

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Dockets UE-190529 & UG-190530
Puget Sound Energy
2019 General Rate Case**

THE ENERGY PROJECT DATA REQUEST NO. 019:

Re: Direct Testimony of Jon A. Piliaris (Non-Confidential), Exh. JAP-1T at 18:3-19:9.

Please provide any study, report, or analysis performed by or for PSE regarding electricity usage by low-income customers, including but not limited to:

- a) Any study, report, analysis, or data relied on to support Mr. Piliaris' testimony.
- b) Any study, report, analysis, or data regarding the electricity usage of PSE low-income customers who participate in PSE bill assistance (including LIHEAP, HELP, Warm Home) or weatherization programs.

Response:

- a) The Prefiled Direct Testimony of Jon A. Piliaris, Exh. JAP-1T, at pages 18 and 19, regarding electricity usage by low-income customers, was informed by the California Energy Commission's 2009 Residential Appliance Saturation Study at https://ww2.energy.ca.gov/appliances/rass/previous_rass.html, which pertains to the definition of low-income households based upon an annual income level. The study references low-income customers generally rather than a specific group of customers that have requested any energy bill assistance.
- b) Please see Attachment A to Puget Sound Energy's ("PSE") Response to The Energy Project Data Request No. 019 for a PDF copy of PSE's "Annual Report on Program Outcome of PSE's Low Income Program" for the 2017 Program Year (October 2017 through September 2018), filed on May 28, 2019, in Dockets UE-011570 and UG-011571.

**ATTACHMENT A to PSE's Response to
The Energy Project
Data Request No. 019**

Puget Sound Energy

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

Home Energy Lifeline Program (“HELP”)

For 2017 Program Year
October 2017 through September 2018

Filed May 28, 2019

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Introduction and Background

Puget Sound Energy's ("PSE's") low income bill assistance program, the Home Energy Lifeline Program ("HELP"), provides bill-payment assistance to eligible PSE customers whose household is considered as a "very low-income household" per RCW 43.63A.510¹. The majority of the HELP funding is collected from all PSE customers via rates that are set by PSE's electric and natural gas tariff Schedules 129: Low Income Program.

Also, if PSE does not meet its service quality index ("SQI") benchmarks set forth in its Service Quality program and the total annual penalty dollars are less than the equivalent of \$12 per customer, the applicable SQI penalty will then be allocated to the appropriate PSE HELP funding based upon the energy service affected by each missed SQI.

PSE's HELP bill-payment assistance is separate but supplemental to the Federal Low Income Home Energy Assistance Program ("LIHEAP"), which is available year-round to eligible households. For the 2017 program year, October 2017 through September 2018, eligible households may receive up to \$1,000 per year per customer in HELP credit to offset their PSE electricity or natural gas bills, which is the same maximum as the 2009 through 2016 program years.

PSE'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. The HELP was further 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 eligible very low-income customers to receive bill-payment assistance with no limitation on how the HELP bill-payment assistances are applied to any amounts owed (past, present, and future) by these customers to PSE.

On October 8, 2008, the Commission approved three additional HELP changes in its Order 12 of the consolidated Dockets UE-072300 and UG-072301 (2007 Order 12). Appendix D to the 2007 Order 12 detailed of the three changes that became effective for program years starting 2008.

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.

With the merger of PSE and Puget Holdings LLC, these three changes above were further affirmed as Commitments 22, 23, and 42 of the Multi-Party Settlement Stipulation approved by the Commission on December 30, 2008, in Order 8 of Docket U-072375, Approving and Adopting Settlement Stipulation; Authorizing Transaction Subject to Conditions.

¹ RCW 43.63A.510, Affordable housing — Inventory of state-owned land:

(1) (b) "Very low-income household" means a single person, family, or unrelated persons living together whose income is at or below fifty percent of the median income, adjusted for household size, for the county where the affordable housing is located.

Additional funding has been available to very low-income customers to mitigate the effect of PSE electric and natural gas rate changes (Supplemental HELP Funding Adjustment). This Supplemental HELP Funding Adjustment was described in PSE's Initial Brief in the PSE's 2009 General Rate Case ("2009 GRC") under the consolidated Dockets UE-090704 and UG-090705, as follows:

The company proposed to increase the annual level of low-income electric and natural gas bill assistance funding by the corresponding percent increase to the residential class that are approved by this Commission. The amount of this percentage increase would be added to the low income tariff in the next program year.

This Supplemental HELP Funding Adjustment had been incorporated into PSE's annual electric and natural gas Schedules 129 HELP funding requirement true-up for the HELP periods of October 1, 2010, through September 30, 2017.

On May 7, 2012, per Order 8 of the consolidated Dockets UE-111048 and UG-111049, the base funding for the low-income bill assistance program was increased to \$20.2 million, based on 0.665 percent of PSE's 2010 operating revenues. Prior funding level reflected about 0.51 percent of PSE's 2010 operating revenues. The base HELP funding is distributed to electric and natural gas customers at the fixed ratio of 75% and 25%, respectively, as set forth in 2007 Order 12.

On June 25, 2013, as a condition for the Commission's approval of PSE's Expedited Rate Filing ("ERF") and Decoupling mechanisms², the Commission ordered an increase of HELP funding of \$1.0 million per year during the three-year rate plan for the two mechanisms. The additional \$1.0 million per year became the base HELP funding to \$21.2 million for the program years starting from October, 1 2013. In addition, per paragraph 177 on page 76 in Order 7 of ERF and Decoupling dockets, HELP funding is increased in proportion to the residential bill impacts of decoupling.

In the low income filings for the 2016 program year, UE-161039 and UG-161047, the total annual funding cap became \$23.503 million, which was reflected in the total HELP funding for the 2017 program of October 1, 2017, through September 30, 2018.

For the 2018 program year of October 1, 2018, through September 30, 2019, additional HELP funding was made available and the associated allocation between electric and natural gas services became 80% and 20%, respectively. These funding changes were approved by the Commission in Order 08 of the consolidated Dockets UE-170033 and UG-170034 ("Order 08"). Order 08 also adopted new HELP eligibility criteria that are based upon federal poverty level and approved a two-year eligibility certification process for certain income-qualified customers. Both eligibility changes became effective on October 1, 2018. The effect of all the funding and eligibility changes will be presented in the 2018 HELP report.

² Order 7 of consolidated Dockets UE-121697 and UG-121705 (Decoupling) and consolidated Dockets UE-130137 and UG-130138 (Expedited Rate Filing)

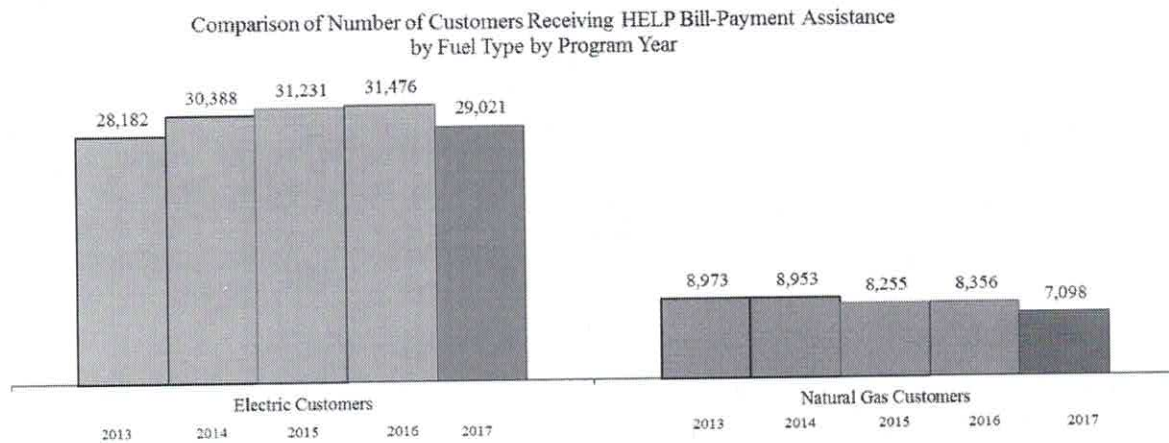
Description of HELP Bill-Payment Assistance

HELP Bill-Payment Assistance by Fuel Type and Program Year

The following table shows the number of PSE residential very low-income customers who received bill-payment assistance from PSE’s HELP during the 2017 program year, the 12-month period of October 1, 2017, through September 30, 2018.

