

HOUSE BILL REPORT

HB 2370

As Reported by House Committee On:
Appropriations

Title: An act relating to low-income home energy assistance.

Brief Description: Funding low-income home energy assistance.

Sponsors: Representative Green; by request of Governor Gregoire.

Brief History:

Committee Activity:

Appropriations: 1/9/06 [DPS].

Brief Summary of Substitute Bill

- Appropriates \$7.6 million from the Public Service Revolving Account to the Washington Utilities and Transportation Commission for use in the Low-Income Home Energy Assistance Program during the 2005-07 biennium.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 26 members: Representatives Sommers, Chair; Fromhold, Vice Chair; Alexander, Ranking Minority Member; McDonald, Assistant Ranking Minority Member; Bailey, Chandler, Clements, Cody, Conway, Darneille, Dunshee, Grant, Haigh, Hinkle, Kagi, Kenney, Kessler, Linville, McDermott, McIntire, Miloscia, Pearson, Priest, Schual-Berke, P. Sullivan and Talcott.

Minority Report: Without recommendation. Signed by 1 member: Representative Anderson, Assistant Ranking Minority Member.

Staff: Owen Rowe (786-7391).

Background:

The Washington Utilities and Transportation Commission (WUTC) collects regulatory fees payable by all types of public service companies and deposits them into the Public Service Revolving Fund. Except for expenses payable out of the Pipeline Safety Account, all expenses of operation of the WUTC are paid out of the Public Service Revolving Fund.

The WUTC filed a complaint against the Qwest Communications Company in August, 2003 after a several year investigation. The complaint centered on the failure of Qwest to file with

the WUTC the "interconnection agreements" between Qwest and 13 competitive local exchange carriers. The WUTC served its order on Qwest on February 28, 2005, which included a fine of \$7,824,000. The fine was paid on April 14, 2005 and is deposited in the Public Service Revolving Fund.

The Department of Community, Trade and Economic Development (CTED) manages the Low-Income Home Energy Assistance Program (LIHEAP). The LIHEAP program is a federally funded block grant that provides money to help low-income households make home heating more affordable, and avoid shut off of utility services during the winter.

Summary of Substitute Bill:

The sum of \$7.6 million is appropriated from the Public Service Revolving Fund to the Washington Utilities and Transportation Commission for transfer to the Department of Community, Trade and Economic Development for the Low-Income Energy Assistance Program during the 2005-07 biennium. The appropriation may not be used for administrative costs by CTED.

Substitute Bill Compared to Original Bill:

The substitute bill clarifies that the appropriation from the Public Service Revolving Fund will be used by CTED for the Low-Income Home Energy Assistance Program. The appropriation in this bill may not be used for administrative costs by CTED.

Appropriation: The sum of \$7.6 million is appropriated from the Public Service Revolving Fund to the Washington Utilities and Transportation Commission.

Fiscal Note: Not requested.

Effective Date of Substitute Bill: The bill contains an emergency clause and takes effect immediately.

Testimony For: Recent high energy costs have particularly affected low-income households. This bill provides support for low-income energy assistance. The bill should be passed quickly to help with heating costs for the rest of the winter. The money in the bill comes from a previous lawsuit settlement. Consumers can expect to spend anywhere from 50-70 percent more in energy costs this winter depending on where they live. If HB 2370 becomes law, approximately 14,000 more households will receive assistance and 350 homes will be winterized. In Pierce County, approximately 942 households will receive assistance and 23 homes will be winterized. This bill will help vulnerable families and seniors throughout the entire state stay warm this winter.

Testimony Against: None.

Persons Testifying: Representative Green, prime sponsor; and Victor Moore, Office of Financial Management.

Persons Signed In To Testify But Not Testifying: None.