

Puget Sound Energy

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

**For 2009 Program Year
October 2009 – September 2010**

Filed May 26, 2011



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Introduction and Background

Puget Sound Energy's ("PSE's" or "Company's") low income bill assistance program, the Home Energy Lifeline Program ("HELP"), provides bill-payment assistance to eligible 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"), which are available year-round to eligible customers. For the 2009 program year, eligible customers may receive up to \$1,000 per year per customer in HELP credit to offset their electricity or natural gas bills, which is an increase of \$250 from the annual maximum of \$750 for the 2008 program year.

Puget Sound Energy's HELP was first implemented in accordance with Exhibit G to Settlement Stipulation Agreement approved by the Commission in consolidated Dockets UE-011570 and UG-011571 Twelfth Supplemental Order dated June 20, 2002, which was amended by the Partial Settlement Agreement approved by the Commission on January 5, 2007, in Dockets UE-060266 and UG-060267. The HELP settlement terms allow qualifying low income customers to receive bill-payment assistance and they do not limit how the benefits are applied to amounts owed (past, present, and future) by these customers to PSE.

On October 8, 2008, the Commission approved three changes to HELP in its Order 12: Final Order Approving and Adoption Settlement Stipulations; Authorizing and Requiring Compliance Filing in consolidated Docket Nos, UE-072300 and UG-072301 ("Order"). Appendix D to the Order ("Appendix D") set forth details of these three changes which had become effective on October 1, 2008, the beginning of the 2008 program year. The changes are:

1. HELP funding is distributed to electric and natural gas customers at the fixed ratio of 75% and 25%, respectively.
2. The total annual HELP funding is increased from \$10.25 million to \$15 million.
3. Any HELP funds not distributed to customers in any single program year will be carried over to the next program year as supplemental HELP funding.

These changes are also affirmed as Commitments 22, 23, and 42 of Multiparty Settlement Stipulation approved by the Commission on December 30, 2008, in Docket No. U-072375. The Company has incorporated the changes in its annual update of low income program rates since the August 28, 2008, HELP filings.

Starting with the next HELP year, October 2010 through September 2011, additional funding will be available to low income customers to mitigate the effect of PSE electric and natural gas rate increases by indexing HELP funding to the subsequent residential rate increase approved by the Commission since the Commission's approval of the Order in 2008. The HELP report for the October 2010 through September 2011 program year will include further discussion of this change and its impact.

Description of Help Funding

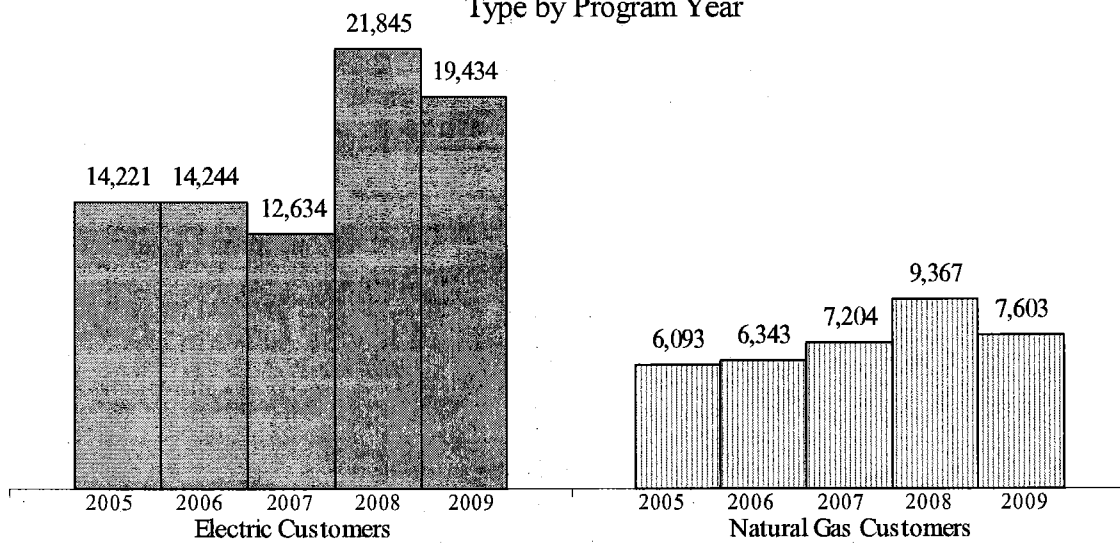
Funding by Fuel Type and Program Year

The following table shows the number of PSE residential customers who received funding from PSE's HELP during the 2009 program year, the 12-month period of October 2009 through September 2010.

Electric customers	19,434
Natural gas customers	7,603

The number of households that received funding 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 funding is 23,789. Of the electric customers who received funding, 17% were also natural gas customers. Of the natural gas customers who received funding, 43% were also electric customers. The chart below is a comparison of number of customers who received funding since 2005 by fuel type and by program year. The decrease in the numbers of electric and natural gas customers is due to increasing benefit to individual HELP customers as the annual HELP benefit cap per customer was increased by \$250 from \$750 of the 2008 program year to \$1,000 for the 2009 program year.