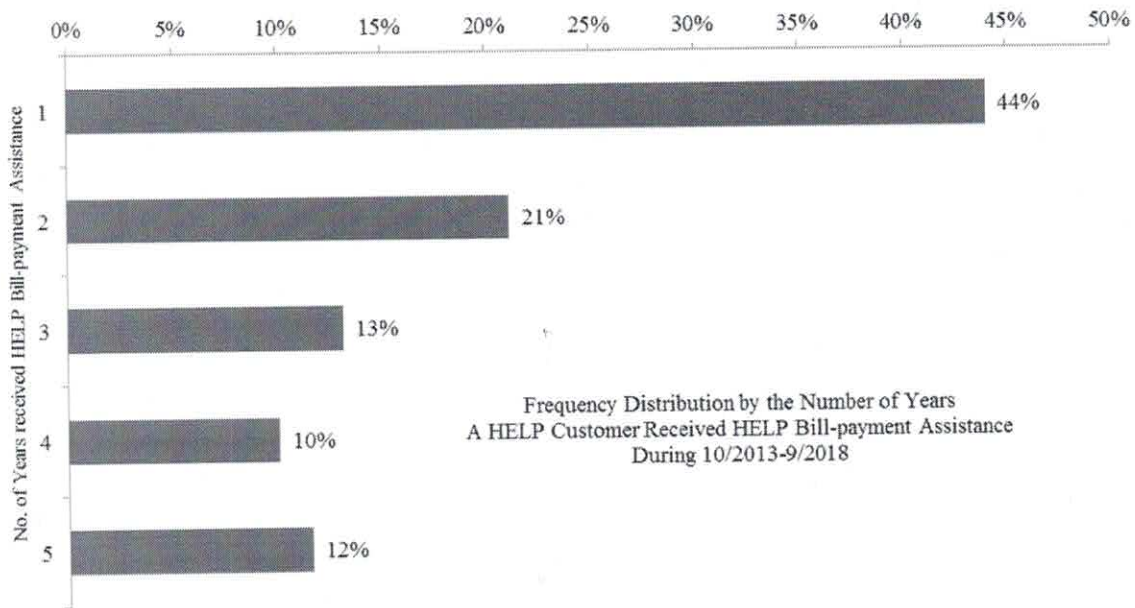
Electric customers:	29,021
Natural gas customers:	7,098

The number of eligible very low-income households that received HELP bill-payment assistance is lower than the sum of the two numbers above since some households are both PSE natural gas and electric customers. The total number of very low-income households that received bill-payment assistance is 32,612, i.e., there are 3,591 HELP households that received both PSE electric and natural services during the period of October 1, 2017, through September 30, 2018. Of the electric customers who received bill-payment assistance, 12% were also natural gas customers. Of the natural gas customers who received bill-payment assistance, 49% were also electric customers. The chart below is a comparison of the number of customers who received bill-payment assistance since 2013 by fuel type and by program year.



The number of eligible very low-income customers that received HELP bill-payment assistance as percentage of the total number of residential customers by electric and natural gas is 2.9% (29,021 out of 1,008,696) and 0.9% (7,098 out of 769,458), respectively. Overall 2.0% of PSE residential customers received either or both electric and natural gas HELP bill-payment assistance.

The chart below shows the distribution of the number of years a customer received HELP bill-payment assistance during the 2013-2017 program years. Also half (44%) of the HELP customers received only one bill-payment assistance during those years; while 12% of HELP customers received as least one HELP assistance every year during that 5-year period.



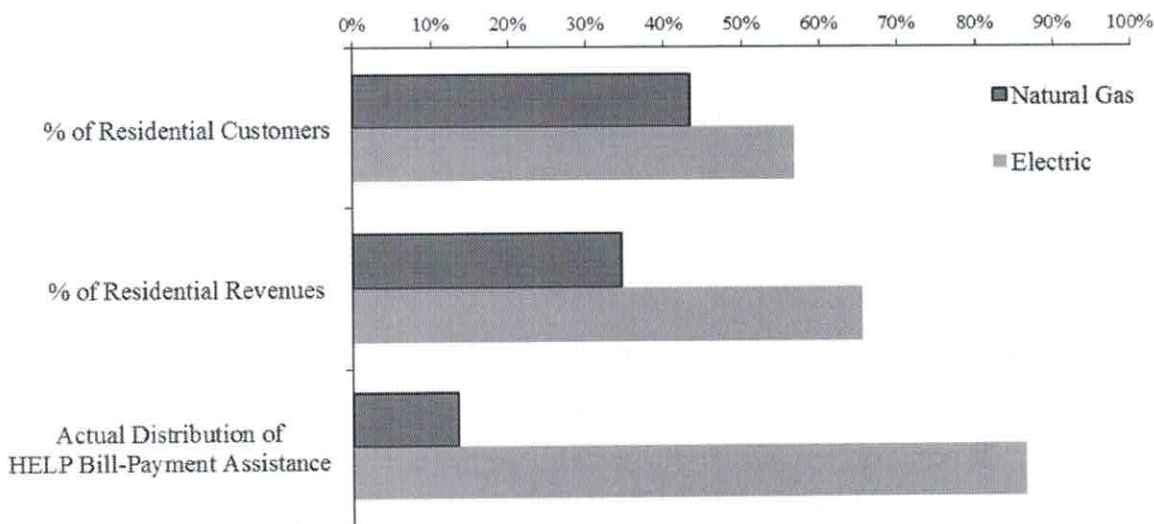
The total dollar amount of HELP bill-payment assistance distributed to customers during the 2017 program year was:

Electric	\$12,752,958
Natural Gas	\$2,024,266
Total	\$14,777,224

The total HELP funding provides for the bill-payment assistance to customers, PSE program costs, and the fees to agencies that administrate HELP as outlined in PSE’s electric and natural gas tariff Schedules 129. The base 2017 program year HELP funding was allocated as 75% for electric and 25% for natural gas as prescribed in the Appendix D to the 2007 Order 12 while the overflow funding went back to the fuel type that the bill-payment assistance was originally distributed to. The actual percentages of HELP bill-payment assistance distributed to each fuel are 86% electric and 14% natural gas for the 2017 program year.

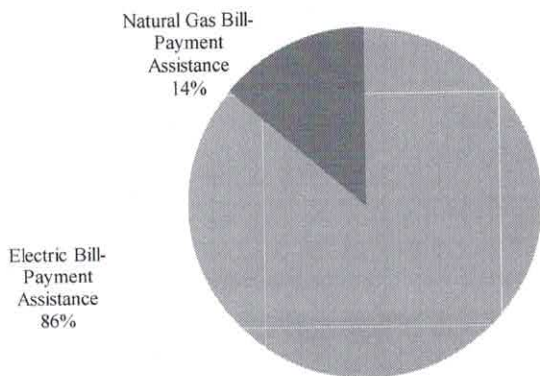
The table and chart below shows a comparison, by fuel type, of the percentages of HELP bill-payment assistance distributed with the percentages of total residential customers and total residential revenues. Electric residential customers were allocated relatively more HELP payment assistance than that of natural gas residential customers based upon the proportion of total residential revenue and total residential customer count percentages.

