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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE COMMISSION'S INQUIRY ABOUT ENERGY AFFORDABILITY ISSUES AND WORKSHOPS.	**CASE NO. GNR-U-08-1** **STAFF COMMENTS**

COMES NOW the Staff of the Idaho Public Utilities Commission, by and through its Attorney of record, Kristine A. Sasser, Deputy Attorney General, and in response to the Notice of Public Workshops and Notice of Scheduling issued in Order No. 30644 on September 29, 2008, submits the following report.

INTRODUCTION

On September 29, 2008, the Idaho Public Utilities Commission (Commission) initiated Case No. GNR-U-08-01 to provide a forum for the exploration of issues related to the affordability of energy in Idaho. The Commission noted that rising energy costs were affecting utilities and their customers. Order No. 30644.

The Commission recognizes that there are a variety of factors contributing to significant upward pressure on electric and natural gas rates in Idaho. Energy affordability has become a central issue for many Idaho households and businesses.

Two public workshops were conducted by Commission Staff at the Idaho Public Utilities Commission on October 14 and October 22, 2008. The purpose of the workshops was to identify issues and discuss solutions pertaining to energy affordability and customers' ability to pay energy bills. General topics included: 1) bill mitigation; 2) bill payment assistance; 3) bill reduction; 4) reduction of customer costs; 5) barriers to obtaining or retaining service; and 6) case management. Alternative strategies and solutions were identified and discussed.

A broad spectrum of interests and viewpoints were represented at the workshops. In addition to Commission Staff, representatives of Avista, Idaho Power, Intermountain Gas, and Rocky Mountain Power were in attendance, as well as Representatives Nicole LaFavour[1], William Killen, Phylis King, Anne Pasley-Stuart, and Donna Pence. Also participating in discussions were representatives of several organizations: AARP Idaho, the Community Action Partnership Association of Idaho (CAPAI), the South Central Community Action Agency, the Idaho Community Action Network (ICAN), the Salvation Army, the Idaho Conservation League, and the Snake River Alliance. Representatives from the City of Meridian and several individuals not affiliated with any particular organization also attended the workshops.

Participants shared their considerable knowledge, research, and insights about the topics under consideration. The workshops and exchange of information undoubtedly helped all participants to better understand the complexity of the issues surrounding energy affordability. In its comments, Staff has attempted to present the topics and alternatives discussed, identify areas of agreement among participants, and make recommendations to the Commission.

ENERGY AFFORDABILITY AND INABILITY TO PAY

Customers today are facing serious economic challenges. The combination of increasing rates for natural gas and electricity, higher food and fuel costs, rising unemployment levels, and turmoil in the financial and housing markets are impacting customers' ability to pay their utility bills.[2] Current Idaho Department of Labor data (as of August 2008) shows an upward trend in the State's unemployment rate (4.6%). Idaho's projected unemployment for September 2008 is 5.0%, the State's highest unemployment rate in four years. An increase in the

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[1] Now Senator LaFavour
[2] See Appendix 1 (Energy Burden and Affordability GAP).

unemployment rate can lead to an increase in the percentage of the state's population that falls at or below 100% of the Federal Poverty Guidelines.

Federal and state government agencies charged with the responsibility to protect human health and welfare generally set household income eligibility limits for social service programs at levels exceeding 100% of poverty. Since total household income is used to determine eligibility for most social services, the income of all wage earners in a household is combined. The State of Idaho has roughly 44,000 households at or below 100% of poverty.[3]

Low-income households are not the only ones affected. The current economic conditions impact a diverse group of wage earners and further inhibit customers' ability to pay their utility bills. As a result, more strain will be placed upon agencies that provide financial assistance and more customers will fall behind in paying bills. Undoubtedly, the number of customers whose service is subject to disconnection will increase as well.

In examining an individual's ability to pay his/her utility bill, "energy burden" is taken into account. Energy burden is the percentage of a household's income that is spent on all energy used for space heating and cooling, lighting, and water heating. For instance, an Idaho household that is at 75-99% of the Federal Poverty Level typically spends 13.6% of the household's annual income to pay for home energy. A household below 50% of the Federal Poverty Level typically spends 47.8% of its annual income to pay for home energy bills. The energy burden on these households greatly impacts their ability to meet other essential living expenses such as food and clothing. According to federal guidelines, an energy burden of 6% of annual household income is considered affordable.

By rule, the Commission established a safe haven for certain residential customers who are unable to pay their winter energy utility bills. Rule 306, Utility Customer Relations Rules (UCRR). During the months of December, January, and February, utilities are prohibited from disconnecting electric or natural gas service to any residential customer who declares that he or she is unable to pay a utility bill in full and whose household includes children, elderly or infirm persons. The period during which disconnection is prohibited has become known as the "moratorium." This provision does not protect all low-income customers, *i.e.*, a low-income customer who has no children, elderly or infirm in the household or those customers who are

[3] See Appendices 2 (Idaho Demographic Discussion), 3 (Idaho Demographics), and 4 (Federal Poverty Level Guidelines).

eligible for protection but do not contact the utility to request it. Customers who have declared eligibility for the moratorium are still expected to pay their bills each month, but cannot be disconnected if they fail to do so. Payment of any past due balance or negotiation of a new payment arrangement is required on or before March 1.

Customers who have declared eligibility for the moratorium can also enter into a Winter Payment Plan, which provides an additional two months of protection (November and March). Rule 306, UCRR. Under a Winter Payment Plan, customers agree to make monthly payments equal to half of a regular level payment amount, which equates to the customer's annual bill divided by 24. Customers with Winter Payment Plans must pay any past due balance or negotiate a new payment arrangement on or before April 1.

After the moratorium ends, many customers (whether or not they are on the Winter Payment Plan) are unable to pay off their accrued balances in full or are unable to afford previously negotiated payment arrangements. Though protected from disconnection in the coldest winter months, many customers find themselves in a more severe financial situation after the moratorium ends.

The following list represents the number of customers per utility who declared eligibility for the moratorium during the 2007/2008 winter heating season:

- 10,284 Idaho Power customers;
- 4,553 Intermountain Gas customers;
- 2,635 Avista customers; and
- 560 Rocky Mountain Power customers.

CURRENT ASSISTANCE PROGRAMS

There are several programs in Idaho that provide financial assistance to customers who need help in paying their utility bills and obtaining assistance to reduce utility bills through energy efficiency. Programs operate under a wide variety of guidelines and restrictions, with funding from both public and private resources.

Low-Income Home Energy Assistance Program (LIHEAP)[4]

The Low-Income Home Energy Assistance Program (LIHEAP), also known as "Energy Assistance," provides low-income customers with financial assistance designed to pay utility bills associated with primary heating source.[5] To be eligible for assistance, applicants must meet income-criteria that is based on Federal Poverty Guidelines. Participants must apply for LIHEAP assistance at a community action agency each program year.[6] The LIHEAP program year usually runs from November 1 through March 31st to correspond with Idaho's heating season. The starting date varies based on the availability of federal funds.

Last year, 101,000 Idaho households qualified for LIHEAP benefits. LIHEAP's 2007/2008 Energy Assistance funding amount of $9,410,895 only provided benefits for 32,843 households. The average benefit for those households that received funding assistance was $286 for the winter heating season. An additional $19,492,902 would have been needed to cover all 101,000 eligible households.

LIHEAP provides additional assistance for customers who are on the verge of having their utilities disconnected. These "Crisis Funds" are allocated independent of regular LIHEAP funds and are targeted to help customers whose disconnection is imminent. "Crisis Funds" must be used to pay energy bills for the household's primary heating source, and are available regardless of whether or not the household has previously received a benefit. Presently, the funds are very limited. In Idaho, LIHEAP "Crisis Funding" has only been available for the past two heating seasons.

Fuel Funds

Fuel funds are programs that help people pay home heating costs. The major programs in Idaho – Project Share, Project Warmth, and Lend A Hand – are administered by nonprofit agencies.

Project Share[7]

Project Share provides up to $300 annually per household regardless of the household heating source. The program is a fuel-blind fund, *i.e.*, monies are dispersed toward payment of

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[4] Appendix 6 contains a LIHEAP funding matrix.
[5] A Federal Block Grant funds the LIHEAP program.
[6] See Appendix 5 (Idaho Community Action Agencies).
[7] Appendix 7, 8 and 9 contains Project Share funding and disbursement amounts.

bills that are for any energy source (electric, natural gas, wood, coal, propane, kerosene or oil). Project Share is funded by contributions made by utility customers, employees and shareholders. All money collected, with the exception of administrative costs, is returned to the community. Funds for the program are administered by the Salvation Army in southern Idaho. In northern Idaho, Project Share funds are administered by the Community Action Partnership and Spokane Neighborhood Action Programs. Avista, Idaho Power and Intermountain Gas promote Project Share and offer customers the opportunity to make contributions when paying their utility bills.

Project Warmth[8]

Project Warmth provides financial assistance to individuals regardless of the household heating source. This program is a fuel-blind fund that was created for individuals who reside in southeastern Idaho because Project Share funding was not available in that region. The primary source of funding is derived through a yearly golf tournament. Intermountain Gas, Rocky Mountain Power, the Southeastern Idaho Community Action Agency, Monsanto, Agrium, Washington Group, City of Soda Springs, and Caribou County Indigent Services help organize the tournament. All money collected, with the exception of administrative costs, is returned to the community. To be eligible, recipients must be at or below 125% of the Federal Poverty Guidelines and can receive an annual household benefit of up to $200. The program is modeled after Project Share. Funds for the program are administered through the Southeastern Idaho Community Action Agency.

Lend A Hand[9]

Lend A Hand provides financial assistance to Rocky Mountain Power (RMP) customers with electric space heat. Funding is provided through contributions by RMP customers, employees, and shareholders. All money collected, with the exception of administrative costs, is returned to the community. To be eligible, recipients must be at or below 150% of the Federal Poverty Guidelines. Recipients can receive an annual household benefit of up to $400. Funds for the program are administered through the Southeastern Idaho Community Action Agency and the Eastern Idaho Community Action Partnership.

[8] Appendix 9 contains Project Warmth funding and disbursement amounts.
[9] Appendix 10 contains Lend A Hand funding and disbursement amounts.

Keep Kids Warm[10]

Keep Kids Warm provides financial assistance to individuals regardless of the household heating source. The fuel-blind program was started in 1996 by KIZN radio (Boise) to assist households with their heating needs. Intermountain Gas partners with KIZN radio to assist in the fundraising efforts through pledge cards and a yearly radio broadcast telethon. All money collected is returned to the community; there are no administrative fees or other costs associated with administering the program. Over $650,000 has been raised since the program's inception. Benefit amounts are determined on a case-by-case basis. Funds for the program are administered through El-Ada Community Action Agency, Western Idaho Community Action and the Malheur Council on Aging and Community Services in Oregon.

Low-Income Weatherization

Weatherization increases energy efficiency by reducing heat loss and addressing air infiltration issues. Measures taken to improve energy efficiency include the following: attic, floor and wall insulation; repairing or upgrading windows, ventilation, duct insulation and sealing; caulking; and weather stripping. Additional measures may include switching the customer to compact fluorescent light bulbs and furnace (or AC unit) repair or replacement. Energy conservation education is provided to customers whose homes are weatherized.

Low-Income Weatherization Assistance is administered by community action agencies throughout Idaho as well as the Canyon County Organization on Aging. Applicants who own or rent single family, multi-family, or manufactured homes that qualify for LIHEAP funding automatically qualify for Weatherization Assistance. The administering agencies determine income eligibility. Households with incomes at 160% of the Federal Poverty Guidelines or less automatically qualify to receive weatherization services. An energy audit is performed by the administering agency before a home is weatherized.

According to CAPAI, the average investment per weatherized home in 2007 was $3,674. The number of homes that need to be weatherized greatly exceeds the funding that is available.

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[10] Appendix 9 contains Lend A Hand funding and disbursement amounts. Additional guidelines for Project Share, Project Warmth, Lend A Hand and Keep Kids Warm can be found in Appendices 10 and 11.

Currently, only 10% of homes receiving LIHEAP benefits are weatherized because of the lack of available funds.

The table below reflects the total dollars spent on an annual basis for weatherization, the number of households weatherized, and the average investment per household.[11]

Year	Dollars Spent	Homes	Average Home Investment
2006	$4,913,645	1,460	$3,365
2007	$5,081,900	1,383	$3,674

Funding for the Weatherization Assistance Program comes from several sources, including the U.S. Department of Energy (DOE) and energy utilities.

Current annual utility funding levels for low-income weatherization are as follows:

- Idaho Power, $1,200,000;
- Avista, $465,000; and
- Rocky Mountain Power, $150,000.