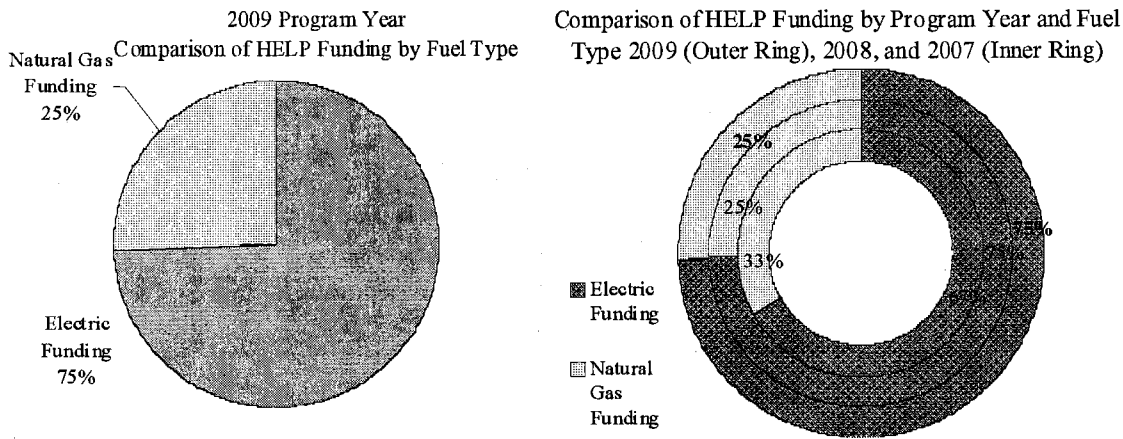
Comparison of Number of Customers Receiving HELP Funding by Fuel Type by Program Year



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

Electric	\$8,904,710
Natural Gas	\$2,938,903
Total	\$11,843,613

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

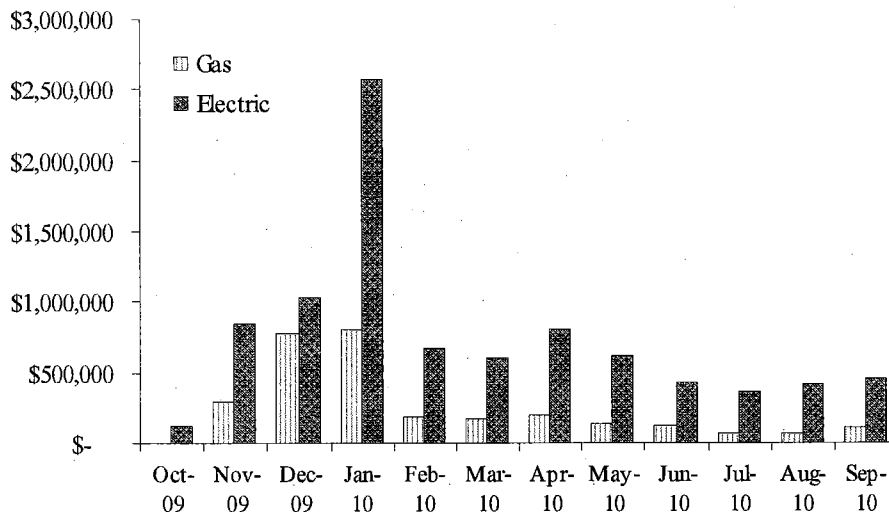


The actual percentages of funding awarded to each fuel are 75% electric and 25% natural gas, as prescribed in the Appendix D of the Order. The table below shows a comparison of the percentages of HELP funding allocated and awarded with the percentages of residential customers and of residential revenues. Electric customers were allocated relatively more HELP funding than that of natural gas customers based on the proportion of revenue and customer count percentages.

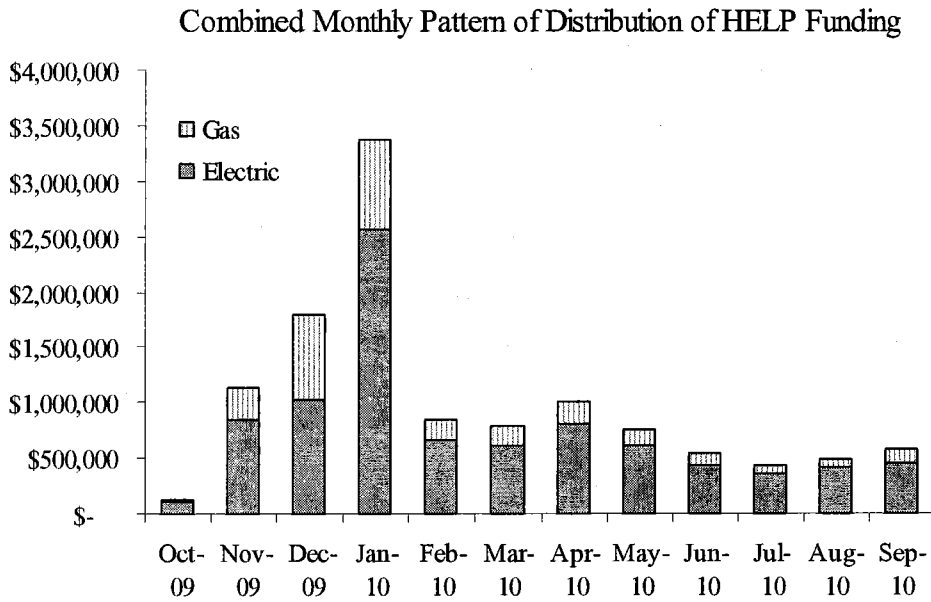
	% of HELP Funding Allocation per Docket Nos. UE-072300 & UG-072301	% of Actual Awarded HELP Funding	% of Residential Customers	% of Residential Revenues
Electric	75%	75%	58%	62%
Natural Gas	25%	25%	42%	38%