	% of Actual Total Distributed HELP Bill-Payment Assistance	% of Residential Customers	% of Residential Revenues
Electric	86%	57%	65%
Natural Gas	14%	43%	35%

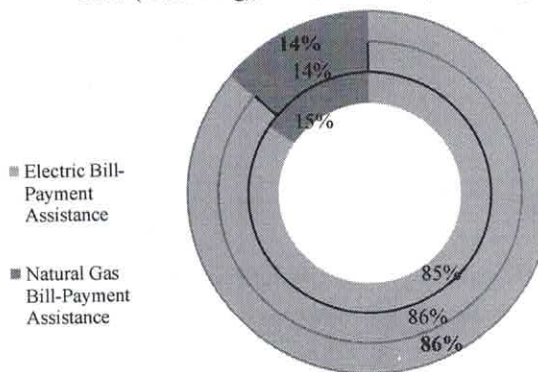


The following charts show the relative amount of bill-payment assistance distributed to eligible very low-income electric and natural gas residential customers by program year.

2017 Program Year (10/2017-9/2018) Comparison of HELP Bill-Payment Assistance by Fuel Type

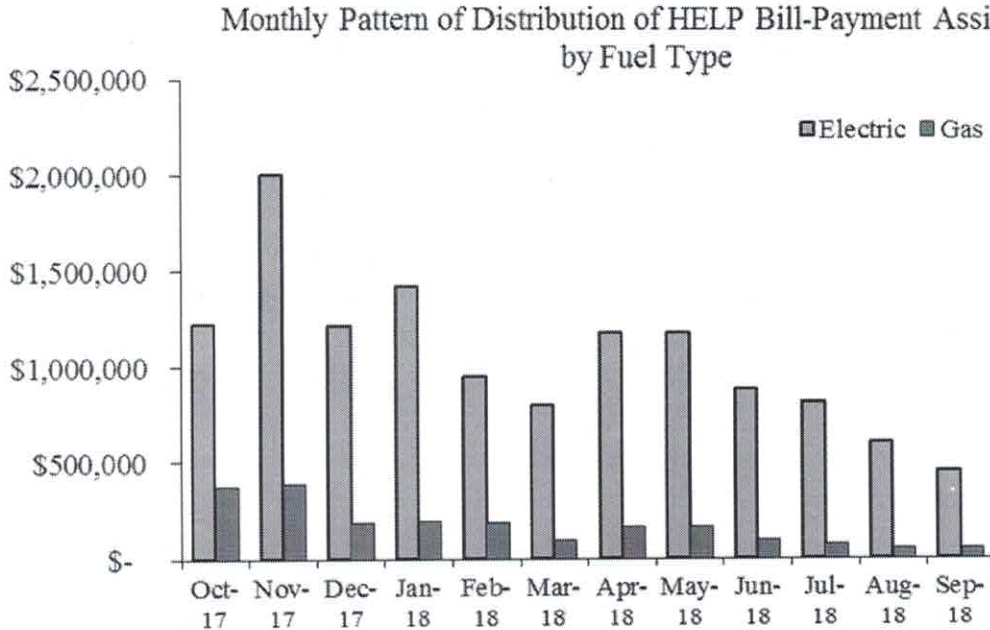


Comparison of HELP Bill-Payment Assistance by Program Year and Fuel Type 2017 (Outer Ring), 2016, and 2015 (Inner Ring)

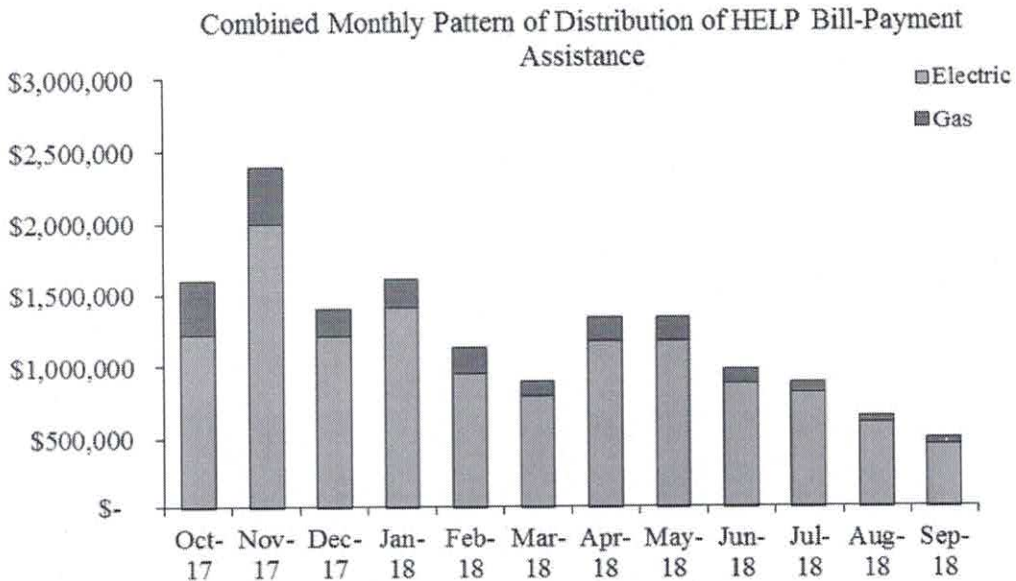


Monthly Pattern of Distribution of HELP Bill-Payment Assistance

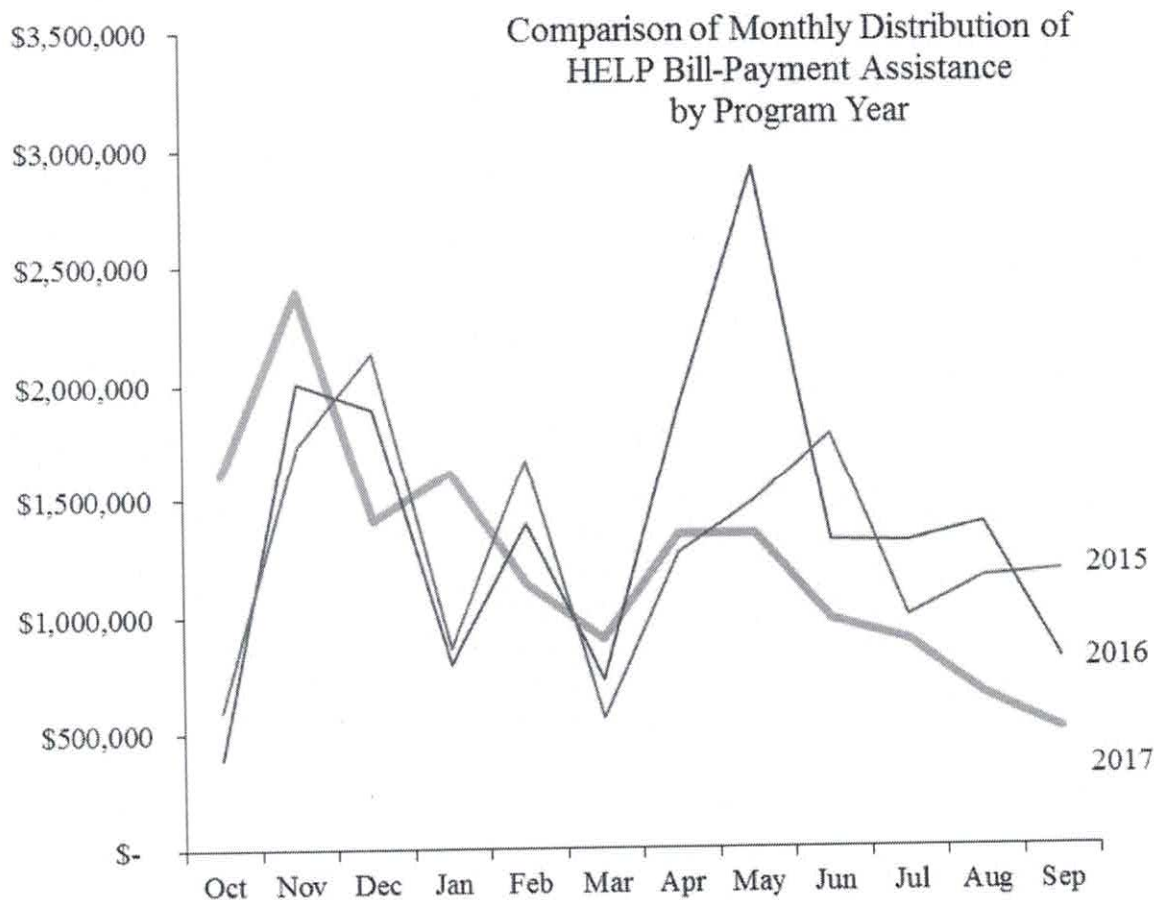
The following two charts show the monthly pattern of distribution of HELP bill-payment assistance to eligible very low-income PSE customers during the 2017 program year by fuel type. The first chart is a side-by-side bar chart with both the electric and natural gas payment assistance.



