



Questar Gas Company

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December 1, 2009

Ms. Julie Orchard
Commission Secretary
Public Service Commission of Utah
Heber M. Wells Building
160 East 300 South
Salt Lake City, Utah 84134

Re: Low Income Task Force

Dear Ms. Orchard:

We are writing to provide the Commission with the Report issued by the Low Income Task Force. In the Report and Order on Cost of Service and Rate Design in Questar Gas Company's last general rate case, Docket No. 07-057-13 (Order), the Public Service Commission (Commission) ordered Questar Gas Company to "convene a task force co-chaired by a representative of AARP, et al. and including representatives from the Division [of Public Utilities] and other interested parties, with the goal of identifying and evaluating ways to help low-income customers stay on Questar's system." Order at page 70.

Questar Gas Company and AARP convened the task force pursuant to the Order and we enclose herewith the Report of the task force. Please contact us if you have any questions or concerns.

Very truly yours,

QUESTAR GAS COMPANY

Steven R. Bateson

AARP

Laura Polacheck

SRB/gj

1. Purpose of Task Force

In its final order in the Questar Gas Company general rate case in Docket No. 07-057-13 (the Order), the Utah Public Service Commission (Commission) directed Questar Gas Company (Questar Gas or Company) to convene a task force to explore options for “low-income” customers. The Commission further ordered that the task force issue a report prior to the Company’s next general rate case. Specifically, the Commission said:

AARP et. al. recommends the Commission require Questar to meet with interested parties to develop a proposal to help low income customers stay on Questar’s system. The exact details of the proposal should be recommended by the parties in the next general rate case. AARP et al. maintains that both Questar and its customers are better off retaining those customers who can pay some of the costs of their service, so long as their payment exceeds the cost of the natural gas consumed.

In rebuttal testimony, Questar indicates its willingness to meet with parties to discuss low-income proposals that could be recommended in a future rate case or proceeding. As such, we direct Questar to convene a task force co-chaired by a representative of AARP et al. and including representatives from the Division and other interested parties, with the **goal of identifying and evaluating ways to help low-income customers** stay on Questar’s system. The evaluation should include the effects of the proposed methods on other residential rate payers and the Conservation Enabling Tariff Balance account.¹

Pursuant to the Order, Questar Gas organized a task force to examine options for low income customers (the Task Force). All intervening and interested parties from the General Rate Case were invited to participate in the Task Force. Of those invited, many participated in the Task Force including representatives from the AARP, Salt Lake Community Action Program (SLCAP), Red Cross, HEAT, State Energy Assistance and Lifeline, Questar Gas, the Office of Consumer Services, Utah Association of Energy Users (UAE) and the Utah Division of Public Utilities (Division).

2. Overview of Task Force Meetings

Steve Bateson of Questar Gas and Laura Polacheck of AARP served as co-chairs of the Task Force. Mr. Bateson acted as the Company’s principal representative and coordinated and conducted each meeting. The Task Force met nine times. Marlin Barrow of the Division acted as secretary, kept minutes of each meeting, and provided summaries to interested parties

¹ Commission Order 07-057-13 pg. 69-70 (emphasis added).

regarding the outcome of each meeting. Copies of the minutes for each meeting are attached in **Appendix 1**.

3. Information and Data Gathered

The Task Force provided Questar Gas with a list of information it sought for purposes of analyzing low-income customers vis-a-vis other customers on the Questar Gas' system and Questar Gas provided substantial information in response. The data requests and the Company's responses are contained in **Appendix 2**. AARP/SLCAP utilized the information provided by Questar Gas in analyzing issues specific to low-income customers, including a variety of alternatives for providing low-income customers assistance.

In addition to the responsive information referenced above, Pam Giles of Questar Gas provided information relating to the Company's practices that affect low-income customers including practices related to security deposits, disconnection practices, HEAT and REACH payments, reconnection fees, delinquent accounts and payment plans.

Barbara Alexander, a consumer affairs consultant to AARP and SLCAP, also provided a report to the Task Force outlining the types of low-income programs and practices found in other parts of the United States. The report presented by Ms. Alexander is attached as **Appendix 3**.

4. Alternative Proposals Discussed by the Task Force

After receiving and evaluating the information identified above, the Task Force identified five alternatives for helping low-income customers remain on Questar Gas' system. These alternatives were:

1. Utility Rate Assistance (a bill discount/credit program for qualified low income customers);
2. Arrearage Assistance (arrearage forgiveness or discounting);
3. Program to handle expedited payments (pay stations);
4. Individual Case Management programs (consumer counseling); and
5. Credit and Collection Policies (best practices).

Members of the Task Force thoroughly examined Questar Gas' current practices and further evaluated each of the alternatives. The Task Force concluded that only two of the alternatives warranted further review at this time: 1) Utility Rate Assistance; and 2) Arrearage Assistance. Additionally, after reviewing the Questar Gas credit and collection practices, Questar Gas committed to investigate the removal of payday lenders from the authorized pay station list.

AARP and SLCAP offered a number of suggestions during the course of the Task Force meetings. AARP and SLCAP advocated consideration of a Utility Rate Assistance program for low-income

customers. AARP and SLCAP suggested that all customers could benefit by helping keep individual customers on Questar Gas' system, when those customers in aggregate were fully covering the variable costs (SNG and Commodity rate).

AARP and SLCAP also indicated that there is a need to have more resources available to help these individuals manage their own financial obligations. AARP and SLCAP also noted that some utilities have adopted a case management program through which utilities help put customers who are in need of assistance in contact with agencies that may offer assistance.

AARP and SLCAP also suggested that the Company identify ways customers could make expedited payments to the Company without going to payday lenders (which charge high fees for short term loans). The Company reported that it is in the process of contracting with Western Union to become an authorized pay station. Once the Western Union agreement is in place, the remaining pay stations operated by payday lenders will be replaced. The Company estimates it will take up to six months to transition away from the payday lenders.

5. Consensus of the Task Force

The Task Force ultimately determined that a Utility Rate Assistance program was the most viable approach reviewed, but agreed that there should be a possibility of later supplementing the program with an Arrearage Assistance program. Though the Task Force did not develop and does not recommend a specific program, the members agreed that any program advanced should run during the five winter heating months and should provide greater assistance for the lowest-income customers. Some members of the Task Force additionally recommended a rate credit based on usage level in order to provide greater assistance for qualifying low-income customers that have higher usage and higher bills. Others believe that methodology would not be consistent with Utah statutes.

The Task Force also agrees that Questar Gas should not suffer an undue administrative burden in administering a program and the Company should not be responsible for determining which customers qualify for the program, or at what level aid should be offered. The Task Force recommends that this responsibility reside with the Department of Community and Culture and the HEAT program agencies. Any proposed program should be administered in concert with the HEAT program, much like Rocky Mountain Power's program is managed in connection with the HELP program. The Task Force believes that the HEAT agencies that determine who is eligible for HEAT assistance would also identify the customers who are eligible for a low-income program with the Company. The HEAT agencies could set qualifying levels of income and could identify the lowest-income customers who are in need of the greatest amount of assistance.

6. **Appendix 4** contains a brief description of an alternative proposed program of providing credits to low-income customers developed by AARP/SLCAP. This proposal was initiated by AARP/SLCAP to stimulate discussion about alternative ways of structuring a low-income assistance program and not a proposal that would be advocated without modification. Some of the recommendations in this Task Force Report represent the results of that discussion.

7. Funding issues

Funding for a low-income assistance program is subject to Utah Code Ann. § 54-7-13.6 which provides:

(5) (a) (i) Subject to Subsection (5)(a)(ii), low-income assistance program funding from each rate class may be in an amount determined by the commission.

(ii) Low-income assistance program funding described in Subsection (5)(a)(i) may not exceed 0.5% of the rate class's retail revenues.

(b) (i) Low-income assistance program funding for bill payment assistance shall be provided through a surcharge on the monthly bill of each Utah retail customer of the electrical corporation or gas corporation providing the program.

(ii) The surcharge described in Subsection (5)(b)(i) may not be collected from customers currently participating in the low-income assistance program.

(c) (i) Subject to Subsection (c)(ii), the monthly surcharge described in Subsection (5)(b)(i) shall be calculated as an equal percentage of revenues from all rate schedules.

(ii) The monthly surcharge described in Subsection (5)(b)(i) may not exceed \$50 per month for any customer, adjusted periodically as the commission determines appropriate for inflation.

The Task Force discussed program funding mechanisms such as: a charge per Dth on each rate class, a fixed amount per customer, and a percentage change to the block rates. For both ease of administration and a more equitable spreading of the funding burden, some Task Force members preferred the charge per Dth methodology. The Office is concerned that a Dth/Volumetric based funding formula and a Dth/Volumetric based billing credit are not consistent with Utah Statutes.

There are several issues related to funding that remain disputed among the Task Force members. Most significantly, the Task Force was unable to reach consensus with regard to the appropriate level of funding. Some Task Force members believe that in order for the assistance to have a reasonable impact on the ability of the low-income customers to pay their bills, funding levels relatively close to the maximum permitted under statute are necessary. Others were concerned that the surcharge would have an adverse impact on other customers and that therefore, a somewhat lower funding level was more appropriate. The Task Force did agree,

however, that the level of the surcharge should be below the 0.5% maximum specified in the statute referenced above. The Task Force was uncertain whether any rate class could be excluded from a surcharge, for example whether a customer subject to contract pricing could be excused from paying a surcharge.

8. Implementation Issues

The implementation of a Utility Rate Discount program, as envisioned by the AARP/SLCAP proposal, and as discussed by the Task Force, involves numerous parties in addition to Questar Gas Company and the Utah Department of Community and Culture (and the Agencies that assess HEAT eligibility for the Department). Owing to the provision of gas service to a small number of customers in Idaho under the Utah tariff, consideration of such a program may also require the involvement of similar agencies in Idaho.

9. Effects of the Proposed Methods

In the Commission's Order the Task Force was instructed to "include the effects of the proposed methods on other residential ratepayers and the Conservation Enabling Tariff Balance account. Some of the effects of a low income assistance program would include.

- a. The effect of a proposed method on residential customers: In order to not exceed the 0.5% funding level as set forth in statute, residential customers would pay no more than \$0.30 per month to cover the cost of a Utility Rate Discount Program.
- b. Effect of a Utility Rate Discount on the Conservation Enabling Tariff (CET)

Assuming that the Questar Gas Utility Rate Discount program would be accounted for in a manner similar to the Rocky Mountain Power program, it does not appear that there would be any impact on the CET. The discount would be proposed to be a separate rate component. The discounts granted through the application of the discount rate component would be accounted for in a separate tracking account. The surcharges required to fund the Utility Rate Discount program would also be accounted for in the separate tracking account. The entries to the CET balancing account would continue to show the revenue from the other DNG rate components and the allowed revenue per customer

10. Conclusion

The Task Force recommends that a low-income assistance program structured generally as proposed by AARP/SLCAP be considered and that all interested parties and agencies have the opportunity to participate in the discussion and development of such a program. Any such program should be contingent on customer eligibility for HEAT assistance as determined by the Utah Department of Community and Culture. Greater assistance should be provided to those with the lowest income levels and assistance should be provided in the winter season.