Utility Energy Efficiency Programs[12]

In addition to low-income weatherization programs, most of the utilities offer a variety of different residential energy efficiency programs.

Rocky Mountain Power offers: 1) Refrigerator/Freezer Recycling; 2) Home Energy Savings; 3) Idaho Time-of-Day Metering; and 4) On-line and Mail-in Energy Analysis.

Avista offers: 1) Senior Energy Conservation Workshops; 2) Energy Conservation Education Programs for Children; 3) High Efficiency Equipment Incentives; 4) CFL Lighting; 5) Refrigerator Recycling Program; 6) Conversion from Electric Straight Resistance; 7) Energy Star Appliances; 8) New Construction Energy Star Homes Program; 9) Multi-Family Energy Efficiency Program; 10) Rooftop Dampers; and 11) Home Energy Analyzer.

Idaho Power offers: 1) Energy Star Home Products; 2) Energy Star Lighting; 3) Energy Star Homes; 4) Rebate Advantage; 5) Energy House Calls; and 6) Air Conditioning Cool Credit.

Intermountain Gas offers the High–Efficiency Gas Furnace Rebate Program.

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[11] Appendix 12 outlines utility weatherization program funding guidelines and amounts.
[12] A summary of these programs can be found in Appendix 13.

PROPOSALS TO ADDRESS ENERGY AFFORDABILITY

Bill Payment Assistance

During the workshops, participants discussed financial assistance that could be made available to customers for the payment of energy bills. Five ways to provide new or additional funds for bill payment assistance were discussed: 1) create utility programs designed to to help low-income customers pay energy bills funded by all utility customers through rates; 2) increase voluntary contributions to nonprofit fuel funds; 3) increase federal funding for the Low-Income Home Energy Assistance Program (LIHEAP); 4) increase LIHEAP funding received by Idaho through leveraging; and 5) create a program funded by Idaho state tax revenue to provide financial assistance to low-income households.

Implement Utility Programs Designed to Provide Financial Assistance

Avista offers programs in Oregon and Washington to help customers pay energy bills. The Low-Income Rate Assistance Program (LIRAP) is intended to ease the home energy burden[13] for Avista's residential customers who have limited incomes. The program serves as an additional resource for financial assistance. In Oregon, LIRAP may be used in conjunction with or in lieu of assistance provided by other programs such as LIHEP (Low-Income Home Energy Program)[14] and Project Share. In Washington, LIRAP can be used in conjunction with or in lieu of assistance that is provided by other programs, such as Project Share, but cannot be used in conjunction with LIHEAP (Low-Income Home Energy Assistance Program).

Funding for LIRAP differs between Washington and Oregon. In May 2001, the Washington Utilities and Transportation Commission approved a Public Purpose Rider Adjustment to fund Avista's Demand Side Management services and LIRAP. The rider amount varies by customer class and applies to both electric and gas usage on a per kWh and therm basis. The LIRAP portion of the surcharge was designed to produce a funding level of approximately 0.79% of base rates under Schedule 91 and 191.[15]

The Public Utilities Commission of Oregon approved LIRAP as a stand-alone program authorizing Avista to implement a surcharge of $0.00438 per therm for gas consumption. The

[13] "Energy burden" is the percent of household income spent on all home energy expenses – this includes energy used for heating and cooling, lighting, and hot water tanks.
[14] In Oregon, LIHEP is the term used to refer to the federal LIHEAP program.
[15] See Appendix 14 for Washington's rate schedules.

surcharge applies to residential customers and is designed to produce a funding level of approximately .05% of base rates under Schedule 493.[16]

In both states, Avista provides the collected LIRAP revenue to community action agencies which administer the program in a similar manner to LIHEAP fund administration. Factors such as annual household income, estimated annual home energy costs, and type of housing (*i.e.*, single family or multi-family) are used to determine the amount of assistance granted to customers. Typically, recipients of LIRAP in both Washington and Oregon are well below poverty level. To qualify for LIRAP in either state, a family of four who is at or below 100% of the Federal Poverty Guidelines would have a household income of $1,760 or less per month. Last year, approximately 75% of Washington and 65% of Oregon LIRAP recipients had household incomes under $15,000. One-third of LIRAP participants in both Washington and Oregon have household incomes under $8,000.

Avista's LIRAP program also funds its Senior Outreach Program and Energy Conservation Program. Washington's Senior Outreach Program helps to identify senior citizens who need assistance with their energy bills. Although some seniors may have incomes that exceed the ceiling for LIHEAP or LIRAP grants, other major expenses, such as medical costs, can leave seniors unable to pay their home energy bills. The Senior Outreach Program has successfully assisted those who fall into this situation with a Senior Energy Outreach grant. The grant funding amount is comparable to a LIHEAP or LIRAP grant.

Conservation education is also funded by the surcharge. Participants receive either written material or classroom instruction through workshops and seminars. The education program is being expanded to encourage school-aged children to conserve energy as well.

Neither the Avista Senior Outreach Program nor the Conservation Energy Program is offered in Idaho due to lack of funding. ICAN and CAPAI support implementation of a LIRAP for Idaho. Avista is willing to extend its program to Idaho with Commission approval.

Recommendation

The LIRAP program would be beneficial for Idaho's low-income utility customers. LIRAP would provide additional funds to supplement existing federal LIHEAP funds, allowing more people to obtain the financial assistance needed to pay their energy bills. Because LIRAP

[16] See Appendix 15 for Oregon's rate schedules.

is administered through community action agencies, the infrastructure for the program is already in place in Idaho.[17]

Implementing a LIRAP program in Idaho would likely require legislation. *Idaho Code* § 61-315. Also, utilities expressed concern that, should LIRAP be implemented in Idaho, a surcharge appearing on customer billing statements could impact donations given to other financial assistance programs such as Project Share. Aside from the fact that a surcharge or tariff rider would not necessarily need to appear as a separate line item on a utility bill, it is Staff's opinion that any decrease in voluntary contributions would be more than made up by funding derived from a LIRAP program targeted to helping customers pay their utility bills and conserve energy.

Staff recommends that the Commission support legislation to allow it to adopt a LIRAP program. Specifically, the legislation should allow the Commission to:

- implement programs for the benefit of low-income residential customers, including bill payment assistance.
- approve rates or charges designed to recover the costs of such programs.

It is Staff's understanding that CAPAI is sponsoring a bill currently before the Idaho State Legislature. However, Staff does not have enough information to comment at this time on CAPAI's bill.

Increase Customer Awareness of / Encourage Voluntary Contributions to Nonprofit Fuel Funds

All workshop participants agreed that increasing customer and community awareness of nonprofit fuel funds would be beneficial. Given the current economic crisis, donations made to financial assistance programs could potentially decrease at a time when the need for assistance is even more critical. Utilities currently publicize programs such as Project Share, Project Warmth, Keep Kids Warm and Lend A Hand through their websites, newsletters, and monthly customer billings.

To raise public awareness and encourage voluntary contributions in the past, Avista, Rocky Mountain Power, and Idaho Power enlisted partners in the community. The businesses

[17] As an example, the Community Action Partnership Agency in northern Idaho already administers LIRAP for Avista customers in Washington State.

offered products for sale, with a percentage of the proceeds donated to local fuel funds such as Project Share or Lend A Hand. Unfortunately, Rocky Mountain Power and Idaho Power have discontinued their partnering programs. Intermountain Gas currently partners with KIZN radio for a yearly telethon fundraiser and golf tournament for the Keep Kids Warm program.

Recommendation

All workshop participants were in agreement with the need to increase awareness about nonprofit fuel fund programs in order to increase the amount of funding received. Increased awareness improves the potential for donations, thereby assisting more individuals who are in need. Efforts to increase awareness do not require legislative or Commission involvement. Utility companies are encouraged to continue with their creative efforts to make those in the community more aware of nonprofit fuel funds. Staff also encourages each utility to set goals for fund raising and continue the implementation of programs that partner with local businesses.

Increase Federal Funding for LIHEAP

The 2009 LIHEAP Energy Assistance funding available to the State of Idaho has been budgeted at $17,439,570. This represents a one-time $8,028,675 increase from last year's budgeted amount of $9,410,815. In response to increased funding, average benefit amounts for eligible participants is projected to increase to $386 from last year's average benefit amount of $286. Additionally, by changing the level at which a household is eligible to receive assistance from a maximum of 150% to 160% of the Federal Poverty Guidelines, the number of eligible households is projected to increase from last year's 101,000 to 111,100.

Leveraging is a process through which federal LIHEAP funding can be increased. Essentially, the Federal government withholds a percentage of LIHEAP money allocated to each state as an incentive for that state to first acquire non-federal funds for assistance to low-income households. Grants are awarded to states that use their own or other non-federal government resources or private funding to increase the total amount of assistance available, thereby leveraging federal funding. Last year, $52,000 in LIHEAP leveraging grants were provided to the State of Idaho and were used by CAPAI and local community action agencies to provide bill payment assistance and weatherization. All participants agreed that obtaining additional federal funding for LIHEAP through leveraging would benefit both customers and utilities. In workshop discussions, it was apparent that few participants were aware of the leveraging concept.

Recommendation

All workshop participants agreed that an increase in federal funding for LIHEAP would be beneficial. Additional LIHEAP funds would allow more utility customers to obtain financial assistance. While increased funding for the current heating season will certainly benefit customers, the annual struggle for additional federal funding for LIHEAP remains. Support by Idaho's Congressional delegation is an important factor in securing Congressional budget approval. Staff recommends that a dialogue be initiated with Idaho's Congressional delegation regarding increased awareness of LIHEAP's value and the critical need for additional program funding.

Leveraging is a significant tool through which Idaho can increase its federal LIHEAP funds. Unfortunately, not everyone was aware of the program. Staff recommends that utilities, Commission Staff, and other interested parties partner with CAPAI to identify ways in which to leverage existing federal LIHEAP funding.

Create a State-Funded Financial Assistance Program

All workshop participants agreed that a program funded by state tax revenue to supplement federal LIHEAP funds would be beneficial. Additional funding would have the potential to increase the number of customers who would receive benefits and/or increase benefit amounts.

Recommendation

A new state program to supplement federal LIHEAP funding would require legislative involvement and support. Given a projected decrease in State revenue this fiscal year, it appears unlikely that such a program would be created and funded in the near term. Staff believes that this proposal, though a good idea, should not be pursued at this time.

Bill Reduction

Bill reductions can be realized by decreasing consumption, reducing prices, and changing rate designs. During the workshops, the following topics were discussed: 1) offering reduced rates to low-income customers; 2) encouraging energy efficiency; and 3) designing rates to encourage energy efficiency.

Reduced Rates for Low-Income Customers

One option for reduced rates is a fixed discount, usually expressed as a percentage off the regular residential rate. The State of California implemented the CARE program (California Alternative Rates for Energy).[18] It provides a 20% discount on monthly electric bills (rates and basic charge) for qualified low-income or fixed-income households and housing facilities. CARE is funded through a rate surcharge ($0.399 kWh) paid by all other utility customers. Eligibility is based on household income.[19] Utilities administer the program and participants enroll through a one page self-certification application. Utilities conduct a random audit sampling of participants to ensure that they meet the program requirements. Recertification is required every two years. There is no cap on the number of participants.

Another option is a tiered discount, with the discount varying by income. The State of Washington implemented a program that provides a three-tiered discount on monthly electric bills for qualified low-income and fixed-income customers.[20] Funding for the discount is provided through a fixed monthly surcharge of $0.44 for all other residential customers and a fixed monthly surcharge of $147.00 for industrial customers. Eligibility is based on income level. The credit received is based on customers' income using the Federal Poverty Guidelines and is only applicable for usage greater than 600 kWh.[21] Community action agencies determine applicant eligibility. A maximum of 4,475 customers are allowed to participate annually during the four months that the program is in place (November-April). Benefits are provided on a "first come, first served" basis for eligible applicants.

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[18] See Appendix 16 for California's rate schedule.
[19] For example, to quality for the CARE Program, the maximum household income for a family of four is $43,200.
[20] See Appendix 17 for Washington's rate schedule.
[21] For usage over 600 kWh, customers with income 75% of below of the Federal Poverty Level (FPL) pay $0.3812 per kWh. For income 76-100% of poverty, the amount paid is $0.2565 kWh, and for income 101-125% FPL, the amount paid is $0.1603 kWh.

Another option for assisting low-income customers is the elimination or reduction of the customer's monthly service charge. However, this would result in a revenue deficiency for the utility that must then be recovered from other customers. It is likely that the cost per kWh or therm would have to be increased to make up for revenue lost from reduced monthly service charges. This shift from deriving revenue through monthly service charges to energy charges would most likely have a disproportionately negative impact on low-income customers because they typically live in less energy-efficient homes and use relatively large amounts of energy.

