the summary report for the program; it was filed on July 27, 2017.

Program Process

Agency Meetings

The Company met twice this year with the LIRAP agencies; first in May following the end of the heating season and then again in September prior to the launch of the heating season. The discussion that occurs during the meetings provides direction for continued program refinement and clarity for program implementation.

At the spring meeting the 2018 program year was presented and discussed. Based on the discussion, it was determined that the LIRAP agency allocations would be adjusted to better align with how direct service funding was being distributed. The changes were based on knowledge that Direct Service funds from the Community Action Center (CAC) have been reallocated to Rural Resources and OIC in the past few years, and that WGAP has an available Direct Service balance. The reallocation of funds in the form of an increase to the agency allocation percentages are to Rural Resources (RR), OIC and the Community Action Partnership (CAP). These agencies were identified for the increase in allocation percentage as both Rural Resources and OIC have requested additional Direct Service funds and a review of spending supports that CAP could use extra funds

too. The SNAP allocation amount will remain unchanged. An updated budget was provided to the agencies.

In addition to the group meeting, Avista staff conducted training for energy intake staff at SNAP, Rural Resources, Community Action Partnership and the Community Action Center prior to the beginning of the heating season. The agenda for the sessions included overview of the CARES, and Avista Customer Service – both entities that interact with agency staff on a daily basis for the processing of energy assistance grants. The session also covers the bill cycle, Avista online resources, customer billing and payment options, and effective use of the Company’s Energy Assistance workbench, where agencies can get customer usage and billing/payment history and post a grant.

Avista Energy Assistance Advisory Group

The Energy Assistance Program Advisory Group met twice in 2017. The advisory group includes representatives the Energy Project, Washington Utilities and Transportation Commission, SNAP, Rural Resources, Aging and Long Term Care of Eastern Washington, Public Counsel, the Department of Commerce along with Avista staff from Rates & Regulatory and Customer Solutions. The EA Advisory Group monitors and explores ways to improve LIRAP by: evaluating alternative program designs, and reviewing administrative costs to ensure that more funding is directed toward meeting the program’s goals. The Group meets at least two times per year.

During the March meeting the Advisory Group approved funding for enhancement work to the Department of Commerce’s LIHEAP database. The Commerce database provides a means for direct input agencies to determine benefit amounts, maintain grant recipient information, and

produce reports. The enhancement to their database will be updated to accommodate the change of LIRAP Heat income eligibility from 125 to 150% FPL.

At both the March and July meetings, Evergreen Economics – the Rate Discount Pilot evaluator provided an overview of the progress and then the final report for the pilot. The final evaluation is included with this report, as noted previously in this report.

During the July meeting, the group recommended that disabled customers be included in the eligibility for LIRAP Senior Outreach and that the Rate Discount Pilot enrollment be maintained until the PIPP and AMP pilots are completed and an informed decision can be made for the Avista suite of energy assistance programs.

Conservation Education and Outreach

Conservation Education (Con-Ed) is a key component of the LIRAP energy assistance program as it supports the program's intent to encourage self-sufficiency. Teaching and demonstrating proven 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 are 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

Conservation Education Activities

Agency Conservation Programs and Practices

The agencies can use up to 6% of direct service funding to purchase energy saving items to disburse to individuals either at the time of their appointment or through other means.

The Community Action Center (CAC) that serves Whitman County provided energy conservation information to 1,372 Avista customers during intake. During the assistance intake process, the CAC staff discusses energy saving tips and payment information. Rather than a pre-packaged kit, the CAC allows the families to choose the energy saving items that they will use in their home. CAC staff estimate that around 2,300 conservation supplies were given out during this

program year; those items included LED bulbs, plastic window kits, weather-stripping, hot water gauges, shower timers and informational materials.

At the Community Action Partnership (CAP) that serves Asotin County customers can watch a rotating energy conservation presentation on the lobby screen and pick up informational brochures while they wait for their appointment. During the energy appointment, the intake worker reviews the customer's bill with them, and refers those with high energy burden to the weatherization program. The CAP also posts energy conservation message on their Facebook page. The CAP provides their clients with energy saving items that are specific to their energy conservation needs; those items included night lights, light bulbs, water temperatures gauges, and refrigerator thermometers.

Rural Resources serving Stevens, Lincoln and Ferry counties, provides conservation education kits to Avista customers that have submitted a completed an energy pre-application. Customers are instruction to pick up a conservation education page at their local Rural Resources location; 265 kits were provided to Avista customers. Additionally, at the time of intake, education and in-depth counseling and personalized troubleshooting is provided to high energy bill customers.

