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IDAHO PUBLIC  
UTILITIES COMMISSION

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8  
9 **BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

10 IN THE MATTER OF THE APPLICATION OF ) CASE NO. IPC-E-03-13  
11 IDAHO POWER COMPANY FOR AUTHORITY )  
12 TO INCREASE ITS INTERIM AND BASE )  
13 RATES AND CHARGES FOR ELECTRIC )  
14 SERVICE )  
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15 **COMMUNITY ACTION PARTNERSHIP ASSOCIATION OF IDAHO**  
16 **DIRECT TESTIMONY OF**  
17 **TERI OTTENS**

1 Q: Please state your name and business address.

2 A: My name is Teri Ottens. I am the Executive Director of the Community Action  
3 Partnersip Association of Idaho located at 600 North Curtis, Suite 175, Boise Idaho, 83706.

4 Q: On whose behalf are you testifying?

5 A: The Community Action Partnership Association of Idaho (CAPAI) board of  
6 directors asked me to present the views of an expert on, and advocate for, low income customers  
7 of Idaho Power Company in this proceeding. This reflects CAPAI's view that low income  
8 people are an important part of Idaho Power's customer base, and that these customers may be  
9 uniquely impacted by the Company's proposed rate increase.

10 The Community Action Partnership Association of Idaho is an association of Idaho's six  
11 Community Action Partnerships, the Idaho Migrant Council and Canyon County Organization  
12 on Aging, Weatherization and Human Services, all dedicated to promoting self-sufficiency  
13 through removing the causes and conditions of poverty in Idaho's communities.

14 Community Action Partnerships (CAPs) are private, nonprofit organizations that fight  
15 poverty. Each CAP has a designated service area and, all Idaho areas combined, CAPs serve  
16 every county in Idaho. CAPs design programs to meet the unique needs of their communities, so  
17 not every CAP provides all of the following services, but all work with people within their area  
18 to promote and support increased self-sufficiency. Programs provided by CAPs include:  
19 employment preparation and dispatch, education assistance, child care, emergency food, senior  
20 independence and support, clothing, home weatherization, energy assistance, affordable housing,  
21 health care access, and much more.

22 CAPAI is intervening in this rate case to encourage the recognition of the value that low  
23 income assistance programs play in helping our seniors, disabled and low-income families to  
24 become and to remain self sufficient. In Idaho, these programs have included Weatherization  
25 and energy assistance programs. Without assistance from these programs, seniors and low

1 income families can experience higher energy costs, pay a higher proportion of their income for  
2 energy and subsequently are in greater danger of being forced to be a further drain on the welfare  
3 assistance system or even into homelessness.

4 Q: What is your relevant experience to this case before the Commission?

5 A: The Community Action Partnership Association of Idaho has been involved in  
6 low income issues, including energy related issues, since the early 1980's. Community Action  
7 Partnerships have been involved in the distribution of Weatherization and Low Income Home  
8 Energy Assistance Program payments for over three decades.

9 As the Executive Director of CAPAI, I am responsible as the statewide administrator of  
10 the federal Community Service Block Grant, the Emergency Food Assistance Program, the Idaho  
11 Telecommunication Services Assistance Program and working with the six Community Action  
12 Partnerships and Canyon County Organization on Aging in the distribution of the Low Income  
13 Home Energy Assistance and the Weatherization funds. These and other service programs  
14 administered and/or provided by CAPAI and our community action partnerships all deal with the  
15 needs of the low income in Idaho. Previously I worked as the Energy Director for the  
16 Association Idaho of Cities working with 2002 cities and 44 counties to address energy and  
17 conservation issues within their jurisdictions. Before that I have worked with several local  
18 government entities in Idaho, Wyoming and California dealing with both low income and energy  
19 related issues. Attached hereto as Exhibit 801 is a copy of my curriculum vitae.

20 Q: Please summarize your testimony?

21 A: My testimony will establish:

22 1) that the proposed rate increase has significant implications for low-income customers  
23 of Idaho Power;

24 2) that these low-income customers are at risk of paying too large of a percentage of  
25

1 their income for this basic need commodity, exposing them to potential payment arrears,  
2 disconnection of electricity, and even homelessness, and;

3 3) that there is a significant number of residential customers that are low income and are  
4 in need of assistance in lowering their energy bills through Weatherization and other means.

5 Q: What definition are you using to describe a "low income household" and how  
6 many of these households are located within the service area of the affected companies?

