

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY  
AND COMPLIANCE DIVISION  
Energy Branch

RESOLUTION E-3254  
January 21, 1992

R E S O L U T I O N

RESOLUTION E-3254. ALL ENERGY UTILITIES.  
ORDER REQUIRING ENERGY UTILITIES TO REVISE  
INCOME LIMITS FOR LOW-INCOME RATEPAYER  
ASSISTANCE PROGRAM AND ADJUST INCOME LIMITS  
OF WEATHERIZATION PROGRAMS.

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SUMMARY

1. The Commission authorized a Low-Income Ratepayer Assistance (LIRA) Program for gas and electric service beginning November 1, 1989, by Decisions (D.)89-07-062 dated July 19, 1989, and (D.)89-09-044, dated September 7, 1989. Income eligibility standards (Standards) for LIRA were equated to Universal Lifeline Telephone Service (ULTS) Standards. ULTS Standards are adjusted each year for inflation.
2. Pacific Gas and Electric, Pacific Power & Light, San Diego Gas & Electric, Sierra Pacific Power, Southern California Edison Company, Southern California Gas, Southwest Gas Corporation and Washington Water Power offer Low-Income Weatherization (LIW) as part of their Demand Side Management (DSM) programs. There are minor differences between ULTS/LIRA and LIW Standards due to rounding and to household size.
3. This Resolution increases LIRA Standards by 4.2% beginning on March 8, 1992, concurrent with ULTS (Companion Resolution T-14798), and allows energy utilities to use ULTS/LIRA Standards for their LIW programs to reduce customer confusion.

## BACKGROUND

1. **ULTS:** The ULTS Standard was set by D.84-11-028, dated November 7, 1984, to approximate 150% of the Federal poverty guidelines, starting with 1984 as a base year and adjusting for inflation by February 15th of each year based on the Federal Consumer Price Index in accordance with General Order 153, Section 3.1.1.1. The adjusted figures are rounded to the nearest hundred dollars.

2. **LIRA:** The Commission authorized the LIRA program by D.89-07-062, dated July 19, 1989, and D.89-09-044, dated September 7, 1989, to become effective on November 1, 1989 in compliance with Senate Bill 987. When it established LIRA, the Commission decided that customer confusion would be minimized if the Standards for both telephone and energy utilities were identical. The LIRA Standards are revised each year when the ULTS Standards are revised. By Resolution E-3219, adopted February 6, 1991, the income limitation was increased for the LIRA program for the period of March 8, 1991 through March 7, 1992.

3. **LIW:** LIW Standards are approved in each energy utility's general rate case and are set at 150% of the Federal poverty guidelines as determined by the Federal Department of Health and Human Services (DHHS). DHHS revises the guidelines each year to adjust for inflation, but these figures are not issued until late in February. LIW Standards are rounded to the nearest ten dollars of income. Due to rounding and timing differences, LIW and ULTS/LIRA Standards differ.

4. LIW Standards are stated for one person in a household and then for each additional person. ULTS/LIRA Standards start with an average household size of 2.3 persons and this Standard is used for both 1 and 2 person households. At the first level of income eligibility, LIW and ULTS/LIRA Standards differ.

## DISCUSSION

1. The latest data available from the December 1991 Review of the US Economy by DRI/McGraw-Hill shows that the percentage rate change in the 1991 calendar year for the U.S. City average, CPI-U, is 4.2 percent. Based on this 4.2 percent increase, the LIRA Standard and comparable LIW Standard effective beginning on March 8, 1992, should be as follows:

TABLE 1 - Income Limitations

<u>Household Size</u>	1991 <u>LIW</u> (150%)	1991 <u>ULTS/LIRA</u> (150%)	1992 <u>ULTS/LIRA &amp; LIW</u> (150%)
1 - 2	(1)\$9,930 (2)\$13,320	\$14,300	\$14,900
3	16,710	16,900	17,400
4	20,100	20,200	20,900
5	23,490	23,500	24,400
6	26,880	26,800	27,900
7	30,270	30,100	31,400
Each additional member, add:	\$ 3,390	\$ 3,300	\$ 3,500

PACIFIC POWER

<u>Household Size</u>	1991 <u>LIRA/ULTS</u> (130%)	1992 <u>LIRA/ULTS</u> (130%)
1 - 2	\$12,400	\$12,900
3	14,650	15,100
4	17,500	18,100
5	20,350	21,100
6	23,200	24,100
7	26,050	27,100
Each additional member, add:	\$ 2,850	\$ 3,000

(Note: Pacific Power & Light Company has a Commission authorized LIRA Standard set at 130% of Federal Poverty Guidelines. All other utilities are to use the 150% LIRA Standard. For the LIW programs only, 200% of the Federal Poverty Guidelines may be used by all utilities for low-income customers who are 60 years old or older and for handicapped persons. Southern California Water Company is required to provide the LIRA program to its electric customers but does not participate in the LIW program.)