The following two charts show the monthly pattern of distribution of funding to PSE customers during the 2009 program year by fuel type. The first chart is a side-by-side bar chart with both the electric and natural gas funding.

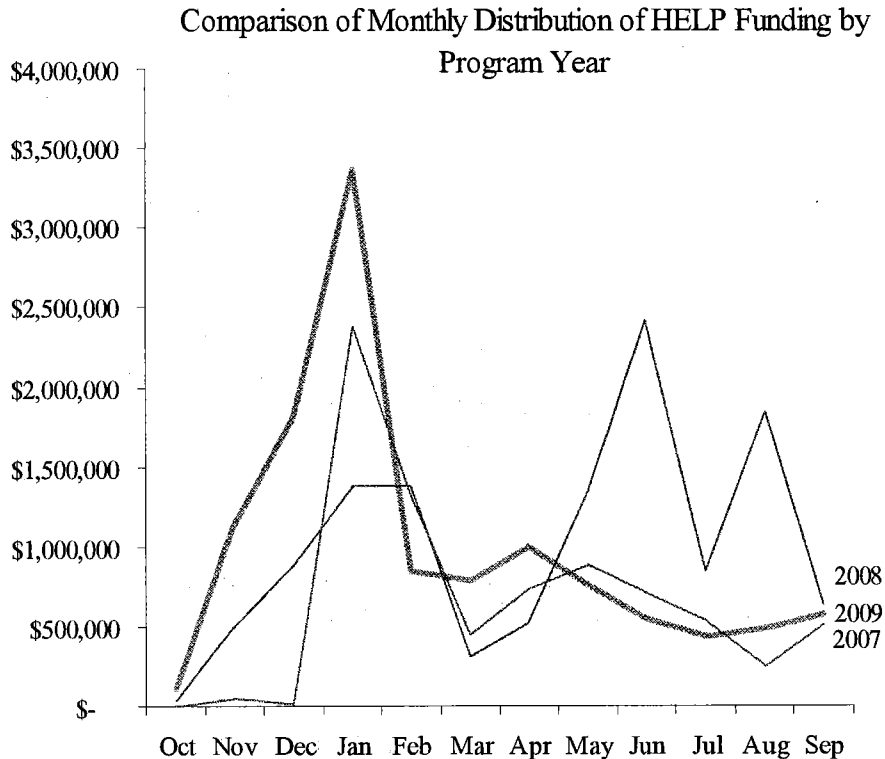
Monthly Pattern of Distribution of HELP Funding by Fuel Type



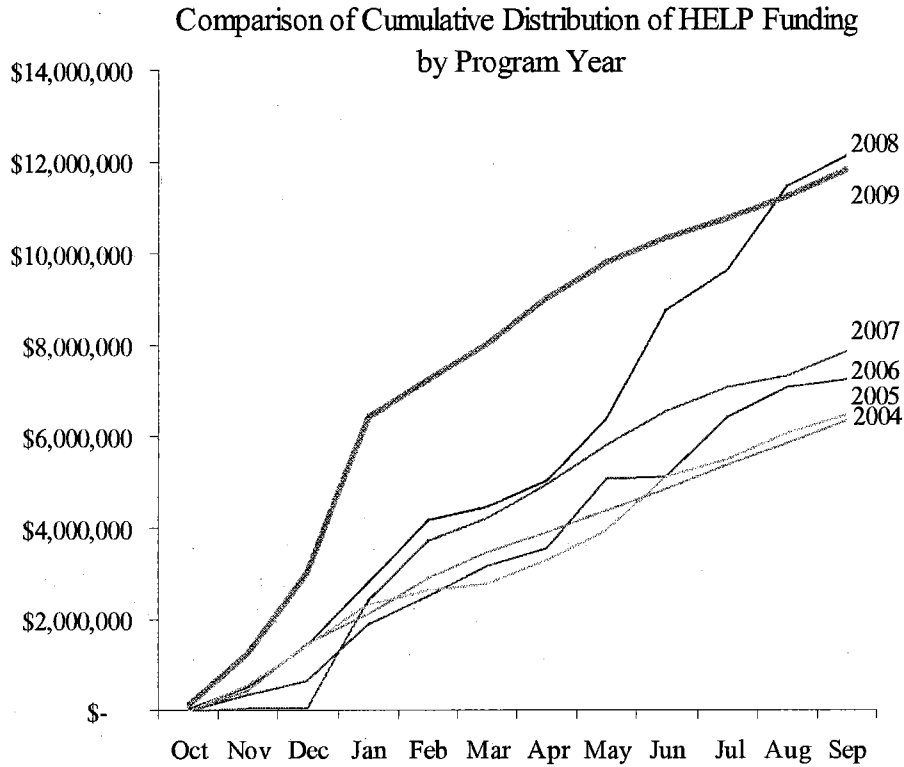
The second chart is a stacked bar chart with both the electric and natural gas funding by month.



