

**Puget Sound Energy**

**Annual Report on Program Outcome of PSE's Low Income Program, HELP**

**For 2007 Program Year  
October 2007 – September 2008**

Filed May 29, 2009

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**Description of Benefit**

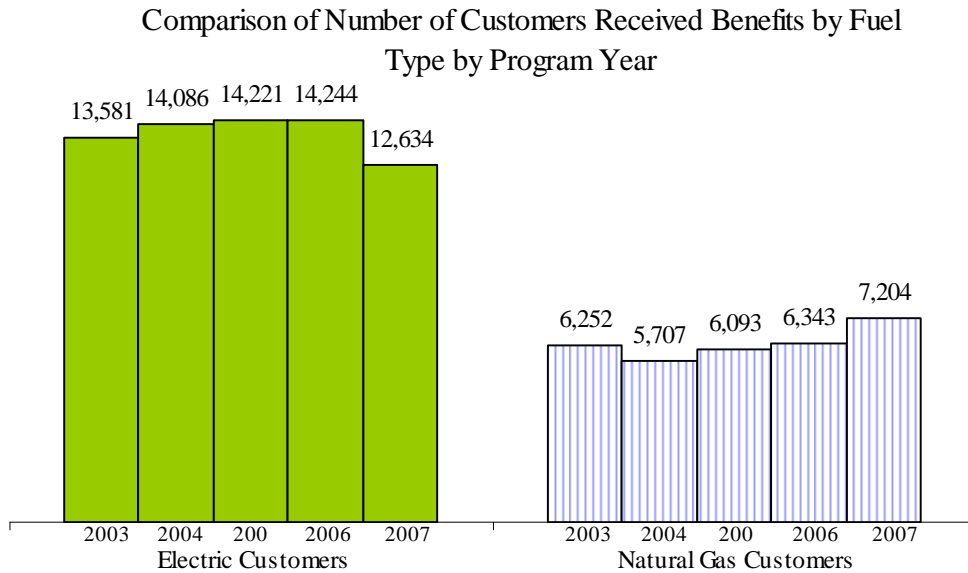
Puget Sound Energy's ("PSE's") low income bill assistance program, the Home Energy Lifeline Program ("HELP"), provides bill-payment assistance to qualified PSE customers. The funding of HELP is through PSE's electric and natural gas Schedules 129, Low Income Program. HELP benefits are supplemental to the Federal Low Income Home Energy Assistance Program ("LIHEAP") and are available year-round to eligible customers. Eligible customers may receive up to \$750 per year in low-income credit to offset their electricity or natural gas bills.

**Benefits by Fuel Type and Program Year**

The following table shows the number of PSE residential customers who received benefits from PSE's HELP during the 2007 program year, the 12-month period of October, 2007 through September, 2008.

Electric customers	12,634
Natural gas customers	7,204

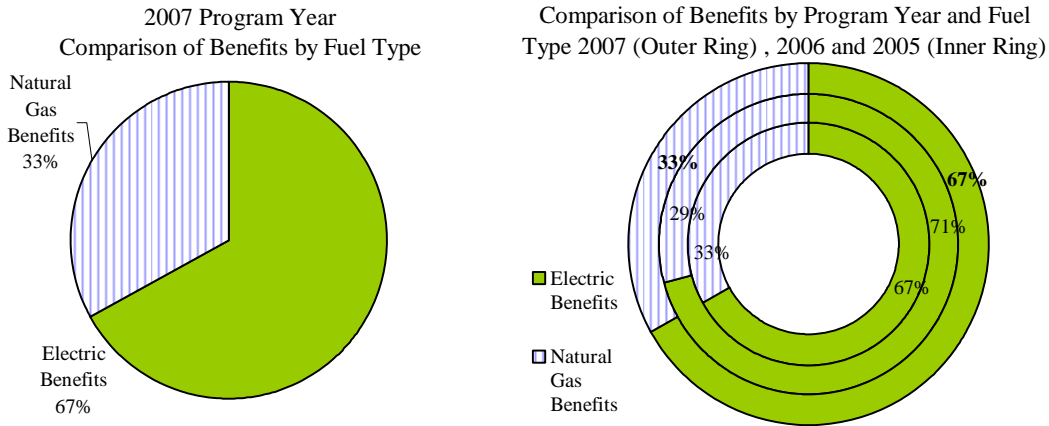
The number of households that received benefits is somewhat lower than the sum of the two numbers above since some households are both PSE natural gas and electric customers. The total number of households that received benefits is 17,758. Of the electric customers who received benefits, 16% were also natural gas customers. Of the natural gas customers who received benefits, 29% were also electric customers. The chart below is a comparison of number of customers who received benefits since the inception of HELP by fuel type and by program year.