ICAN was the most vocal in supporting elimination of the monthly service charge for low-income customers.

Recommendation

Enactment of these or similar programs would require legislation and Commission approval. Programs based on customers' incomes are difficult for utilities to administer. Information regarding customers' income is not routinely collected. The State of Washington's three-tiered discount program is limited to 4,475 customers and is in effect for only four months annually. Because of the cap placed on the number of participants, many eligible customers might be prevented from receiving the program's benefits. Neither Washington or California's programs promotes energy efficiency for those that are enrolled in the programs. However, it may inadvertently encourage efficiency among non-participants who are funding the subsidy.

Staff does not presently recommend the adoption of reduced rates for low-income customers. There are other, preferable options available for the Commission to consider. The utilities also do not support low-income rates and prefer increased awareness and funding of energy efficiency to reduce customer costs.

Low-Income Weatherization, Conservation Education, and Other Energy Efficiency Programs

During the workshops, many different methods to encourage energy efficiency were discussed. These methods included: weatherization, energy conservation education, programs targeted to low-income customers and seniors, and overcoming barriers to investment in energy efficiency measures for manufactured homes and rental housing.

All workshop participants were in agreement that weatherization is an excellent way to reduce energy costs.[22] According to CAPAI, the average investment per home weatherized in 2007 was $3,674. As previously stated, currently only 10% of homes receiving LIHEAP benefits are weatherized due to the lack of available funds.[23]

Idaho Power recently created the Home Weatherization Pilot Program. This program is targeted to customers who do not qualify for other weatherization assistance because their income exceeds the allowable level. The Home Weatherization Pilot Program (HWP) will provide weatherization services to twenty electrically heated homes served by Idaho Power in its southern region. Program participants will be selected from a list of Idaho Power customers who apply for LIHEAP benefits through the South Central Community Action Partnership. To participate in the HWP pilot, a residential customer's annual income must be between 151% and 250% of the federal poverty level and the household must use electricity to heat the home.

Weatherization efforts are often coupled with energy conservation education. Workshop participants agreed that a need exists for further education. Unfortunately, as with weatherization, the funding for energy conservation education targeted to low-income customers is extremely limited.

In the State of Washington, energy conservation education is provided to Avista's customers through the LIHEAP and LIRAP grant programs. Participants either receive written material or classroom instruction through workshops and seminars. This past heating season, Avista customers who received either a LIHEAP or LIRAP grant received a letter from Avista with conservation tips and coupons for a free florescent light bulb and furnace filter. Avista is also providing, at the customer's request, a DVD on energy conservation. The conservation education program is being expanded to encourage school-aged children to conserve energy. The Children's Energy Conservation Education Program was designed by Avista to educate low-income elementary age children and families about changing lifestyle habits and using energy more efficiently.

As part of Avista's energy efficiency program in Idaho, this Commission recently approved, as part of a settlement in Case No. AVU-E-08-01, $25,000 to be used by local

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[22] With the exception of Idaho Power, the utilities fund low-income weatherization programs through energy efficiency tariff riders. Idaho Power's low-income weatherization funding is included in its base rates.
[23] See Appendix 12 for a matrix that highlights the schedules and features of the utility funded low-income weatherization programs.

community action agencies for low-income outreach and energy conservation education. In both Washington and Idaho, Avista conducts Senior Energy Conservation Workshops at a variety of different locations such as senior centers, senior nutrition meal sites, and non-profit organizations. The goal of the workshops is to provide education on energy savings for seniors while allowing for comfort and safety with home energy use. All workshop participants receive an "Every Little Bit" Energy Conservation Kit which contain compact fluorescent light bulbs, home weatherization supplies and energy saving tips. Avista began this program when it came to the Company's attention that seniors on fixed incomes tend to reduce their use of heat in order to cut monthly heating expenditures so that they are able to pay for medication and food.

Rebates are another example of energy efficiency programs offered by the utilities as an incentive to customers. Idaho Power, Rocky Mountain Power, Avista, and Intermountain Gas each have one or more energy efficiency rebate programs with varying degrees of incentives for their customers.

Idaho Power provides incentives to residential customers for replacing low efficiency appliances with high efficiency Energy Star appliances, including clothes washers, refrigerators, light fixtures and ceiling fans. Avista also provides rebates to customers for the replacement of low efficiency appliances, including clothes washers, freezers, dishwashers and refrigerators. Rocky Mountain Power provides rebates to nonprofit groups that install conservation measures for the purpose of weatherizing low-income homes. Rocky Mountain also has a program entitled "See Ya Later Refrigerator." This is a program that, free of charge, removes an old refrigerator from a customer's address and dismantles it so the inefficient refrigerator won't be put back into service again at another address. Intermountain Gas provides a $200 rebate to a customer that installs a minimum of a 90% efficient furnace when converting from another energy source. Unfortunately for customers looking to improve efficiency, a gas-to-gas conversion does not qualify to receive a rebate even if the customer is converting from an inefficient furnace to one with a high efficiency rating.

All of the major electric utilities in Idaho provide rebates to builders and homeowners who install certain high efficiency appliances in new homes.[24] Builders who install energy efficient equipment in new homes and apartment buildings not only increase the attractiveness of

[24] Energy efficiency programs that offer builder incentives are funded by tariff riders. The cost is borne by utility customers as a whole.

the property to prospective buyers and renters, but also have a long-term impact on energy consumption within that home. Promoting energy efficiency standards for new construction is one way to assure that energy efficient housing will be built.

In addition, Idaho Power and Avista participate in Energy Star® Homes Northwest. The program promotes the construction and sale of new residential homes that are built to the program's specifications in Washington, Oregon, Idaho and Montana. The program promotes the purchase of homes that are 20% more energy efficient through high efficiency lighting, windows, appliances, water heaters, insulation, and heating and cooling equipment. The program also provides incentives to builders, suppliers, and subcontractors who construct energy efficient homes.

Customers who live in multi-family, manufactured and single-family rental housing face unique obstacles with respect to investing in energy efficiency measures. Energy House Call is a program offered to Idaho Power customers who live in manufactured homes that are heated by an electric furnace or heat pump. Through local certified contractors, at no cost to the customer, a leak assessment is performed on the electrical heating system ducts. All leaks are sealed and compact fluorescent light bulbs and air filters are installed. Idaho Power's Energy Efficiency Rider funds this program.

Recommendation

Energy efficiency measures save customers money. Unfortunately, some low-income and limited income customers do not have the financial resources to weatherize their homes or invest in new appliances. Even though weatherization programs are available in all areas, the programs rarely have enough funding to meet the need. Weatherization programs are the most direct way to reduce energy costs for low-income customers. In addition, energy conservation education is most effective when offered in conjunction with bill payment assistance and weatherization services. With increased funding for weatherization and energy conservation education for low-income customers, those most in need will be provided with valuable, individualized assistance.

To the extent that existing utility programs are not adequately funded, funding should be increased. The adequacy of program funding is most appropriately addressed during utility rate or other formal cases. Therefore, Staff recommends that weatherization and conservation education program funding be addressed in future cases before the Commission. Staff further recommends that Idaho Power, Intermountain Gas, and Rocky Mountain Power develop a conservation education program targeted to low-income customers that is modeled after Avista's energy conservation education program.

Staff also recommends that all utilities examine how more incentives could be offered to customers for conversion to higher efficiency appliances. In addition, Staff recommends that all utilities consider providing no-interest/low interest loans to customers for the purpose of adding high efficiency appliances - particularly for those customers who fall just outside the income guidelines to qualify for low-income weatherization.

Finally, Staff recommends that utilities advocate adoption and implementation of energy efficient construction standards. Staff recommends that utilities encourage the Northwest Energy Efficiency Alliance to include multi-family and manufactured homes in the Energy Star Home Program. Because few programs are available to assist customers living in multi-family, manufactured, and single-family rental housing, Staff further recommends that the utilities consider programs that could assist customers in overcoming the unique obstacles these types of properties present.

Design Rates to Encourage Energy Efficiency

Workshop participants were very interested in the concept of rate design and how it can be used to promote energy efficiency and benefit low-income and limited income customers. In response to interest in the subject, Staff provided a brief tutorial on rate design at the workshop on October 22, 2008.

Effective rate design promotes efficient consumption of energy through proper pricing. There are many ways that rates can be designed to reflect the variable cost to serve utility customers. Tiered rates and time-of-use (TOU) rates are good examples of rates that provide proper price signals that in turn encourage customers to change behaviors, which ultimately affects the dollar amount of their utility bill. An important advantage to tiered rates over time-of-use metering is that special metering equipment is not required. Tiered rates seek to lower overall usage, which may delay the need for a utility to acquire highly capital-intensive base-load facilities.

Tiered rates are billed in blocks, and if customers are provided with proper education regarding tiered-rate structures, they will become accustomed to how their consumption affects their overall bill. Tiered rates are not necessarily low-income rates; they are efficiency-based rates. Tiered rates provide lower basic prices for customers that use less energy. A higher rate for energy in the third block (often referred to as the "tail block") provides a greater incentive to utilize energy efficiency measures.

Tiered rates are not new to Idaho. Idaho Power currently has a two-tiered rate structure for residential customers during the summer period. Avista also has a two-tiered rate structure for residential customers in Idaho. Although Rocky Mountain Power has a flat rate structure in Idaho, it has offered optional time-of-use metered rates to residential customers for many years.

During the workshops, Idaho Power expressed concern about a tiered rate structure disproportionately affecting its customers with all-electric homes or low-income customers who live in energy-inefficient homes.

Recommendation

Staff recommends that utilities consider tiered rates for residential customers as a way to give customers control over their bills by providing an incentive to lower their energy consumption. Due to the complexity of rate design issues and the potential for unintended consequences, Staff recommends that tiered rate design be addressed within the context of future rate cases.

Bill Mitigation

The objective of bill mitigation is to make energy bills more manageable by offering flexible payment options or determining customer-specific affordable payment amounts.

During the workshops, two means by which to provide payment assistance were discussed: 1) offer plans that allow payment of arrears (past due amount owed) over an extended length of time (more than 12 months), and 2) offer a percentage of income payment plan.

Offer Plans that Allow Payment of Arrears Over an Extended Length of Time

All energy utilities offer payment arrangements to customers who are experiencing difficulty paying their utility bills in full. The Commission's rules require utilities to take into account the amount of the customer's arrearage, past payment history, the circumstances and reasons why the debt is outstanding, and the customer's ability to pay. *See* UCRR 313. However, if a customer fails to adhere to the payment arrangement, the utilities are not obligated to enter into a second such agreement. Each utility offers both short-term (30-45 days)[25] and long-term (up to 12 months)[26] payment arrangements, though the terms of the arrangements can vary from one utility to another. It would be unusual for a customer to be allowed to make payments over a period of time greater than 12 months. On average, about 50% of payment arrangements end in default. Many customers agree to payment arrangements that they know they cannot meet in an attempt to prevent immediate disconnection.

Several of the workshop participants expressed a strong desire for the utilities to consider payment plans that fit the customers' circumstances and needs as opposed to adhering to the companies' more limited existing options.

Recommendation

As previously stated, customers are facing an array of issues that are impacting their ability to pay utility bills. It is likely that an increasing number of customers will need to make payment arrangements. Staff recommends that utilities become more flexible in negotiating payment arrangements, offering extended payment timelines and working with each customer to ensure that payments are affordable based on the customer's individual circumstances. Staff recognizes the potential for utilities to incur higher bad debt if customers continue to default on payment arrangements. However, by offering customers payment arrangements that are more flexible and tailored to the each customer's needs, utilities stand to benefit by a reduction in the number of broken payment arrangements and subsequent disconnections. Ultimately, empowering customers to be successful in paying off arrears benefits both customers and utilities.

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[25] For example, Intermountain Gas requires that a customer pay a portion of their past due amount immediately, with the remaining balance and the most recent bill being paid in installments during a 45 day time frame. Idaho Power requires eligible customers to pay half of their past due balance or the 61-90 day balance, whichever is greater, immediately with the remaining balance due within 30 days.

[26] For example, Rocky Mountain power has a Time Payment Program which allows customers to pay their past due balance over an agreed upon period up to 12 months in addition to their current monthly billing based on actual usage. Avista has a Levelized Payment Plan that allows customers to pay their past due balance over a 12 month period in addition to their current monthly billing.

Implementation of new payment arrangement alternatives can be accomplished through cooperation with the utilities and making modifications, if necessary, to the Commission's rules.

More investigation and study of alternative payments plans would be beneficial to all parties. To that end, Staff recommends that Commission Staff and the utilities conduct further workshops to confer and attempt to identify solutions.