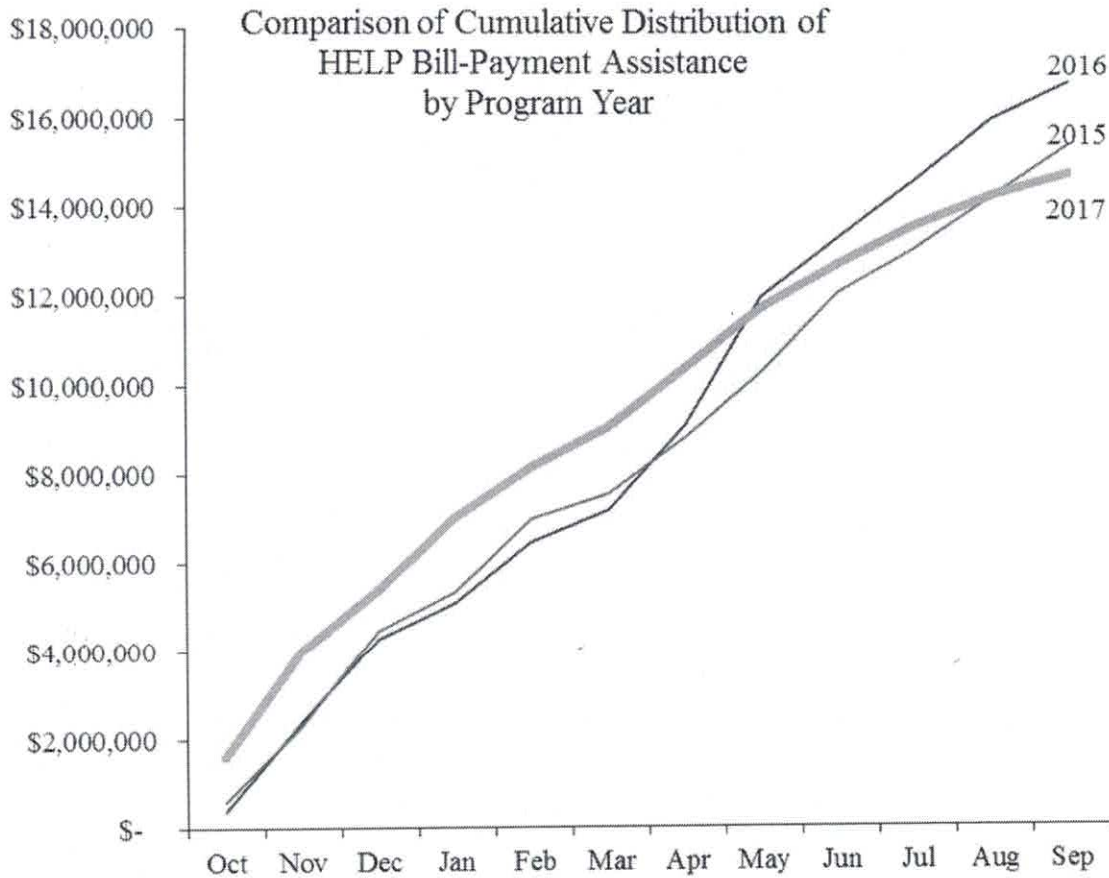
The second chart is a stacked bar chart with both the electric and natural gas payment assistance by month.



The chart below shows the combined electric and natural gas distributed HELP bill-payment assistance on a monthly basis for the 2017 program year (depicted by the heavy line) and the previous two program years (in light lines). As the qualifying low-income agencies exhaust the LIHEAP funding throughout the program year, the distribution of PSE HELP funding increased to make up the difference in the available low-income bill-payment assistance. The timing that the qualifying low-income agencies notified PSE of the eligible HELP customers also affected the monthly distribution pattern. For the 2017 HELP year, 48% of the annual amount of HELP bill-payment assistance was distributed to the eligible very-low income customers in the first four months of, October through January, before and during the peak of winter heating season.



The chart below shows a comparison of the cumulative amount of distributed HELP bill-payment assistance on a monthly basis for the 2016 program year (shown in heavy line) and the previous two program years (in light lines). The 2016 program year has the highest amount of HELP payment assistance among the three program years.

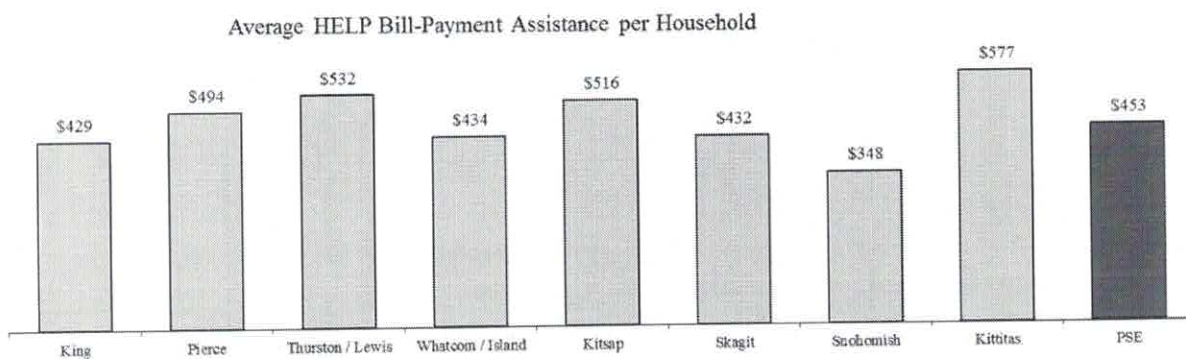


Demographics of Customer Households

HELP Bill-Payment Assistance by County Area

The average level of HELP bill-payment assistance to each eligible very low-income household is \$453 for the 2017 program year ending September 31, 2018. It is an \$8 decrease from the \$461 per household of the 2016 program year. The overall average HELP bill-payment assistance per PSE energy account that received HELP bill assistance is \$409 due to the fact that 3,591 households have both PSE electric and natural gas services.