The total dollar amount of benefits paid to customers during the program year is:

Electric	\$5,301,983
Natural Gas	<u>\$2,622,299</u>
Total	\$7,924,281

The charts below show the relative amount of benefits awarded with respect to electric and natural gas residential customers by program year.



The actual percentages of benefits awarded to each fuel are slightly different from the original allocated percentages. The actual percentages are 67% electric and 33% natural gas (see charts above) vs. the initial allocation (based on the Four Factor Allocator) of 66% electric and 34% natural gas (see table below).

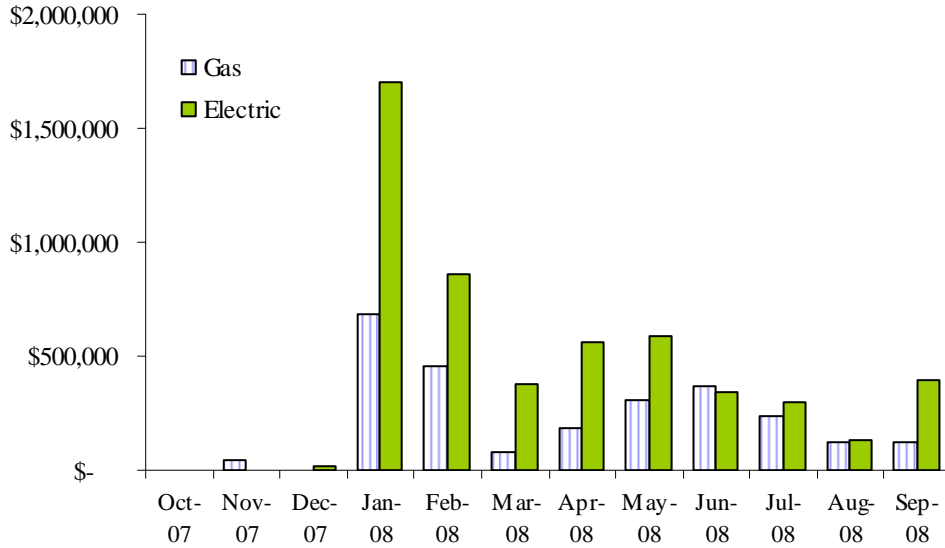
In comparison with the percentages of residential customers and of residential revenues, electric customers were allocated relatively more HELP benefits than that of natural gas customers as shown in the table below.

	% of Residential Customers	% of Residential Revenues	% of Benefit Allocation per Docket Nos. UE-11570 & UG-011571 (Annual Four Factor Allocator)	% of Benefit Allocation per Docket Nos. UE-072300 & UG-072301 (fixed)
Electric	58%	58%	66%	75%
Natural Gas	42%	42%	34%	25%

The benefit allocation between electric and natural gas based on the annual Four Factor Allocator as prescribed in Docket Nos. UE-11570 and UG-011571 was effective through the end of 2007 program year, September 31, 2008. Starting on October 1, 2008, the beginning of the 2008 program year, HELP benefits have been distributed to electric and natural gas customers at the fixed ratio of 75% and 25%, respectively. The Commission adopted this revision in Docket Nos. UE-072300 and UE-072301, in addition to the increase in low income annual funding from \$10.25 million to \$15 million and other revisions.

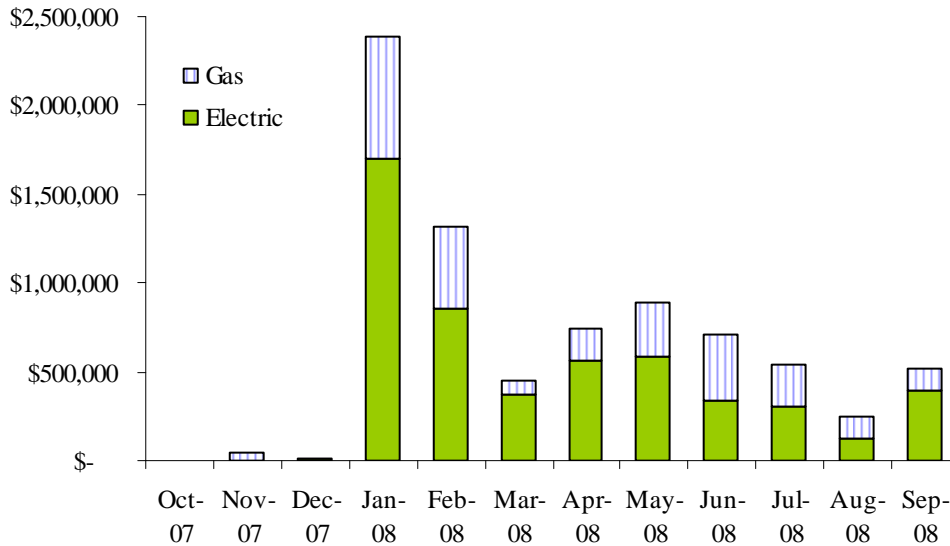
The following two charts show the monthly pattern of distribution of benefits to PSE customer households during the 2007 program year by fuel type. The first chart is a side-by-side bar chart with both the electric and natural gas benefits.

