



Idaho Community Action Network

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IDAHO PUBLIC
UTILITIES COMMISSION

Re: CASE NO. GNR-U-08-1

The Idaho Community Action Network (ICAN) welcomes the initiative taken by the Idaho Public Utilities Commission to find solutions to the problems consumers in Idaho are having paying utility bills. The current economic crisis has exacerbated a problem that ICAN has been working with the PUC to alleviate for years. As the Staff comments so clearly show, Idaho residents in many parts of the state have been struggling for some time to find living wage jobs that allow them to pay for housing, food, health care, and other necessities. Rising utility costs are squeezing family budgets even farther than in the past.

We are also very happy to see that the PUC Staff has begun incorporating some of the recommendations in this case into the Idaho Power rate case. We support the Staff recommendation to increase the number, and size, of Idaho Power's existing rate tiers. The changes proposed will allow consumers at all income levels to take control of their bills, as well as encouraging conservations. The Staff recommendations for Idaho Power to research the elimination of convenience fees and to develop ways to help customers struggling to meet the terms of their payment plans show the Staff's commitment to implementing the solutions we have talked about in the workshops for this case.

All of the solutions discussed show great promise, and we support all of the policies under consideration. We have prioritized five policies that would make it substantially easier for low- and moderate-income utility customers to pay their utility bills. Our top five priorities are:

1. Creation of programs like Avista's Low-Income Rate Assistance Program (LIRAP) by all Idaho utilities. This program, and others like it in other states, has been proven to make energy more affordable to low-income customers. ICAN will support the necessary legislation to allow the PUC to adopt a LIRAP program. We urge the PUC and Idaho's utilities to support this legislation as well.
2. Increasing Federal and State funding for the Low Income Home Energy Assistance Program (LIHEAP). Many ICAN leaders, and their neighbors, rely on the LIHEAP program each year. ICAN has supported legislation on both the State and Federal level to increase funding for LIHEAP, including the LIHEAP Weatherization program. We will continue to support this legislation and urge the PUC and Idaho's utilities to support funding for the program in the State Legislature and in Congress, as well as exploring other sources of funding that can be leveraged.
3. We strongly support increased funding for weatherization and energy efficiency education programs. Many low-income families live in housing that is inefficient, and have no ability to weatherize it on their own. Increasing the contribution of utility companies as part of their conservation measures, such as CAPAI's recommendations in the Idaho Power rate case, enables more families to live in energy efficient homes, which benefits both them and the utility companies. We are also in favor of expanding programs like the Idaho Power pilot project that will provide weatherization assistance to families above the 150 FPL income level. Many families with incomes above that level are also unable to weatherize their homes or keep up with utility bills.

We are supportive of increased funding for education programs, but our experience has shown that education alone is not enough – without funding for weatherization, many of the more effective measures are not possible. We urge the PUC to require utility companies to increase their funding for both weatherization and education programs.

4. Eliminating payment charges. Many ICAN leaders have reported that payment charges are a serious barrier to affordability. Rural customers in particular report that it is very difficult to make timely payments without utilizing payment methods that incur these charges, especially since utility companies have reduced the number of locations at which customers can pay their bills. As the Staff notes, a growing number of customers are choosing these options, which results in lower cost of providing the service. We urge the PUC to eliminate these payment charges.
5. Eliminating deposit requirements. We support eliminating deposit policies by the utility companies that still require customers to provide deposits. Idaho Power has successfully eliminated deposits, concluding that they are not cost-effective. They are, however, very effective at preventing low-income customers from accessing utility services. We urge the PUC to change the Utility Customer Relations Rules (UCRR) to end the practice of requiring customers to provide deposits.

While these five policies are our highest priorities, ICAN also supports other policy changes:

Reduced rates for low-income people: While we understand the Staff's concerns about the difficulty of implementing these programs, we continue to support researching ways to implement them here in Idaho. Similar programs have worked in many states, including Washington. We are confident that the PUC and the utility companies could make similar programs work here.

Tiered rates: We strongly support the Staff recommendation to change the Idaho Power rate structure to include a third tier, and increasing the size of the first and second tiers. We also strongly support making this change in future rate cases initiated by Idaho's other regulated utilities. Pairing this rate structure with increased funding for weatherization, including funding for customers who do not qualify for LIHEAP weatherization funding, will provide relief for many low- and moderate-income customers.

Allow customers additional time to pay off arrearages: ICAN strongly supports action by the PUC to require utilities to create extended arrearage payment plans. We will participate in future workshops to study this issue and identify ways for utility companies to make more flexible arrangements. We urge the PUC to make these policies mandatory by incorporating them in changes to the Utility Customer Relations Rules (UCRR).

Percentage of Payment Income plan: ICAN recognizes the difficulties that the Staff points out in implementing percentage of income payment plans. These programs have been very successful in other states, and we support continued research and discussion of ways to implement similar policies in Idaho.

Reducing or eliminating reconnection fees and interest assessed on late payments: We support eliminating reconnection charges and interest assessed on late payments. These create even larger barriers for families who are already having difficulty, and are counter-productive to our shared goal of ensuring that families are able to pay bills on time. We also urge the PUC to incorporate these changes in the Utility Customer Relations Rules (UCRR).

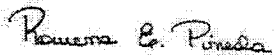
Allow Installment Payments on Prior bills: We support this policy recommendation, but urge the PUC to make this policy part of the Utility Customer Relations Rules (UCRR), rather than relying on the utilities to

voluntarily adopt the policy. We are also concerned that the policy would be restricted to “lower risk applicants.” Utility companies are much more likely to consider low-income customers to be “high risk,” so the customers most in need of the assistance would be the least likely to benefit from it.

Arrearage forgiveness plans: ICAN strongly supports implementing arrearage forgiveness plans at all Idaho utilities. These programs have shown that everyone benefits, from the utilities and the customers who are directly affected, to other customers who benefit from lowered utility administrative costs. We urge the PUC to include this policy in changes to the Utility Customer Relations Rules (UCRR).

Case management: We support the proposal that utility companies invest in case management programs.

Sincerely,



Rowena Pineda
Executive Director