7 A: The State of Idaho uses an income definition to define eligibility for low-income  
8 weatherization and energy assistance as 150% of federal poverty guidelines as established by the  
9 Federal Office of Management and Budget. Exhibit 802 is a chart of these incomes. According  
10 to the Idaho Department of Commerce, 12% of the State's population, when using the 2000  
11 Census, falls within federal poverty guidelines and 21% fall within the state guidelines set at  
12 150% of poverty levels. The Idaho 2000 Census shows that those living in poverty are  
13 categorized as follows: 8.3% are elderly, 13.8% are children, 35.3% are single mothers, and  
14 8.3% are all other families and, 34% other.

15 In response to a CAPAI production request, Idaho Power's stated that there were 336,204  
16 residential customers (households) served in 2002. Of the residential customers in Idaho Power  
17 service area, based on census figures, it is estimated that almost 61,000 households, or 18% of  
18 customers in Idaho Power's service area, meet 150% of federal poverty guidelines. Exhibit No.  
19 803 explains how these calculations were derived.

20 According to LIHEAP (Department of Health and Welfare) 2002 statistics 91,923  
21 households were eligible in Idaho for assistance and 29,867 households (74,693 people)  
22 statewide received assistance. In the Idaho Power service area approximately 18,000 households  
23 actually received LIHEAP assistance (Exhibit 804 showing Health and Welfare figures). These  
24 LIHEAP recipients represent approximately 29.5% of all citizens eligible for LIHEAP within the  
25 Idaho Power service area (18,000 of the approximately 61,000 households that are income

1 eligible for LIHEAP funding). Of these in 2003, according to Idaho Power's discovery answers,  
 2 9,592 were Idaho Power customers.

3 According to the Department of Energy the "affordability burden" for total home energy  
 4 is set nationwide at 6% of gross household income and the burden for home heating is set at 2%  
 5 of gross household income. The affordability gap is determined by subtracting affordable energy  
 6 bills (set at 6%) from actual home energy bills.

7 According to the Idaho LIHEAP data provided by the Idaho Department of Health and  
 8 Welfare, 7.6% of all LIHEAP program participants fell into the "High" energy burden category  
 9 in 2003. High energy burden is defined by the Department as paying 11% or more of their  
 10 annual income for utilities (medium burden is determined at 5 to 10% of annual income and low  
 11 is considered at less than 5%. The Department does not keep statistics for medium or low  
 12 burdens). These figures also support a recent study conducted nationwide by Fisher, Sheehan &  
 13 Colton, a public finance and general economics consulting firm, the following statistics apply to  
 14 Idaho:

Percentage of Income Based on Federal Poverty Levels	Percentage of Income Paid on Home Heating in 2002	Number of Households
50% of Poverty Level	45%	21,000
50 to 75% of Poverty Level	18%	14,000

1	75 to 100% of Poverty	16%	
2	Level		
3	100 to 125% of Poverty	11%	
4	Level		
5	125 to 150% of Poverty	8%	Total for 75 to 150% of Poverty Level is 19,000 households
6	Level		
7			

8 The relevant portion of the foregoing study is included as Exhibit 805.

9 There is currently a gap of \$96,000,000 between what Idahoans could afford to pay  
10 (based on the federal standards of no more than 6% of their annual income) for energy in 2002  
11 and what they actually paid. This gap is expected to increase to \$113 million in 2003 based on  
12 rising energy costs. Currently the LIHEAP program sends only \$10.5 million (for energy  
13 assistance, Weatherization and administration) to Idaho providing an average benefit of \$202  
14 towards closing this gap.

15 In 2003 Project Share contributed \$187,616 to 1,465 Idaho Power customers for an  
16 average benefit of \$128 to help close this gap. In 2002, due to the higher energy bills, \$278,481  
17 was contributed to 2,111 customers for an average benefit of \$132. Project Share reached less  
18 than 3% of Idaho Power customers who qualified for assistance due to low or extremely low  
19 incomes in 2003.

20 Q: What are some other relevant demographics about this population?

21 A: According to the 2000 Census, about 37% of homes in Idaho Power Service area heat  
22 with electricity. Almost all households that are low-income have electricity for lighting,  
23 refrigeration and small appliances. In Idaho in 2002, according to the US Department of Energy  
24 website, 1487 homes were weatherized with Department of Energy funds totally \$1,997,798 at  
25 an average of \$1,344 a home. An additional 995 were weatherized by LIHEAP funds and 132

1 by Bonneville Power Administration funds (for 2002 and 2003 only – program administered  
2 through Idaho Power). To date, according to Company discovery response, approximately 4,107  
3 households in Idaho Power's service area have had Weatherization efficiency measures installed  
4 by Company programs since 1989. Over 9,500 households applied for LIHEAP in 2003 making  
5 all eligible for Weatherization measures, and it is estimated over 60,000 households in Idaho  
6 Power's territory are currently eligible. At an average rate of 316 a year (based upon the past  
7 performance of the Idaho Power LIWA program) it would take well over 150 years to weatherize  
8 all homes that are eligible. There is also a strong upward trend for the Company since 1998 for  
9 uncollectibles, a figure that has almost doubled in the past five years. In 2003 there were 19,874  
10 disconnects and only 13,518 reconnects indicating that some customers are slipping through the  
11 cracks due to inability to pay their utility bill.