Offer Percentage of Income Payment Plan

Under a percentage of income payment plan, customers pay a specified percentage of their income toward their utility bills, regardless of the amount actually owed to the utility. For example, in Ohio, customers can sign up for the Percentage of Income Payment Plan (PIPP). Under PIPP, customers with gas space heating pay 10% of their monthly household income to their gas utility and 5% to their electric utility. If a household's income is at or below 50% of the Federal Poverty Level, then only 3% of the household income is required for electricity. If a household is served by the same company for both gas and electric service or if the household heats with electricity, 15% of the monthly household income is paid to the utility providing service. The program is administered by community action agencies. Applicants must have a total household income at or below 150% of the Federal Poverty Level and must apply for all energy assistance programs for which the household is eligible. The program enables customers to budget for their utility bills, since they pay a set amount each month.

Recommendation

Although Staff agrees that a percentage of income payment plan would reduce in most if not all instances the amount that low-income customers would have to pay for energy, there are several major impediments. By separating actual usage from the amount a customer is required to pay, a percentage of income plan does nothing to encourage energy conservation. In addition, implementation of a percentage of income payment plan would require modification of utilities billing systems. New legislation would likely be required in order to allow utilities to offer such a plan, since it would establish disparate rates within the residential class based on income. Finally, utilities do not support this type of payment plan. Due to significant obstacles including utility opposition, Staff recommends that this option not be pursued at this time.

Reduction of Customer Costs

The reduction of customer costs involves lowering or eliminating charges associated with making a payment, reconnecting service following disconnection for non-payment, and interest assessed on late payments.

Reduce/Eliminate Payment Charges and Educate Customers On No Cost/Low Cost Options

Customers are often charged "convenience fees" when paying utility bills via telephone or the Internet using credit or debit cards or electronic checks. Although customers often think that utilities collect and keep the fees, it is actually third-party vendors who process the payments on behalf of the utilities that charge and retain the fees. Idaho energy utility customers can pay fees of up to $5.25 per transaction. Depending on the amount owing, more than one transaction fee may be incurred in order to pay a bill.

Unfortunately, customers sometimes delay making utility payments until the last minute. For customers with limited means, last minute payment options are a necessity, not merely a convenience. Moreover, convenience fees further reduce the total amount of money available to pay bills. Because so many customers now use these options to pay, Staff recommended in a recent rate case that the utility begin to explore options of how it can eliminate convenience fees.

Intermountain Gas provides a free web-based option for paying bills to customers with checking accounts.

A customer has some options for payment of his or her utility bill without charge. Customers who live in close proximity to a local utility office can pay in person; however, not all utility offices accept payments. Although some utilities have drop boxes outside field offices, payment by check or money order, not cash, is required, which poses a problem for customers who do not have checking accounts or prefer to pay in cash. For a customer who needs to pay his or her bill immediately to keep service connected, payments placed in drop boxes are not processed timely enough to prevent disconnection.

Many utilities contract with local businesses to set up pay stations in various locations around their service areas. These are often found in grocery stores or small convenience stores. Some, but not all, payment stations charge fees (usually $1.00 to $1.50) for processing payments.

Recommendation

Utilities have an obligation to better inform customers of payment options and the fees associated with some types of payments. Staff recommends that there be more study and in-depth discussion among all interested parties regarding how convenience fees can be eliminated or reduced.

Reduce or Eliminate Reconnection Charges and Interest Assessed on Late Payments

All energy utilities charge for reconnection of service. Charges vary according to when reconnection takes place. All energy utilities also have provisions in their tariffs to assess 1% interest on past due balances each month (12% per annum). Some energy utilities assess interest to balances owing under payment arrangements that extend over a period of time. This practice provides no incentive for customers to make payment arrangements.

Recommendation

For low-income customers and customers with a limited ability to pay, interest charges on past due balances simply increase the amount owed. Implementing a policy to waive reconnection or interest charges only for low-income customers could be considered discriminatory. See *Idaho Code* § 61-315. In addition, these types of policies would require Commission approval for tariff changes. Staff recommends that there be more study and in-depth discussion among all interested parties regarding the circumstances, if any, under which reconnection and interest charges could be eliminated.

Remove Barriers to Obtaining or Retaining Service

During the workshops, several ways to reduce barriers to obtaining or retaining service were discussed: 1) modify deposit policies; 2) allow former customers to pay prior bills in installments; and 3) offer arrearage forgiveness plans.

Modify Deposit Policies

Deposits often pose an insurmountable obstacle to customers who are low-income or financially-constrained. A former customer who owes an unpaid bill from previous service may be required to pay a deposit before new service is provided. An existing customer whose service is disconnected for non-payment may be required to pay a deposit before service will be reconnected. In addition to paying a deposit, the customer may be required to pay the amount owed as well as a reconnection fee.

When faced with a situation where a large amount of money is required before service is reconnected or provided, desperate customers sometimes look for ways to avoid the requirement, such as using a roommate's, child's or other relative's name and social security number to obtain service. Unfortunately, this poses problems down the road for the person whose name was used and does nothing to address the most pressing problem of paying the prior or past due bill.

If a utility chooses to collect a deposit, the Commission's Utility Customer Relations Rules (UCRR) allow customers to pay the deposit in installments. Rule 105, UCRR, provides for payment of one-half of the deposit at the time of sign up or reconnection and the other half the following month. In accordance with its own tariff, Intermountain Gas allows the deposit to be divided into three equal payments. Idaho Power is the only gas or electric utility that has chosen *not* to collect deposits. Idaho Power ceased collection of residential deposits more than twenty years ago due to the high administrative costs associated with collecting and managing deposits. Staff is not aware of any recent studies that demonstrate a correlation between collection of residential deposits and improved customer payment habits and/or fewer utility written-off accounts.

Alternatives to existing deposit policies explored during the workshops include: 1) allowing payment over an extended period of time; 2) reducing the dollar amount of deposits; 3) waiving deposits under certain circumstances; or 4) deferring collection of a deposit subject to future payment performance. These alternatives can be implemented by utilities voluntarily. However, changes to the Commission's rules might be necessary.

Recommendation

Staff recommends a more in-depth discussion among all interested parties of the alternatives identified above. Staff also recommends that one or more utilities conduct a study of the effectiveness of collecting residential deposits.

Allow Installment Payments on Prior Bills

A utility customer sometimes discovers, when attempting to sign up for new service, that he or she has a prior unpaid bill. With the exception of Avista, Idaho's gas and electric utilities require a customer's old bill to be paid in full prior to granting new service. The policy of requiring full payment of an old bill prior to connecting new service is often an obstacle for low-income customers.

The consequences of being denied service can lead to drastic and sometimes fraudulent activity. Denied applicants have used other people's names and social security numbers to obtain service. Utilities also report instances of applicants turning on their own service – a potentially dangerous practice. It could also lead to legal action by the utility for theft of service.

Allowing applicants, in some situations, to make payment arrangements on old bills instead of requiring full payment prior to new service would discourage fraudulent or dangerous activity undertaken in an effort to obtain electricity or gas service. This alternative would also allow the utility an opportunity to recover monies that it otherwise might not have collected. Staff acknowledges that the utilities would need to more closely monitor the accounts of customers who are permitted payment arrangements for arrearages in order to avoid additional unpaid bills.

Recommendation

Staff recommends that utilities adopt new policies whereby lower risk applicants be permitted to pay off old bills in installments while receiving new service.

Offer Arrearage Forgiveness Plans

Arrearage forgiveness plans provide customers the opportunity to have arrearages forgiven over a period of time if customers pay future bills on time. Such plans offer financially-troubled customers an incentive to build a positive credit history with the utility, since their debt will be forgiven only if payments are made as agreed. At the same time, it gives customers a way to get out from under a debt they might not otherwise be able to pay. Arrearage forgiveness plans work particularly well for customers suffering from an acute financial crisis that poses a present significant problem but does not appear to be chronic. Depending upon how an arrearage program is structured, it might require Commission approval prior to implementation.

Recommendation

Staff recommends that all energy utilities develop arrearage forgiveness plans. While Staff acknowledges that this type of policy would not be appropriate in all instances, more in-depth discussion among all interested parties is necessary to identify the circumstances under which arrearage forgiveness should be offered.

Offer Case Management

The objective of good case management is to provide personalized customer assistance. Ideally, case managers would identify both utility and non-utility programs and resources that will help improve customers' ability to manage finances, meet obligations, and pay energy bills.

Customers in crisis are often delinquent on more than just their utility bills. Frequently, rent, mortgage payments or medical bills are also past due. As debts mount, customers become overwhelmed and stop communicating with utilities. Through effective case management, a utility can offer more specialized one-on-one customer assistance by trained customer service employees. For example, a case manager can do a personalized assessment of a customer's energy usage and provide advice on how to save energy by changing behaviors, taking advantage of the utility's energy efficiency programs, or weatherizing his or her home. Case managers not only provide basic budget counseling, but also refer customers to appropriate agencies and coordinate available resources as necessary.

Avista has offered specialized case management for many years through its CARES (Customer Assistance Referral and Evaluation Services) Program. Currently, Avista has four full-time CARES Representatives who, together, handle a case load of approximately 4,400 customers located throughout Avista's service territory in Idaho, Washington and Oregon. Avista maintains that the program is cost-effective because it directs resources toward keeping customers on service by taking into consideration their ability to pay, rather than forcing the Company to pursue expensive collection efforts that result in disconnection rather than payment.

Intermountain Gas is in the process of implementing a Heating Education and Low-Income Program (HELP). HELP specialists' duties will include assisting customers who have difficulty paying their utility bills due to extenuating circumstances such as medical problems or lost jobs. The specialists will also provide assistance in identifying ways to conserve energy.

The specialized duties will be added to existing supervisory positions in Intermountain's local offices in Idaho Falls, Pocatello, Twin Falls, Boise, and Nampa. The Company anticipates that its program will be in place this heating season.

Recommendation

Avista and Intermountain should be commended for recognizing the need for case management programs. One-on-one assistance provides a needed safety net for many at risk customers. Customers are able to stay on service and establish a mutually-beneficial credit relationship with utilities. Utilities benefit by avoiding wasting resources on unsuccessful collection efforts, losing customers through involuntary disconnection of service, and creating bad debt by prematurely disconnecting service to customers who are willing to pay. Staff recommends that those utilities without case management programs consider implementing such programs.

Because Intermountain's program will be handled by supervisory personnel with already established management duties, Staff has some concerns about the amount of specialized assistance that they will be able to provide to customers. After the Company has gained experience with its program it can make any necessary modifications.

Staff notes that no prior Commission approval is necessary for a utility to implement a case management program.

SUMMARY OF STAFF RECOMMENDATIONS

- Staff believes that a LIRAP program would be beneficial for Idaho low-income utility customers. Staff recommends that the Commission support legislation to allow it to consider adoption of such a program.
- Staff encourages all utilities to increase awareness of and funding for nonprofit fuel funds.
- Staff recommends that a dialogue be initiated with Idaho's Congressional delegation regarding increased awareness of LIHEAP's value and the critical need for additional program funding. Staff also recommends that the utilities, Commission Staff, and other interested parties partner with CAPAI to identify ways in which to further leverage existing federal LIHEAP funding.

- Staff recommends that additional funding for weatherization and energy conservation education programs be addressed in future rate cases. Staff recommends that utilities develop energy conservation education programs targeted to low-income customers. Staff further recommends that utilities examine their incentive programs regarding higher efficiency appliances, including consideration of no interest/low interest loans for customers to purchase higher efficiency appliances and encourage the Northwest Energy Efficiency Alliance to include multi-family and manufactured homes in the Energy Star Home Program.
- Staff encourages utilities to actively advocate for adoption and implementation of energy efficient construction standards, including provisions for single family rental, multi-family, and manufactured homes.
- Staff recommends that utilities and the Commission consider tiered rates for residential customers within the context of future rate cases.
- Staff recommends that utilities offer more flexibility in negotiating payment arrangements. Staff further recommends that Staff and utilities further investigate payment arrangement alternatives.
- Staff recommends more investigation and discussion among all interested parties regarding how convenience fees can be eliminated or reduced.
- Staff recommends more investigation and discussion among all interested parties regarding the circumstances, if any, under which reconnection and interest charges could be eliminated.
- Staff recommends further discussion of alternatives to existing deposit policies, including an increase in installment payment plan timelines. Staff also recommends that one or more of the utilities conduct a study of the effectiveness of collecting residential deposits.
- Staff recommends that utilities adopt new policies whereby lower risk applicants be permitted to pay off old bills in installments while receiving new service.
- Staff recommends that all energy utilities develop arrearage forgiveness plans.
- Finally, Staff recommends that all utilities implement case management programs if they have not already done so.

Respectfully submitted this day of November 2008.