The chart below shows the combined electric and natural gas awarded HELP funding on a monthly basis for the 2009 program year (depicted by the heavy line) and the previous two program years (in light lines).



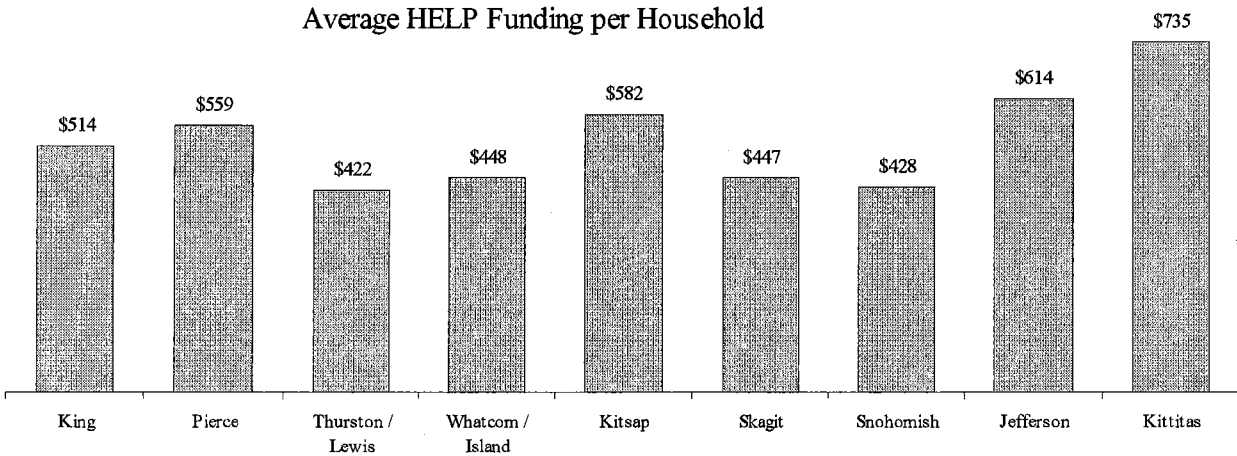
The chart below shows a comparison of the cumulative amount of awarded HELP funding on a monthly basis for the 2009 program year (shown in heavy line) and the previous five program years (in light lines). Less HELP funding was awarded to customers during the 2009 program year compared with that of the 2008 program year due to a 3% increase in Agency Administration Fees.



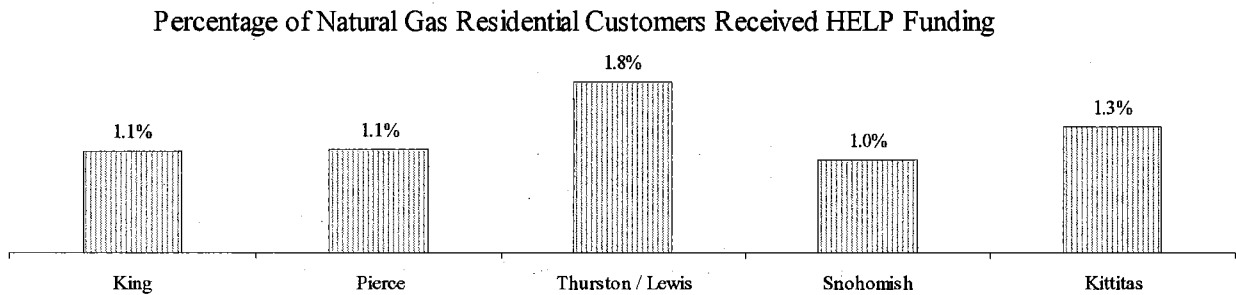
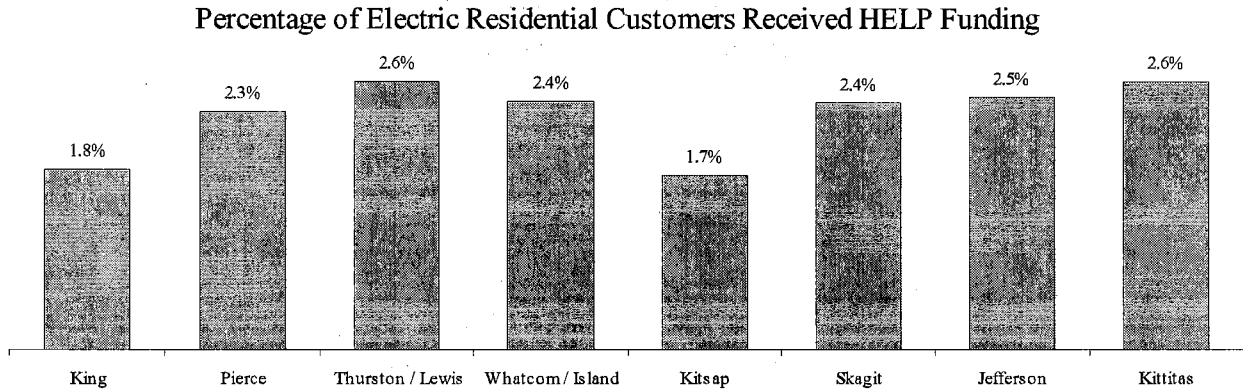
Demographics of Customer Households

