

May 22, 2014

VIA ELECTRONIC FILING

Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive, S.W.
P.O. Box 47250
Olympia, Washington 98504-7250

Attn: Steven V. King
Executive Director and Secretary

RE: Docket No. U-140632 – Comments of Pacific Power & Light Company

Pacific Power & Light Company (Pacific Power or Company) submits the following comments in accordance with the Washington Utilities and Transportation Commission's (Commission) Notice of Recessed Open Meeting and Notice of Opportunity to File Written Comments (Notice) issued in Docket U-140632 on April 23, 2014.

In the Notice, the Commission requested written comments to address specific questions regarding the Company's low-income assistance programs. The Company addresses each of these questions in detail below.

1. A brief description of the company's low-income assistance program.

Pacific Power's Low Income Bill Assistance Program (LIBA) is a bill discount program administered through Schedule 17, with funding obtained through the Schedule 91 Surcharge. LIBA has been in place since February 2001.

The LIBA program is designed to improve payment patterns of low-income residential customers through a discount on winter (November – April) bills. The discount is designed to reflect the energy burdens borne by income-eligible households through a three-tier credit with the poorest customers receiving the largest discounts.

Current credits are as follows:

0-75% of Federal Poverty Guidelines	6.396 cents credit on kWh use greater than 600
76-100% of Federal Poverty Guidelines	4.303 cents credit on kWh use greater than 600
101-150% of Federal Poverty Guidelines	2.689 cents credit on kWh use greater than 600

A maximum of 4,720 customers may enroll in the program annually. Income eligibility is verified by three local agencies including Blue Mountain Action Council in Walla

Walla, Opportunities Industrialization Center in Yakima and Yakima Farm Workers Clinic located in Toppenish. These agencies also administer the federally-funded Low Income Home Energy Assistance Program (LIHEAP), and the Low Income Weatherization Program with funding from Pacific Power through Schedule 114 and state and federal grants.

A settlement stipulation in Docket UE-111190 was approved by the Commission in February 2012 that addressed certain aspects of the Company's LIBA program for the five program years ending April 30, 2017. The stipulation allows for an escalating percentage of customers to enroll for a two year, rather than one year, period so that 25 percent of participants will be in place for two years by 2015, increasing to up to 40 percent of participants by 2016. The stipulation also increased agency administrative reimbursements for these services to \$65.00, increasing by \$2.50 annually through 2016 to a total of \$75.00 per certification. An increase in the recipient's benefit was also established with a 10 percent increase applied following the approval of the stipulation, and additional increases to the average benefit of two times the percentage increase of future residential general rate increases through 2016.

2. A description of how the company measures the success of its low-income program.

Pacific Power tracks the number of households participating in LIBA by credit tier monthly. The annual enrollment cap was met each year through the 2012/2013 program year. The enrollment in the 2013/2014 program year was down to 85% of the annual cap with 4,053 enrollments completed by the Company's partnering agencies. The Company will work with agencies to bring enrollments back up to 4,720 in the upcoming program year.

The account balance is reviewed monthly by tracking the collection rate, credits granted and the administrative costs. Pacific Power believes it is important to keep administrative costs low so that as much funding as possible is available to benefit eligible customers. In calendar year 2013, credits applied to participant billings made up 81.1 percent of expenses; administrative costs made up the remaining 18.9 percent, with the majority of the 18.9 percent comprised of agency costs and only 0.6 percent attributable to the Company's administrative costs.

3. The total number of residential customers in the company’s service territory, an estimate of the total number of low-income customers in the company’s service territory, and the number of customers participating in the company’s low-income assistance program for each of the last five program years.