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Appendix 1

Energy Burden and Affordability GAP

In examining an individual's ability to pay his/her utility bill, "energy burden" is taken into account. "Energy burden" is the percentage of a household's income that is spent on all home energy expenses, which includes all energy used for space heating and cooling, lighting, and water heating.

The extent to which home energy costs are a burden is dependent upon numerous variables. The "burden" imposed by the cost of home energy usage is greater for those with lower incomes than those with larger incomes, since total home energy bills equate to a larger percentage of household income. For instance, in Idaho, a household that is at 75-99% of the Federal Poverty Level, 13.6% of the household's income is used to pay for home energy. For households below 50% of the Federal Poverty Level, 47.8% of annual income is used to pay for home energy bills. This equates to nearly half of their annual income being spent on energy that greatly impacts the household's ability to meet other living essential expenses such as food and clothing. The table below reflects the various energy burden percentages for low-income Idaho households:

Poverty Level (Idaho)	Income – Family of 4	Energy Burden
Households Below 50%	$0 - $10,600	47.8%
Households 50-74%	$10,600- $15,688	19.1%
Households 75-99%	$19,900- $20,998	13.6%
Households 100-124%	$21,200- $26,288	10.6%
Households 125-149%	$26,500- $31,588	8.7%
Households 150-185%	$31,800- $39,220	7.1%

The "Home Energy Affordability Gap" is the difference between the *actual* home energy bills and what is calculated as being "affordable" for home energy costs. *Actual* home energy bills are estimates that differ for each county. Once the total energy bills are estimated for each county, weighted percentages that are based upon state-specific demographic information are calculated for each county. The weighted percentage is a ratio between the number of persons who are below 185% of the Federal Poverty Guidelines in each county to the total state population who are below 185% of the Federal Poverty Guidelines. The calculation used to determine what is "affordable" for total home energy bills is set at 6% of annual household incomes. It is figured that households can afford to spend 6% of their income on home energy. The difference between this 6% amount (considered "doable") and the *actual* bill is a GAP.

The Home Energy Affordability Gap Index is a tool used to determine whether the Home Energy Affordability Gap has either increased or decreased in any given year. The year 2002 was designated as the "Base Year"; therefore, the Index for 2002 was set at 100%. An Index greater than 100 indicates that the Affordability Gap increased, or was greater, than was the Gap in 2002. Likewise, an Index less than 100 indicates that the Affordability Gap was less than the 2002 Gap. In 2007, the Affordability Gap in Idaho was 127.8, which is an increase of 27.8% from the 2002 Base Year.

Source: *On the Brink: 2007, The Home Energy Affordability Gap* by Fisher, Sheehan & Colton, Public Finance and General Economics, April 2008.

Appendix 2

Demographics

When looking at each county within the service territory, it is obvious that some counties are better off than others. Blaine County has the state's highest median and average income, a very low unemployment rate (2.5%), and the lowest poverty rate (5.9%) in the state. In contrast, Madison and Owyhee Counties have very low median and average incomes and the highest percentages (15.4% and15.6%) of individuals living in poverty. Additionally, Owyhee County has the lowest unemployment rate (2.2%) in the state and the second highest percentage (23%) of individuals that speak a language other than English in the home.

Five counties (Benewah, Boundary Clearwater, Idaho, and Shoshone) have significantly higher unemployment rates (over 6%), high percentages of people living in poverty (over 12.4%) and some of the lowest incomes in the state. Interestingly, these counties are in Northern Idaho, where many mining and timber jobs have been lost over the last decade. The high unemployment rate, high poverty rate and low incomes suggest that these counties suffer from diminished job opportunities and advancement. With unemployment on the rise, the number of individuals needing assistance will become greater.

Four counties (Butte, Idaho, Shoshone, and Washington) have high percentages of persons over 65 years of age (over 16.3%) and very high percentages of people living in poverty (over 14.4%). Overall, there are twenty counties that exceed both the state average of persons over 65 years of age (11.5%) and the state average of people living in poverty (11.5%). Most notable is Adams, Clearwater, Idaho, Lewis Shoshone and Washington Counties where the senior population exceeds 18%. A correlation between the percentage of seniors living within a county and the percentage of a county's population who are poverty stricken may exist. The likelihood of seniors to be on fixed incomes tends to make this portion of the populace the most vulnerable to increases in living expenses.

In Gooding, Jerome, Latah, Madison, Owyhee, and Twin Falls Counties, the unemployment rate is lower than the state average of 3.4% but the poverty rate is significantly higher than the state average of 11.5%. With the exception of Madison and Latah Counties, these counties have high percentages of individuals who speak a language other than English in the home. The low unemployment rate coupled with high poverty rates suggests that these counties have a large percentage of "working poor", individuals who are employed but unable to cover life's basic needs due to low wages, inadequate benefits, and little opportunity of economic advancement. Relatively low-paying jobs in these largely rural agricultural communities help explain this situation.

A very important point to highlight is that the Federal Poverty Level Guidelines do not necessarily reflect an accurate gauge of poverty in the United States and Idaho. The 100% of poverty level is widely regarded as underestimating what it costs to maintain a basic standard of living. Federal and state government agencies charged with the responsibility to protect human health and welfare generally set household income eligibility limits for social service programs at levels exceeding 100% of poverty. Since total household income is used to determine eligibility for most social services, the income of all wage earners in a household is combined. The state of Idaho has roughly 44,000 households at or below 100% of poverty. The total number of Idaho households that qualify for LIHEAP benefits under last year's eligibility threshold (150%) of poverty is 101,000.

Customers who are living in poverty and/or are unemployed have limited or diminished financial resources with which to pay utility bills. Given the recent economic turmoil, Staff believes that the Census data, although somewhat stale, provides a fairly good picture of Idaho today. In fact, there is probably reason to believe, as discussed below, that customers may be worse off in the future. Staff is concerned that a significant number of customers will have problems paying their electric bill, especially when faced with increasing rates.

DEMOGRAPHICS - IDAHO'S 44 COUNTIES

County & County Seat	Utility (1)	Population (a)	Population Change 00-06 (a)	Median Income (c)	Average Income (d)	Percentage below Poverty (c)	Unemployed (b)	Persons under 18 yrs (e)	Persons over 65+ yrs (e)	Non-English Spoken at Home (f)
Ada Boise	IPC/INTG	359,035	19.3%	$50,754	$39,302	9.1%	2.7%	25.9%	9.6%	7.8%
Adams Council	IPC	3,485	0.3%	$32,187	$26,612	11.9%	6.5%	19.5%	18.1%	3.8%
Bannock Pocatello	IPC/RMP/INTG	78,443	3.8%	$38,943	$25,436	13.0%	3.5%	28.6%	10.4%	6.3%
Benewah St. Maries	Avista	9,347	1.9%	$34,724	$24,394	12.7%	7.1%	24.3%	15.9%	3.4%
Bear Lake Paris	RMP/INTG	6,167	-3.8%	$36,292	$21,648	10.7%	3.1%	27.4%	15.8%	3.7%
Bingham Blackfoot	IPC/RMP/INTG	44,051	5.5%	$38,966	$21,569	13.2%	3.5%	31.9%	10.4%	13.6%
Blaine Hailey	IPC/INTG	21,501	13.2%	$54,131	$52,245	5.9%	2.5%	22.8%	9.6%	12.5%
Boise Idaho City	IPC	7,641	14.6%	$41,566	$24,856	9.9%	3.4%	22.1%	11.3%	5.0%
Bonner Sandpoint	Avista	41,275	12.1%	$35,852	$24,844	12.9%	4.5%	21.7%	13.6%	3.4%
Bonneville Idaho Falls	RMP/INTG	94,630	14.7%	$46,709	$29,642	11.4%	2.8%	29.8%	10.3%	7.9%
Boundary Bonners Ferry	Avista	10,831	9.7%	$34,019	$18,885	12.7%	7.1%	25.2%	13.7%	6.0%
Butte Arco	RMP	2,781	-4.1%	$34,066	$23,613	13.4%	4.3%	27.6%	16.3%	6.3%
Camas Fairfield	IPC	1,088	9.8%	$37,654	$26,577	7.4%	2.7%	20.5%	13.6%	2.9%
Canyon Caldwell	IPC/INTG	173,302	31.8%	$39,433	$20,397	13.2%	3.6%	30.1%	10.1%	17.6%
Caribou Soda Springs	RMP\INTG	6,996	-4.2%	$42,410	$25,257	10.1%	4.0%	27.3%	14.4%	5.0%
Cassia Burley	IPC/INTG	21,365	-0.2%	$35,023	$25,166	14.7%	3.8%	32.4%	12.9%	16.9%
Clark Dubois	RMP	920	-10.0%	$39,073	$24,697	15.1%	3.8%	31.1%	12.9%	37.4%

DEMOGRAPHICS - IDAHO'S 44 COUNTIES

County & County Seat	Utility (1)	Population (a)	Population Change 00-06 (a)	Median Income (c)	Average Income (d)	Percentage below Poverty (c)	Unemployed (b)	Persons under 18 yrs (e)	Persons over 65+ yrs (e)	Non-English Spoken at Home (f)
Clearwater	Avista	8,324	-6.8%	$34,789	$25,585	12.4%	8.2%	18.6%	19.6%	4.0%
Orofino										
Custer	non regulated	4,180	-3.7%	$42,895	$23,301	10.8%	4.1%	20.7%	16.9%	4.3%
Challis										
Elmore	IPC/INTG	28,114	-3.5%	$37,148	$25,786	11.8%	4.1%	29.1%	8.3%	13.2%
Mountain Home										
Franklin	RMP	12,494	10.3%	$40,910	$22,472	9.1%	2.8%	33.9%	11.4%	7.1%
Preston										
Fremont	RMP/INTG	12,369	4.7%	$36,101	$21,192	12.6%	3.7%	31.2%	12.3%	10.7%
St. Anthony										
Gem	IPC/INTG	16,658	9.1%	$36,992	$22,289	11.9%	3.9%	24.5%	16.5%	7.2%
Emmett										
Gooding	IPC/INTG	14,404	1.7%	$34,819	$30,857	12.4%	2.7%	28.7%	14.4%	18.0%
Gooding										
Idaho	Avista/RMP	15,762	1.6%	$31,511	$22,292	14.6%	6.1%	21.1%	18.3%	3.4%
Grangeville										
Jefferson	INTG	22,350	16.7%	$31,511	$21,315	10.5%	3.1%	32.4%	9.1%	10.8%
Rigby										
Jerome	IPC/INTG	20,130	9.7%	$36,165	$27,249	13.2%	3.2%	30.3%	11.4%	16.9%
Jerome										
Kootenai	Avista	131,507	21.0%	$41,639	$26,970	9.7%	3.8%	24.7%	13.4%	3.7%
Coeur'd Alene										
Latah	Avista	35,029	0.3%	$36,346	$26,458	13.5%	3.0%	19.3%	9.9%	6.8%
Moscow										
Lemhi	IPC/RMP	7,930	1.6%	$31,153	$23,375	12.6%	5.5%	21.5%	17.8%	3.4%
Salmon										
Lewis	Avista	3,756	0.2%	$35,987	$27,922	11.9%	3.0%	22.6%	21.0%	3.1%
NezPerce										
Lincoln	IPC/INTG	4,522	11.8%	$36,658	$21,318	10.4%	3.9%	29.1%	11.5%	14.9%
Shoshone										
Madison	RMP/INTG	31,393	14.3%	$32,569	$16,489	15.6%	2.7%	28.4%	6.1%	8.5%
Rexburn										
Minidoka	IPC/INTG	19,041	-5.6%	$33,739	$20,086	13.1%	4.5%	29.7%	14.2%	21.8%
Rupert										
Nez Perce	Avista	38,324	2.4%	$38,526	$28,504	11.9%	3.8%	22.4%	17.6%	3.9%
Lewiston										