Monthly Pattern of Distribution of HELP Benefits by Fuel Type

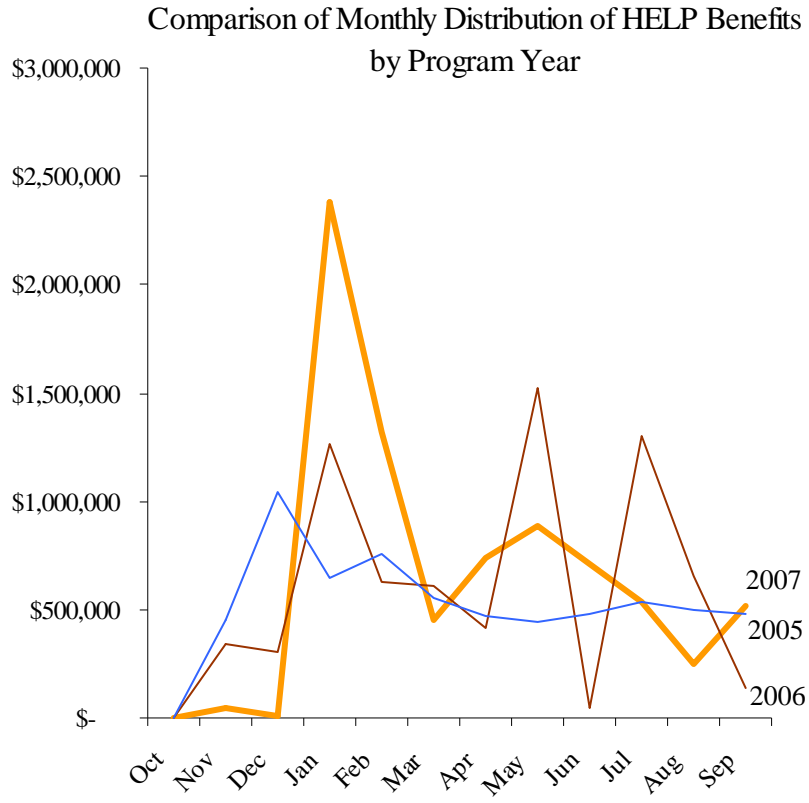


The second chart is a stacked bar chart with both the electric and natural gas benefits by month.

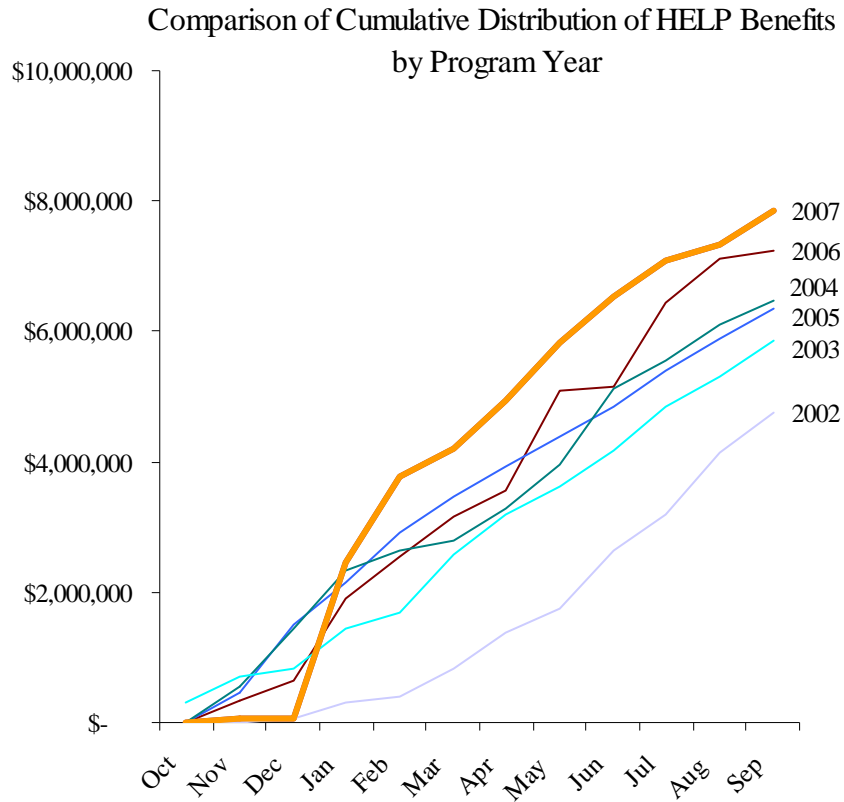
Combined Monthly Pattern of Distribution of HELP Benefits