Appendix 1

Copies of the minutes for each meeting

QGC-AARP,SLCAP LOW INCOME TASK FORCE

Description of Meeting:	1 st Meeting of Task Force
Meeting Date:	February 4, 2009 2:00 – 3:00 p.m.
Place:	Questar Building
Meeting Minutes Prepared By:	Marlin Barrow

Attendee List: Heather Baker, Roger Ball (phone), Marlin Barrow, Steve Bateson, Kasi Boede, Janee Briesemeister (phone), Agnes Chiao, Charles Johnson (phone), Mike Johnson, Jocelyn Nance, Eric Orton, Mike Orton, Laura Polacheck, Valarie Stewart, Will Vandertoolen, Doug Wheelwright, Betsy Wolf, Michael Zimmerman (phone)

Agenda:

- A. Introductions
- B. Review of the PSC ordering language that created the task force.
- C. Generate list of interested parties
- D. Make standing assignments
 - a. Notes
 - b. Final Report
 - c. Meeting schedule
- E. Preliminary list of concepts
- F. Evaluation criteria
- G. Other issues
- H. Adjournment

Summary of discussion:

Steve Bateson passed out two documents, one document contained an excerpt from the Commission order which created the task force and the second document were excerpts from Dr. Charles Johnson testimony in Docket No. 07-057-13. In reviewing the Commission order it was felt the order was somewhat limited as to what was to be covered but the group felt others items could and should be considered.

Dr. Charles Johnson felt the group should consider some type of discount program for low-income customers. In particular Dr. Johnson felt all customers will benefit by helping keep individual customers on the system who are making an effort to meet their obligations by offering some assistance on the fixed cost portion of their bill (DNG rate), as long as they are covering the variable cost (SNG and

Commodity rate). He suggested the weatherization program could be a useful tool in targeting this group of individuals who are making an effort to keep their bills current. He also suggested a need to have more resources available to help these individuals manage their own financial obligations.

Janee suggested one useful tool that some utilities have adopted is a case management program that will help customers who are in need of assistance contact agencies that may offer assistance. Another suggestion was to see if there is a way customers could make expedited payments to the Company without going to check cashing agencies which charge high fees for such service.

Steve made some assignments which were:

Division will keep the minutes of the meetings.

Decision on the format of a final report will be deferred until later.

Group decided to meet at least once a month.

If parties know of others who may be interested in this task force, invite them to participate or contact the Company to include them on the distribution list of future task force meetings.

Betsy mentioned there are current categories of existing programs that could provide parameters for allowing development of future assistance programs.

Evaluation criteria was discussed:

Costs, who pays the costs, who qualifies for any programs were mentioned as essential criteria.

Betsy mentioned there currently are state and local agencies that administer the Heat and Help programs with guide lines for who qualify for rate assistance programs.

The group discussed the need to develop a current inventory of programs available within the state that currently offers assistance as well as monitor any additional assistance that may become available from proposed national stimulus bills.

Rate-classes that may be affected by any assistance programs was also mentioned as an important element to consider.

The group discussed the need to obtain data regarding the number of customers that fall within the criteria being investigated.

Betsy agreed to develop a list of programs and target populations currently available in Utah.

Company agreed to provide a summary of current rules regarding deposits, late payments, shut-off policy, etc.

Laura and Janee will work with the National Consumer Law Center to update current national programs which are available.

The group concluded the meeting by discussing the need to look at individual's current economic conditions rather than past history due to current conditions. The weatherization program currently does look at current conditions as well as help improve the conditions of customers in rentals by incenting the landlords to participate in cost efficient upgrades.

Assignments:

1. Division will provide minutes.
2. Betsy will provide a list of current programs available in Utah and who is eligible to participate.
3. AARP (Laura and Janee) will look at national best practices.
4. Company will provide a summary of policies and practices which currently impact low-income customers including deposits, shut-offs and accepting payments.

Next steps:

1. DPU will draft minutes.
2. Get comments and approval of meeting minutes.
3. Send out final meeting minutes to workgroup.
4. Schedule next meeting for last week of February.

QGC-AARP,SLCAP LOW INCOME TASK FORCE

Description of Meeting:	2nd Meeting of Task Force
Meeting Date:	February 24, 2009 1:00 – 3:00 p.m.
Place:	Questar Building
Meeting Minutes Prepared By:	Marlin Barrow

Attendee List: Marlin Barrow, Steve Bateson, Janee Briesemeister (phone), Pam Giles, Charles Johnson (phone), Mike Johnson, Barrie McKay, Mike Orton, Rea Petersen, Laura Polacheck, Sherm Roquero, Betsy Wolf

Agenda:

- A. Introductions
- B. Summary of Western State’s Low Income Programs.
- C. Brief overview of Questar Gas Company’s Policies.
- D. Other issues
- H. Adjournment

Summary of discussion:

Betsy Wolf provided a summary of the handout “Utah Utility Assistance Programs” (attached)

HEAT Program –Federal funds which go to states. Funds used for both winter heating and summer cooling. As part of the HEAT program there is an emergency program titled *HEAT Crisis* intended to help qualified individuals avert a pending crisis. There also is the *Catholic Community Services* program funded by the HEAT program used for crisis intervention which runs from January through June in the Salt Lake area.

Dept of Workforce Services Emergency Assistance Program is used to help TANF eligible families prevent homelessness.

Fuel Funds - run by American Red Cross. *Reach* is a program funded by QGC customer’s donations and is only available to help QGC customers. *Lend a Hand* funds are donated by RMP customers and are also used exclusively for its customers.

HELP (Home Electric Lifeline Program) – RMP ratepayer funded ordered by PSC in 2000. Provides up to \$8/ month assistance. Some municipal utilities and coops also have their own assistance programs.

Low Income Weatherization Program- Administered by State Department of Community and Culture. Purpose is to increase energy efficiency of homes of qualified low income households. Funding is provided by the federal Department of Energy and LIHEAP funds as well as QGC and RMP DSM programs. Should receive additional funding from federal stimulus funds which should provide not only additional weatherization funds but allow hiring additional contractors to help provide the service.

Charles Johnson mentioned that Ontario, Canada now requires energy audits on homes before they can be sold.

Laura Polacheck briefly discussed the handout “Quick Summary of Energy Assurance Programs for Western States” (attached) which is a very brief summary of what’s available.

Utility Rate Assistance – a couple of examples of utility assistance programs similar to the HELP program in which utilities offer rate assistance.

State Funds – examples of what other states are doing to help with utility rate assistance. Probably limited in Utah due to current budget shortfall.

Fuel Fund – Special funds established by utilities to help their customers pay utility bills

Bulk Fuel Discounts- discounts provided on bulk purchases of fuel stocks.

Weatherization Energy Efficiency Programs similar to current QGC DSM programs.

Betsy expressed an interest in seeing an expansion beyond the western states of some of the variety of programs being offered by other states for utility bill assistance.

Charles mentioned that Southwest Gas in Arizona offers a percentage discount rather than a fixed dollar discount to customers which he felt was more in line with his suggestion to the Commission on helping keep customers on the system as long as they are covering their variable costs.

Laura recommended that the task force should focus attention on utility assistance on a state by state level. The LIHEAP Clearing House was suggested as a useful source to begin looking at what’s offered in the various states with the caveat that it may not be the most up to-date information source.

Group mentioned current Utah Senate Bill 75 which currently has a provision to allow the PSC authority to provide for rate payer assistance for low income individuals which may compliment the purpose of this task force which is to explore ways of keeping qualified low income customers on the system.

Assignments for Next Meeting:

1. Pam Giles will discuss the programs currently available from the Company to help customers.
2. Laura will provide more state by state detail for consumer protection remedies, case & arrearage management and utility rate assistance programs.

Future Topics to Discuss:

1. Low Income Weatherization Program Presentation – Mike Johnson
2. Review current legislative session as it relates to low income customers.

Promising Approaches for Future Investigation:(an expanding or contracting list)

1. Utility Rate Assistance programs.
2. Arrearage Management programs.
3. Program to handle expedited payments.
4. Individual Case Management programs

Next Meeting is scheduled for March 25th, 2-4 PM.

QGC-AARP,SLCAP LOW INCOME TASK FORCE

Description of Meeting:	3rd Meeting of Task Force
Meeting Date:	March 25, 2009 2:00 – 3:30 p.m.
Place:	Questar Building
Meeting Minutes Prepared By:	Marlin Barrow

Attendee List: Natalee Alejandre, Marlin Barrow, Steve Bateson, Janee Briesemeister (phone), Pam Giles, Charles Johnson (phone), Alice Miller, Eric Orton, Ted Peterson, Laura Polacheck, Sherm Roquero, Logan Sisam, Doug Wheelwright, Betsy Wolf

Agenda:

- A. Introductions
- B. Health and Safety Issues related to afterhours charge.
- C. Company practices that affect low-income customers.
- D. Recap of legislation
 - CCS Related
 - Low Income
- E. Evaluation of promising approaches
 - Best practices
 - Cost
 - Benefits
 - Timing
- F. Other Items

Summary of discussion:

Health and Safety Issues related to afterhours charge –

Steve Bateson provided an explanation of a policy the Company prepared, in response to a Commission order in the cost of service phase of the last rate case, about how the Company would respond to a medical emergency in relation to an after-hours charge. In such a situation, the Company will not charge an after-hours charge provided the customer has an approved Medical Emergency Request (MED) form. The MED is valid for 30 days unless otherwise noted by the requesting doctor. The Company will file a letter with the Commission indicating that this procedure was discussed in this task force.

Company practices that affect low-income customers-

Pam Giles summarized the Company practices that affect low-income customers. Pam mentioned at the beginning that low-income customers who qualify for HEAT assistance for the most part do make their gas bill payments on time.

Security deposits are one practice that affects low-income customers. Customers who wish to initiate service are not charged a security deposit if they can provide a valid form of identification such as a social security number or date of birth. Customers who have been shut-off for non-payment are charged a security deposit unless they have had a HEAT or REACH payment within the past heating season which runs from November through March. Those customers will not be charged a security deposit.

Another practice that affects low-income customers is delinquent accounts. Delinquent accounts are worked 27 to 55 days after past due date depending on the customers internal credit score. The internal credit score is based on a customer's delinquency history. Twelve month payment arrangements (PA) are offered on delinquent accounts as long as the customers maintain the arranged payment schedule. Sometimes shorter PA's are offered to customers who are not eligible for the twelve month PA due to prior violations of those payment arrangements. Past due balances are charged 1% per month in lieu of late payment fees.

Connection fees also may apply to low-income customers. There is an \$8 dollar read only fee, \$15 dollars to remove seals and \$30 dollars to re-light appliances.

Recap of legislation-

Betsy Wolf recapped two legislative issues. Senate Bill 75 allows the Commission to establish low-income rate assistance programs which will not be deemed as discriminatory in practice. Senate Bill 214 expanded the membership of the Committee of Consumer Services (CCS) to nine members, formalized the requirements that CCS members have expertise in consumer areas they represent, allows the CCS to intervene in federal cases and provides a six year term of office to the director of the CCS.