DEMOGRAPHICS - IDAHO'S 44 COUNTIES

County & County Seat	Utility (1)	Population (a)	Population Change 00-06 (a)	Median Income (c)	Average Income (d)	Percentage below Poverty (c)	Unemployed (b)	Persons under 18 yrs (e)	Persons over 65+ yrs (e)	Non-English Spoken at Home (f)
Oneida Malad	IPC/RMP	4,176	1.2%	$36,834	$19,056	10.4%	2.3%	26.4%	15.2%	3.9%
Owyhee Murphy	IPC/INTG	11,104	4.3%	$31,315	$22,089	15.4%	2.2%	29.1%	12.5%	23.0%
Payette Payette	IPC/INTG	22,595	9.8%	$36,622	$24,025	13.2%	5.4%	28.0%	13.3%	10.2%
Power American Falls	IPC/INTG	7,914	5.0%	$34,248	$21,154	14.4%	4.5%	30.5%	11.2%	21.1%
Shoshone Wallace	Avista	13,180	-4.3%	$30,280	$26,050	16.3%	7.3%	21.1%	18.4%	3.7%
Teton Driggs	RMP	7,838	30.7%	$45,993	$23,918	9.0%	2.2%	30.4%	6.2%	12.6%
Twin Falls Twin Falls	IPC/INTG	71,575	11.3%	$36,891	$26,196	12.5%	3.2%	26.4%	14.3%	11.5%
Valley Cascade	IPC	8,036	15.5%	$42,852	$34,126	9.1%	4.0%	20.3%	14.2%	3.3%
Washington Weiser	IPC/INTG	10,202	2.3%	$32,195	$22,548	14.0%	4.4%	24.9%	19.1%	13.1%
	Idaho	1,466,465	13.3%	$40,509	$28,478	11.5%	3.4%	26.9%	11.5%	9.3%
	U.S.	299,398,484	6.4%	$44,334	$34,471	12.7%	4.6%	24.6%	12.4%	17.9%

Source Key:

(a) - 2006 U.S. Census Bureau (Estimate) http://quickfacts.census.gov/qfd/states/16000.html
(b) - 2006 Federal Statistics http://www.fedstats.gov/qf/states/16/16001.html
(c) - 2004 U.S. Census Bureau http://quickfacts.census.gov/qfd/states/16000.html
(d) - 2005 Federal Statistics http://www.fedstats.gov/qf/states/16/16001.html
(e) - 2006 U.S. Census Bureau http://quickfacts.census.gov/qfd/states/16000.html
(f) - 2000 U.S. Census Bureau http://quickfacts.census.gov/qfd/states/16000.html

Definitions:

Median Income *= the middle point of all wages above and below*
Average Income *= total of all wages divided by number of wage earners*
Poverty Level *= minimal level of income for adequate standard of living*
Unemployed *= # of individuals registered w/ Dept. Labor seeking employment*

(1) - IPC = Idaho Power, INTG = Intermountain Gas, RMP = Rocky Mountain Power

2008 FEDERAL POVERTY LEVEL GUIDELINES

Annual Income Guidelines ($)

Family Size	100% Poverty	Hr. Wage	125% Poverty	Hr. Wage	135% Poverty	Hr. Wage	150% Poverty	Hr. Wage	175% Poverty	Hr. Wage	185% Poverty	Hr. Wage
1	10,400	5.00	13,000	6.25	14,040	6.75	15,600	7.50	18,200	8.75	19,240	9.25
2	14,000	6.73	17,500	8.41	18,900	9.09	21,000	10.10	24,500	11.78	25,900	12.45
3	17,600	8.46	22,000	10.58	23,760	11.42	26,400	12.69	30,800	14.81	32,560	15.65
4	21,200	10.19	26,500	12.74	28,620	13.76	31,800	15.29	37,100	17.84	39,220	18.86
5	24,800	11.92	31,000	14.90	33,480	16.10	37,200	17.88	43,400	20.87	45,880	22.06
6	28,400	13.65	35,500	17.07	38,340	18.43	42,600	20.48	49,700	23.89	52,540	25.26
7	32,000	15.38	40,000	19.23	43,200	20.77	48,000	23.08	56,000	26.92	59,200	28.46
8	35,600	17.12	44,500	21.39	48,060	23.11	53,400	25.67	62,300	29.95	65,860	31.66

For Family units of more than 8 members, add $3,600 per person

Minimum Wage - Idaho & Federal = $6.55 per hour

Monthly Income Guidelines ($)

Family Size	100% Poverty	Hr. Wage	125% Poverty	Hr. Wage	135% Poverty	Hr. Wage	150% Poverty	Hr. Wage	175% Poverty	Hr. Wage	185% Poverty	Hr. Wage
1	867	5.00	1,083	6.25	1,170	6.75	1,300	7.50	1,517	8.75	1,603	9.25
2	1,167	6.73	1,458	8.41	1,575	9.09	1,750	10.10	2,042	11.78	2,158	12.45
3	1,467	8.46	1,833	10.58	1,980	11.42	2,200	12.69	2,567	14.81	2,713	15.65
4	1,767	10.19	2,208	12.74	2,385	13.76	2,650	15.29	3,092	17.84	3,268	18.86
5	2,067	11.92	2,583	14.90	2,790	16.10	3,100	17.88	3,617	20.87	3,823	22.06
6	2,367	13.65	2,958	17.07	3,195	18.43	3,550	20.48	4,142	23.89	4,378	25.26
7	2,667	15.38	3,333	19.23	3,600	20.77	4,000	23.08	4,667	26.92	4,933	28.46
8	2,967	17.12	3,708	21.39	4,005	23.11	4,450	25.67	5,192	29.95	5,488	31.66

Source: United States Department of Health & Human Services - http://aspe.hhs.gov
Covers all States and DC except Alaska and Hawaii.
Income Guidelines as Published in the Frederal Register on January 23, 2008.

Idaho CAP Agencies

Agency Name	Location	Counties Served
Community Action Partnership	Lewiston	Benewah, Bonner, Boundary, Clearwater, Idaho, Kootenai, Latah, Lewis, Nez Perce, Shoshone
Western Idaho Community Action Partnership (WICAP)	Caldwell	Adams, Boise, Canyon, Gem, Payette, Valley, Washington
El-Ada Community Action Partnership	Garden City	Ada, Elmore, Owyhee
South Central Community Action Partnership (SCCAP)	Twin Falls	Blaine, Camas, Cassia, Gooding, Jerome, Lincoln, Minidoka, Twin Falls
Eastern Idaho Community Action Partnership (EICAP)	Idaho Falls	Bonneville, Butte, Clark, Custer, Fremont, Jefferson, Lemhi, Madison, Teton
Southeastern Idaho Community Action Partnership (SEICAA)	Pocatello	Bannock, Bear Lake, Bingham, Caribou, Franklin, Oneida, Power

LIHEAP "Energy Assistance" & "Crisis Funding"

Heating Season	Idaho Power		RMP		Avista		Intermountain Gas	
2007/2008	Grants	Amount	Grants	Amount	Grants	Amount	Grants	Amount
Energy Assistance	10,241	$2,006,229	1,178	$374,385	5,119	$1,453,885	9,215	$1,995,210
Average Benefit		$195.90		$317.81		$284.02		$216.52
	Grants	Amount	Grants	Amount	Grants	Amount	Grants	Amount
Crisis Funding	199	$53,766	18	$6,219	177	$78,747	192	$41,595
Average Benefit		$270.18		$345.50		$444.90		$216.64

Heating Season	Idaho Power		RMP		Avista		Intermountain Gas	
2006/2007	Grants	Amount	Grants	Amount	Grants	Amount	Grants	Amount
Energy Assistance	9,457	$1,653,986	1,038	$367,772	5,201	$1,499,729	8,399	$1,810,600
Average Benefit		$174.90		$354.31		$288.35		$215.57
	Grants	Amount	Grants	Amount	Grants	Amount	Grants	Amount
Crisis Funding	289	$70,196	10	$4,358	211	$70,981	208	$48,689
Average Benefit		$242.89		$435.80		$336.40		$234.08

Heating Season	Idaho Power		RMP		Avista		Intermountain Gas	
2005/2006	Grants	Amount	Grants	Amount	Grants	Amount	Grants	Amount
Energy Assistance	4,694	$1,282,793	427	$163,674	1,742	$504,624	3,614	$759,420
Average Benefit		$273.28		$383.31		$289.68		$210.13

No Crisis Funds Available

Avista

Project Share

Fiscal Year	Avista Customer (Idaho) Donations	Shareholder Idaho Donations	Administrative Costs [2]
2005/2006	$73,355	$50,000	12,355
2006/2007(1)	$63,231	$100,425	16,365
2007/2008	$74,333	$50,000	12,433

(1) - Additional Company donation due to recent rate increase and severe cold weather.

(2) - Administrative costs are equal to 10% of total money donations.

Fiscal Year	Disbursed to Idaho Avista Customers	Number of Grants
2005/2006	$182,104	1591
2006/2007	$305,700	947
2007/2008	$174,314	729

Fuel Blind Fund.
Collected by Calendar Year.
Fiscal Year (July 1-June 30).
Administered by (SNAP) Spokane Neighborhood Action Programs for Northern Idaho.
Administered by Community Action Partnership in Lewiston, Idaho.

Idaho Power

Project Share

Fiscal Year	Idaho Power Customer Donations (Idaho & Oregon) [1]	Shareholder Donations	Administrative Costs [2]
2004/2005	$203,120	$45,312	$20,312
2005/2006	$202,542	$45,254	$20,254
2006/2007	$199,299	$44,930	$19,929
2007/2008	$184,833	$43,483	$18,483

(1) - Total donations sent to Salvation Army. Donations are not tracked by each individual state.

(2) - Administrative costs are paid to the Salvation Army and are equal to 10% of total customer donations. Shareholders pay for the costs.

Fiscal Year	Disbursed to Idaho Power & Non-Idaho Power Electric Customers (Idaho) [3]	Number of Grants
2004/2005	$178,126	1,366
2005/2006	$170,399	1,242
2006/2007	$151,717	1,174
2007/2008	$198,942	1,563

(3) Idaho Power customers and customers of utilities of Cities of Burley, Heyburn, Rupert & Weiser & Unitied Electric Co-Op, Inc.

Fiscal Year	Money Disbursed to Oregon Residents Only [4]	Number of Grants
2004/2005	$10,383	80
2005/2006	$6,510	47
2006/2007	$9,735	75
	$10,565	83

(4) Oregon residents received disbursements regardless of fuel source.
Fuel blind fund.
Fiscal Year (Oct 1-Sept 30).
Administered through the Salvation Army.

Appendix 8
Case No. GNR-U-08-1
Staff Comments
11/26/08

Intermountain Gas

Project Share

Fiscal Year	Intermountain Gas Idaho Customer Donations	Foundation Donations [1]	Disbursed to Intermountain Gas Idaho Customers	Administrative Costs [2]	# of grants
2005/2006	$42,268	$5,000	$54,881	Unknown	541
2006/2007	$55,661	$6,000	$67,683	Unknown	479
2007/2008	$56,766	$7,000	$50,884	Unknown	391

Project Warmth

Fiscal Year	Intermountain Gas Idaho Customer Donations	Foundation Donations [1]	Disbursed to Intermountain Gas Idaho Customers	Administrative Costs [2]	# of grants
2005/2006	$9,951	$3,000	NA	Unknown	26
2006/2007	$4,293	$4,000	$7,856	Unknown	55
2007/2008	$3,680	$3,000	$8,239	Unknown	45

Keep Kids Warm

Fiscal Year	Intermountain Gas Idaho Customer Donations	Foundation Donations [1]	Disbursed to Intermountain Gas Idaho Customers	Administrative Costs [2]	# of grants
2005/2006	NA	NA	NA		NA
2006/2007	NA	NA	NA		NA
2007/2008	$5,959	$0	$8,895	Unknown	41 [3]

(1) Intermountain Industries Foundation.

(2) Intermountain Gas does not track administrative costs.

(3) Ada County Only. No numbers available for Canyon County.

Fiscal Year - October 1 - September 30

Project Warmth is administered through two CAP Agencies - EICAP in Idaho Falls and SEICAA in Pocatello/Soda Springs

Keep Kids Warm is administered through two CAP Agencies - El-Ada in Ada County, WICAP in Caldwell & Malhuer Council on Aging and Community Services.

Rocky Mountain Power

Lend A Hand

Year	RMP Customer (Idaho) Donations	Shareholder (Idaho) Donations	Disbursed to Idaho RMP Customers	Administrative Costs [3]	Number of Grants
2004	$10,469	$11,469	$21,938	$1,000	43
2005	$6,959	$7,549	$14,418	$1,000	92
2006 [1]	$9,103	$27,334	$36,437	$1,000	72
2006/2007 [2]	$9,311	$30,689	$40,000	$1,000	103 [4]
2007/2008	$6,413	$33,587	$40,000	$1,000	140

(1) Company contributed a one time payment of $20,000 though a settlement agreement in 2006.

(2) Budget Year for Program changed to Fiscal Year (July1-June30) - mid-America transaction - minimum of $40,000 per year for 5 years. 2006 is for entire year. 2006/2007 changed to Fiscal Year format (July 1 - June 30).

(3) Administrative costs are a flat rate, not based on a percentage. $500 each is given to two CAP Agencies.

(4) Estimated grants for one agency in the 2006/2007 period based on info forwarded with 2006 and 2007 numbers.

Restricted Fund - only RMP customers can receive a donation; for electric only.
Administered by (SEICAA) Southeastern Idaho Community Action Agency in Idaho Falls.
Administered by (EICAP) Eastern Idaho Community Action Partnership in Pocatello/Soda Springs.