The chart below shows the combined electric and natural gas awarded benefits on a monthly basis for the 2007 program year (depicted by the heavy line) and the previous two program years (in light lines).



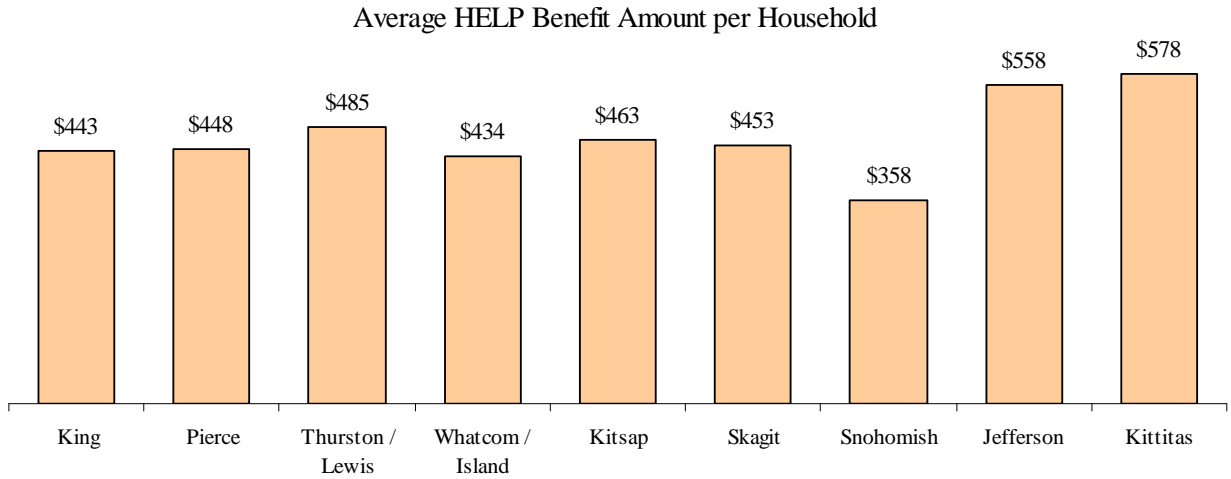
The chart below shows a comparison of the cumulative amount of awarded benefits on a monthly basis for the 2007 program year (shown in heavy line) and the previous five program years (in light lines). The overall increase in the HELP benefits since the inception of the program, the 2002 program, is 65%.