Program Year	Residential Customers ¹	Low-Income Customers ²	LIBA Participants ³
2009/10	104,993	7,974	4,720
2010/11	105,408	8,982	4,720
2011/12	105,511	8,944	4,720
2012/13	105,788	7,939	4,720
2013/14	105,916	7,467	4,053

1. Number of residential customers in January of the program year, for example the number of customers in January 2010 is provided for the 2009/2010 LIBA program year.
2. Number of low-Income customers in January in the program year. These are customers that received an energy assistance payment and/or participated in the LIBA program within the past 12 months. Pacific Power does not request income information from customers, so can identify only those receiving benefits from programs with income requirements.
3. Number of LIBA program participants enrolled by agencies during the program year. The annual enrollment cap is 4,720. All enrolled in the first three program years shown were eligible to participate for one year. In 2012/13 of the 4,720 enrolled, 4,247 were eligible for one year and 473 (10% of cap) for two years. In 2013/14 a total of 4,053 customers were enrolled with 3,345 enrolled for one year and 708 (15% of cap) for two years.

4. The number of customers who receive low-income assistance two or more years in a row, and the distribution of the number of years that assistance was received by those customers in each of the last five program years.

Pacific Power’s LIBA program provides a discount on winter bills; it does not provide energy assistance payments. The information on customers receiving energy assistance in consecutive years is provided below in two ways, for customers participating in LIBA and for all energy assistance recipients. Energy assistance includes monies provided through a variety of funding sources including LIHEAP, the Project HELP program that assists households through donated monies, and through a variety of other organizations.

LIBA participants receiving energy assistance in consecutive years

A total of 7,551 customers participating in Pacific Power’s LIBA program from November 1, 2009, through April 30, 2014, received energy assistance payments two consecutive years or more over the past five years during the months in which credits

were provided through LIBA (November through April). The table below shows the number of customers receiving assistance consecutively for two years, three years, four years and five years.

2 Years	3 Years	4 Years	5 Years
3,421	1,773	1,155	1,202

Customers receiving energy assistance in consecutive years

A total of 8,727 Pacific Power customers received energy assistance payments two consecutive years or more from January 2009 through April 2014. The table below shows the number of customers receiving assistance consecutively for two years, three years, four years, five years and six years (through April 2014).

2 Years	3 Years	4 Years	5 Years	6 Years
3,064	2,224	1,572	1,262	605

5. The number and proportion of low-income assistance customers who also receive low income weatherization, and the total number of customers who received low-income weatherization in each of the last five program years.

The number of LIBA program participants residing in a home weatherized through Pacific Power’s Low Income Weatherization Program (Schedule 114), and the number of energy assistance recipients residing in weatherized homes are provided below. Note that this data represents the number of sites that were weatherized versus the number of weatherization program participants, meaning that a home weatherized through Schedule 114 may be inhabited in later years by a family different than the family that received assistance.

Weatherization and LIBA Participants

The first table illustrates the number of customers residing in a home with energy efficiency measures installed through Pacific Power’s Low Income Weatherization program in 2009-2013 and who also participated in the LIBA program.

The first column indicates the calendar year in which a home was weatherized. The number of customers living in these homes that participated in the LIBA program is included by year. For example, of the homes weatherized in 2009, a total of 23 customers living in these residences participated in LIBA in 2009 and 53 living in the homes participated in 2010. Of the homes weatherized in 2010, a total of 16 customers living at these residences participated in LIBA in 2010 and 34 in 2011.

Calendar Year	2009	2010	2011	2012	2013	Jan-Apr 2014
2009	23	53	37	46	28	18
2010		16	34	31	20	12
2011			27	53	45	19
2012				24	48	24
2013					26	25

Weatherization and Energy Assistance Participants

The following table illustrates the number of customers residing in a home with energy efficiency measures installed through Pacific Power’s Low Income Weatherization program in 2009-2013 and who also received an energy assistance payment.

The first column indicates the calendar year in which a home was weatherized. The number of customers living in these homes that received energy assistance is included by year. For example, of the homes weatherized in 2009 a total of 25 customers residing in these homes received energy assistance in 2009 and 58 in 2010. Of the homes weatherized in 2010, a total of 21 customers living at these residences received energy assistance in 2010 and 42 in 2011.

