

**EXHIBIT NO. \_\_\_(SMS-1T)  
DOCKETS UE-17\_\_\_/UG-17\_\_\_  
2017 PSE GENERAL RATE CASE  
WITNESS: SUZANNE M. SASVILLE**

**BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

**v.**

**PUGET SOUND ENERGY,**

**Respondent.**

**Docket UE-17\_\_\_  
Docket UG-17\_\_\_**

**PREFILED DIRECT TESTIMONY (NONCONFIDENTIAL) OF**

**SUZANNE M. SASVILLE**

**ON BEHALF OF PUGET SOUND ENERGY**

**JANUARY 13, 2017**

**PUGET SOUND ENERGY**

**PREFILED DIRECT TESTIMONY (NONCONFIDENTIAL) OF  
SUZANNE M. SASVILLE**

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1 **PUGET SOUND ENERGY**

2 **PREFILED DIRECT TESTIMONY (NONCONFIDENTIAL) OF**  
3 **SUZANNE M. SASVILLE**

4 **I. INTRODUCTION**

5 **Q. Please state your name, business address, and position with Puget Sound**  
6 **Energy.**

7 A. My name is Suzanne M. Sasville. My business address is 10885 N.E. Fourth  
8 Street Bellevue, WA 98004. I am the Supervisor for Energy Assistance Programs  
9 for Puget Sound Energy (“PSE”).

10 **Q. Have you prepared an exhibit describing your education, relevant**  
11 **employment experience, and other professional qualifications?**

12 A. Yes, I have. It is Exhibit No. \_\_\_(SMS-2).

13 **Q. What are your duties as Supervisor for Energy Assistance Programs?**

14 A. I supervise the program administration and contracts with local agencies that help  
15 to administer PSE’s Home Energy Lifeline Program (“HELP” or the “Program”)  
16 which provides bill-payment assistance to eligible PSE customers whose  
17 household is considered a “very low-income household”.

18 **Q. What is the purpose of your testimony?**

19 A. My testimony provides an overview of PSE’s HELP, describes the unmet need of  
20 very low-income households in PSE’s service territory, outlines changes to the

1 PSE HELP allotment between electric and natural gas funding that will better  
2 align with these very low-income customer needs, and proposes a pilot that will  
3 allow for seniors and disabled individuals the option to certify their eligibility for  
4 the Program every two years, instead of annually, which will increase efficiency  
5 in administering the Program and reduce the burden on local agencies. It is my  
6 understanding that The Energy Project supports these proposals and will address  
7 them in their testimony in this proceeding.

## 8 II. PSE HELP OVERVIEW

9 **Q. Please provide a brief overview of the PSE Home Energy Lifeline Program.**

10 A. PSE HELP provides bill-payment assistance beyond that offered by the Federal  
11 Low Income Heating Assistance Program (“LIHEAP”). The Program is currently  
12 offered to eligible PSE customers whose household is considered as a “very low-  
13 income household” per RCW 43.63A.510<sup>1</sup>. For the last several program years,  
14 eligible households may receive up to \$1,000 per year per customer in HELP  
15 credit to offset their PSE electricity or natural gas bills. PSE works with 11 pre-  
16 qualifying local low-income Community Action Partnership agencies to  
17 administer and distribute PSE’s HELP bill-payment assistance. The majority of  
18 the HELP funding is collected from all PSE customers via rates that are set by  
19 PSE’s electric and natural gas tariff Schedules 129: Low Income Program. Any  
20 HELP funds not distributed to customers in any single program year are carried

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<sup>1</sup> 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.