Fuel Funds

Entity	Fuel Blind	Benefit Cap	Guidelines	Customer contribution	Sponsor or Originator of Fund	Administrator
Project Share (Southwestern ID)	Yes	$200 bi-annually	Same as federal food stamps (130% of fed. pov. guidelines)	20% of last 3 mos. uility bills	Idaho Power	Salvation Army
Project Share (Northern ID)	Yes	$300 annually[1]	Income is not an issue	Difference to keep service for 30 days	Avista	SNAP[2] via Community Action Partnership
Project Warmth	Yes	Case by case, usually no more than $400	125% of federal poverty guidelines	Have to have made an effort to pay bill, making arr, E.A., etc.	CAP Agencies	SEICAA[3], Pocatello and Soda Springs, EICAP[4], Idaho Falls
Lend-A-Hand	No	$600 annually	Same income guidelines as energy assistance	PAC has no requirement	Rocky Mountain Power	SEICAA[3], Pocatello and Soda Springs, EICAP[4], Idaho Falls
Keep Kids Warm	Yes	Case by case	150% fed. pov. guide., must be child in home	Not required	KIZN Radio Station and Intermountain Gas	El-Ada[5], WICAP[6]

[1] Award is usually $200, but may award up to $300 on a case-by-case basis

[2] Spokane Neighborhood Action Programs (SNAP) for Northern Idaho

[3] Southeastern Idaho Community Action Agency (SEICAA)

[4] Eastern Idaho Community Action Partnership (EICAP)

[5] El-Ada Community Action Partnership (operates in Elmore and Ada County)

[6] Western Idaho Community Action Partnership (WICAP)

Summary of Utility-Funded Low Income Weatherization Programs

	Idaho Power	Avista	Rocky Mountain
Is low-income weatherization covered in the utility's tariff?	Schedule 79	Schedule 90 (electric) & Schedule 190 (gas)	Schedule 21
Is low-income weatherization included in the utility's IRP filing?	Yes	Yes	Yes
Is low-income weatherization funded through a DSM fee or tariff rider? If so, what do customer's pay?	No. Low Income Weatherization Program costs are included in ratebase. Other DSM programs funded through a separately-itemized charge on customer bills.	Yes. Tariff rider adds a variable charge to each kwh/therm used. Amount charged varies by customer class. Not itemized on bills. See Schedules 91 & 191.	Yes. Separately-itemized charge on bills equal to 1.5% of monthly bill. See Schedule 191.
Total dollars available for low income weatherization & funding cycle (annual/fiscal year/multi-year?)	$1,212,534 annually. Includes program administrative costs. O.N. 30350, IPC-E-07-09 did not provide for expiration of funding for the program.	$465,000 effective October 1, 2008. Includes program administrative costs. An additional $25,000 is provided for CAP agency personnel assisting in low-income outreach and conservation education.	$150,000 annually. Includes program administrative costs. Annual funding cyle is April 1 - March 31
What amount is specified as a total utility dollar annual investment per household?	Amount updated annually using DOE adjustment factor ($2,521 average effective4/1/2008).	None	None
Is there a requirement that utility funds be matched on a certain percentage basis, e.g., 50/50 with DOE funds or other non-utility funds?	Yes. Minimum of 15% of total cost per job (excluding administrative costs) to be funded by DOE.	No	Yes. Company funds 75% of the installed cost of all eligible measures. Funds at 100% when all federal funds exhausted.

Summary of Utility-Funded Low Income Weatherization Programs

	Idaho Power	Avista	Rocky Mountain
What does each agency receive as an administrative fee?	10% of the total cost of each job. Specified in agency contracts and Tariff Sch. 79. Included in the contract amount allocated to each agency.	15% of the total expenditures of Avista funding (not per job). Specified in agency contract.	15% of rebate for each project with project-specific minimums & maximums. Tariff Sch. 21, 1.B.4.
Is the program fuel-blind?	No. Eligiblity restricted to electric space heating only for residential customers. It is fuel-blind for weatherization of buildings used by non-profit organizations with priority given to buildings heated by electricity.	No. Eligibility restricted to electric space heating for electric funds and gas space heating for gas funds.	No. Eligibility restricted to electric space heating for installation of major measures and most other measures. However, some measures do not require an electric space heating system. See Sch. 21, Sheet 21.5 Additional Measures.
Are all DOE-approved measures allowed?	Yes. Follows Idaho H&W guidelines, which adopt DOE guidelines by reference. Funding for health & safety measures limited to maximum of 15% of the annual costs of total jobs performed by each agency.	Yes. Funding for health & safety measures limited to maximum of 15% of the annual costs of total jobs performed by each agency.	Yes. Follows DOE guidelines. Funding for health & safety measures limited to maximum of 15% of the annual costs of total jobs performed by each agency.
What cost-effectiveness test is applied, if any, to weatherization measures?	Savings to Investment Ratio (SIR)* of 1.0 or greater	Savings to Investment Ratio (SIR)* of 1.0% or greater	Savings to Investment Ratio (SIR)* of 1.0% or greater

*Savings to Investment Ratio (SIR) is the ratio of the total cost associated with a job, including measures with no energy savings, to total energy savings of that job

Note: O.N. 30649, INT-G-08-03, ordered Intermountain Gas to collaborate with Staff to explore the creation of low-income weatherization programs for residences heated with natural gas.

Appendix 13

Other Energy Efficiency Programs

Rocky Mountain Power offers additional residential energy efficiency programs such as: 1) Refrigerator/Freezer Recycling; 2) Home Energy Savings; 3) Idaho Time-of-Day; and, 4) On-line and Mail-in Energy Analysis.

The *Refrigerator/Freezer Recycling Program* (aka See Ya Later Refrigerator Program) is provided to Idaho residential customers who own either a new or existing home and landlords who own appliances in rental properties where the tenant is billed. Older and less efficient refrigerators and freezers are removed and recycled to prevent further use. Services that are offered include free removal and pickup of the units, a $30 rebate, an instant savings kit containing two compact fluorescent light bulbs, a "Bright Idea's" booklet and information on other energy efficiency programs.

The *Home Energy Savings Program* serves Idaho residential customers who live in new or existing homes, multi-family units or manufactured homes and landlords who own rental properties where the tenant is billed under the same Rate Schedules. The program provides incentives for purchase and installation of energy-efficient appliances, lighting, electric water heaters, space-conditioning equipment, windows, and insulation.

The *Idaho Time of Day Program* allows residential customers the option to switch to what is called, "Rocky Mountain Power's Time of Day Option". This allows customers more control of how much they spend on electricity by moving a substantial portion of their power usage to non-peak hours.

On-line and Mail-in Energy Analysis allows residential customers to perform free self-audits on household energy usage. This can be accomplished by completing an online audit form found on Rocky Mountain Power's website or by downloading a form, which can then be sent to the company after having been filled out.

Avista offers additional residential energy efficiency programs such as: 1) Senior Energy Conservation Workshops; 2) Energy Conservation Education Programs for Children; 3) High Energy Equipment Incentives; 4) CFL Lighting; 5) Refrigerator Recycling Program; 6) Conversion from Electric Straight Resistance; 7) Energy Star Appliances; 8) New Construction Energy Star Homes Program; 9) Multi-Family Energy Efficiency Program; 10) Rooftop Dampers; and, 11) Home Energy Analyzer.

The *Senior Energy Conservation Workshops* are part of the Senior Outreach Program that helps to identify senior citizens who need assistance with paying their energy bills. The workshops provide education on energy savings for seniors while allowing for comfort and safety with home energy use. All workshop participants receive an "Every Little Bit" Energy Conservation Kit.

The *Energy Conservation Education for Children Program* is designed to educate low-income elementary age children and families with the goal of changing lifestyle habits of using energy efficiently. Wattson, the Energy Watchdog, is featured with the goal of targeting children ages 4 to 8 with emphasis on reaching low-income children and their families.

The *High Energy Equipment Incentives Program* offers rebates to customers who purchase energy efficiency equipment for their homes. Rebates ranging from $100 to $1500 are offered for items such as high efficiency natural gas furnaces/boilers, heat pumps, air conditioning units, variable motors for heating systems, and electric water heaters.

The *CFL Lighting Program* provides customers with coupons for the purchase of compact fluorescent bulbs (CFL) and also provides a list of CFL recycling locations.

The *Refrigerator Recycling Program* is provided to Idaho residents who own a working refrigerator or freezer that was manufactured in, or prior to, 1995. Through a local partner, the units are removed and recycled to prevent further use. The customer is then given $30 for allowing removal of the units. Additionally, rebates of $25.00 are offered toward the purchase of a new energy efficient refrigerator and $100 toward the purchase of a new energy efficient freezer.

The *Conversion from Electric Straight Resistance Program* offers three customer options: 1) a $1,000 rebate is provided to customers who replace electric as their primary heating source with a central natural gas heating system. The rebate can be claimed in conjunction with the high-efficient natural gas furnace incentive. Additionally, a $500 incentive is available to replace electric heat with a natural gas wall heater; 2) a $1,000 rebate is provided to customers who replace electric as their primary heating source with a heat pump. The rebate cannot be combined with the electric to natural gas heat incentive. A $500 rebate is available to replace electric heat with a natural gas wall heater; and, 3) a $250 rebate is provided to customers who replace an electric water heater with a natural gas water heater. The rebate may be claimed in conjunction with the high-efficient natural gas water heater incentive.

The *Energy Star Appliances Program* provides rebates ranging from $25 to $100 for the purchase of an Energy Star appliances (refrigerator, freezer, dishwasher, or clothes washer). The rebates only apply to customers who reside in single and multi-family residences, including manufactured and modular homes.

The *New Construction Energy Star Homes Program* is a residential construction program providing incentives to builders, suppliers, and subcontractors who build energy efficient homes. Energy Star homes are 30% more efficient that those homes that are built only to Idaho's energy code. A $900 rebate is available to builders for new construction homes that use Avista electric or Avista electric and natural gas that meet the Energy Star Homes criteria and are verified as an Energy Star Home. A $650 rebate is available for homes that have Avista gas but not Avista electric.

The *Multi-Family Energy Efficiency Program* is a brand new program that is designed to increase energy efficiencies and reduce water/sewer costs for property owners of multi-family dwellings while increasing tenant efficiencies and offering saving opportunities for those who live in multi-family properties. A third-party company (UCONS, LLC) administers the program. The energy efficiency measures include water heat pipe installation, floor and ceiling insulation for under insulated buildings, the installation of high quality shower head and aerators and the installation high quality compact fluorescent bulbs. The program is free for both property owner and tenant.

The *Rooftop Dampers Program* provides customers who heat primarily with electric or natural gas but also have a wood burning fireplace with the opportunity to receive up to $100 toward the installation of a rooftop damper to prevent energy loss through the chimney.

The *Home Energy Analyzer* allows customers the ability to access their energy efficiency needs by using an interactive Home Energy Analyzer that is located on Avista's website.

Idaho Power offers additional residential energy efficiency programs such as: 1) Energy Star Home Products; 2) Energy Star Lighting; 3) Energy Star Homes; 4) Rebate Advantage; 5) Energy House Calls; and, 6) Air Conditioning Cool Credit.

The *Energy Star Home Products Program* offers rebates to residential customers who live in single and multi-family residences and who also install certain Energy Star rated appliances. These appliances include refrigerators, ceiling fans, clothes washers, and light fixtures.

The *Energy Star Lighting Program* is a relationship between Idaho Power, manufacturers, and retailers, that offers promotional pricing on select, qualified compact fluorescent light bulbs (CFLs). CFLs use approximately 75% less energy than regular incandescent bulbs and last up to 10 times longer.

The *Energy Star Homes Program* is a residential construction program providing incentives to builders, suppliers, and subcontractors who build energy efficient homes. Energy Star homes are 30% more efficient that those homes that are built only to Idaho's energy code. In 2007, the program offered rebates that ranged between $750 and $1,000 for builders who constructed energy efficient houses featured in the "Parade of Homes".

The *Rebate Advantage Program* offers incentives to eligible customers who purchase a new electrically-heated Energy Star manufactured home. Customers are able to receive a $500 rebate.

The *Energy House Calls Program* is for residents living in manufactured homes. These customers are able to get the following services: 1) a test to determine if ductwork is leaking; 2) sealing of the leaks if found; 3) installation of compact fluorescent light bulbs; 4) replacement of air filters; and, 5) checking of hot water temperature.

The *Air Conditioning Cool Credit Program* provides a $7 monthly credit to customers who signup to allow Idaho Power to cycle off air conditioning systems during the months of June, July and August when demand is high, but never for more than 20 minutes at a time.