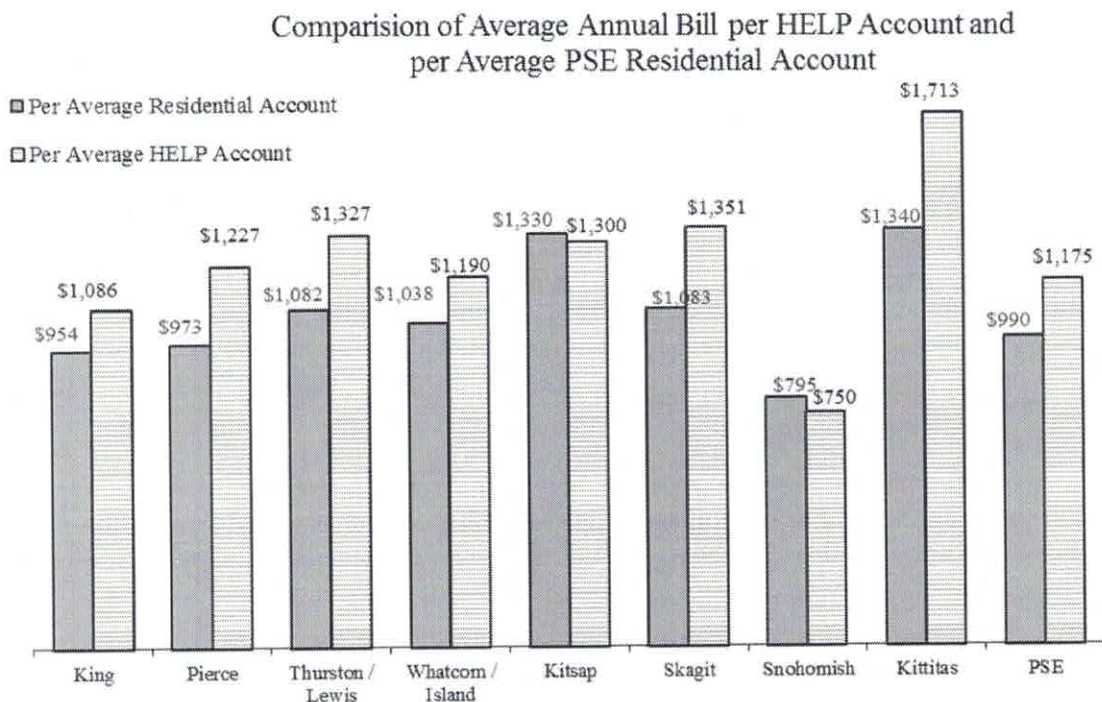
The chart below shows the average HELP bill-payment assistance per household for the various county areas in PSE's service territory. Kittitas County has the highest average of HELP bill-payment assistance per household whereas Snohomish County, where PSE provides mostly natural gas service, has the lowest average HELP assistance amount.



HELP Bill-Payment Assistance and Annual Bill by County Area

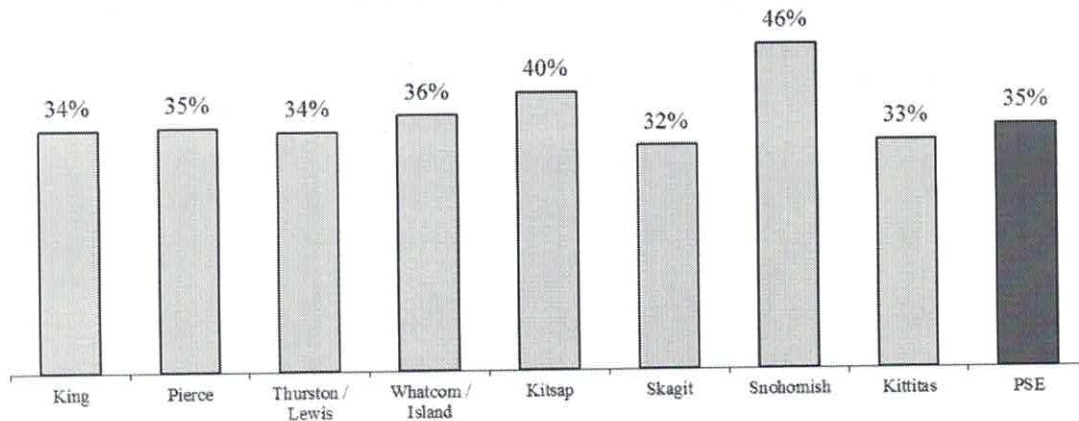
For the purpose of comparison among all the county areas, the average residential and the HELP customer annual bill information presented in the following charts and the customer count information used in the calculation is based upon 12 months ending September 30, 2018, to coincide with the HELP period.

The chart below shows a comparison by county area of the average annual bill per HELP account and per PSE residential account, thus comparing the average bill of a HELP customer to the average bill a general residential customer. For the 2017 program year, the customers who received HELP bill-payment assistance had, on average, annual bills that were higher than that of average PSE residential customers. Most of the county areas show similar relationship except Kitsap and Snohomish Counties.



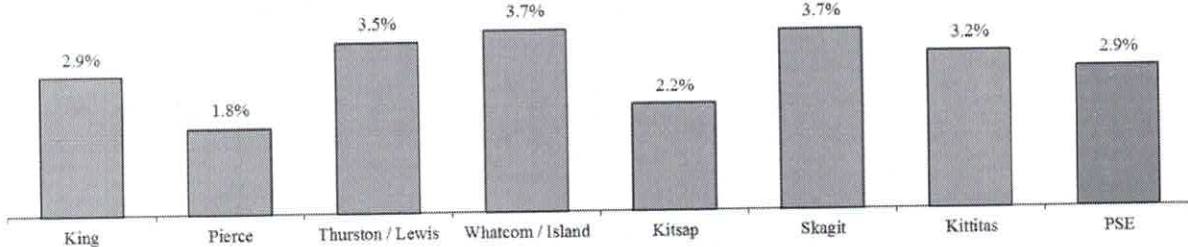
The chart below compares the ratio of average HELP bill-payment assistance per HELP account to the average annual bill per HELP account for the 2017 program year by county area. It demonstrates, on average, how much of an electric or natural gas HELP customer's energy bill was mitigated by HELP bill-payment assistance. The overall average ratio is 35%, i.e. the HELP bill-payment assistance alone could pay for 35% of a HELP customer's annual energy bills. Among the current PSE service areas, Snohomish County has the highest ratio of 46% and Skagit County has the lowest ratio of 32%.

Ratio of Average HELP Bill-Payment Assistance per HELP Account to Average Annual Bill per HELP Account

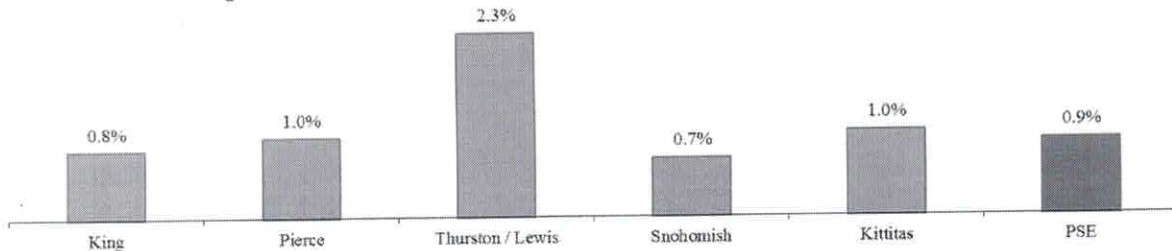


The following charts show the number of eligible very low-income customers receiving HELP bill-payment assistance as percentage of the number of residential customers in a county area. The overall percentages for electric and natural gas are 2.9% and 0.9%, respectively.