2. In October, 1991, the Commission Advisory and Compliance Division (CACD) sent a data request to all the affected energy utilities for information on the potential impact of adjusting LIW criteria to match the LIRA criteria, both in terms of the number of additional customers that would qualify and the necessary budget adjustments. This was also a subject of discussion at the LIRA workshop held on October 1, 1991. Of the utilities that responded (Pacific Gas and Electric (PG&E), Pacific Power & Light, San Diego Gas & Electric, Southern California Edison, Southern California Gas and Southwest Gas Corporation), all except PG&E indicated that the impact would be minimal and that any additional customers to the LIW program could be served within the program's current budget. In early 1991, PG&E adopted a policy to do community-type weatherization which qualifies LIW customers on an area-wide basis rather than the customer-specific basis used by the other utilities.

3. **NOTIFICATION:** By D.89-07-062, each utility is required to notify customers of the availability of LIRA before the Summer season or in the Fall. At that time the notification should indicate the new and higher income limitation. A separate mailing at this time would increase administrative expenses. If each utility notifies its customers of the revision of the LIRA Standard with its next informative mailing and when recertifying customers, all potential participants will be notified during the year.

4. The Commission Advisory and Compliance Division recommends that all energy utilities (except Southern California Water) should adjust their LIW to the same level as their ULTS/LIRA Standard.

## FINDINGS

1. Section 3.1.1.1 of General Order 153 requires the Commission to revise the household income limitation requirement for the Universal Lifeline Telephone Service Program by February 15th of each year. The Commission established the household income criteria for the Low-Income Ratepayer Assistance Program equal to the ULTS Standard.

2. The latest data available from the December 1991 Review of the US Economy by DRI/McGraw-Hill shows that the percentage rate change in the 1991 calendar year for the U.S. City average, CPI-U, is 4.2 percent and should be used in determining the LIRA income limitations Standards beginning on March 8, 1992.

3. It is reasonable that each energy utility notify its customers of the increased LIRA Standards in its next informative mailing and when recertifying customers.

4. Respondent utilities should amend their tariffs to reflect the revised LIRA Standards.

5. It is reasonable to conform the income limitation Standards of the LIW programs to the ULTS/LIRA Standards and to allow the first level of income limitation to apply to households of 1 and 2 persons. Tariff filings are not required for the LIW programs.

**THEREFORE, IT IS ORDERED that,**

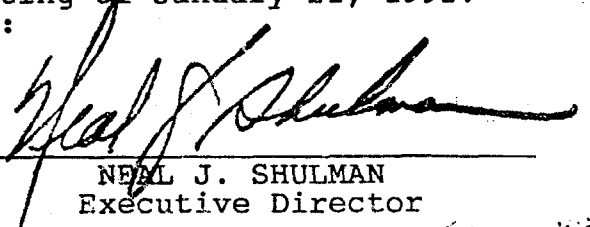
1. Pacific Gas and Electric, Pacific Power & Light, San Diego Gas & Electric, Sierra Pacific Power, Southern California Edison, Southern California Gas, Southern California Water, Southwest Gas Corporation, and Washington Water Power shall file revised tariff schedules increasing the household income limitation requirement applicable to the Low-Income Ratepayer Assistance Program as specified above by February 21, 1992, to become effective March 8, 1992.

2. Pacific Gas and Electric, Pacific Power & Light, San Diego Gas & Electric, Sierra Pacific Power, Southern California Edison, Southern California Gas, Southern California Water, Southwest Gas Corporation, and Washington Water Power shall notify their customers of the increased income limits of the LIRA Program with the next informative mailing and when recertifying customers.

3. Pacific Gas and Electric Pacific Power & Light, San Diego gas & Electric, Sierra Pacific Power, Southern California Edison, Southern California Gas, Southwest Gas Corporation, and Washington Water Power may adjust the income level of their low-income weatherization program to the same level as the ULTS/LIRA Programs. No tariff filings are required for the weatherization program adjustment.

4. Copies of this Resolution shall be sent to each energy utility by the Commission Advisory and Compliance Division's Energy Branch.
5. All tariff filings for the LIRA program shall be marked to show that they were approved by Commission Resolution E-3254.
6. This Resolution is effective today.

I certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting of January 21, 1992. The following Commissioners approved it:



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NEAL J. SHULMAN  
Executive Director

DANIEL Wm. FESSLER  
President  
JOHN B. OHANIAN  
PATRICIA M. ECKERT  
NORMAN D. SHUMWAY  
Commissioners