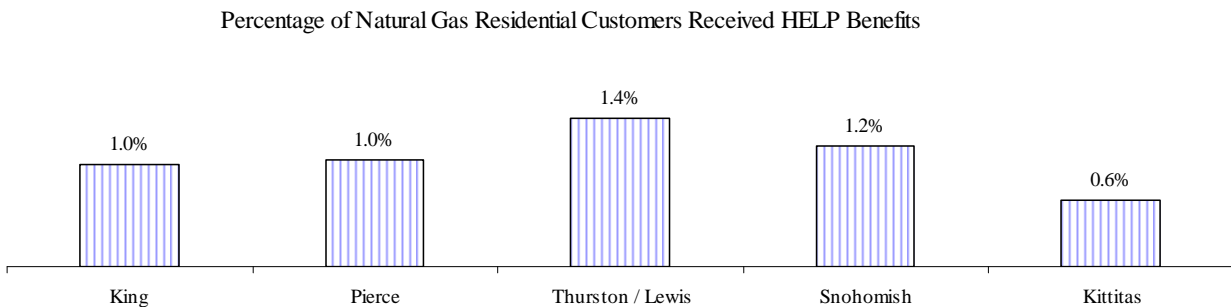
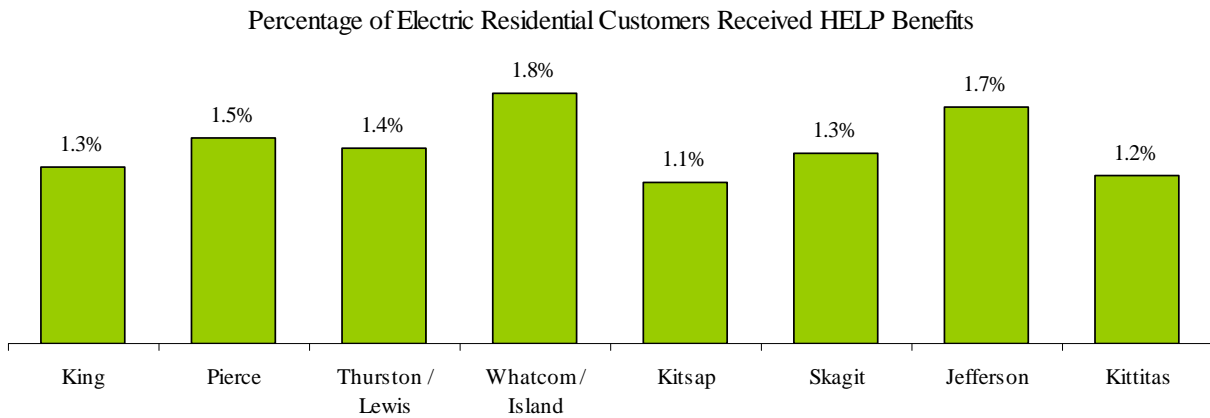
**Demographics of Customer Households**

**Benefits by County**

The average level of HELP benefits to each qualifying low income household is \$446 for this program year. The chart below shows the average benefits per household for the various counties in PSE's service territory.

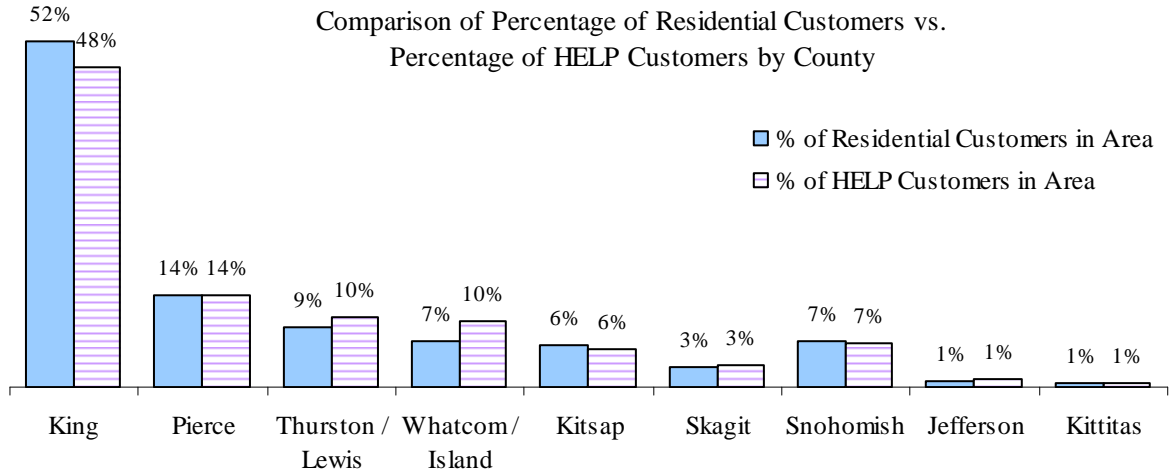


The following charts show the number of customers receiving HELP benefits as percentage of the number of residential customers in a county area. The overall percentages for electric and natural gas are 1.3% and 1.1%, respectively.