Evaluation of promising approaches-

Steve recapped four promising topics which were (1) Utility rate assistance program which is some type of discount built into existing rate that applies only to low-income customers. (2) Arrearage Management program. (3) Program to handle expedited payments. (4) Individual Case Management programs. Laura also mentioned a discussion on consumer protection measures. Steve felt when evaluating the above topics, a four step evaluation approach could be undertaken. The first step is define the approach and look at the best practices in other market areas. The next two steps would be to look at cost implementation and the benefits derived from the implementation. The last approach is timing and sponsorship of the approaches. The group discussed that the Company would be best qualified to take ownership of the costs. The benefits may be harder to determine and there may be additional costs involved in that process but the sponsor of that topic would most likely take ownership of the benefits.

Other Items-

Barbara Alexander is available during the last week of April to discuss some state specific best practices as they relate to the above topics.

The task force is to produce a report to the Commission no later than August 31, 2009 on the conclusions reached and recommendations to the Commission regarding low-income rate assistance.

Assignments for Next Meeting:

1. Barbara Alexander – Presentation of best practices as they relate to the five topics under Promising Approaches for Future Investigation.
2. Steve will send out links to information Betsy provided earlier as well as a link to the Company's website that lists current pay stations.
3. Make specific assignments of providing the report to the Commission.

Future Topics to Discuss:

1. Low Income Weatherization Program Presentation – Mike Johnson

Promising Approaches for Future Investigation: (an expanding or contracting list)

1. Utility Rate Assistance programs.
2. Arrearage Management programs.
3. Program to handle expedited payments.
4. Individual Case Management programs
5. Consumer Protection Measures

Next Meeting is scheduled for April 29th, 2-4 PM.

QGC-AARP,SLCAP LOW INCOME TASK FORCE

Description of Meeting:	4th Meeting of Task Force
Meeting Date:	April 29, 2009 2:00 – 3:45 p.m.
Place:	Questar Building
Meeting Minutes Prepared By:	Marlin Barrow

Attendee List: Natalee Alejandre, Barbara Alexander (phone), Marlin Barrow, Steve Bateson, Janee Briesemeister (phone), Pam Giles, Charles Johnson (phone), Alice Miller, Eric Orton, Ted Peterson, Sherm Roquero, Doug Wheelwright, Betsy Wolf

Agenda:

- A. Introductions
- B. Presentation – Barb Alexander.
- C. Analysis of Alternatives.

Summary of discussion:

Presentation – Barb Alexander

National Energy Assistance Directors Association (NEADA.org) released survey of LIHEAP clients that documented difficulty in social, medical and safety concerns about the inability of those customers to pay their utility bills in full. Therefore AARP and others are proponents of bill payment assistance programs.

I. LOW INCOME ASSISTANCE PROGRAMS

- A. Bill Payment Assistance Programs
 - a. Rate Discount Program -Most widely used, California one of the leaders in participation and most robust discount program. Other programs vary by amount of household income.
- B. Percentage of income payment plan -2nd largest category. More complex but has benefit of targeting available funds to highest need. Key policy decision is what percentage of income is assumed the household should be required to make in order to receive assistance. Percentage amount of available household income that is required is after LIHEAP (HEAT in Utah) payments have been deducted.
- C. Arrears Management Programs

- a. Designed to stimulate customer to also make modest payments on old debt incurred before being enrolled in assistance programs. In return, the utility will forgive the remaining portion of debt.
- D. Counseling and Case Management
 - a. Some states mandate such a program is available but as such, it is no substitute for providing funds to assist in the payment of utility bills.
- E. Enrollment in Low Income Programs
 - a. Key is to be efficient in enrollment process through exchange of information with agencies that provide low income assistance. Utility does not create an administrative arm to manage the programs because that is the responsibility of other agencies.

II. UTILITY CREDIT AND COLLECTION POLICIES

- A. Utility Credit and Collection Reports
 - a. Not just for low income but should be oriented to all customers.
 - b. NARUC has recommended that states adopt some minimum requirements for the reporting of credit and collection issues by utilities.
 - c. Many utilities lack the knowledge regarding their own policies because the data is not collected on a regular basis and reviewed.
- B. Fees and Charges for Payment Options
 - a. Any additional fees should not be charged for certain payment options. Any additional costs incurred due to a selected payment option should be borne by all rate payers as part of a general rate case.
- C. Security Deposits and Applications for Service
 - a. Security deposits are a major barrier to low-income customers.
 - b. If deposits are required, utility should provide in writing a clear explanation of why an additional deposit is required citing specific reasons as well as how the customer can dispute the deposit request, receive their deposit back and how to avoid any future deposit requirements.
- D. Payment Plans
 - a. Important to have 12 month payment options available for customers with overdue accounts with the possibility of offering a second payment plan before disconnection.
 - b. Payment plans alone cannot solve the affordability problem for many low income households.
- E. Disconnection for Nonpayment or Late Payment
 - a. There is a need to have a comprehensive understanding of the policies and procedures that describe the process before a physical disconnect can take place.
 - b. These policies should emphasize personal contact and explanation of how to avoid termination or disconnection of service.
 - c. Medical emergency policies.
- F. Disconnection During Extreme Temperatures

- a. Most state prohibit or strictly regulate disconnection during extreme temperature days or in some cases, months.
 - b. Key issue is how to structure the monthly bills during these time periods so that low-income customers can meet obligations.
- G. Customer Complaints
- a. Customers need to understand the process involved in filing complaints.
 - b. Utilities need to track and evaluate customer complaint data.

Question was asked if the Company knew how many disconnects pertained to low-income customers versus other customers who didn't pay for other reasons. Company doesn't know unless records show that customer received a HEAT payment. Discussion ensued about number of HEAT customers versus number of customers eligible for HEAT assistance that are not on the program.

In order to obtain reliable information, data requirement definitions must be comprehensive and consistent for both electrical and gas utilities.

Barb suggested trying to gather information from HEAT showing a distribution of income and what percentage of that income goes towards utility bills. A discussion ensued pertaining to the ability to match up low-income customers household incomes with utility bills while maintaining confidentiality.

The group discussed the need to balance available funds with eligible population to ensure that the aid provided is beneficial in meeting the objectives of the assistance program.

Group discussed programs in existence that could help customers qualify for potential rate discounts and whether there is a central gate keeper of these programs that could be used as a resource to help determine potential eligible customers.

Barb suggested going to a California utilities web site to locate links to eligible programs under the California CARE program. For ease of beginning a program, she suggested start with the HEAT program and then look to other programs such as food stamps etc to expand to other potential customers.

Steve raised question of whether program objective is to help the 40% of potential HEAT customers already signed up or to seek out the other 60% and sign them up. The goal is to find as many as possible in the most cost-effective manner. One potential target group is the elderly who normally wouldn't sign up for HEAT but who may really need assistance. Tape ends

From notes

Group discussed how to build a data base. Suggested look at Iowa list on page 5 of Barbs presentation to determine potential scope of issues or problems.

Company currently doesn't have a system in place that retrieves current heat payment recipients but can develop one.

Assignments for Next Meeting:

1. Charles Johnson and Betsy Wolf will try to develop some data parameters.
2. Company will discuss with Betsy about coordinating and categorizing potential data parameters.
3. Make specific assignments of providing the report to the Commission.

Future Topics to Discuss:

1. Low Income Weatherization Program Presentation – Mike Johnson

Promising Approaches for Future Investigation: (an expanding or contracting list)

1. Utility Rate Assistance programs- Company develop.
2. Arrearage Management programs – Barb mentioned.
3. Program to handle expedited payments – Company develop
4. Individual Case Management programs- Barb mentioned
5. Consumer Protection Measures- Barb mentioned.

Next Meeting is scheduled for May 21st, 2-4 PM.

QGC-AARP,SLCAP LOW INCOME TASK FORCE

Description of Meeting:	5th Meeting of Task Force
Meeting Date:	June 11, 2009 2:00 – 2:50 p.m.
Place:	Questar Building
Meeting Minutes Prepared By:	Marlin Barrow

Attendee List: Natalee Alejandre, Marlin Barrow, Steve Bateson, Janee Briesemeister (phone), Charles Johnson (phone), Eric Orton, Laura Polacheck, Sherm Roquero (phone), Doug Wheelwright, Betsy Wolf

Agenda:

- A. Data on Shut-Offs – Pam Giles
- B. Plan for Future Analysis - All.
- C. Plan for Establishing Recommendations – All
- D. Plan for Final Report- All

Summary of discussion: (Due to circumstances beyond the Division’s control, the recording device used to record this meeting was needed for another meeting and this meeting’s recording was erased before the minutes could be prepared. These notes are taken from memory).

Pam Giles was unable to attend the meeting due to a scheduling conflict, therefore she did not make a presentation. QGC provided a handout which summarized disconnect information (copy is attached). The group discussed the handout noting that majority of the non-Heat related disconnects were less than \$200 in arrears.

A list requesting data was submitted to the Company which the Company has not had time to review. Steve, Charles, Betsy and Sherm decided it would be best to discuss this list after the meeting to see which requests would most useful and how to best marry the Heat database information with the Company’s database information while maintaining the confidentiality requirements of the data. Because the data in this request has not been analyzed, the discussions on the agenda for Plans for Establishing Recommendations and a Final Report were not held in this meeting.

The group decided it would be necessary to request an extension of the August 31, 2009 deadline the Commission established in its order which created the Low-Income Task Force.

Next Meeting is scheduled for July 29th, 2-4 PM.

QGC-AARP,SLCAP LOW INCOME TASK FORCE

Description of Meeting:	6th Meeting of Task Force
Meeting Date:	August 27, 2009 2:00 – 3:30 p.m.
Place:	Questar Building
Meeting Minutes Prepared By:	Marlin Barrow

Attendee List: Natalee Alejandre, Marlin Barrow, Steve Bateson, Janee Briesemeister (phone), Pam Giles, Charles Johnson (phone), Barrie McKay, Alyce Miller, Jenniffer Nelson, Eric Orton, Ted Peterson, Laura Polacheck, Sherm Roquiereo, Doug Wheelwright, Betsy Wolf

Agenda:

- A. Extension of Deadline of Final Report
- B. Promising Approaches.
- C. Analysis
- D. Final Report

Meeting began by covering the 2nd agenda, Promising Approaches first. Five approaches were identified. Those five were:

- 1. Utility Rate Assistance
- 2. Arrearage Management
- 3. Program to handle expedited payments
- 4. Individual Case Management programs
- 5. Collection Practices

The Group discussed the Utility Rate Assistance approach as a more broad approach which could apply to all low income customers. That approach should remain as a focus of the task force.

The Arrearage Management approach was discussed. The group discussed that more work will need to be done on this approach. One issue is some customers are able to maintain an established payment schedule for two or three months before falling behind again and finally being disconnected. It was suggested this situation could possibly be helped through some Case Management programs. There currently is some case management programs available through the existing agencies which do follow up with clients. The Company currently offers deferred payment plans with 3, 6 or 12 month options depending on the situations. The Company may also waive accrued interest if the back bill is paid. The issue of debt forgiveness was briefly discussed with the

clarification that any debt forgiveness would be passed on to other rate payers rather than the Company. Currently, the non-gas cost portion of bad debt is based on a three year average that is part of the expenses in general rate case filings. The bad debt associated with the gas costs is accrued each month and passed on in semi-annual pass through filings with an annual true-up of the actual realized bad debt. A delinquent customer account is written off 90 days after the disconnect date if not paid by the customer at which time is consider a bad debt cost and sent to a collection agency. The current accounting system does allow for credit balances to be applied towards monthly bills which may be due. If an equal pay customer misses a monthly payment, the system will first use credit balances from heat payments and then terminate them from the equal pay billing system once the credits are exhausted.