Program Year	2009	2010	2011	2012	2013	Jan-Apr 2014
2009	25	58	42	48	28	20
2010		21	42	34	21	14
2011			28	58	48	24
2012				29	52	27
2013					24	28

Homes Weatherized

Our records indicate the number of homes served through Pacific Power’s Low Income Weatherization Program by calendar year (2009-2013) is as follows:

Calendar Year	Number Of Homes
2009	131
2010	100
2011	133
2012	112
2013	139

Please note that the previous tables and the completion numbers by year only include information on homes weatherized with Pacific Power funds over a period of five years. Additional income eligible households are residing in homes completed in previous years or through other funding sources. The Company initiated the program in 1986 and approximately 7,200 homes (615 during the period 2009-2013) have been served with Pacific Power funding. More families are living in homes weatherized with funds the Company's partnering agencies receive from federal and state grants, especially during the period the American Recovery and Reinvestment Act monies (2009-2011) were in use.

6. A spreadsheet or distribution curve of the monthly energy usage of low-income assistance recipients.

The average monthly kWh usage by month (January 2009 through April 2014) of customers that received an energy assistance payment and/or participated in the LIBA program within the previous 12 months is provided in the table below:

AVERAGE MONTHLY KWH USAGE OF ENERGY ASSISTANCE &/OR LIBA PARTICIPANTS												
Year	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2009	2,603	2,065	1,847	1,425	1,086	992	1,026	1,114	1,011	1,035	1,377	2,194
2010	2,491	1,792	1,501	1,344	1,066	950	999	1,088	990	929	1,324	2,156
2011	2,284	1,860	1,737	1,348	1,121	913	912	1,007	991	885	1,353	2,071
2012	2,233	1,885	1,609	1,288	947	878	955	1,093	955	884	1,250	1,817
2013	2,225	1,903	1,540	1,180	977	885	1,002	1,109	999	930	1,234	2,180
2014	2,230	1,978	1,609	1,097								

Please note that the average kWh figures on the previous table show a decrease in electricity usage over time, as each month average usage in 2013 is lower than in 2009. These usage amounts are not temperature adjusted.

7. Disconnection ratios for the past three years comparing total customer population with low-income assistance recipients. Please indicate the percentage of disconnected low-income assistance recipients whose service was restored because of low-income programs.

Year	Residential Disconnections		Residential Restorations		Low-Income ¹ Disconnections		Low-Inc ¹ Total Restorations		Low-Inc EA ² Restorations	
	#	%	#	%	#	%	#	%	#	%
2011	2,766	2.90%	955	35.00%	877	9.80%	295	34.00%	197	23.00%
2012	2,970	3.10%	1,108	37.00%	823	9.90%	295	36.00%	170	21.00%
2013	3,863	3.90%	1,643	43.00%	859	11.50%	349	41.00%	135	16.00%

1. Low income customers received an energy assistance payment and/or participated in the LIBA program within the past 12 months.
2. The LIBA program does not fund the restoration of disconnected service, it is a bill discount designed to improve payment patterns. The restorations included above are through energy assistance applied to customer accounts within 60 days of disconnection. The pledges/payments are from the federally funded Low Income Home Energy Assistance Program (LIHEAP) and other sources such as the Project HELP program that assists households through donated monies.

Details on customers with service restored by utilizing the prior obligation rule is not available for this time period. Of 564 low-income customers disconnected for non-payment during the October 2013 to April 2014 time period, 135 were reconnected by utilizing prior obligation protection. Customers claiming prior obligation are not included in the restoration numbers as a new account is initiated through this process.

The Company appreciates the opportunity to provide these comments and looks forward to discussing low-income program components at the workshop scheduled for May 29, 2014. If you have any questions regarding these comments, please contact Barb Coughlin at (503) 331-4306.

Sincerely,



R. Bryce Dalley
 Vice President, Regulation