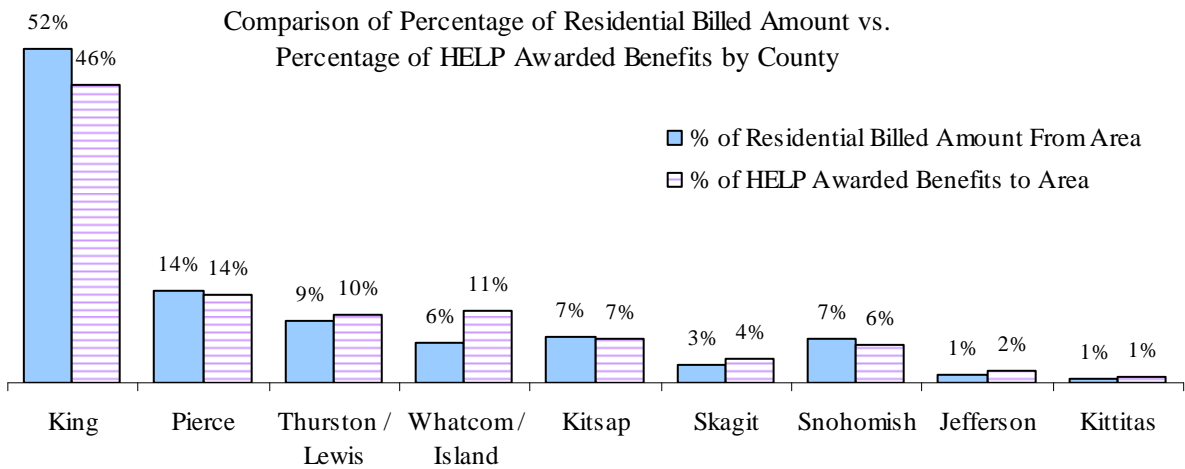




The chart below shows the percentage of PSE residential electric and natural gas customers in a county area compared to the percentage of customers receiving HELP benefits in that area. Most of the areas received HELP benefits proportionally to the percentage of total residential customers in each of those areas, except King, Thurston/Lewis, and Whatcom/Island Counties.



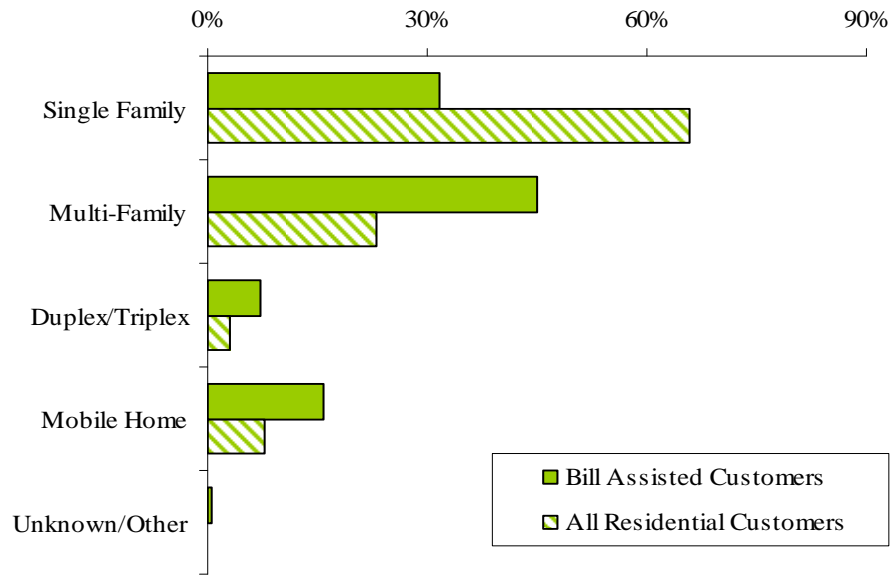
The chart below shows the percentage of PSE residential electric and natural gas total billed amount in a county area compared to the percentage of HELP benefits awarded to that area by county area. Only three out of the nine areas received HELP benefits level similar to the percentage of total electric and natural gas billed amount from that area. These three areas are Pierce, Kitsap, and Kittitas Counties.



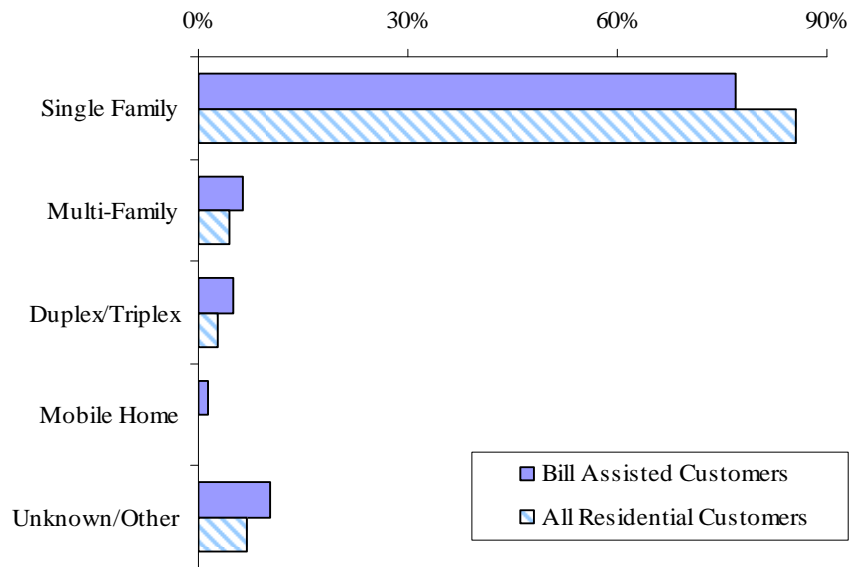
## Benefits by Residential Housing Structure

The two charts below show comparisons by fuel type and residential housing structure type between PSE residential customers and the customers receiving some sort of HELP bill assistance during the program year. Overall, the HELP customers were more than twice as likely as all residential customers to live in a multi-family structure, a mobile home, or a duplex.