The Group discussed the issue of last payment options and available payment locations. There is a problem of having some of the payment sites being located at paycheck cashing and advance sites which pose a greater risk to the customers because of the predatory practices of those check cashing sites. The Company will check to see if those check cashing sites can be removed from official payment locations.

The Group approved the Company filing a motion with the Commission to extend the deadline for filing the final report of the Task Force to the Commission from August 31, 2009 to December 1, 2009.

The Company committed to providing a first draft of the final report to the Commission. A possible initial outline could be a first section describing the purpose of the Task Force, the second section reviewing the task force meetings with inclusion of the meeting minutes and materials presented during the meetings, a possible section describing the analysis of the data provided on low income customers by the Company and agencies, a section discussing the alternatives considered, whether there is consensus or not and the pros and cons of alternatives if no consensus followed by a summary section.

The Group discussed the terms consensus and non-consensus with respect to the conclusions of the Task Force. The Company viewed consensus as something the Company would propose and support in a rate case. Non-consensus is something the Company would not bring up in a rate case, but other parties could bring the matter before the Commission for consideration.

The Group reviewed the list of viable approaches and concluded that the Utility Rate Assistance program will be championed by the Company, the Arrearage Management program will have further investigation by Charles and AARP. Case Management is currently undertaken to some extent by local agencies and the Company. The Group decided not to pursue that approach in any greater detail. The Company will look into eliminating payday lenders from the last payment option sites. Collection practices will not be championed by the group. Customers can pay by credit card but there is a cost for credit card charges which are charged by a third party, not by the Company.

The Company is still working on providing an update to the AARP data request from the last rate case as well as requests B & C from the current data request asked by AARP.

For the next meeting Charles and AARP will work to provide a straw man draft of the Arrearage Management proposal for discussion. The Company will provide a straw man of the Utility Rate Discount proposal.

Next Meeting is scheduled for September 17th, 2-4 PM.

QGC-AARP,SLCAP LOW INCOME TASK FORCE

Description of Meeting:	7th Meeting of Task Force
Meeting Date:	September 17, 2009 2:00 – 3:30 p.m.
Place:	Questar Building
Meeting Minutes Prepared By:	Marlin Barrow

Attendee List: Marlin Barrow, Steve Bateson, Michele Beck (phone), Janee Briesemeister (phone), Pam Giles, Charles Johnson, Laura Polacheck, Doug Wheelwright, Betsy Wolf

Agenda:

- A. Final Report
- B. Utility Rate Discount.
- C. Enabling Legislation

Four documents were provided to the group. Those four were:

- 1. A first draft of the Task Force’s report to the Commission prepared by QGC.
- 2. A Utility Discount program draft prepared by Charles, Janee and Betsy.
- 3. An Arrearage Reduction Pilot Program draft.
- 4. An analysis of Heat Disconnects prepared by Charles.

QGC reported that QGC management tentatively approved not opposing any programs sponsored by a group in next general rate case as long as the administrative costs were not too onerous and would not exceed the limits provided by law.

The group looked at the draft report. QGC asked for comments back on the report. There are three place holders in the report, one for the Task Force’s meeting minutes, one for a description of the data provided to the Task Force via data requests and one for a synopsis for the proposed programs which currently are the Utility Discount program and the Arrearage Reduction program. A fourth place holder will be for the information provided by Barbara Alexander. The report will also include a list of the groups that participated in any of the meetings.

A brief overview of the Discount and the Arrearage programs was next proposed with Charles leading the discussion. He began by looking at the Heat Disconnects draft paper noting that two-thirds of the customers disconnected had less than \$300 dollar arrearage and accounted for only one-third of the Heat Arrearage revenue. Less than \$200 dollars

in arrearage accounted for about half of the customers and 18% of the revenue noting that these are the customers the discount program would help.

Charles next discussed the Low-Income Discount Program that would provide a tiered discount for the winter heating season. The information required for the tiers still needs to be analyzed. The administration costs would be borne by the Heat offices. Eligibility would be established annually. Details still need to be worked out between agencies on providing lists of customers who are eligible for the discounts as well as trying to provide good estimates of eligible customers in order to arrive at discount amounts that stay within the allotted budgets. The issue of bringing the few Idaho customers into the system and coordination with the Idaho relief agencies will also need to be undertaken as well as individuals who are on budget plans and how the discounts will be given to those customers.

Janee next discussed the Arrearage Reduction Pilot Program which is designed to reduce the arrearage amount for those customers who continue to make monthly payments. Because this is a pilot program, selection of participants will need to be made and hopefully results of the program's success can be determined by comparing to a similar customer who is not in the program but with similar circumstances. This program will probably require more of an administrative effort than the Discount program. The potential list of eligible participants will be limited to HEAT eligible customers and there would need to some trigger mechanism that allows customers to participate other than just falling behind. This program still needs further development and probably will not be ready for inclusion in a rate case application filed in the next couple of months however, if funding for this program comes from funds collected for the Discount Program, the Arrearage Program could possible come in a separate filing since it wouldn't affect the rates being used to collect the Discount funding, it would just effect the allocation of funds in the Discount program between the discount and the arrearage management programs.

Michele suggested for a future meeting that an effort is made to make sure other potential parties to a rate case are made aware of the proposed programs to see whether or not other parties are opposed to some of the concepts in the programs in order to minimize potential conflicts in a rate case.

A list of issues to focus on for the Discount Program was next discussed. That list includes:

1. Obtain and maintain a list of HEAT eligible customers while maintaining required confidential information requirements without an undue administrative burden.
2. Working with Idaho agencies to obtain same information for QGC customers living in Idaho.
3. Budget billing was not seen as a major issue for Discount customers.
4. The Company will look at the current customer base and the legislative as well as total funding limits and recovery options.

5. Concern over how potential customers become eligible for the Arrearage Management Program and what safety mechanisms are in place to ensure customers don't game the system.
6. QGC will try to determine what a reasonable level of revenue that may be available for funding these programs as well as what caps are in place in the program.
7. QGC will notify UAE about next meeting to see if they can attend.

Agenda for next meeting:

1. Discuss Final Report
2. Refine Rate Discount Program
3. Determine aggregate funding including class by class funding and recovery mechanism.

Next Meeting is scheduled for October 15th, 2-4 PM.

QGC-AARP,SLCAP LOW INCOME TASK FORCE

Description of Meeting:	8th Meeting of Task Force
Meeting Date:	October 15, 2009 1:00 – 3:00 p.m.
Place:	Questar Building
Meeting Minutes Prepared By:	Carolyn Roll

Attendee List: Steve Bateson, Michele Beck (phone), Janee Briesemeister (phone), Kelly Francone, Charles Johnson (phone), Laura Polacheck, Carolyn Roll, Betsy Wolf

Agenda:

- A. Final Report
- B. Funding Limits
- C. Requirements for Company Support

Two documents were provided to the group. Those two were:

1. An updated draft of the Task Force's report to the Commission prepared by QGC.
2. Low Income Program Funding draft prepared by QGC

QGC reported that QGC management tentatively approved not opposing any programs sponsored by a group in next general rate case as long as 1) the program cost must fall within a moderate range; 2) The programs must be designed with due consideration for the feasibility of application; and 3) The Utah Office of Community and Culture will have the responsibility to determine program eligibility and communicate that information to the Company in a timely fashion.

The group looked at the updated draft report. Charles suggested that in Section 5 it should state that there was general consensus that a Utility Discount program was a good idea and later looks at an Arrearage Assistance program. The majority of the discussion centered on the funding levels proposed by Questar Gas Company. As indicated on the handout QGC proposed funding levels at approximately \$600,000 per year. This is well below the proposal from AARP of \$3.1 million. AARP is working on the specifics of their funding proposal and they will need to decide if they want that included in the final report. Steve will continue his discussions with Company management to determine what funding limits may be acceptable to QGC.

Discussion also referenced that the legislation says that all rate classes and all revenue was to be included in the program. Legal interpretation may be different which would result in variances in the calculation of funds available for the program. CAP was surprised that QGC calculated funding for the program based on DNG revenue only, not all revenue.

It was decided that CAP, AARP and Charles would have a meeting between themselves on Friday October 16, 2009 to discuss funding levels. They agreed to send one set of comments to Steve. Those comments would be discussed on a conference call scheduled for 1:15pm on Monday October 19, 2009.

Agenda for next meeting:

1. Discuss Final Report
2. Refine Rate Discount Program
3. Determine aggregate funding including class by class funding and recovery mechanism.

Next Meeting is scheduled for November 12, 2-4 PM.

QGC-AARP,SLCAP LOW INCOME TASK FORCE

Description of Meeting:	9th Meeting of Task Force
Meeting Date:	November 12, 2009 2:00 – 4:00 p.m.
Place:	Questar Building
Meeting Minutes Prepared By:	Recorded by Carolyn Roll Written by Marlin Barrow

Attendee List: Steve Bateson, Janee Briesemeister (phone), Kelly Francone, Pam Giles, Charles Johnson (phone), Alice Miller, Eric Orton, Mike Orton, Ted Peterson, Laura Polacheck, Carolyn Roll, Sherm Roquero, Betsy Wolf

Agenda:

- A. Final Report
- B. Use of Pay Day Lenders for Payment Stations
- C. Additional Areas of Consensus
- D. Remaining Areas of Disagreement
- E. Path to Final Report

QGC stated that within 6 months, Western Union will be taking over the QGC pay stations from the pay check cashing stations.

The group spent the rest of the meeting reviewing and making recommended changes to the Task Force's draft report to the Commission which is due December 1, 2009.¹ Some of the many noted changes were:

The final report will provide more information on the effects the proposed funding methods will have on residential ratepayers. There will be no effect on the CET Balance account and that a section on this will be added to the report.

The group discussed whether any discount should apply to the variable (commodity & SNG) components of the customer's bill. It was decided that the report should say something to the effect that in the aggregate, those customers receiving assistance would still be covering the variable cost (SNG and commodity) portions of their bills.

¹ Commission Order, Docket No. 07-057-13 dated August 31, 2009.

The wording in Appendix 4 of the report should be changed to indicate that Appendix 4 was a proposal to stimulate discussion about alternative ways of structuring a low income assistance program. The recommendations in the task force results report represent the results of that discussion.

QGC will send out an updated draft with all the recommended changes early next week with comments from parties due back either by phone or e-mail. The Company would like to have the report finished by the end of next week. The report will be filed on December 1, 2009.

Appendix 2

Data Requests and Company's responses

P.S.C.U. Docket No. 07-057-13
Data Request 1.01
Requested by Low Income Task Force
Date of QGC Response

LITF 1.01 Please provide data on shut-offs for all Utah customers showing the number of days in arrears at shut-off and the amount in arrears. Provide the same data for customers that received heat assistance within the year.

Answer: Attached is a summary of shut-offs segregated by customers receiving HEAT assistance and customers not receiving HEAT assistance. The attached spreadsheet contains the raw data. See attached Excel spreadsheet labeled "Data on shut off.xls".