12           According to the 2000 Census, more than 26,000 of the households in Idaho Power  
13 service territory have an annual income at less than \$9,000. According to the "Affordability  
14 Gap" study mentioned previously in this testimony, the average yearly energy bill for low-  
15 income customers is \$1607 with 30 to 35% of that amount spent on home heat alone. Though  
16 they are easier described in statistical terms, as in the above paragraph, low income people are  
17 our neighbors, relatives, friends . . . and when considering the possibilities of accidents, ill  
18 health, loss of employment, etc. . . . potentially each of us.

19           According to the State of Idaho Department of Health and Welfare, there are  
20 approximately 57,000 households (the approximately 61,000 eligible households minus the  
21 4,100 households already weatherized under Idaho Power's LIWA program) may be in Idaho  
22 Power's service area that remain to be weatherized. According to Idaho Power discovery  
23 response, 4,107 units have been weatherized to date with company funds. These funds have been  
24 supplemented with federal weatherization funds.

1 A: These households pay the highest percentage of their income for energy costs compared  
2 to other income groups and are the most vulnerable and at risk to change in a competitive  
3 market. They live in society's worst case housing stock, are most at risk to hypothermia and  
4 indoor air quality problems. Coupled with an array of other financial burdens (cost of child care,  
5 lack of affordable housing, lack of living wage jobs, cutbacks in federal assistance of most kinds,  
6 etc.) they are increasingly moving closer to homelessness. Often, the affordability of a utility bill  
7 can mean the difference of eating, a medical prescription, having a roof over their heads or living  
8 in a car, or worse. When calculating the average take-home pay of a low income head of  
9 household and deducting basic living expenses such as housing (often 70% of their income),  
10 childcare and food, they are in financial crisis before even looking at the cost of utilities,  
11 clothing, transportation, and other basic needs.

12 I want to give some real life examples of the circumstances Idaho families are facing:

13 Twin Falls Area: A husband and wife where both are disabled to some degree. The  
14 husband is 62 and has bad heart; his wife is 56 and has lost an arm. He is collecting Social  
15 Security and receives Medicare and she works part-time and has no insurance. Their income is  
16 \$941 a month. They have a mortgage payment of \$325.00 a month and multiple medical bills  
17 and prescriptions. Her doctor has told her to quit working all together as she now needs to have  
18 rotator cuff surgery on her one remaining arm. However, with no insurance to help pay for this  
19 cost, she will probably not have it done. Their home is all electric and last year their  
20 consumption was \$3,000.00. This is a high energy burden. Their bill for Nov 21<sup>st</sup> thru Dec. 22<sup>nd</sup>  
21 was \$289.00, this was before it got really cold. Now that she is unable to work at all, their  
22 income will put more limitations what will get paid and what medication will be purchased.

23 Treasure Valley Area: Edith is an 85-year-old woman who lives by herself. She is retired  
24 and she gets \$442 a month in social security. This year has been a very hard year for Edith. She  
25 has been very careful with every precious penny she gets. She is an Idaho Power customer.

1 This year she has been very careful with her energy usage. Her energy bill was down \$210 for  
2 the year. When she came in for her annual energy assistance appointment, she found this year  
3 her LIHEAP benefit would be lower because her consumption had gone down. Edith's benefit  
4 was \$129 for the winter. Her average monthly bill is \$122 per month. Edith spends about 25%  
5 of her monthly income on her power bill. This leaves little money for food, medical bills, and  
6 any other bill she may have.

7 Maria is a young single parent, with three young children. Her husband recently left  
8 them, and she is trying everything she can to get by. Maria is currently working full-time at a  
9 janitorial company, and part-time at a fast food restaurant. She must pay the mortgage on her  
10 mobile home, and pay the space rent. It is important that she provides a place for her children to  
11 call home. The heat in her home is all-electric, and the mobile home she lives in is not very  
12 efficient. She pays about \$139 a month for electric. Although she is working two jobs, she still  
13 must choose between paying her utility bills and buying food for her children. Maria's income  
14 prevents her from receiving food stamps.