HELP Funding by County

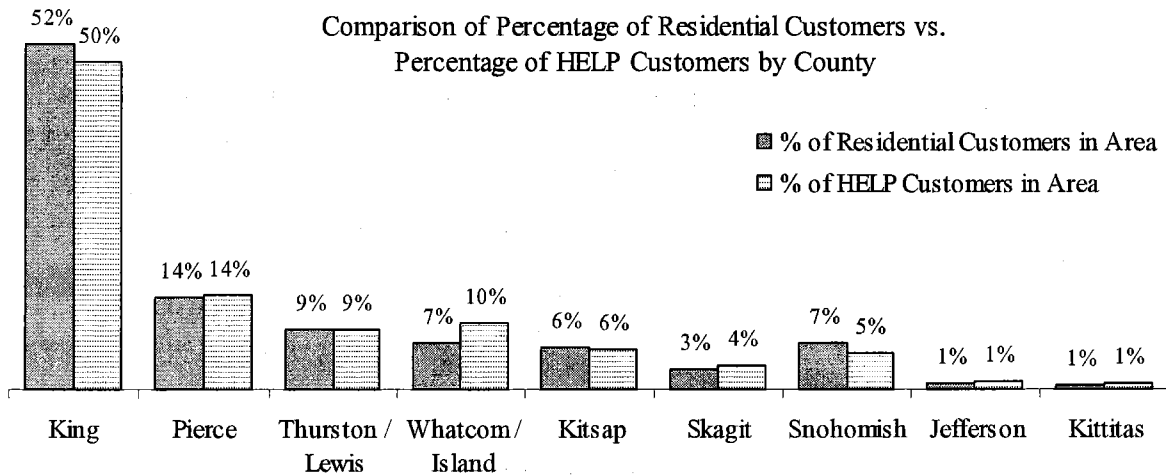
The average level of HELP funding to each qualifying low income household is \$503 for this program year. It is a \$50 increase from the \$453 of the 2008 program which reflects the increase in the annual HELP cap. The chart below shows the average funding per household for the various counties in PSE's service territory.



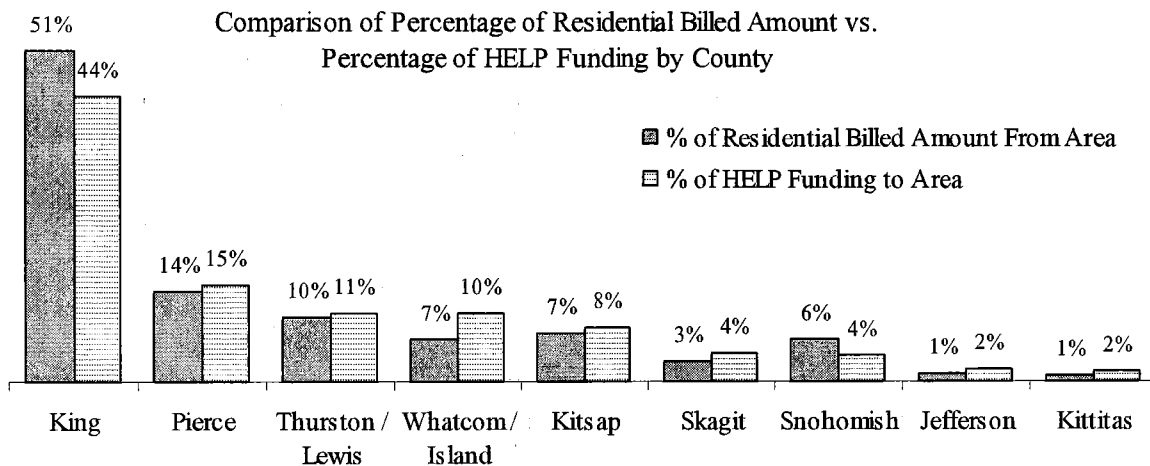
The following charts show the number of customers receiving HELP funding as percentage of the number of residential customers in a county area. The overall percentages for electric and natural gas are 2.0% and 1.1%, respectively.



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 funding in that area. Five out of the nine areas received HELP funding proportionally to the percentage of total residential customers in each of those areas. The exceptions are King, Whatcom/Island, Skagit, and Snohomish Counties. King and Snohomish received less; Whatcom/Island and Skagit received more.