Prepared by: Pam Giles, Customer Support Supervisor, Questar Gas Company

LITF 2.01 For each month for the past 10 years (or as is available), please provide monthly data, broken down (if available) by commercial customers, and for residential customers by those receiving HEAT assistance and those not receiving such assistance and within each of those two categories, broken down into those who paid security deposits and those who did not pay security deposits, for the following list of data [This will be a monthly list of each of the following data items for the five categories.]

Answer: The data requested is generally not available. The current billing system has historical data back to late 2004, but not earlier. The categories requested are not available for any historical data. To the extent data is available and required; it will be provided in response to the subparts of the request.

Prepared by: Steven R. Bateson, Supervisor Rates, Questar Gas Company

P.S.C.U. Docket No. 07-057-13
Data Request 2.02(a)
Requested by Low Income Task Force
Date of QGC Response
Date of QGC Response July 23, 2009

LITF 2.02(a) For each month for the past 10 years (or as is available), please provide monthly data, broken down (if available) by commercial customers, and for residential customers by those receiving HEAT assistance and those not receiving such assistance and within each of those two categories, broken down into those who paid security deposits and those who did not pay security deposits, for the following list of data [This will be a monthly list of each of the following data items for the five categories.]:

(a) The number of residential customers.

Answer: See attached spreadsheet, LITF 2.02 (a).xlsx.

Prepared by: Dave Landward, Rate Analyst, Questar Gas Company

LITF 2.02(b) For each month for the past 10 years (or as is available), please provide monthly data, broken down (if available) by commercial customers, and for residential customers by those receiving HEAT assistance and those not receiving such assistance and within each of those two categories, broken down into those who paid security deposits and those who did not pay security deposits, for the following list of data [This will be a monthly list of each of the following data items for the five categories.]:

(b) The number of residential customers paying late payment charges.

Answer: Data is not available.

Prepared by:

LITF 2.02(c) For each month for the past 10 years (or as is available), please provide monthly data, broken down (if available) by commercial customers, and for residential customers by those receiving HEAT assistance and those not receiving such assistance and within each of those two categories, broken down into those who paid security deposits and those who did not pay security deposits, for the following list of data [This will be a monthly list of each of the following data items for the five categories.]:

(c) The amount of late payment charges.

Answer: Data is not available.

Prepared by:

LITF 2.02(d-k) For each month for the past 10 years (or as is available), please provide monthly data, broken down (if available) by commercial customers, and for residential customers by those receiving HEAT assistance and those not receiving such assistance and within each of those two categories, broken down into those who paid security deposits and those who did not pay security deposits, for the following list of data [This will be a monthly list of each of the following data items for the five categories.]:

- (d) The amount of security deposits held.
- (e) The number of customers for which security deposits are held.
- (f) The amount of security deposits collected.
- (g) The amount of customers for which security deposits are collected.
- (h) The amount of security deposits returned to customers.
- (i) The number of customers for which security deposits are returned.
- (j) The amount of security deposits applied to bills.
- (k) The number of customers for which security deposits were applied to bills.

Answer: The data is not readily available. The Company may require a security deposit to re-activate service following a disconnection for non-payment, however once a HEAT payment is received, any owed deposit amounts are waived for the corresponding heating season. Previously paid deposits are still held according to the tariff rules.

Prepared by: Pam Giles, Customer Support Supervisor, Questar Gas Company

P.S.C.U. Docket No. 07-057-13
Data Request 2.02(1)
Requested by Low Income Task Force
Date of QGC Response
Date of QGC Response July 23, 2009

LITF 2.02(1) For each month for the past 10 years (or as is available), please provide monthly data, broken down (if available) by commercial customers, and for residential customers by those receiving HEAT assistance and those not receiving such assistance and within each of those two categories, broken down into those who paid security deposits and those who did not pay security deposits, for the following list of data [This will be a monthly list of each of the following data items for the five categories.]:

(1) The number of customers in arrears by 30 days.

Answer: See attached excel spreadsheet LITF 2.02 (1).xlsx which shows the aged receivables for Residential and Commercial accounts for the period January 2005 through June 2009.

Prepared by: Perry Thomas, Manager Customer Relations, Questar Gas Company

P.S.C.U. Docket No. 07-057-13
Data Request 2.02(m)
Requested by Low Income Task Force
Date of QGC Response
Date of QGC Response July 23, 2009

LITF 2.02(m) For each month for the past 10 years (or as is available), please provide monthly data, broken down (if available) by commercial customers, and for residential customers by those receiving HEAT assistance and those not receiving such assistance and within each of those two categories, broken down into those who paid security deposits and those who did not pay security deposits, for the following list of data [This will be a monthly list of each of the following data items for the five categories.]:

(m) The number of customers in arrears by 60 days.

Answer: See response to LITF 2.02 (l).xls.

Prepared by: Perry Thomas, Manager Customer Relations, Questar Gas Company

P.S.C.U. Docket No. 07-057-13
Data Request 2.02(n)
Requested by Low Income Task Force
Date of QGC Response
Date of QGC Response July 23, 2009

LITF 2.02(n) For each month for the past 10 years (or as is available), please provide monthly data, broken down (if available) by commercial customers, and for residential customers by those receiving HEAT assistance and those not receiving such assistance and within each of those two categories, broken down into those who paid security deposits and those who did not pay security deposits, for the following list of data [This will be a monthly list of each of the following data items for the five categories.]:

(n) The number of customers in arrears by 90 days.

Answer: See response to LITF 2.02 (1).xlsx.

Prepared by: Perry Thomas, Manager Customer Relations, Questar Gas Company

P.S.C.U. Docket No. 07-057-13
Data Request 2.02(o)
Requested by Low Income Task Force
Date of QGC Response
Date of QGC Response July 23, 2009

LITF 2.02(o) For each month for the past 10 years (or as is available), please provide monthly data, broken down (if available) by commercial customers, and for residential customers by those receiving HEAT assistance and those not receiving such assistance and within each of those two categories, broken down into those who paid security deposits and those who did not pay security deposits, for the following list of data [This will be a monthly list of each of the following data items for the five categories.]:

- (o) The number of customers with service terminated by customer request (e.g., moving).

Answer: Based on discussion between Questar Gas and the Low Income Task Force, Questar Gas understands that a response is no longer required.

Prepared by: Steven R. Bateson, Supervisor Rates

LITF 2.02(p) For each month for the past 10 years (or as is available), please provide monthly data, broken down (if available) by commercial customers, and for residential customers by those receiving HEAT assistance and those not receiving such assistance and within each of those two categories, broken down into those who paid security deposits and those who did not pay security deposits, for the following list of data [This will be a monthly list of each of the following data items for the five categories.]:

(p) The number of customers with service disconnected for non-payment.

Answer: Please see attached excel spreadsheet LITF 2.02(P).xlsx.

Prepared by: Perry Thomas, Manager Customer Relations, Questar Gas Company

LITF 2.02(q) For each month for the past 10 years (or as is available), please provide monthly data, broken down (if available) by commercial customers, and for residential customers by those receiving HEAT assistance and those not receiving such assistance and within each of those two categories, broken down into those who paid security deposits and those who did not pay security deposits, for the following list of data [This will be a monthly list of each of the following data items for the five categories.]:

- (q) The number of customers with service disconnected for other reasons (explain reasons that customers fall into this category).

Answer: Based on discussions between representatives of Questar Gas Company and the Low Income Task Force, Questar Gas understands a response is no longer required.

Prepared by: Steven R. Bateson, Supervisor Rates, Questar Gas Company

LITF 2.02(r) For each month for the past 10 years (or as is available), please provide monthly data, broken down (if available) by commercial customers, and for residential customers by those receiving HEAT assistance and those not receiving such assistance and within each of those two categories, broken down into those who paid security deposits and those who did not pay security deposits, for the following list of data [This will be a monthly list of each of the following data items for the five categories.]:

(r) The number of new customers connected.

Answer: Based on discussions between representatives of Questar Gas Company and the Low Income Task Force, a response is no longer required.

Prepared by: Steven R. Bateson, Supervisor Rates, Questar Gas Company

LITF 2.02(s) For each month for the past 10 years (or as is available), please provide monthly data, broken down (if available) by commercial customers, and for residential customers by those receiving HEAT assistance and those not receiving such assistance and within each of those two categories, broken down into those who paid security deposits and those who did not pay security deposits, for the following list of data [This will be a monthly list of each of the following data items for the five categories.]:

(s) The number of disconnected customers who are reconnected.

Answer: Data is not available.

Prepared by: Steven R. Bateson, Supervisor Rates, Questar Gas Company

P.S.C.U. Docket No. 07-057-13
Data Request 2.02(t)
Requested by Low Income Task Force
Date of QGC Response July 23, 2009

LITF 2.02(t) For each month for the past 10 years (or as is available), please provide monthly data, broken down (if available) by commercial customers, and for residential customers by those receiving HEAT assistance and those not receiving such assistance and within each of those two categories, broken down into those who paid security deposits and those who did not pay security deposits, for the following list of data [This will be a monthly list of each of the following data items for the five categories.]:

(t) The number of customers processed by internal collections.

Answer: Please see attached excel spreadsheet LITF 2.02(P).xlsx.

Prepared by: Perry Thomas, Manager Customer Relations, Questar Gas Company

LITF 2.02(u) For each month for the past 10 years (or as is available), please provide monthly data, broken down (if available) by commercial customers, and for residential customers by those receiving HEAT assistance and those not receiving such assistance and within each of those two categories, broken down into those who paid security deposits and those who did not pay security deposits, for the following list of data [This will be a monthly list of each of the following data items for the five categories.]:

- (u) The amount of charges (or billings) associated with customers being processed by internal collections.

Answer: Please see attached excel spreadsheet LITF 2.02(P).xlsx.

Prepared by: Perry Thomas, Manager Customer Relations, Questar Gas Company

P.S.C.U. Docket No. 07-057-13
Data Request 2.02(v)
Requested by Low Income Task Force
Date of QGC Response
Date of QGC Response July 23, 2009

LITF 2.02(v) For each month for the past 10 years (or as is available), please provide monthly data, broken down (if available) by commercial customers, and for residential customers by those receiving HEAT assistance and those not receiving such assistance and within each of those two categories, broken down into those who paid security deposits and those who did not pay security deposits, for the following list of data [This will be a monthly list of each of the following data items for the five categories.]:

(v) The number of customers processed by collection agencies.

Answer: Please see attached excel spreadsheet LITF 2.02(P).

Prepared by: Perry Thomas, Manager Customer Relations, Questar Gas Company

LITF 2.02(w) For each month for the past 10 years (or as is available), please provide monthly data, broken down (if available) by commercial customers, and for residential customers by those receiving HEAT assistance and those not receiving such assistance and within each of those two categories, broken down into those who paid security deposits and those who did not pay security deposits, for the following list of data [This will be a monthly list of each of the following data items for the five categories.]:

- (w) The amount of charges (or billings) associated with customers being processed by collection agencies.

Answer: Data is not available.

Prepared by:

P.S.C.U. Docket No. 07-057-13
Data Request 2.02(x)
Requested by Low Income Task Force
Date of QGC Response July 23, 2009

LITF 2.02(x) For each month for the past 10 years (or as is available), please provide monthly data, broken down (if available) by commercial customers, and for residential customers by those receiving HEAT assistance and those not receiving such assistance and within each of those two categories, broken down into those who paid security deposits and those who did not pay security deposits, for the following list of data [This will be a monthly list of each of the following data items for the five categories.]:

(x) The amount of charges recovered by internal collections.

