

HOUSE BILL REPORT

SB 6416

As Reported by House Committee On:
Technology, Telecommunications & Energy

Title: An act relating to allowing public utility districts to define the eligible group of low-income citizens to whom they may provide services at reduced rates.

Brief Description: Allowing public utility districts to define the eligible group of low-income citizens to whom they may provide services at reduced rates.

Sponsors: Senators Poulsen, Hewitt, Morton, Fraser, McAuliffe, Hale and Rasmussen.

Brief History:

Committee Activity:

Technology, Telecommunications & Energy: 2/20/02, 2/28/02 [DP].

Brief Summary of Bill

- Allows public utility districts to establish the eligibility criteria for their low-income rate discount programs.

HOUSE COMMITTEE ON TECHNOLOGY, TELECOMMUNICATIONS & ENERGY

Majority Report: Do pass. Signed by 19 members: Representatives Morris, Chair; Ruderman, Vice Chair; Crouse, Ranking Minority Member; Anderson, Berkey, Bush, Casada, DeBolt, Delvin, Esser, Hunt, Linville, Lysen, Nixon, Pflug, Reardon, Romero, Sullivan and Wood.

Staff: Pam Madson (786-7166).

Background:

Municipal utilities and public utility districts (PUDs) are authorized to provide services at discounted rates to low-income senior citizen and other low-income customers. This authority was first granted in 1979 for low-income senior citizen customers. In 1988 the Legislature extended the authority to low-income disabled customers, and in 1998 expanded it again to include all low-income customers.

Low-income rate discounts may be offered at the discretion of the municipal utility or the

PUD, so long as the discounts are uniformly available to all eligible low-income customers served by the utility. Participating municipal utilities may define the income eligibility standards through an appropriate ordinance or resolution of their governing body. Participating PUDs must apply an income eligibility standard specified by the Legislature. For low-income senior citizens, that standard is the eligibility standard for the senior citizen property tax exemption. For other low-income customers, the eligibility standard is a household income that is at or below 125 percent of the federally established poverty level.

In 1999 the Legislature clarified that private, investor-owned electric and gas utilities (IOUs) are authorized to propose low-income utility rate discount programs to the Washington Utilities and Transportation Commission (WUTC). IOUs may define income eligibility standards in their proposals, and the WUTC has authority to approve the proposals.

Summary of Bill:

The statutory definitions of "low-income senior citizen" and "other low-income citizen," as applied to public utility district (PUD) rate discount programs, are removed. The governing bodies of PUDs may establish, by resolution, the income eligibility standards for their low-income utility rate discount programs.

Appropriation: None.

Fiscal Note: Not Requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: The intent of this bill is to give PUDs more flexibility to offer low-income discount programs. Significant progress was made last year in providing for low-income energy assistance. The PUDs are bound by definitions in statute unlike private and municipal utilities. Some PUDs would like to do more and some are unable to offer programs because of the definitions in statute. It removes the prescriptive language in statute. It would allow PUDs that are resource poor to offer programs to their most needy customers. It would allow PUDs to reduce their programs but the track record is a good one and the expectation is more programs will be offered.

Testimony Against: None.

Testified: (In support) Senator Poulsen, prime sponsor; Stu Trefry, Washington PUD Association; and Danielle Dixon, Northwest Energy Coalition.