

# SENATE BILL REPORT

## SB 6416

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As Passed Senate, February 11, 2002

**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:** Environment, Energy & Water: 1/22/02, 1/24/02 [DP].

Passed Senate: 2/11/02, 46-2.

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### SENATE COMMITTEE ON ENVIRONMENT, ENERGY & WATER

**Majority Report:** Do pass.

Signed by Senators Fraser, Chair; Regala, Vice Chair; Eide, Hale, Honeyford, Jacobsen, Keiser and Morton.

**Staff:** Andrea McNamara (786-7483)

**Background:** Under current law, all electric and gas utilities are authorized to provide services at discounted rates to their low-income senior citizen and other low-income customers.

Municipal utilities and public utility districts were first granted the authority in 1979 to offer discounts to low-income senior citizens. 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 discount programs must be approved by the governing bodies of the public utilities and must be available to all customers meeting the eligibility standards.

Municipal utilities may define income eligibility standards by resolution of their governing bodies, but public utility districts (PUDs) must use the income standards set in statute by the Legislature. For PUDs electing to offer rate discounts, low-income senior citizen discounts must be made available to all senior citizens who qualify for the senior citizen property tax exemption, and any other low-income rate discount program must be made available to all customers whose household income falls at or below 125 percent of the federal poverty level.

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

**Summary of Bill:** Definitions of "low-income senior citizen" and "other low-income citizen" are removed so that the governing bodies of public utility districts (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:** This bill will give needed flexibility to local communities to design and offer low-income programs that fit within the budgets, needs, and individual PUD communities. The flexibility will allow some PUDs to offer new programs where they have not been able to in the past, and will allow others to avoid having to withdraw existing programs. It will put PUDs on the same footing as municipal utilities to customize their low-income assistance programs.

**Testimony Against:** None.

**Testified:** PRO: Senator Erik Poulsen, Prime Sponsor; Toni Potter, League of Women Voters of WA; Jean Ryckman, Franklin PUD; Al Aldrich, Snohomish PUD; Danielle Dixon, NW Energy Coalition; Chuck Ziberdt, A.W.I.S.H.; Donna Ewing.