Answer: Please see attached excel spreadsheet LITF 2.02(P).xlsx.

Prepared by: Perry Thomas, Manager Customer Relations, Questar Gas Company

P.S.C.U. Docket No. 07-057-13
Data Request 2.02(y)
Requested by Low Income Task Force
Date of QGC Response July 23, 2009

LITF 2.02(y) For each month for the past 10 years (or as is available), please provide monthly data, broken down (if available) by commercial customers, and for residential customers by those receiving HEAT assistance and those not receiving such assistance and within each of those two categories, broken down into those who paid security deposits and those who did not pay security deposits, for the following list of data [This will be a monthly list of each of the following data items for the five categories.]:

(y) The amount of charges recovered by collection agencies.

Answer: Please see attached excel spreadsheet LITF 2.02(P).xlsx.

Prepared by: Perry Thomas, Manager Customer Relations, Questar Gas Company

P.S.C.U. Docket No. 07-057-13
Data Request 3.01
Requested by Low Income Task Force
Date of QGC Response August 12, 2009

LITF 3.01 Please provide data on Bill Amounts and Payments for the HEAT accounts listed in the response to LITF 1.01.

Answer: Attached is the data on Bill Amounts and Payments for shut-off customers receiving HEAT assistance. See attached Excel spreadsheet labeled "Data on shut off with Payments_Bill Amounts.xlsx."

Prepared by: Dave Landward, Rate Analyst, Questar Gas Company

Appendix 3

Barbara Alexander's Report

Barbara R. Alexander
Consumer Affairs Consultant

ON BEHALF OF AARP

**PRESENTATION TO QUESTAR TASK FORCE ON “IDENTIFYING
AND EVALUATING WAYS TO HELP LOW-INCOME CUSTOMERS
STAY ON QUESTAR’S SYSTEM.”**

April 29, 2009

BEST PRACTICES FOR CONSUMER PROTECTION PROGRAMS AND PRACTICES FOR LOW-INCOME RATEPAYERS

I. LOW INCOME ASSISTANCE PROGRAMS

Note: As documented by AARP's Energy and Telephone Assistance in the States II (2007), at least 27 state legislatures or regulators have established low-income energy assistance programs that are funded by ratepayers. Other states have adopted "pilot" or other programs as part of base rate cases and the settlement of merger proceedings, which in some cases, has allocated shareholder contributions to funding these programs.

A. *Bill Payment Assistance Programs*

These programs are typically adopted to assist low income electric and gas customers to obtain and maintain essential utility service all year round. As such, the programs are designed to make the annual utility bill affordable and not merely shift payment obligations from high bill months to lower bill months. Furthermore, the programs are also designed to stimulate more regular monthly payments of the resulting monthly bill and reduce more expensive collection activities, such as repeatedly renegotiating payment agreements that are doomed to fail (because the utility bill is unaffordable no matter how the payment stream is altered), avoiding field visits for disconnection and reconnection of service, etc.

1. Rate Discount: percentage discount of otherwise applicable tariffed rates (both fixed monthly charge and variable rates for energy and distribution services)
 - a) Fixed: For example, California (20%); Montana (15% summer and 30% in winter).
 - b) Vary by income classification to provide largest discount level to those with lowest household income: For example, Maine (Bangor Hydro); New Hampshire; Pennsylvania (PECO Energy).
2. Monthly Credit Based on Percentage of Income: customer receives a monthly credit that is individually calculated based on the difference between the customer's obligation to pay a percentage of household income for utility bill and the actual utility bill after application of LIHEAP. See, for example, New Jersey (statewide program for all electric and gas utilities; benefit calculated based on customer payment of 3% income for gas and 3% income for electricity); Pennsylvania utilities (benefits calculated based on maximum customer payment for both gas

and electricity equal to 17% of income); and Ohio (customer is required to pay 15% of income for gas and electricity during winter months).

3. Forgive or discount the monthly customer charge: These programs are typically very small and not necessarily designed to assure affordability of the resulting monthly bill.

B. Arrears Management Programs

1. In return for regular payments based on affordability, utility “forgives” the same amount from customer’s current overdue amount or debt. See, for example, Connecticut (\$14 million in 2005)

2. Formula for debt forgiveness included as part of the bill payment assistance program so that the customer’s payment of reduced bill amount under the bill assistance program results in partial forgiveness of unpaid balance that existed when entering bill payment assistance program. See, for example, New Jersey Fresh Start program in which 100% of preprogram arrears are forgiven if customer makes 12 months of payment on reduced bill.

C. Counseling and Case Management Services

1. It is assumed that utility customer service representatives are trained to refer customers to utility sponsored programs and the most likely sources of financial assistance in the local community, such as LIHEAP, city or county welfare, major charitable organizations (Salvation Army, etc.). While some utilities establish specialized call centers for customers who receive a disconnection notice (by using a different 1-800 number on the disconnection notice), smaller utilities do not differentiate such calls.

2. Utilities with multi-state service territories and unified call centers or those that use a contractor to provide call center services for some or all customer contacts should be held accountable to a standard of customer service that does not vary from those utilities that maintain an in-state or local call center in terms of call center performance and knowledge and referral services provided by their employees or agents.

3. Customer is provided specialized counseling and referral services, typically provided under contract between utility and local CBO to customers with significant “life” issues. See, for example, Pennsylvania CARES program.

4. Note: There is no basis for concluding that such services, operating alone, assure affordability or long term retention of utility

service. These are typically crisis management programs and operated in conjunction with, and not as a substitute for, direct bill payment assistance and arrears forgiveness programs.

D. Enrollment in Low Income Programs

1. Categorical Eligibility: Link eligibility of utility low income programs with eligibility status in other means-tested low income programs, i.e., LIHEAP, Food Stamps, TANF, Medicaid, state prescription drug assistance programs for elderly, etc. This approach is made easier if the state LIHEAP program already “captures” Food Stamp and other state financial assistance programs. Attached as Appendix A to this presentation is a chart prepared by the LIHEAP Clearinghouse on how states have automatically enrolled certain state assistance program clients into LIHEAP.

2. Automatic Enrollment: Computerized match of state assistance program client information with utility-provided customer account and usage information to produce a list of qualified customers who are then automatically enrolled in the utility’s program. See, for example, New Jersey, California, Massachusetts, Texas, Montana, Washington

II. UTILITY CREDIT AND COLLECTION POLICIES

A. Utility Credit and Collection Program Reports

It is not possible to determine the impact of a utility’s credit and collection programs or the state’s consumer protection standards unless utilities collect and state commissions require the reporting of comparable information. Too many state commissions do not even know how many customers are disconnected for nonpayment on a monthly basis and so cannot make the most elementary determination about the impact of current regulations or the need for affirmative low income bill payment assistance programs. Those state commissions that do collect such information often do not publish it or make it available except upon request.

A recent study published by the National Energy Assistance Directors’ Association¹ has described the need for data collection and analysis to better serve

¹ NEADA, Tracking the Home Energy Needs of Low-Income Households Through Trend Data on Arrearages and Disconnections, May 2004. Available at http://www.neada.org/pubs/Tracking_the_Need.pdf This report contains the Iowa reporting regulations.

low-income customers. In 2007, the NARUC Staff Subcommittee on Consumer Affairs prepared a Report on Collections Data Gathering by States² and recommended that states adopt a minimum level of reporting by all electric and natural gas utilities in a uniform format that would track key indicia concerning credit and collection activities.

For example, Iowa utilities must file monthly reports for the following electric and gas residential customer statistics:

- Number of accounts;
- Number of accounts certified as eligible for energy assistance since the preceding October 1;
- Number of accounts past due;
- Number of accounts eligible for energy assistance and past due;
- Total revenue owed on accounts past due;
- Total revenue owed on accounts eligible for energy assistance and past due;
- Number of disconnection notices issued;
- Number of disconnection notices issued on accounts eligible for energy assistance;
- Number of disconnections for nonpayment;
- Number of reconnections;
- Number of accounts determined uncollectible; and
- Number of accounts eligible for energy assistance and determined uncollectible.

² This Report resulted in a NARUC Resolution adopted in November 2007 that urged states to require utilities to gather and report “relevant utility bill and arrearage data.” See <http://www.naruc.org/Resolutions/CA1%20Resolution%20Supporting%20the%20Gathering%20of%20Data%20for%20Electric%20and%20Natural%20Gas%20Distribution%20Companies%20by%20Individual%20State%20Utility%20Commissions%20or%20Energy%20Offices.pdf>

B. Fees and Charges for Payment Options

A utility should not be allowed to charge an additional fee for any specific payment options offered by the utility, such as for payment via credit or debit card or accessing last minute payment options. Rather, the costs of providing a wide range of payment options to its customers should be reflected in the rates paid by all customers. There are two main arguments in opposition to the notion that utilities should be able to impose an additional fee for certain payment options. First, there are incremental fees incurred by a utility associated with every type of payment, including check processing. Those fees are not imposed on individual customers who pay by check, but reflected in the expenses that are included in rates paid by all customers. To charge additional fees to customers to make use of one of several payment options offered by the utility suggests that some payment options are appropriate for all customers to pay for and others are not. This is particularly troublesome because any of these methods of electronic bill payment are likely to reduce utility cash working capital costs compared to the processing of paper check payments.

An additional concern is whether a merchant is allowed to charge additional fees to those customers who pay by credit card under the federal and state Truth in Lending Act. Fees charged for premise visits are likely to adversely impact lower income customers due to their more frequent payment troubled status, however, the collection of overdue utility bills should be reflected in all customer rates for the same reasons that most businesses reflect the average cost of overdue and unpaid bills in the prices charged to all their customers.

Note: Questar charges a “third-party convenience fee of \$1.99” for any payment made with debit cards, credit cards or checks.

C. *Security Deposits and Applications for Service*

1. The Commission's rules should set forth the process for application for service. A deposit is only one aspect of this process. The rules should require utilities to adopt a written policy governing application for service (what information is required to obtain utility service; criteria for a deposit; criteria for denial of service; criteria for transfer of previously unpaid account balance, dispute rights) and make this policy available to any applicant or customer upon request. Utilities should also be required to process an oral or written application for service in a timely manner and provide a response no later than 3 business days after the application for service.
2. Utilities typically allow a 3-month or 90-day payment plan for deposit amounts.
3. Deposit amounts typically reflect the average of two months of a 12-month service at the customer's location.
4. The utility should consider a policy that exempts qualified low income customers from deposit requirements upon application of service.
5. Utilities should charge a deposit based on the applicant's history of payment of utility service and not rely on external credit scores or the lack of prior credit history to trigger a deposit. Questar's current deposit practices conform to this recommended practice (assuming that the "outstanding debt" refers to a prior unpaid utility bill): According to the Company's website: "In most cases, Questar Gas does not require a security deposit from residential customers. However, deposits are required, upon the filing of bankruptcy, when service is obtained fraudulently or without authorization, when service is shut off for nonpayment or when the customer has an outstanding debt with a collections agency."
6. Most utilities charge a deposit if the customer is seeking reconnection of service following termination of nonpayment or if the customer has previously had service and left with an unpaid debt.
7. It is a particular burden for low income customers to be required to pay a deposit and payment of a previously unpaid debt and utilities should be required to grant service and allow payment of the larger of these two sums over a reasonable period of time.
8. A denial of service or a requirement that service be conditioned upon payment of a deposit or payment of a previously incurred debt is a significant barrier to entry for a monopoly service for which the customer

has no alternative provider. Therefore, affected applicants should be informed of their obligations and rights in writing. This is particularly important in light of the growing use of credit scores to trigger a deposit, as well as the potential exemption to a deposit requirement based on an applicant's participation in low-income programs. Therefore, this writing should include the information that triggered a deposit requirement, including information relating to the use of an applicant's credit score and how (or whether) a low-income applicant can avoid this deposit. As a result, the rules should require a utility that denies an application for service or that seeks to condition a request to provide service on payment of a deposit or other requirement (such as a transfer of prior debt or unpaid balance) to provide a notice in writing that includes the following key disclosures:

- i. the basis for the denial or the requirement to pay a deposit³;
- ii. the amount of the deposit;
- iii. how the deposit must be paid (i.e., the payment arrangement terms);
- iv. the information concerning how or whether a low income customer can avoid a deposit;
- v. the criteria for returning the deposit to the customer; and
- vi. how the customer can dispute or appeal this decision with the utility, and, if not satisfied, with an informal appeal to the Commission's complaint handling division.