1 over to the next program year as additional HELP funding. Total base funding for  
2 HELP is \$21.2 million.<sup>2</sup> Total HELP funding each year includes \$21.2 million of  
3 base funding, a supplemental HELP funding adjustment for subsequent energy  
4 rate changes, and carry-over funding from previous program years. Funding is  
5 distributed to electric and natural gas customers at the fixed ratio of 75% and  
6 25%, respectively.<sup>3</sup>

7 **Q. Does PSE continue to see an unmet need in its service territory?**

8 A. Yes. Exhibit No. \_\_\_(SMS-3) is an internal analysis that estimates approximately  
9 20% of households (with three or more persons) in the counties served by PSE are  
10 living at or below 150% of the federal poverty level. While the study is not an  
11 exact measurement of very low-income households in PSE's service territory, the  
12 estimates are reasonable and based on publicly available data. This analysis used  
13 the latest household data from the U.S. Census Bureau, 2010-2014 American  
14 Community Survey 5-Year estimates and poverty guidelines from the U.S.  
15 Department of Health and Human Services. The number of PSE customers was  
16 sourced from PSE's Securities and Exchange Commission Form 10-K filing for  
17 2015.

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

<sup>3</sup> Order 12 of consolidated Dockets UE-072300/UG-072301 (Appendix D).

1                   **III.    PROPOSED INCREASE IN FUNDS FOR PSE HOME**  
2                   **ENERGY LIFELINE PROGRAM**

3   **Q.    Is PSE seeking an overall increase to the Program funding?**

4   A.    Yes. PSE proposes to increase the annual level of very low-income electric and  
5           natural gas bill assistance HELP funding by double the corresponding overall  
6           percent rate increase to the residential class that is approved by the Commission  
7           in this case. The amount of this percentage increase would be added to the electric  
8           and natural gas Schedule 129 low income tariff filings following the conclusion of  
9           this proceeding. In the event of an overall rate decrease to the corresponding  
10          residential class, the program level funding will remain at the same level from the  
11          previous program year.

12                   **IV.    PROPOSED CHANGE IN FUNDING ALLOTMENT TO**  
13                   **ALIGN WITH CUSTOMER NEEDS**

14   **Q.    Does PSE plan to maintain the same fixed ratio between electric and gas**  
15           **HELP funds?**

16   A.    No. As mentioned above, PSE HELP funding is currently distributed to electric  
17           and natural gas customers at the fixed ratio of 75% and 25%, respectively, as  
18           adopted ten years ago. PSE is proposing to change the Schedule 129 tariffs so that  
19           the HELP funding will be distributed to electric and natural gas customers at 80%  
20           electric and 20% gas, respectively, going forward. PSE agrees to this new  
21           allocation, but reserves the right to revisit this allocation in future rate cases as  
22           potential environmental regulations could impact fuel costs and/or rates,  
23           particularly for natural gas. Furthermore, PSE plans to work with the agencies to

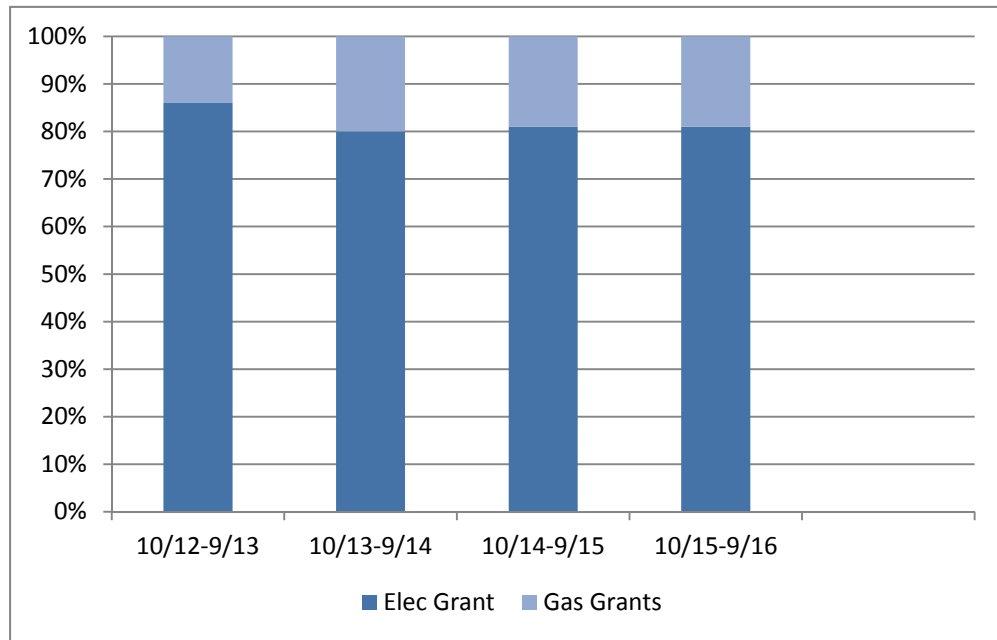
1 explore ways to better target and utilize funds throughout the program year so that  
2 low-income customer needs are met. For example, if it is apparent that gas or  
3 electric funds will not be fully distributed within a given contract year, is there a  
4 way for PSE to adjust dollars in the gas and electric budgets so that all funds are  
5 utilized in a manner that meets very low-income customer needs while  
6 minimizing cross-subsidization between funds collected from gas and electric  
7 ratepayers?