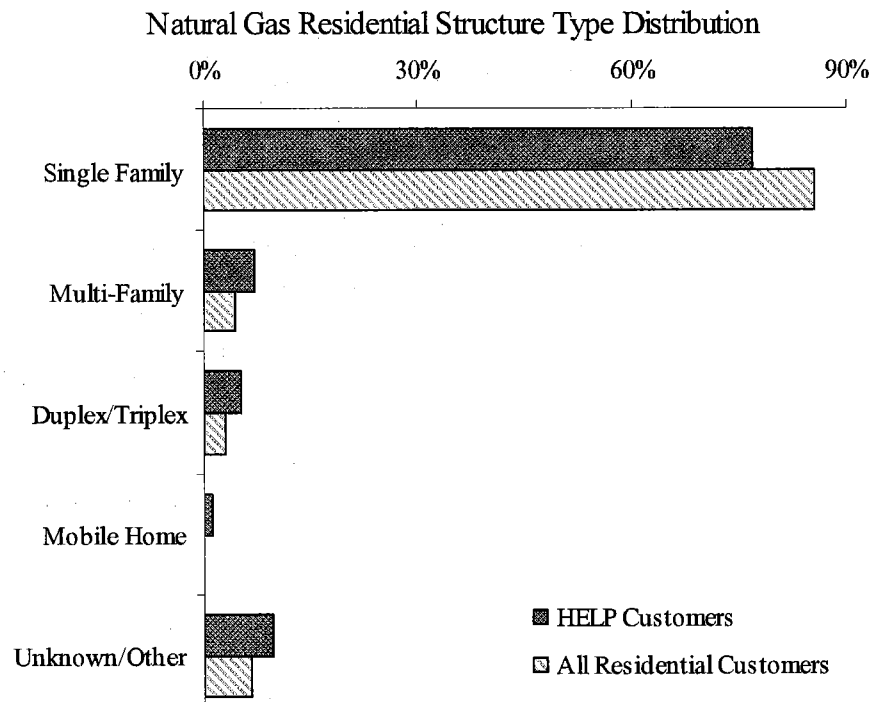
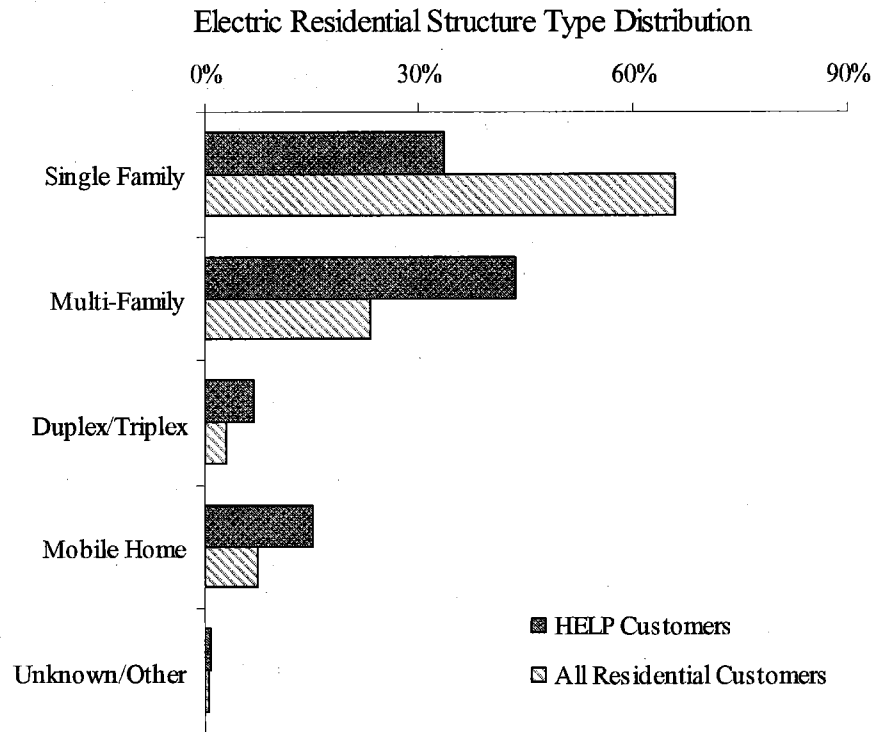


The chart below shows the percentage by county area of PSE residential electric and natural gas total billed amount in a county area compared to the percentage of HELP funding awarded to that area. Six out of the nine areas received HELP funding level similar to the percentage of total electric and natural gas billed amount from that area. The exceptions are King, Whatcom/Island, and Snohomish Counties. King and Snohomish received less; Whatcom/Island received more.