Percentage of Electric Residential Customers Received HELP Bill-Payment Assistance



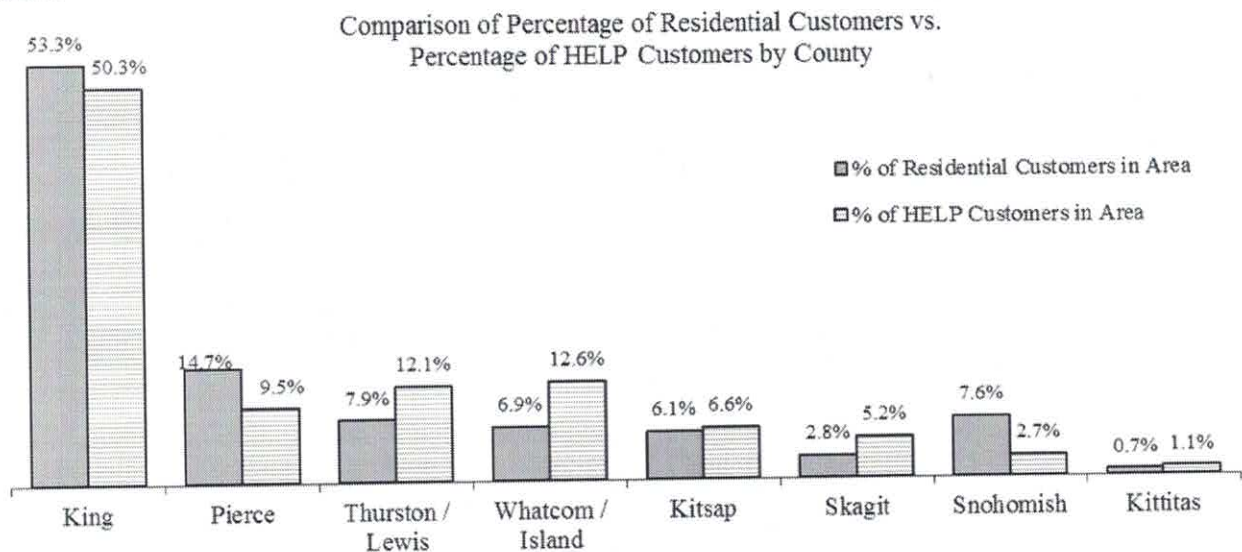
Percentage of Natural Gas Residential Customers Received HELP Bill-Payment Assistance



The chart below shows the percentage distribution of PSE residential customers, including both electric and natural gas, by county area along with the percentage of PSE HELP customers in that area. Snohomish County, where PSE provides only natural gas service, and King and Pierce Counties received proportionally significantly less HELP bill-payment assistance than the rest of the county areas.

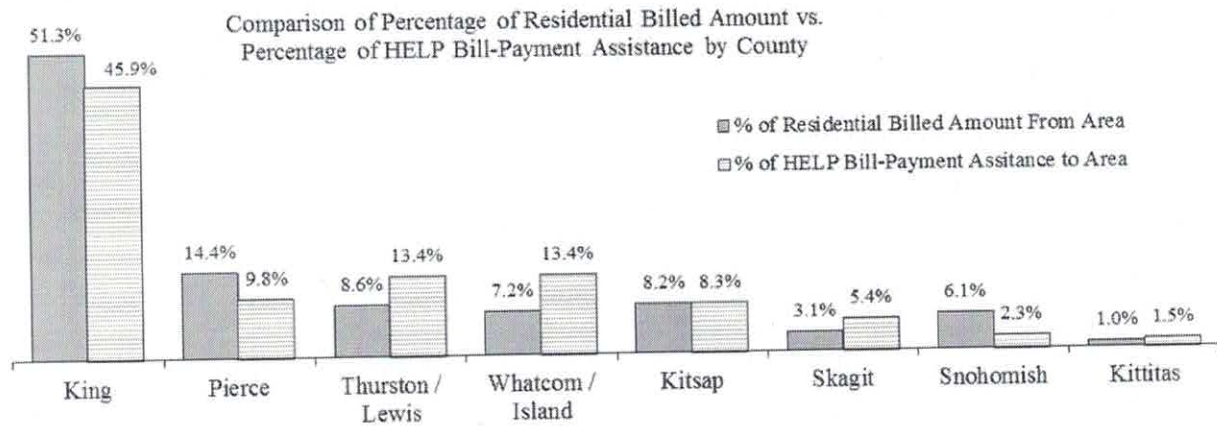
- 7.6% of PSE residential customers are in Snohomish County but only 2.7% of the PSE HELP customers are in the county.
- Pierce County has 14.7% of PSE residential customers but only 9.5% of the PSE HELP customers are in the county.
- King County has 53.3% of the PSE’s residential customers but in comparison only 50.3% of the PSE HELP customers are in King County.

The other county areas: Thurston/Lewis, Whatcom/Island, Kitsap, Skagit, and Kittitas Counties; all have higher percentages of PSE HELP customers than that of PSE residential customers in the areas.



The chart below shows the percentage by county area of PSE total residential electric and natural gas billed amount in a county area compared to the percentage of PSE HELP bill-payment assistance distributed to that area.

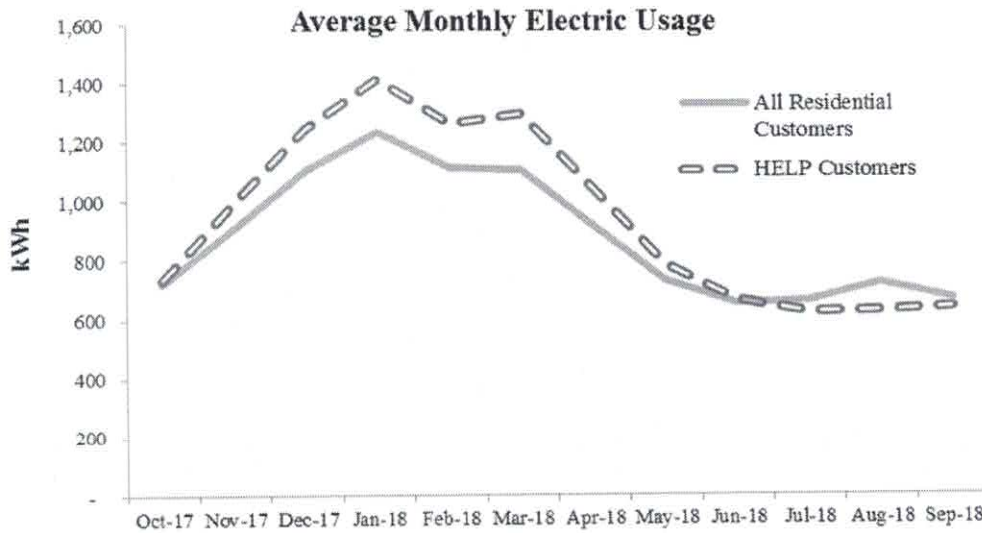
- Similar to the customer count comparison above, King, Pierce, and Snohomish Counties received less HELP bill-payment assistance than the rest of the county areas in terms of the residential billed amount.
- Thurston/Lewis, Whatcom/Island, and Skagit Counties received higher percentages of PSE HELP bill-payment assistance than that of PSE residential billed amount from these areas.



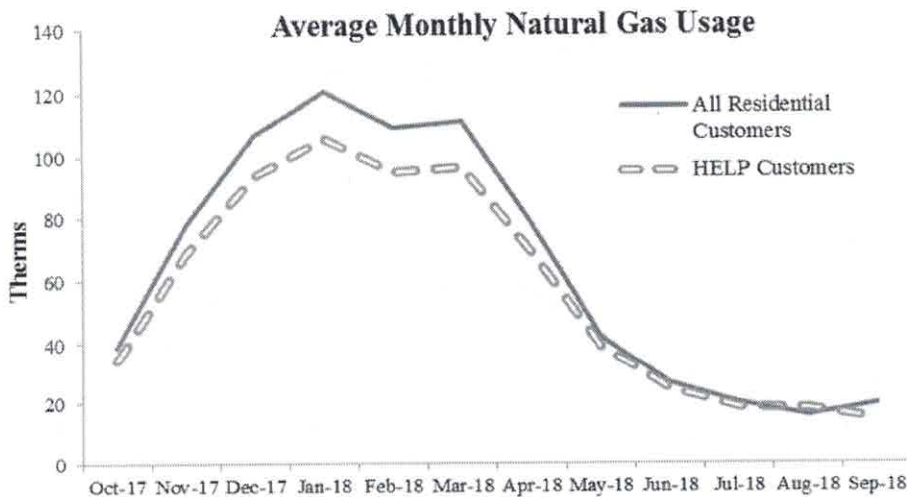
HELP Customers Average Monthly Energy Usage

The following charts show the patterns of the average monthly energy usage of PSE HELP customers in comparison with that of all PSE residential customers for the 2017 program year of October 1, 2017, through September 30, 2018, by electric and natural gas. These two charts are based upon the customers who received either electric and/or natural gas PSE HELP assistance/s during the 2017 program year. Both natural gas and electric usage of a PSE HELP customer are included in the analysis, e.g., the average natural gas monthly usage chart reflects the natural gas usage of both natural gas and electric PSE HELP bill-assistance customers.