³ These disclosures may require information that is mandated by the Equal Credit Opportunity Act (15 U.S.C. §§ 1691-1691f, as amended) and, if a credit report is used, the Fair Credit Reporting Act (15 U.S.C. §§ 1681-1681(u), as amended).

D. Payment Plans

1. It is important for the utility to be required to offer a payment arrangement to any customer with an overdue amount as a means to avoid disconnection of service. The best rule will require the utility to take the customer's individual circumstances into account.
2. Utilities should be required to offer budget or levelized payment plans to any customer at any time of the year and without any requirement that the customer be "current" on their bill to enter into such plans.
3. Payment plans should extend up to 12 months, but it should be recognized that payment plans for customers who cannot afford essential utility service will not assure affordability of service. Payment plans for such customers should be provided as an ancillary benefit for those who are receiving bill payment assistance and/or arrears management benefits.
4. Consider a policy that would eliminate late payment fees on payment arrangements (or, at the least, for low income customers participating in assistance programs) in order to encourage customers to negotiate and keep payment plan requirements.
5. Finally, consider the recent regulation adopted in Iowa that allows customers under certain circumstances to enter into a second payment arrangement to avoid disconnection of service. The Iowa Utility Board adopted a rule that requires electric and natural gas utilities to offer low income customers a second payment plan in the event that the customer defaults on the first payment plan. To qualify for the second payment plan, the customer must have made a good faith effort to make payments, which is considered demonstrated if the customer has made at least two consecutive full payments under the first agreement, which could be payments made by an assistance agency (e.g., LIHEAP).⁴

E. Disconnections for Nonpayment or Late Payments

1. States that have adopted comprehensive regulations governing the policies and procedures for disconnection of service include Pennsylvania, Illinois, Massachusetts, New Jersey, Iowa, Maine, Idaho, among others. The purpose of these regulations is to assure detailed regulatory oversight of a process that result in the lack of essential energy services by a

⁴ Iowa Utility Board, Declaratory Ruling, Docket DRU-05-01 (May 17, 2005), available at: http://www.state.ia.us/government/com/util/_private/Orders/2005/0517_dru051.pdf

monopoly provider and for which the consumer has no reasonable substitute.

2. Key issues:

- a) Contents and disclosures in disconnection notice;
- b) Length of time in which to make payment or arrangements to avoid disconnection;
- c) Effective date of the notice (how long the utility has to actually disconnect after due date of notice);
- d) Utility obligations to make contact with customer during pendency of disconnection notice: phone and premise visit
- e) Utility obligation to attempt contact with customer at time of physical disconnection; whether the utility should be required to accept payment and avoid disconnection with oral declaration of medical emergency

F. Disconnection During Extreme Temperatures

1. Most states prohibit or strictly regulate disconnection of electricity and natural gas service under certain weather-related conditions.

- a) Specific winter months;
- b) Specific temperatures (extreme heat or extreme cold) on day before or day of disconnection;
- c) Examples: Maine, Massachusetts, Wisconsin, and Pennsylvania are among those states that have adopted the most detailed regulations governing “winter” disconnections. Texas has adopted a “summer” disconnection rule that reflects the dangers associated with the loss of air conditioning and electric power during extremely high temperatures. The Massachusetts disconnection rule prohibits utilities from disconnecting in the winter for households with infants, elderly, or disabled individuals. The state-by-state chart showing the key criteria of the various state rules is available at www.ncat.org/liheap. In addition, the AARP Report on State Energy Assistance Programs contains this information as reflected in 2006 policies and decisions.

2. Some states require the utility to offer more liberal payment plan terms to low income customers or those eligible for the moratorium plans. See, e.g., the Maine rule which requires utilities to offer “special payment

plans” to those impacted by the disconnection prohibition during the winter months to shift some payments to summer bills.

3. It is particularly important to require utilities to conduct an affirmative outreach and education program on the existing of customer rights during these protection periods and the criteria for qualification for protection.

G. Customer Complaints

1. Definition of “inquiry”(questions) and “complaint” or “dispute” (customer is dissatisfied with utility response or resolution)

2. Utility dispute/complaint resolution and recordkeeping;

3. How is customer informed of dispute rights to PUC? Oral disclosure at end of attempt to resolve customer’s dispute and in writing on all confirmations of security deposit, denial of service, payment arrangements, and notices of disconnection.

Appendix A: Expedited or Automatic Eligibility for LIHEAP

The LIHEAP statute (Section 2605(b)(2)(A) of Public Law 97-35 as amended) defines who may be eligible for the program and allows states to define certain households as “categorically eligible” because they receive benefits under TANF, Food Stamps, SSI, or certain means-tested veterans programs. However, they must also offer eligibility to households on the basis of income, as required by Section 2605(b)(2)(B). As shown in the table below, some states allow expedited eligibility for all or some categorically eligible households with varying restrictions. Reasons for expedited eligibility determination include administrative efficiency and/or targeting the program to certain households such as the poorest of the poor, or those with elderly or disabled members or young children.

Arkansas: No automatic eligibility and/or payment. However, elderly and disabled households who receive Food Stamps are mailed applications to apply for LIHEAP if they meet the eligibility guidelines. Their benefit amount is predetermined based upon payment levels, which are based upon the household's size and monthly income. If the applications are returned, the households will receive the predetermined amount.

Colorado: Since LIHEAP income eligibility is set at 185% of the federal poverty index, “categorically eligible” households automatically fall under this ceiling, as their income maximums are all lower. Members of these groups receive a mailed application and are set up in a “pre-pending” status prior to the start of each program year. Benefit amounts are based on income and prior year heating costs. Even if heating costs are very low, these applicants receive a minimum benefit of \$100.

Connecticut: Any household in which all household members are participating in one or more of the following DSS programs will automatically be considered income eligible for the CEAP, but must meet all other eligibility requirements to receive benefits:

- Temporary Family Assistance
- State Supplement to the Aged, Blind and Disabled
- Refugee Cash Assistance Program
- Food Stamps

Florida: Applicants that are currently Food Stamp or SSI eligible, do not need to show additional proof of their income. If they meet the priority population requirements and the agency has funds, they will receive benefits just as other applicants would. Automatic qualification does not mean an applicant will necessarily get assistance.

Georgia: Households are automatically eligible if at least one household member is receiving TANF, SSI or Food Stamps.

Idaho: Households are automatically eligible if at least one household member is receiving TANF, SSI or Food Stamps.

Iowa: Verification of income will be waived when the household meets all the following criteria:

- The household is sent a letter at the beginning of each year that asks whether anything has changed since the previous year.
- At least one member of the household is 60 years of age or older or is disabled.
- Major income sources are fixed benefits such as SSA, SSI, or VA.
- Savings of all types are \$15,000 or less.

When it is determined that a household meets these criteria, the CAA will approve the application at the appropriate assistance level utilizing information from the previous application. The household is sent a letter at the beginning of each year that basically asks has anything changed since the previous year. The household only has to be recertified through the normal application process every 5 years.

Kansas: Automatic eligibility for weatherization if at least one person in household is receiving TANF or SSI.

Kentucky: Households are automatically eligible if at least one person is receiving TANF, SSI, Food Stamps or certain means-tested veterans programs.

Louisiana: Households are automatically eligible if at least one person is receiving TANF, SSI, Food Stamps or certain means-tested veterans programs.

Michigan: Categorical eligibility and automatic payments are allowed for households that receive TANF, SSI or Food Stamps. Eligibility for this group is 110 percent or less of federal poverty guidelines. All other groups must meet income guidelines set at 60 percent of state median income. Assets are not counted when determining eligibility for any group.

Montana: Households are automatically eligible if at least one person is receiving TANF or SSI.

Nebraska: If a household is identified as pure TANF or Aid to the Aged, Blind and Disabled, the household is automatically eligible for LIHEAP heating and cooling if they meet the criteria as being economically vulnerable. All households found eligible for LIHEAP are automatically referred to weatherization without having to file a separate application.

Nevada: Households are automatically (categorically) eligible if ALL members of the household are eligible and receiving one or more of the following benefits: TANF, SSI, Food Stamps, or means-tested Veteran Disability benefits.

New Jersey: Automatic payments for Food Stamp eligible households. "Certain households eligible for and receiving nonpublic assistance Food Stamps will receive automatic payments based on income, household size, heating arrangement and fuel type contained in computer records maintained by the Division of Family Development."

New York: Automatic benefits for public assistance, SSI and food stamp recipients and certain means-tested veterans programs.

North Carolina: LIHEAP payments will be targeted towards all households active in the Food Stamp Information System (FSIS). These households will receive automatic payments for heating costs if they meet all other LIHEAP guidelines. These households will receive notification in early October.

Oklahoma: Pre-authorizations for automatic eligibility. About half of all households that receive LIHEAP benefits are pre-authorized for eligibility. The criteria for selection for Aged, Blind, Disabled, TANF and Food Stamp cases are:

- open status for 12 months or more
- received LIHEAP last year
- client address is same as last year
- family composition is unchanged since last year
- household's net income does not exceed 110% of federal poverty level and
- energy source = all fuel types

Rhode Island: Categorical eligibility for TANF, SSI, and Food Stamp households. LIHEAP households must complete a new application every year.

South Carolina: Automatic eligibility for households with at least one member that receives SSI.

Texas: Automatically eligible households include those that, during the 12-month period preceding the determination of eligibility for assistance, contained a member who received cash assistance payments under Title IV or XVI (SSI) of the Social Security Act (or applicable State or local law); Food Stamps (Food Stamp Act of 1977); or payments under section 415, 521, 541, or 542 of title 38, United States Code, or under section 306 of the Veterans' and Survivors' Pension Improvement Act of 1978.

Virginia: Cases from the Fuel database that match specific criteria with cases in the Food Stamp database and meet other eligibility criteria are automatically approved for Fuel Assistance. Approximately 15 percent of the statewide Fuel caseload receives a Pre-

Approval Notice instead of a preprinted Fuel application. Households that have been pre-approved do not need to apply; however, they are responsible for reporting changes to printed data included on their Pre-Approval Notice. Assuming all other eligible criteria are met, households in which all members are receiving SSI are considered income eligible regardless of total household income.