Intermountain Gas offers one residential energy efficiency program called the *High-Efficiency Gas Furnace Rebate Program.* The program offers a $200 cash rebate to be used toward the purchase of a high-efficiency natural gas furnace for those customers who convert from another hear source such as electricity or propane to natural gas. The home must be at least three years old, the new furnace must meet a minimum AFUE efficiency rating of 90% and Intermountain Gas personnel must verify the installation.

SCHEDULE 91

PUBLIC PURPOSES RIDER ADJUSTMENT - WASHINGTON

APPLICABLE:

To Customers in the State of Washington where the Company has electric service available. This Public Purposes Rider or Rate Adjustment shall be applicable to all retail customers for charges for electric energy sold and to the flat rate charges for Company-owned or Customer-owned Street Lighting and Area Lighting Service. This Rate Adjustment is designed to recover costs incurred by the Company associated with providing Demand Side Management services and (T) programs and Low Income Rate Assistance (LIRAP) to customers. (T)

MONTHLY RATE:

The energy charges of the individual rate schedules are to be increased by the following amounts:

	DSM Rate	LIRAP Rate	(N)
Schedule 1	$0.00181 per kWh (I)	$0.00048 per kWh (I)	
Schedule 11 & 12	$0.00256 per kWh (I)	$0.00068 per kWh (I)	
Schedule 21 & 22	$0.00189 per kWh (I)	$0.00050 per kWh (I)	
Schedule 25	$0.00124 per kWh (I)	$0.00033 per kWh (I)	
Schedule 31 & 32	$0.00167 per kWh (I)	$0.00044 per kWh (I)	
Schedules 41-48	2.98% of base rates (I)	0.79% of base rates (I)	

SPECIAL TERMS AND CONDITIONS:

Service under this schedule is subject to the Rules and Regulations contained in this tariff.

The above Rate is subject to increases as set forth in Tax Adjustment Schedule 58.

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 191

PUBLIC PURPOSES RIDER ADJUSTMENT - WASHINGTON

APPLICABLE:
To Customers in the State of Washington where the Company has natural gas service available. This Public Purposes Rider or Rate Adjustment shall be applicable to all retail customers taking service under Schedules 101, 111, 112, 121, 122, 131, and 132. This Rate Adjustment is designed to recover costs incurred by the Company associated with providing Demand Side Management (T) services and programs, and Low Income Rate Assistance (LIRAP) to customers. (T)
(D)

MONTHLY RATE:
The energy charges of the individual rate schedules are to be increased by the following amounts:

	DSM Rate	LIRAP Rate
Schedule 101	$0.01795 per Therm	$0.00808 per Therm (I)
Schedule 111 & 112	$0.01580 per Therm	$0.00698 per Therm (I)
Schedule 121 & 122	$0.01479 per Therm	$0.00645 per Therm (I)
Schedule 131 & 132	$0.01429 per Therm	$0.00624 per Therm (I)

SPECIAL TERMS AND CONDITIONS:
Service under this schedule is subject to the Rules and Regulations contained in this tariff.
The above Rate is subject to increases as set forth in Tax Adjustment Schedule 158.

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 493

RESIDENTIAL LOW INCOME RATE ASSISTANCE PROGRAM (LIRAP)-OREGON

PURPOSE:

The purpose of this schedule is to adjust rates in Schedule 410 – General Residential Natural Gas Service – Oregon, to generate funds to be used for bill payment assistance for Avista's qualifying low-income residential customers, in accordance with ORS 757.315.

APPLICABLE:

To all residential Customers in the State of Oregon where the Company has natural gas service available. This Residential Low Income Rate Assistance Program (LIRAP) Adjustment shall be applicable to all residential customers taking service under Schedule 410. This Rate Adjustment, set below is approximately 0.5% of retail rates.

MONTHLY RATE:

The energy charge of the residential rate Schedule 410 has been increased by $0.00438 per therm. This rate adjustment is reflected in the present rate set forth under Schedule 410.

SPECIAL CONDITIONS:

1. Each month, the Company will bill and collect low-income bill payment assistance funds from all Residential Customers. By the 10th of the month following the billing month, using the Company's internal cashless voucher system, the Company will determine and send the monthly voucher amount showing the Program Payment funds available to each participating Community Action Agency. By the 20th of the month following the billing month, the Company will remit payment to each Agency for allowed administrative and program delivery costs. Each agency will process client intake, authorize payments, and provide the Company with a client voucher list. Based on this client voucher list, the Company will transfer the authorized payments to the individual customer's utility account.

(continued)

SCHEDULE 493 (continued)

RESIDENTIAL LOW INCOME RATE ASSISTANCE PROGRAM (LIRAP)-OREGON

2. The Company will compute interest each month based on the average monthly fund balance undistributed at the company's currently authorized rate of return.

3. The Company will be responsible for program administration and funds distribution to qualifying local agencies in accordance with terms and conditions established by the Company and the entity. All funds collected under this program, less program administration and delivery costs paid to the individual agencies, will be distributed to income-eligible Residential Customers of Avista Utilities. Income Eligibility will be determined by the respective agencies and will be consistent with the eligibility determinations for state low-income energy assistance programs.

4. Total program administration and delivery costs shall not exceed 21.78 percent of the total low-income bill payment assistance funds collected. Should actual administrative and program delivery costs be lower than 21.78 percent, the remaining funds shall be allocated into the program fund to support direct services.

5. The Company will provide an annual summary evaluation report on the progress of the LIRAP for review by the Commission by August 31st following the end of each program year.

6. The LIRAP program year will commence each July 1st through June 30th.

RULES AND REGULATIONS:
Service under this schedule is subject to the General Rules and Regulations contained in the tariff of which this schedule is a part, and to those prescribed by regulatory authorities.

Schedule No. DL-6

RESIDENTIAL SERVICE
CALIFORNIA ALTERNATIVE RATES FOR ENERGY (CARE)
OPTIONAL FOR QUALIFYING CUSTOMERS

APPLICABILITY

Applicable to residential low income households in single-family dwellings and as specified further under special conditions of this Schedule, and Residential Service Schedule No. D, and for multiple dwelling units in which each of the single-family dwellings receive service directly from the utility through separate meters, and to multi-family accommodations which are separately submetered.

TERRITORY

Within the entire territory served in California by the Utility.

MONTHLY BILLING

The Monthly Billing shall be the sum of the Basic and Energy Charges.

Direct Access Customers shall have their Monthly Billing modified in accordance with Schedule No. EC-1 and Schedule No. TC-1. All Monthly Billings shall be adjusted in accordance with Schedule ECAC-94.

	Distrib.	**FERC Trans.**	**Calif. Trans.**	**Generation**	**Public Purpose**	**Total Rate**
Basic Charge	$5.49				($1.10)	$4.39
Energy Charge:						
All Baseline kWh	4.312¢	0.457¢	0.004¢	2.423¢	(1.706¢)	5.490¢
All Non-Baseline kWh	5.582¢	0.457¢	0.004¢	2.694¢	(2.015¢)	6.722¢

Adjustments:

The above Total Rate includes adjustments for Schedule S-99, Schedule S-191, and the CARE Adjustment which is equal to twenty percent (20%) of the Residential Service Schedule No. D Basic Charge and twenty percent (20%) of the Residential Service Schedule No. D Energy Charge Total Rate minus the Schedule S-100 surcharge.

Minimum Charge:

The monthly Minimum Charge shall be the Basic Charge. A higher minimum may be required under contract to cover special conditions.

SPECIAL CONDITIONS

1. Service under this schedule is subject to the General Rules and Regulations contained in the tariff of which this schedule is a part and to those prescribed by regulatory authorities.

(Continued)

SCHEDULE NO. DL-6

RESIDENTIAL SERVICE
CALIFORNIA ALTERNATIVE RATES FOR ENERGY (CARE)
OPTIONAL FOR QUALIFYING CUSTOMERS

SPECIAL CONDITIONS (Continued)

2. A Low-Income Household where the total gross income from all sources is less than shown on the table below based on the number of persons in the household. Total gross income shall include income from all sources, both taxable and nontaxable.

No. of Persons In Household	Total Gross Income Annually
1-2	$26,700
3	31,300
4	37,800
5	44,300
6	50,800

For Households with more than six persons, add $542.00 monthly, or $6,500 annually for each additional person residing in the household.

3. An application is required for each request of service under this schedule. An eligible applicant will be placed on this schedule within one billing cycle of the receipt of their application. Renewal of a customer's eligibility declaration will be required every two years and may be required randomly at the utility's discretion. Submetered tenants of master metered customers (Schedule DS-8) will be required to reestablish eligibility on an annual basis. Customers are only eligible to receive service under this rate at one residential location at any one time.

4. It is the customer's responsibility to notify the utility if there is a change in eligibility status. Master meter customers (Schedule DS-8) with submetered tenants are responsible for notifying the utility when enrolled tenants move. Master meter customers will not be held responsible should a submetered tenant misrepresent his eligibility to the utility. However, if a master meter customer has a good reason to suspect that the tenant is not eligible, the master meter customer should, but is not required to, so advise the utility.

5. Customers may be rebilled for periods of ineligibility under the applicable rate schedule.

6. Price discounts or billing credits which may be available under other rate schedules or tariffs may not be used in conjunction with the Low Income Schedule No. DL-6.

7. The Basic Residential use baseline allowance as defined in Residential Service Schedule D will apply unless baseline allowances available for electric space heating are qualified and elected. The standard medical baseline quantities for the use of a Life Support device as defined under the special conditions of Residential Service Schedule No. D shall be applicable under this Schedule.

CONTINUING SERVICE

Except as specifically provided otherwise, the rates of this tariff are based on continuing service at each service location. Disconnect and reconnect transaction shall not operate to relieve a customer from minimum monthly charges.

PACIFIC POWER & LIGHT COMPANY

FOR COMMISSION'S RECEIPT STAMP

SCHEDULE 17
LOW INCOME BILL ASSISTANCE PROGRAM - RESIDENTIAL SERVICE
OPTIONAL FOR QUALIFYING CUSTOMERS

AVAILABLE:
In all territory served by Company in the State of Washington.

APPLICABLE:
To residential Customers only for all single-phase electric requirements when all service is supplied at one point of delivery. For three-phase residential service see Schedule 18.

MONTHLY BILLING:
The Monthly Billing shall be the sum of the Basic and Energy Charges and the Low Income Energy Credit. All Monthly Billings shall be adjusted in accordance with Schedules 96, 98 and 191.

Basic Charge: $6.00

Energy Charge:

Base Rate	
4.914¢	per kWh for the first 600 kWh
7.751¢	per kWh for all additional kWh

LOW INCOME ENERGY CREDIT*:
The credit amount shall be based on the qualification level for which the customer was certified.

0-75% of Federal Poverty Level(FPL):
(3.812¢) per kWh for all kWh greater than 600 kWh
76-100% of Federal Poverty Level(FPL):
(2.565¢) per kWh for all kWh greater than 600 kWh
101-125% of Federal Poverty Level (FPL):
(1.603¢) per kWh for all kWh greater than 600 kWh

(continued)

PACIFIC POWER & LIGHT COMPANY

FOR COMMISSION'S RECEIPT STAMP

SCHEDULE 17
LOW INCOME BILL ASSISTANCE PROGRAM - RESIDENTIAL SERVICE
OPTIONAL FOR QUALIFYING CUSTOMERS
(Continued)

***Note: This credit applies to only the energy usage within the Winter months. Winter months are defined as November 1 through April 30.**

MINIMUM CHARGE:

The monthly minimum charge shall be the Basic Charge. A higher minimum may be required under contract to cover special conditions.

SPECIAL CONDITIONS:

1. To qualify, a Customer must earn no more than 125% of the Federal Poverty Level.
2. Qualifying Customers will be placed into one of three qualifying levels. A maximum of 4,475 customers may participate annually.
3. Non-profit agencies will administer the program. They will determine if a customer qualifies for the program and assign them to one of the three income bands. The Company will authorize these agencies to certify customer eligibility for the Program.

CONTINUING SERVICE:

Except as specifically provided otherwise, the rates of this tariff are based on continuing service at each service location. Disconnect and reconnect transactions shall not operate to relieve a Customer from monthly minimum charges.

RULES AND REGULATIONS:

Service under this schedule is subject to the General Rules and Regulations contained in the tariff of which this schedule is a part and to those prescribed by regulatory authorities.

Issued June 26, 2007 Effective June 27, 2007

Issued by PACIFIC POWER & LIGHT COMPANY
By Andrea L. Kelly Title Vice President, Regulation
TF2 17.2E Advice No. UE-061546/UE-060817
Form F

CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 26TH DAY OF NOVEMBER 2008, SERVED THE FOREGOING **STAFF COMMENTS,** IN CASE NO. GNR-U-08-01, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:

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