For this 2017 program year, PSE HELP customers had higher average electric monthly usage than that of PSE residential customers except during the summer months.



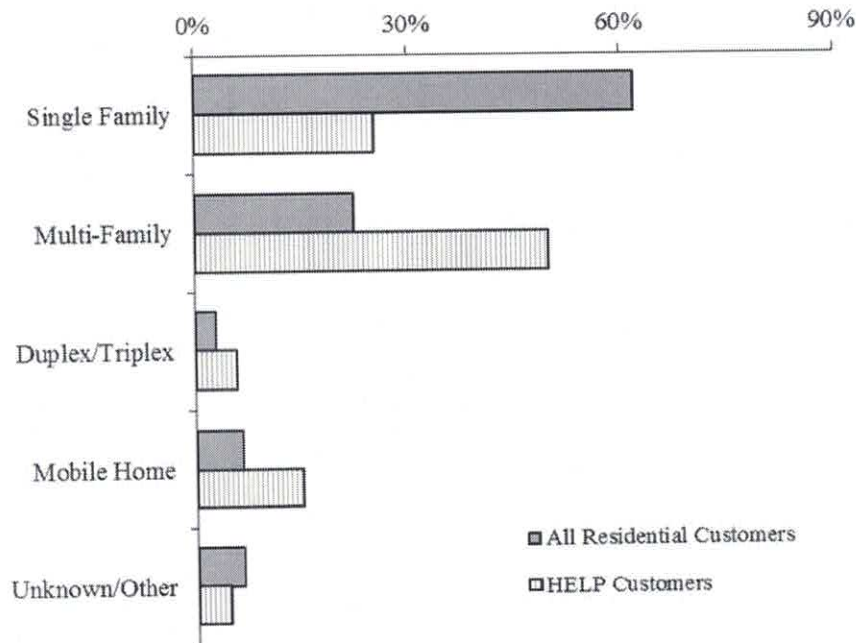
For the natural gas usage, the HELP customers' usage during the winter months was less than that of residential customers but about the same as that of PSE residential customers during the summer months.



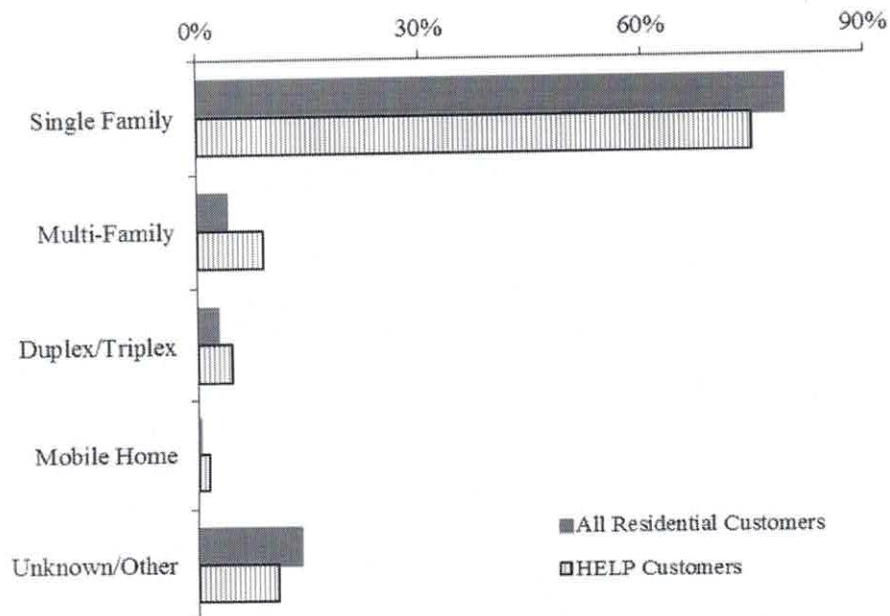
HELP Bill-Payment Assistance by Residential Housing Structure

The two charts below show comparisons by fuel type and residential housing structure type between PSE residential customers and the eligible very low-income customers who received HELP bill-payment assistance during the 2017 program year. Electric HELP customers were more likely to live in a multi-family structure whereas natural gas HELP customers were mostly living in a single-family structure.

Electric Residential Structure Type Distribution

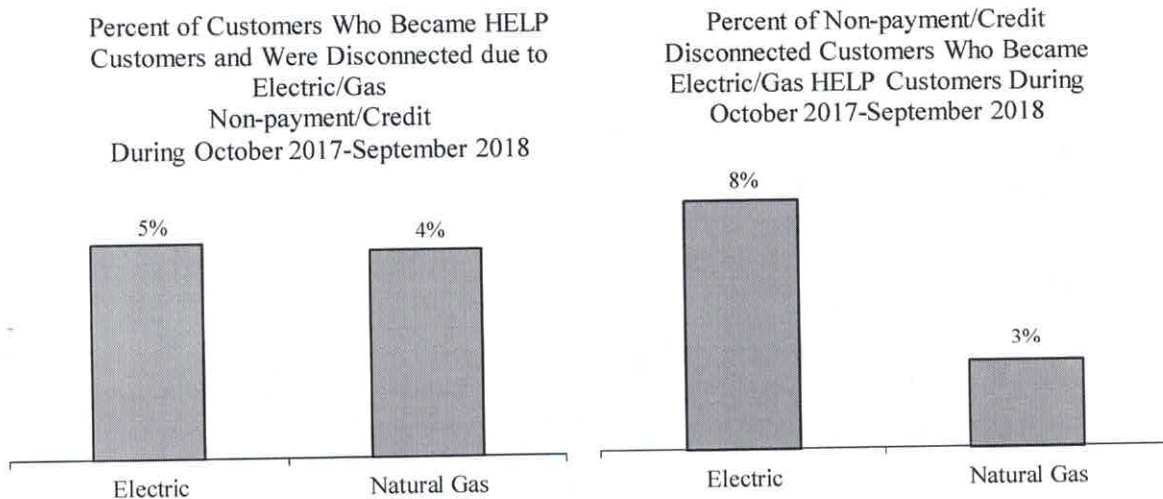


Natural Gas Residential Structure Type Distribution



HELP Bill-Payment Assistance Impacts

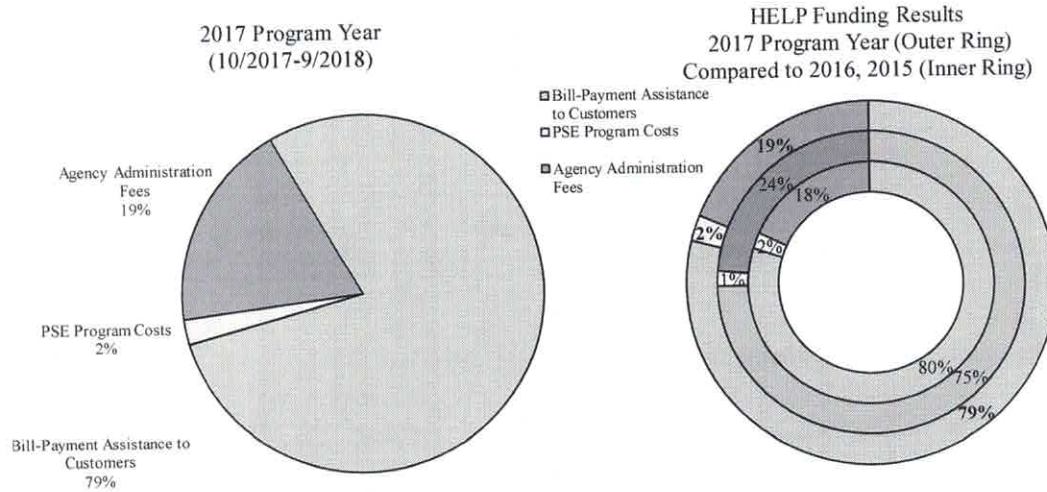
The two charts below show the relationship between the very low income customers who became eligible HELP customers during the 2017 HELP period of October 2017 through September 2018 and the non-payment/credit disconnections associated with these customers that occurred during the same period. These two charts only show what happened to these customers during the period of October 2017 through September 2018 and do not indicate which event occurred first, namely the receipt of HELP bill-assistance or the non-payment/credit disconnection. The first chart highlights the percentage of customers who became HELP customers and were also disconnected due to non-payment/credit during the 2017 program year by fuel. Overall, 4% of these 2016 PSE HELP customers experienced non-payment/credit disconnection. The second chart highlights the percentage of non-payment/credit disconnected customers who became HELP customers during the period. The combined percentage for both electric and natural gas non-payment/credit disconnected customers who were also HELP customers is 7%.