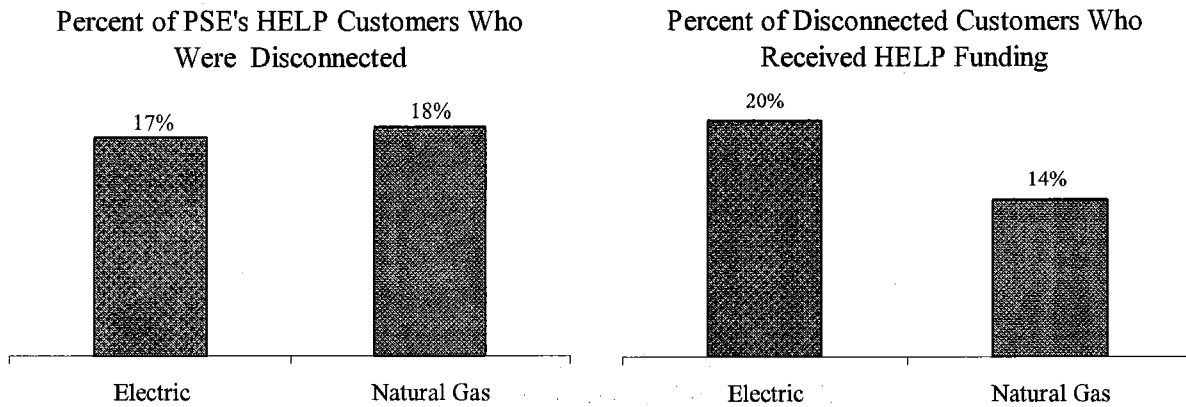
HELP Funding by Residential Housing Structure

The two charts below show comparisons by fuel type and residential housing structure type between PSE residential customers and the customers receiving HELP funding during the program year. Electric HELP customers were more likely to live in a multi-family structure but natural gas HELP customers were mostly to live in a single-family structure.

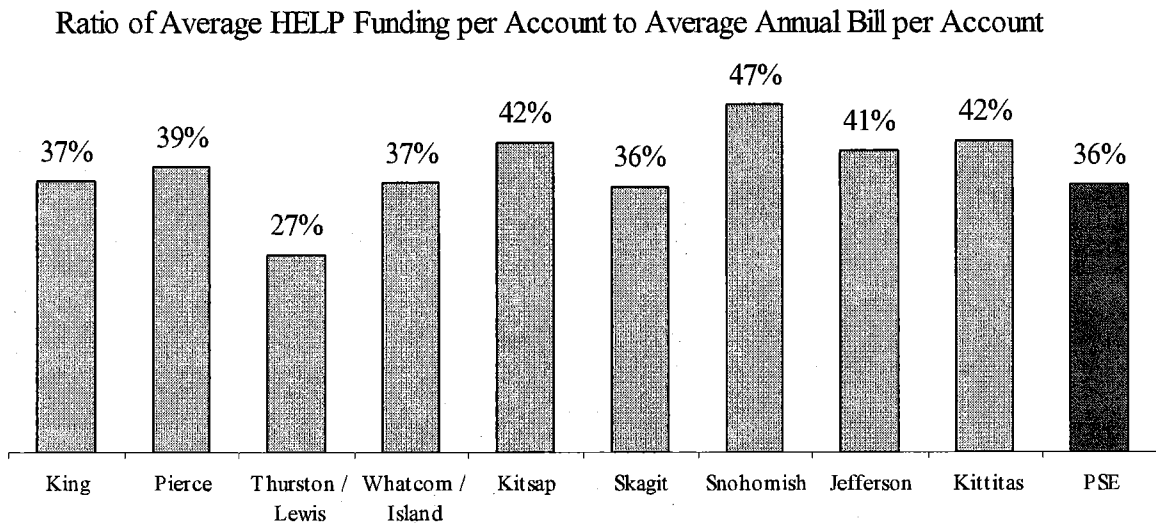


HELP Funding Impacts

The two charts below show the relationship between disconnection events and HELP billing assistance in the 2008 program. Keep in mind these charts only show what happened to customers during the program year and 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 received HELP assistance and were disconnected. Overall, 17% of HELP customers experienced service disconnection. For electric customers it was about 17% and for natural gas customers it was about 18%. The second chart highlights the percentage of disconnection customers who received HELP assistance during the program year. For electric customers it was about 20% and for natural gas customers it was also about 15%. The combined percentage of the two fuel types is 18%.



