

# HOUSE BILL ANALYSIS

## HB 1459

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**Title:** An Act relating to reduced rate utility services for low-income citizens.

**Brief Description:** Utility services at reduced rates for low-income citizens.

**Sponsors:** Representatives Poulsen, Crouse, Reardon, Ruderman, Cooper, Wolfe, Kastama, Constantine, Murray, Rockefeller, Dickerson, Lantz, Kenney, McIntire, Lovick, Wood and Edmonds

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### HOUSE COMMITTEE ON TECHNOLOGY, TELECOMMUNICATIONS & ENERGY

*Meeting Date:* February 12, 1999

*Bill Analysis Prepared by:* Anntonette Alberti, (786-7117)

***Background:***

*In 1998, the Legislature authorized municipal utilities and public utility districts to offer rate discounts to low-income utility customers. Prior to 1998, low-income rate discounts from consumer-owned utilities were authorized only for low-income senior citizens or disabled persons.*

*Low-income rate discounts may be offered at the discretion of the utility, so long as they are uniformly available to all eligible low-income customers served by the utility. Participating local governments may define the income eligibility standards through an appropriate ordinance or resolution of their governing bodies. Participating public utility districts must apply the same income eligibility standards that are used in qualifying customers for low-income residential weatherization services, which is a household income that is at or below 125 percent of the federally established poverty level.*

*Some ambiguity exists in current law as to whether investor-owned utilities may offer similar low-income rate discounts under their regulatory requirements. Private utilities that are regulated by the Washington Utilities and Transportation Commission (WUTC), including gas companies, electrical companies, and water companies are prohibited from offering free or reduced rates except to "indigent and destitute persons" (among others). No definition of "indigent and destitute persons" is provided, and no tariffs are currently in place offering such discounts. Gas, electric and water*

*companies must charge just, fair, reasonable, and sufficient– prices for the services they provide.*

*Additionally, gas, electric and water companies may not grant any undue or unreasonable privilege or advantage to any person or provide or price services in a discriminatory manner except as allowed by law.*

*Summary:*

*Gas, electrical, and water companies may provide utility services to low income senior citizens or other low income citizens so long as the reduced rates are extended equally to all qualifying customers in the service area.*

*The definition for low income senior citizen– is taken from the eligibility standards for property tax exemptions for low income seniors. The current standard is that a person who is 62 years old or older, whose total disposable household income does not exceed \$24,000, is eligible for a property tax exemption. Other low income citizen– is defined to mean a person whose household income is at or below 125% of the federally established poverty level.*

*Appropriation:* None.

*Fiscal Note:* Not requested.

*Effective Date of Bill:* Ninety days after adjournment of session in which bill is passed.