OIC of Washington has installed a television in the lobby area. The intent is that every client who walks in for service will be informed on how to improve energy conservation in their home. The slow running PowerPoint presentation includes energy saving tips that highlights the highest consumption for energy use, common areas for air leaks, thermostat settings, and how to safe water. The PowerPoint has English and Spanish tips. Additionally, case manager follow up with clients during intake to reinforce the steps they can take to conserve energy. OIC also conducts outreach by setting up tables at local food banks, community events, health centers, and

connecting with school personnel and parenting programs. OIC estimates that 2,000 Avista customers were reach through their public awareness campaign in Grant and Adams counties.

Serving Spokane County, SNAP's primary LIRAP conservation education activities occur during the energy assistance intake appointment, workshops, outreach events, and televised interviews, social media, radio and website visitors. . SNAP conducted 28 conservation education workshops for 179 Avista customers and participated at 30 community outreach events where they came in contact with an estimated 1,563 persons, most of whom are Avista customers. 700 kits were given out at Con Ed workshops, Outreach & Energy appointments; and 16,562 were given out after an energy appointment. SNAP also distributed Con Ed materials to 546 temporary assistance program participants, and 10,000 window plastic kits.

Avista Outreach and Education

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 and energy conservation.

The Company has provided energy use guides, and billing and payment options sheets to the agencies to support their conservation education and outreach activities.

The Company hosts community workshops, energy fairs, and mobile outreach events and participated in general outreach events throughout our service area, to provide education and resources for home energy management and to raise awareness about the local agencies and the services they provide – most specifically energy assistance. For the 2016/2017 program year, approximately 9,762 individuals were reached through 90 events through Avista hosted activities.

During the record high temperatures, fans were purchased and distributed by SNAP and Avista to customers who had identified as needing help with keeping cool.

Senior Directories and Publications

The Company continues its practice of placing ads in senior publications as part of a strategic effort to reach seniors with information about energy efficiency, billing assistance, Senior Energy Outreach workshops and CARES information. Featured below is a snapshot of an advertisement that is published in various publications to educate customers about the resources that are available to them.



Helping you is energy well spent.

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

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

For more information, please call **1-800-227-9187** or visit avistautilities.com/senior.



Avista Energy Assistance Day in partnership with SNAP

On November 9, 2016 Avista and SNAP partnered to host the first ever energy assistance appointment day. The objective was to process energy assistance appointments for 450 low-income and senior customers to achieve the following goals:

- Build awareness of energy assistance programs
- Reach new customers
- Connect with customers and reinforce Avista's commitment and advocacy for vulnerable customers
- Further leverage SNAP's infrastructure by reaching more customers through a one day event

Over 100 Avista employees along with over 30 SNAP employees helped 340 Avista customers get qualified for energy assistance, approximately 70 of those customers were first time beneficiaries of the program.

During the event, eligible customers were able to schedule an energy assistance appointment to be conducted during a block of time to make it more convenient for them. After each attendee completed their appointment, they could visit the energy fair, where they received an energy savings kit that included items to help weatherize their homes. At the fair, they could visit demonstrations tables where Avista employees showed the easy way to install the weatherization materials in the kit. Attendees could also visit with community service partners including: Aging and Long Term Care of Eastern Washington, Statewide Health Insurance Benefits Advisors to sign up for or learn about MediCare benefits, Community Health Plan of Washington, Community Living Connections, Federal Tax Clinic at Gonzaga

University, Frontier Behavioral Health, Elder Services, Goodwill Industries, SNAP, Spokane Regional Clean Air Agency, The Native Project and WorkSource.

Response to the event was overwhelmingly positive. We had 99% satisfaction from the “Happy or Not” survey kiosk, and anecdotal feedback ranged from “*very efficient*” to “*it’s great that Avista is doing this.*”

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.
- LIHEAP: The Low Income Home Energy Assistance Program (LIHEAP) is a federal program established in 1981 and funded annually by Congress. These federal dollars are released directly to states, territories, tribes and the District of Columbia who use the funds to provide energy assistance to low-income households. LIHEAP offers financial assistance to qualifying low-income households to help them pay their home heating or cooling bills. Under federal law, a household must have income below either 150 percent of the federal poverty level or 60 percent of state median income level, whichever is higher. However, states can set lower income thresholds if they choose to. Some states use non-federal funds to expand their programs to include more households or to provide higher benefits.
- LIRAP Emergency Share: Funds provided for “emergency” purposes. Customers cannot receive both Emergency Share and Project share but can receive other forms of energy assistance.
- 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 established systems and staff knowledge already in place at the agencies as well as using a system that indexes assistance to income and need.

- LIRAP Senior Energy Outreach: This program denotes an offering unique to low-income senior customers.
- Participants: Customers who received LIRAP grant(s).
- Tariff Schedule 92: Avista tariff including the electric surcharge LIRAP rate.
- Tariff Schedule 192: Avista tariff including the natural gas surcharge LIRAP rate.

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);
- Ongoing Advisory Group review.

Participating LIRAP Agencies

- Spokane Neighborhood Action Partners
- 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

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