Electric Residential Structure Type Distribution

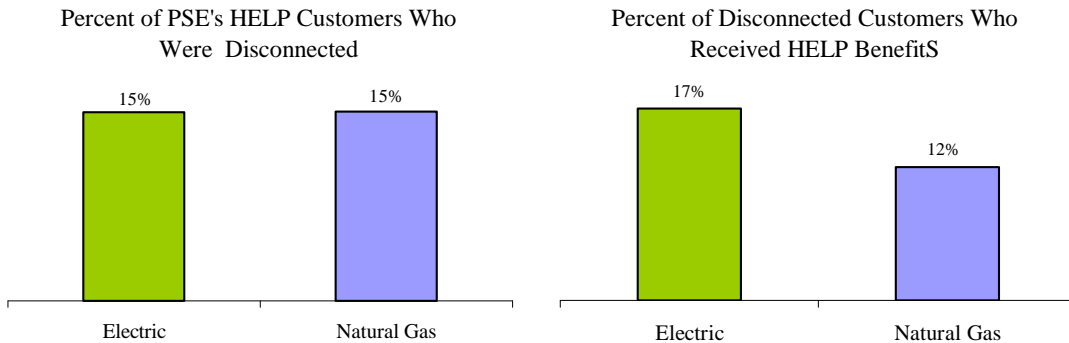


Natural Gas Residential Structure Type Distribution

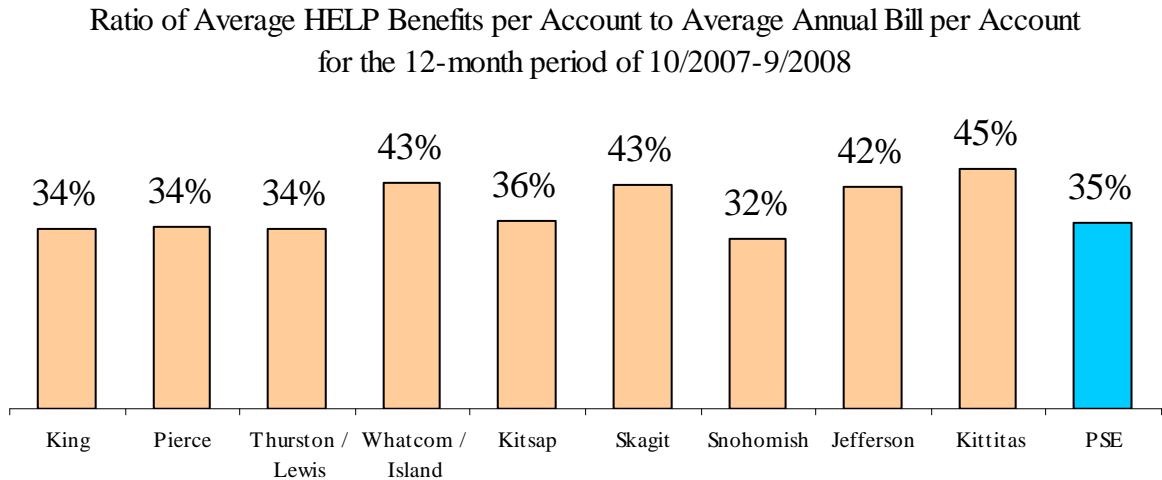


**Benefit Impacts**

The two charts below compare the percentage of customers who received billing assistance through PSE’s HELP during the 2007 program year and who were also disconnected sometime during the same period. Keep in mind these charts only show what happened to these customers during the program year, this data does not indicate which event occurred first, namely the receipt of billing assistance or the disconnection. The first chart highlights the percentage of customers who were disconnected and who also received some bill assistance. Overall, 16% of disconnected customers also received some bill assistance. For electric customers it was about 17% and for natural gas customers it was about 12%. The second chart highlights the percentage of customers who received HELP assistance and were also disconnected during the program year. Overall, 15% of customers receiving bill assistance also were disconnected sometime during the program year. For electric customers it was about 15% and for natural gas customers it was also about 15%.