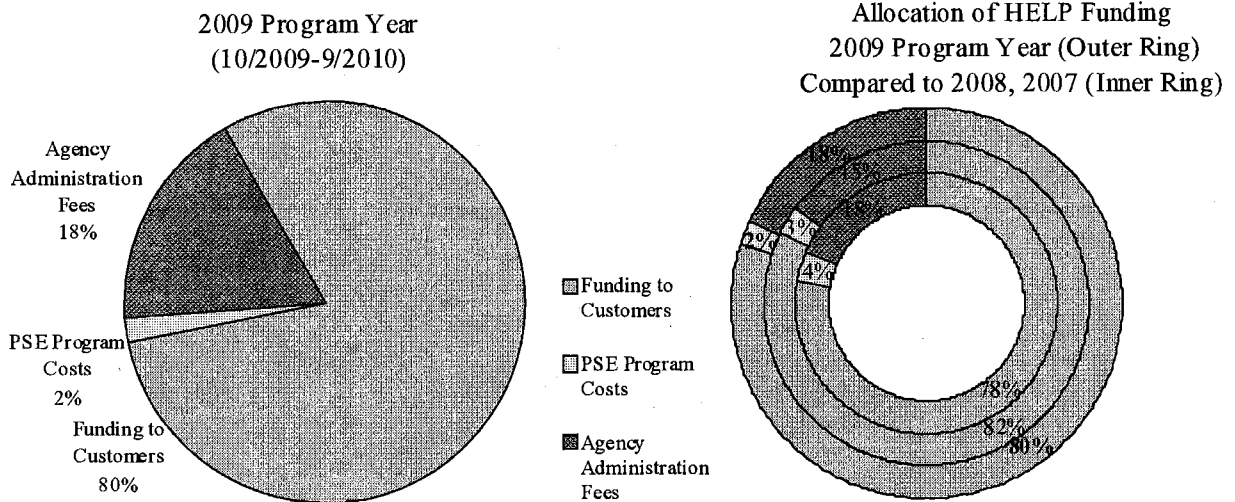
The chart below compares the ratio of average HELP funding per account to average annual bill per account for the 2009 program year by county area. It demonstrates, on average, how much of a residential electric or natural gas customer's energy bill could be mitigated by HELP funding. The overall PSE average ratio is 36%, i.e. the HELP funding alone would pay for 36% of a customer's annual energy bills. Among PSE service areas, Snohomish County has the highest ratio of 47% and the Thurston/Lewis area has the lowest ratio of 27%.



Administration of Program

During the 2009 program year, there were twelve qualifying low income agencies administering HELP and distributing funding 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, grant determination and distribution, and other support services.

The charts below illustrate the allocation of the HELP costs and funding to customers by program year. For this program year, the overall agency administration fees comprised about 18% of the total funding of the HELP, which is a 3% increase from the 15% of the previous program year. PSE's own program administrative costs were at 2%, a decrease of 1% from the 2008 program year.



Marketing of PSE Home Energy Lifeline Program

The following are some highlights regarding the marketing of the HELP during the 2009 program year, October 2009 through September 2010.

- November-December 2009 EnergyWise customer newsletter article, “Bill payment assistance available,” sent in PSE bill statements, linked to online PSE bill statements, and posted on PSE.com throughout year.
- December 18, 2009, PSE news release, “Nearly \$29 Million Available to Help PSE Low-Income Customers Pay Their Heating Bills This Winter,” 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 including Auburn Reporter and Covington Maple Valley Reporter.
- January-February 2010 EnergyWise customer newsletter articles, “Energy assistance funds expected to serve 30,000 PSE customers,” “Help us help you,” “Help people in need,” sent in PSE bill statements, linked to online PSE bill statements, and posted on PSE.com throughout year.
- January-May 2010, all billing envelopes included messaging about payment options and payment assistance programs.
- March-April 2010 EnergyWise customer newsletter articles, “Bill-payment assistance available,” and “Help people in need,” sent in PSE bill statements, linked to online PSE bill statements, and posted on PSE.com throughout year.
- May-June 2010 EnergyWise customer newsletter article, “Bill payment assistance available,” sent in PSE bill statements, linked to online PSE bill statements, and posted on PSE.com throughout year.
- All credit notice letters through July 2010 included the “Need Help Paying Your PSE Gas or Electric Bill?” insert and the “Energy Assistance for PSE Customers” insert.
- September 1, 2010, PSE news release, “Snohomish County Human Services Department Helped PSE Customers with More Than \$1 Million in Bill-Payment Assistance,” 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.
- September 1, 2010, PSE news release, “Skagit County Community Action Agency Helped PSE Customers with More Than \$900,000 in Bill-Payment Assistance,” 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 in Skagit Valley Herald, Skagit Argus, and Anacortes American.

- September 1, 2010, PSE news release, “The Opportunity Council Helped PSE Customers with Nearly \$2.5 Million in Bill-Payment Assistance,” 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 including Kirkland Reporter.
- September 1, 2010, PSE news release, “Kitsap Community Resources Helped PSE Customers with More than \$24 Million in Bill-Payment Assistance,” 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 including Bremerton Patriot.
- September 1, 2010, PSE news release, “Central Area Motivation Program Helped PSE Customers with More than \$1 Million in Bill-Payment Assistance,” 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 including Federal Way Mirror.
- September 1, 2010, PSE news release, “Metropolitan Development Council Helped PSE Customers with More than \$550,000 in Bill-Payment Assistance,” 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.
- September 30, 2010, PSE news release, “PSE Customer Donations to the Salvation Army Warm Home Fund Surpassed \$610,000 and Assisted 3,900 Families In Need with 2009-10 Heating 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. Read coverage from Redmond Reporter.
- Multilingual HELP 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. Brochures were updated in September of 2010 and posted online in October 2010.
- 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.
- Year-round HELP promotion posted on PSE.com at “Accounts and Services” site.
- The multilingual recorded telephone line (1-866-223-5425) about the HELP and options for local agency contact information (English, Spanish, Russian, Korean and Vietnamese) was accessible 24/7.