Administration of Program

During the 2017 program year, there were eleven qualifying low-income agencies administering PSE’s HELP and distributing bill-payment assistance to PSE customers. In addition to the distribution of the HELP bill-payment assistance to eligible low-income customers, these agencies also received allotment of funds from PSE as administrative fees to run the HELP and related support services such as customer education, eligibility evaluation, bill-assistance amount determination, and other services.

The charts below illustrate the allocation of the HELP administration costs and bill-payment assistance to customers by program year. For the 2017 program year, the overall agency administration fees comprised about 19% of the total actual spending of the HELP and PSE’s own administrative program costs were 2%.



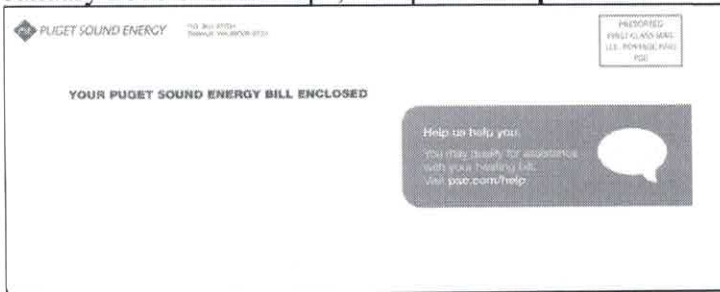
Marketing of PSE Home Energy Lifeline Program

During the 2017 program year, October 2017 through September 2018, Puget Sound Energy made customers aware of the HELP through bill inserts, bill mailing envelopes, bill-print messages, and in-person conversations.

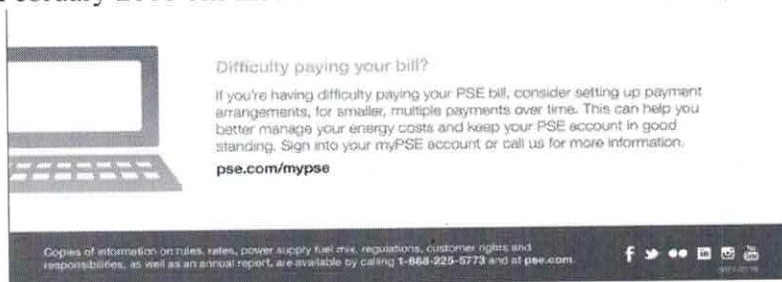
The samples below illustrate some of the communications used to raise awareness about PSE's Home Energy Lifeline Program.

- PSE Bill Package

January 2018 bill envelope, also posted on pse.com:



February 2018 bill insert newsletter article to all customers, also posted on pse.com:



- February 2018 press release, posted on pse.com:
<https://www.pse.com/press-release/details/millions-in-bill-payment-assistance-dollars-still-available>

Millions in bill-payment assistance dollars still available

More than 18,000 households have already received \$8.1 million this winter

BELLEVUE, Wash. (2/26/2018) After experiencing some of the lowest February temperatures on record, Puget Sound Energy is reminding customers help is available to pay their heating bills. More than \$10 million remains available to income-eligible households.

More than 18,625 PSE customers already have received a total of \$8.1 million this winter through the federal Low Income Home Energy Assistance Program, or LIHEAP, and from PSE's Home Energy Lifeline Program, or HELP.

"PSE is committed to helping families in need," said Greg Zeller, PSE's director of Customer Care. "Customers may be dealing with higher energy bills during these winter months, and we want them to know that they may qualify for bill-payment assistance as well as weatherization grants. We encourage anyone who is income-eligible to contact their community agency to apply for this available assistance."

PSE also provides weatherization funds to income-eligible households who heat their primary space and water with electricity or natural gas.

A family of four with a monthly gross income of \$4,337 is eligible for weatherization grants to install effective home energy efficiency upgrades, including insulation, sealing of leaks around windows and doors and seams in heating ducts. The average weatherization assistance grant for PSE households is nearly \$3,000.

Another program, The Salvation Army Warm Home Fund, helps PSE customers who need emergency, short-term utility bill assistance. Through voluntary contributions from PSE customers and employees, the fund this winter already has reached the largest amount raised since it began in 1982. So far, the Warm Home Fund has raised more than \$704,000 and served more than 2,700 households. PSE customers should contact their nearest Salvation Army district office for more information about the Warm Home Fund.

For information about qualifying for bill-payment and weatherization assistance grants, PSE customers should call 1-866-223-5425 for contact information about their community assistance agency, also here on PSE's website.

- February 2018 bill print message, also posted on pse.com:

February 2018 bill print messages
Summary page

We're here to help

If you're having difficulty paying your bill, please call us or go to your myPSE account for payment arrangements.

pse.com/mypse

- February 2018 bill envelope, also posted on pse.com:



1127 02/18



Help us help you

You may qualify for assistance with your heating bill. Visit pse.com/help.

The customer is important

- March 2018 bill insert newsletter article, also posted on pse.com:

You may qualify for assistance

Depending on income and household size, you may be eligible for payment assistance with your heating bill and for free energy-efficient improvements to your home. Recipients can receive up to \$1,000 in credits from the federal Low Income Home Energy Assistance Program (LIHEAP) and another \$1,000 in credits from PSE's Home Energy Lifeline Program (HELP). Contact your local energy-assistance agency at 1-866-223-5425.

- March 2018 bill envelope, also posted on pse.com:



- March 2018 bill print message, also posted on pse.com:

March 2018 bill print messages
Summary page

Get help with your heating bill
Depending on income and household size, you may be eligible for free weatherization assistance as well as payment assistance.
pse.com/assistance

- April 2018 bill envelope, also posted on pse.com:



- May 2018 bill insert newsletter, also posted on pse.com:

You may qualify for assistance

Depending on income and household size, you may be eligible for payment assistance with your heating bill and for free energy-efficient improvements to your home. Recipients can receive up to \$1,000 in credits from the federal Low Income Home Energy Assistance Program (LIHEAP) and another \$1,000 in credits from PSE's Home Energy Lifeline Program (HELP). Contact your local energy-assistance agency at 1-866-223-5425.

- May 2018 bill print message, also posted on pse.com

May 2018 bill print messages
Summary page

We're here to help
If you're having difficulty paying your PSE bill, consider setting up payment arrangements for smaller, multiple payments over time. Sign in to your account or contact us.
pse.com

- August 2018 bill insert newsletter, also posted on pse.com:

You may qualify for assistance

Depending on income and household size, you may be eligible for payment assistance with your heating bill and for free energy-efficient improvements to your home. Recipients can receive up to \$1,000 in credits from the federal Low Income Home Energy Assistance Program (LIHEAP) and another \$1,000 in credits from PSE's Home Energy Lifeline Program (HELP). Contact your local energy-assistance agency at **1-866-223-5425**.