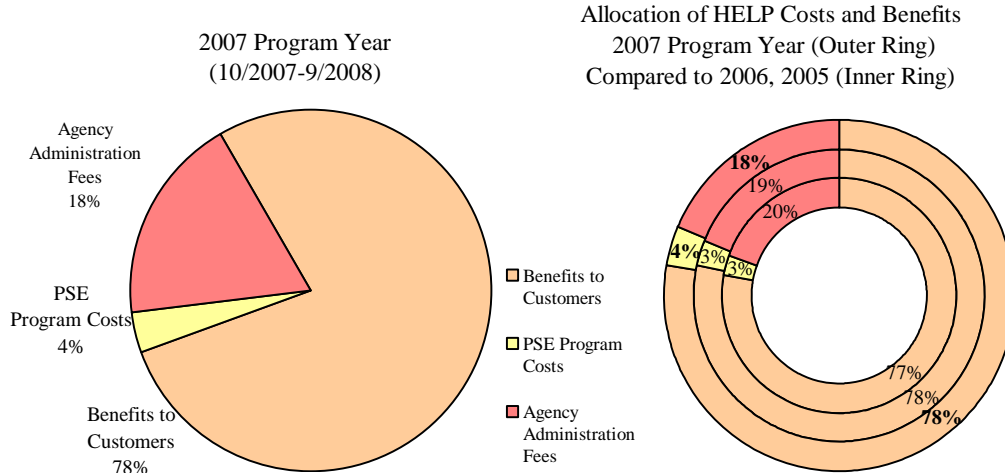
The chart below compares the ratio of average HELP benefits per account to average annual bill per account for the 2007 program year by county area. It demonstrates, on average, how much of a residential electric or natural gas customer’s energy bill could be mitigated by HELP benefits. The overall PSE average ratio is 35%, i.e. the HELP benefits alone would pay for 35% of a customer’s annual energy bills. Among PSE service areas, Kittitas County has the highest ratio of 45% and Snohomish County has the lowest ratio of 32%.



**Administration of Program**

During the 2007 program year, there were twelve qualifying low income agencies administering HELP and distributing benefits to customers for PSE. These agencies received an additional allotment of funding from PSE for administrative fees to run HELP and related services such as customer education, eligibility evaluation, benefit determination and distribution, and other support services.

The charts below illustrate the allocation of the HELP costs and benefits to customers by program year. For this program year, the agency administration fees, on average, comprised about 18% of the total funding of the low income program, which is a slight decrease from the 19% of the previous program year. PSE’s own program costs were at 4%, an increase 1% from the 2006 program year.



### **Marketing of PSE's Home Energy Lifeline Program**

The following are some highlights regarding the marketing of the HELP during this 2007 program year, the 12-month period of October, 2007 through September, 2008:

- Multilingual brochures (English, Spanish, Russian, Korean and Vietnamese) with information about income eligibility and assistance centers were available at low income agencies, in PSE customer service offices, and posted on PSE.com.
- The multilingual recorded telephone line (1-866-223-5425) about the program and options for local agency contact information (English, Spanish, Russian, Korean and Vietnamese) was accessible 24/7.
- June 2, 2008 PSE news release, "Money available to help pay PSE bills," provided utility-bill credit and bill assistance information. The news release was distributed throughout PSE service territory and posted on PSE.com. This news release generated several news stories.
- March-April 2008 EnergyWise customer newsletter article, "PSE programs can help pay the bills," included in U.S. mailed PSE bill statements, linked to online PSE bill statements, and posted on PSE.com throughout year.
- January-February 2008 EnergyWise customer newsletter article, "PSE works with you to manage energy bills," included in U.S. mailed PSE bill statements, linked to online PSE bill statements, and posted on PSE.com throughout year.
- November-December 2007 EnergyWise customer newsletter article, "Help with paying heating bills," included in U.S. mailed PSE bill statements, linked to online PSE bill statements, and posted on PSE.com throughout year.
- November-December 2007 bill insert, "Energy-saving and bill-payment resources," included in U.S. mailed PSE bill statements, linked to online PSE bill statements, and posted on PSE.com throughout year.
- PSE field personnel were re-familiarized with the program and provided brochures for distribution.
- Frequently Asked Questions brochure was provided to all the twelve qualifying low income agencies and PSE customer service representatives. The brochure helps answer questions about payment of the PSE HELP grants and impacts on subsequent bills.
- All credit notice letters included the "Need Help Paying Your PSE Gas or Electric Bill?" brochure and the "Energy Assistance for PSE Customers" brochure.
- Year-round HELP promotion posted on PSE.com at "Home & Business Solutions" site.