Wisconsin: Categorical eligibility for heating and crisis assistance if the household is composed entirely of members receiving SSI, TANF, or Food Stamps for at least 3 months. Households are categorically eligible for weatherization if one member receives SSI or TANF for the last consecutive 12 months. The household must still satisfy the non-financial eligibility tests such as residence, social security numbers for all, and have an energy burden.

Page Last Updated: August 14, 2008: <http://liheap.ncat.org/tables/FY2007/autoelig.htm>

**APPENDIX B: MODEL REGULATION GOVERNING DISCONNECTION
AND RECONNECTION OF SERVICE FOR RESIDENTIAL GAS AND
ELECTRIC CUSTOMERS**

a. Requirements for disconnection without a customer's request are as follows:

(1) A utility may disconnect service without request by the customer of the service and without prior notice only:

(A) if a condition dangerous or hazardous to life, physical safety, or property exists;

(B) upon order by any court, the commission or other duly authorized public authority;

(C) if fraudulent or unauthorized use of service is detected and the utility has reasonable grounds to believe the affected customer is responsible for the use;

(D) if the utility's equipment has been tampered with and the utility has reasonable grounds to believe that the affected customer is responsible for the tampering; or

(E) if the utility's equipment is used in a manner disruptive to the service of other customers.

(2) A utility may disconnect service to a customer based on a delinquent account with the same class of service (such as residential service) for that customer.

b. Requirements for prohibited disconnections are as follows:

(1) Except as otherwise provided in subsections (a) and (b), a utility shall postpone the disconnection of electric service for thirty (30) days if, before the disconnect date specified in the disconnect notice, the customer provides the utility with a medical statement from a licensed physician or public health official that states that disconnection would be a serious and immediate threat to the health and safety of a designated person in the household of the customer. The postponement of disconnection shall be continued for one (1) additional ten (10) day period upon the provision of an additional medical statement to the utility. The utility shall be required to provide the customer a total of forty (40) days postponement of disconnection for medical reasons under this subsection only once in any twelve (12) month period. Further postponement of disconnection may be made at the utility's discretion.

(2) A utility may not disconnect electric service to the customer for any of the following reasons:

(A) Nonpayment of any nonutility or unregulated utility services.

(B) Upon the customer's failure to pay for services to a previous occupant of the premises being served unless the utility has reasonable grounds to believe that the customer is attempting to defraud the utility.

(C) On the basis of the delinquent character of an account of any other person, except if the customer is the guarantor of that other person's account for electricity service.

(D) If the customer makes payment arrangements under section 6 of this rule.

(E) If a customer is unable to pay a bill that is unusually large due to prior incorrect billing, incorrect application of the rate schedule, prior estimates where no actual reading was taken for over two (2) months, or any human or mechanical error of the utility, and the customer:

(i) makes a payment arrangement in accordance with the guidelines set forth in section 6 of this rule; and

(ii) agrees to pay all undisputed future bills for electric service as they become due, provided, however, that the utility may not add to the outstanding bill any late fee and, provided further, that the payment arrangement agreement in item (i) and this item shall be put in writing by the utility and sent by mail to the customer.

d. No utility may disconnect service unless the disconnecting is done between the hours of 8 a.m. and 3 p.m., prevailing local time. Disconnections under subsections (a) and (b) are not subject to this limitation. The utility may not disconnect service for nonpayment:

(1) on any:

(A) Friday after noon;

(B) Saturday;

(C) Sunday; or

(D) other day the utility's offices are not open for business; or

(2) after noon on any day immediately before a day the utility's office are not open for business.

e. Requirements for notice required before involuntary disconnection are as follows:

(1) Except as otherwise provided in this section, service to any customer shall not be disconnected for a violation of any rule of the utility or for nonpayment of a bill, except after fourteen (14) days from the postmark date of a written notice sent to the customer at the address shown on the records of the utility or the notice is personally served upon the customer or a responsible member of the customer's household. No disconnect notice for nonpayment may be rendered before the date on which the account becomes delinquent.

(2) The disconnection notice shall be in language that is clear, concise, and easily understandable to a layperson and shall state, in separately numbered large print paragraphs, the following information:

(A) The date of the proposed disconnection.

(B) The specific reason and factual basis for the proposed disconnection.

(C) The telephone number of the utility office at which the customer may call during regular business hours to question the proposed disconnection or seek information concerning the customer's rights.

(D) The local and toll-free telephone numbers and office hours of the commission.

(E) That the customer may refer to the pamphlet furnished under 170 IAC 4-1-18 for information as to the customer's rights.

(F) Information as to the customer's rights, under this rule, including, but not limited to, the following:

(i) That the customer may obtain a temporary waiver of disconnection for a serious illness or medical emergency under subsection (c).

(ii) That the customer may file a complaint with the utility.

(iii) That if the complaint is not resolved by the utility to the customer's satisfaction, the customer may file a complaint with the commission.

(iv) That the customer may make payment arrangements under section 6 of this rule.

f. Utility employees conducting disconnections of service shall follow the following procedures:

(1) Immediately preceding the actual disconnection of service, the employee of the utility designated to perform the function shall make a reasonable attempt to identify himself or herself to the customer or any other responsible person then upon the premises and shall announce the purpose of his or her presence and shall make a record thereof to be maintained for at least thirty (30) days.

(2) The employee shall have in his or her possession information sufficient to enable the employee to inform the customer or other responsible person the reason for the disconnection, including the amount of any delinquent bill of the customer, and shall request from the customer any available verification that the outstanding bill has been satisfied or is currently in dispute and under review by the utility or the commission. Upon the presentation of such credible evidence, service shall not be disconnected.

(3) The employee shall not be required to accept payment from the customer, user, or other responsible person in order to prevent the service from being disconnected. The utility shall notify the customers under 170 IAC 4-1-18 of its policy with regard to the acceptance or nonacceptance of payment from the employee and shall uniformly follow the policy without discrimination.

(4) When the employee has disconnected the service, the employee shall give to a responsible person at the customer's premises, or if no one is at home, shall leave at a conspicuous place on the premises, a notice stating that service has been disconnected and stating the address and telephone number of the utility where the user may arrange to have service reconnected.

g. If a utility disconnects service in violation of this rule, the service shall immediately be restored at no charge to the customer

Appendix 4

Description of alternative low income proposed program by AARP/SLCAP.

AARP/SLCAP/Low-Income Discount Program for Questar

INTRODUCTION

Background

The PSC and other parties are familiar with the RMP HELP program which provides a fixed discount for low-income participants each month. We suggest starting with a model similar to the RMP HELP program, but there are some changes that we would like to offer.

Summary Description of Proposal for Questar

AARP/SLCAP propose a three-tiered seasonal program with higher discounts for lower-income customers. The program would be funded with a percentage surcharge on other customers, with a cap on the maximum surcharge as per the statute.

LOW-INCOME DISCOUNT PROPOSAL

Outline of Program

A tiered discount program will better help those with especially low incomes meet their payment obligations. And because bills for natural gas vary substantially by season, a seasonal discount is recommended.

AARP/SLCAP proposes the Task Force consider a three-tier discount program during the winter heating season, with discounts during the 5 winter months (November through March) and no discount during the remaining months. The amounts of the discounts and the percentages of the poverty level can be adjusted as the data are more thoroughly analyzed, but the following present the structure of the discount:

Up to 75% of the Poverty Level	\$30 per month
From 75% to 125% of the Poverty Level	\$24 per month
Above 125% of the Poverty Level	\$18 per month

For customers on the Budget Plan of equal payments, a credit of \$150, \$120, or \$90 would be incorporated into the calculation of the equal payments. The monthly credits would be \$12.50, \$10, and \$7.50. If a customer is dropped from the Budget Plan, the credits will continue at the same level until the anniversary of the customer's service on the Budget Plan under the discount program. (This

would be to ensure that the customer received exactly the appropriate discount for the year, no more and no less.) Once that anniversary date had arrived, the customer would receive the seasonal discount for subsequent bills.

Certification as to which discount is received would be done by the Department of Community and Culture through the local HEAT offices at the time the HEAT application is taken. The information on which income group a customer belongs would be provided to Questar by the Department of Community and Culture.

Numbers of Participants

Dr. Johnson estimates the expected number of participants would be somewhere in the vicinity of 25,000 to 30,000 and uses this range in his calculations below.

For discussion purposes, assume an average discount of \$120 per year per customer, requiring \$3.0-3.6 million in funding. With a tiered discount, it will be necessary to estimate the number of people in each of the three income groups (or perhaps modify the levels), but for initial estimation purposes, a \$120 annual value overall seems reasonable.

Funding

The Utah statute requires that “the monthly surcharge described in Subsection (5)(b)(i) shall be calculated as an equal percentage of revenues from all rate schedules” and be subject to a \$50 monthly cap. Dr. Johnson has reviewed the potential funding mechanisms and believes that a percentage of the monthly bill as a surcharge is appropriate. The necessary surcharge would be on the order of 0.4% of the total bill for the first year.

The maximum surcharge that could be imposed according to the legislation is 0.5% of the class revenue and there is a cap of \$50 per month per customer. Using Questar’s Utah 2007 revenues from the last Questar docket of about \$933 million, 0.5% is \$4.6 million, so assuming some growth in revenue, something on the order of \$4.5-\$5.0 million is the absolute maximum revenue that the low-income programs could obtain. The overwhelming bulk of Questar customers and revenue are in the GS-1 class, so examining that class provides a fairly comprehensive view of the funding issue.

The total historical revenue for the GS-1 class in 2007 from UPSC Docket No. 07-57-13 (from the COS REVRUN tab in the Revised Ordered spreadsheet dated 6/27/08) is \$733 million. The maximum class surcharge of 0.5% produces \$3.9 million, which exceeds the required funding for the proposed discount program. A

surcharge of 0.4% produces \$3.1 million. Some additional revenue would be produced by classes other than GS-1.

Using a monthly per-customer surcharge for Questar's GS-1 class would present a problem if the class is split in the next rate case. Based on the total number of GS-1 customers, the average per-customer charge would be \$0.38. But \$0.38 is not 0.5% of the customer's bill. For smaller customers, it is more than 0.5% and for larger customers, it is less than 0.5%.

For example, in Questar's proposal to divide the GS-1 class into GSC and GSR classes, data are available to calculate the average Residential customer's bill as \$60, while the average Commercial customer's bill would be \$289. The 0.5% maximum of the GSR and GSC bills would be \$0.30 and \$1.45. Charging \$0.38 to each customer would charge more than 0.5% to the Residential customer and only 0.13% to the Commercial customer.

Should the charge be set at \$0.38 per month for every customer, and the GS-1 class be split into smaller classes in the next Utah rate case, the surcharges would have to be reduced for classes of customers with smaller bills because otherwise the surcharge total would exceed the 0.5% allowed by the statute. In order to maintain the same level of funding for the discount program, the surcharge would have to increase for classes of customers with larger bills. In order to eliminate the uncertainty about splitting the GS-1 class in the future, a percentage surcharge rather than a fixed per-customer charge is being proposed.