8 **Q. Why is PSE seeking to change the fixed ratio now?**

9 A. This updated ratio better aligns with current very low-income customer needs and  
10 allocates the appropriate amounts of funds to minimize carry-over balances from  
11 year-to-year. As noted above, the total HELP funding each year includes base  
12 funding, a supplemental HELP funding adjustment for subsequent energy rate  
13 increases, and carry-over funding from previous program years. Generally  
14 speaking, in the recent program years, the actual funds distributed to very low  
15 income customers using each fuel are closer to the percentages proposed by PSE  
16 above. For example, in the October 2014 through September 2015 program year,  
17 the actual percentages of HELP bill-payment assistance distributed were 81%  
18 electric to electric customers and 19% to natural gas customers. In PSE's service  
19 territory, there are more electric customers, and there are more electric customers  
20 who seek HELP assistance. Figure 1 below shows the actual percentages of the  
21 HELP funding distribution from October 2012 to September 2016.

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**Figure 1. Actual Percentage of HELP Funding Distribution**



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**V. BIENNIAL ELIGIBILITY CERTIFICATION FOR CERTAIN CUSTOMERS**

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**Q. Is PSE proposing to change its eligibility and certification process for PSE HELP?**

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**A.** Yes, PSE is proposing to allow certain HELP customers to certify their eligibility for a two-year period. This option would be limited to customers that meet the existing HELP criteria and elect to certify eligibility for two years after demonstrating a steady income that meets 150% of the federal poverty level, proven by steady-income payment documentation. For example, this may include seniors or disabled individuals on a fixed income. PSE proposes to modify its electric and natural gas Schedule 129 tariffs to allow the local Community Action Agencies the option of certifying this type of eligible HELP customer for two years. Allowing the agencies an option to certify for two years may open more

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1 slots for additional participants in the HELP enrollment process, reduce the  
2 burden of annual certification for Community Action Agencies, and is a benefit to  
3 very-low income customers who are older or disabled and have limited mobility  
4 options.

5 **Q. Has the Commission previously certified eligibility on a two-year basis?**

6 A. Yes. The Commission approved two-year certification for PacifiCorp in Order 07  
7 under Docket UE-111190.

8 **Q. Are there any other changes to eligibility that PSE is proposing to make to**  
9 **HELP?**

10 A. Yes. PSE's HELP tariffs currently restrict eligibility to those customers below  
11 area median income, which is based on the definition of "very low income" in the  
12 affordable housing statute, RCW 43.63A.510. PSE is proposing to use federal  
13 poverty level rather than area median income as the income criteria for eligibility  
14 in PSE HELP. PSE proposes that eligibility for PSE HELP be set at 150% of the  
15 federal poverty level.

16 **Q. Why do you propose to change the PSE HELP eligibility criteria from area**  
17 **median income to 150% of federal poverty level?**

18 A: Tying eligibility to federal poverty level is more consistent with metrics used with  
19 other low-income programs such as LIHEAP and other investor-owned utility  
20 programs in Washington State. Federal poverty level is also the metric used in  
21 many studies that are conducted about poverty. Utilizing 150% of federal poverty

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level will also simplify the eligibility process for Community Action Partnership agencies, which will reduce administrative overhead expenses.

**VI. CONCLUSION**

**Q. Does that conclude your prefiled direct testimony?**

A. Yes, it does.