15 These are but three examples of the challenge that low income people in this state face,  
16 and the impact of their monthly electric bill on their limited financial resources.

17 Q: What is the need for electrically heated weatherization and efficiency retrofits in Idaho  
18 Power's service territory?

19 A: According to the State of Idaho Department of Health and Welfare, there are  
20 approximately 55,000 households may be in Idaho Power's service area that remain to be  
21 weatherized. According to Idaho Power data, 4,107 units have been weatherized to date with  
22 company funds. These funds have been supplemented with federal weatherization funds. The  
23 details of Idaho Power's LIWA program are set forth in the testimony of Mr. Ken Robinette.

24 In its response to CAPAI's discovery request #1(a), Idaho Power states that its gross  
25 operating revenue for 2002 was \$812,863,191. The Comprehensive Review of the Northwest

1 Energy System, sponsored by each of the Governors of the four Northwest States asked for each  
2 utility to spend 3 percent of its gross operating revenues for public purpose energy programs. Of  
3 that 3 percent, 14% was to be spent for low-income weatherization. The corresponding figure  
4 then for Idaho Power suggests a LIWA spending level of \$3,414,025.

5 As set forth in the testimony of Mr. Robinette, Idaho Power's current level of LIWA  
6 funding is a small fraction of this amount. Consequently, CAPAI recommends that the amount  
7 of Company funding for LIWA be increased as set forth below, and in Mr. Robinette's  
8 testimony.

9 Q: Aside from your belief that LIWA is under-funded, do you have any other concerns about  
10 the Company's proposed general rate increase?

11 A: Yes. CAPAI opposes the Company's proposed increase to the minimum monthly  
12 Customer Charge from \$2.51 to \$10.00, an increase of roughly 300%. For low income  
13 residential customers who, as demonstrated above, live day to day struggling to provide  
14 themselves and their families with the most basic of human necessities will be the hardest hit by  
15 this annual increase of roughly \$90.00. Because it is a charge not directly correlated to the level  
16 of actual energy usage, low income customers cannot compensate by simply turning the lights  
17 off and the heat down. CAPAI recommends that the Commission leave Idaho Power's Customer  
18 Charge at its current level.

19 Q: Do you have any recommendations to make to the Commission regarding this  
20 proceeding?

21 A: Yes. They are listed below.

22 • Do not approve an Idaho Power rate increase that fails to take into account the unique  
23 circumstances, and ability to pay, of Idaho Power's low-income customers. The proposed  
24 increase does not allow low-income households to utilize energy conservation methods to keep  
25 their bills low by forcing them to pay for fixed costs beyond their control.

1           • Increase LIWA funding from its current levels to an annual amount of \$1.2 million as  
2 proposed by CAPAI witness Ken Robinette;

3           Q.     DOES THAT CONCLUDE YOUR TESTIMONY?

4           A.     Yes, it does. I thank the Commission for the opportunity to submit this testimony.  
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17949 Goodson Rd.  
Caldwell, Idaho 83605IDaho PUBLIC UTILITY COMMISSION  
Work - 208-321-2389  
Home - 208-454-1259**EDUCATION**

- ⊙ Bachelor of Arts, Government, California State University at Sacramento, 1977
- ⊙ Completed 19 credits of Masters of Public Administration courses, University of Wyoming and Boise State University 1983-1990

**RELATED EXPERIENCE**

Executive Director, Community Action Partnership Association of Idaho, **2000 to Present**, Boise, ID  
CAPAI is a non-profit association advocating for low income issues including energy. Duties include administration of numerous grants and programs, staff supervision, working with eight member agencies, coordination of policies and issues, financial oversight.

Owner, Association Management Solutions, **1998 to Present**, Boise, ID. This company provides management services to public and private associations. Services offered include membership recruitment and tracking, administrative services, legislative monitoring and lobbying, desktop publishing of newsletters, directories and conference material; conference and event planning and other services required by the association. The company currently manages six associations one of which has a contract with the Northwest Energy Efficiency Alliance to provide energy code and efficiency education to cities and counties.

Deputy Director 1997 to 1998, Technical Services Director 1994-1996, Association of Idaho Cities, Boise, ID. AIC is a non-profit membership organization for Idaho cities. Duties included:

- ⊙ Worked with over 100 cities and the majority of the 44 counties on planning issues from comprehensive planning, implementation ordinances, area of impact, open space preservation and other related issues
- ⊙ Worked as the Energy Coordinator for AIC and the Idaho Association of Counties to promote energy efficiency and address energy related concerns of their citizens at a statewide level.
- ⊙ Developed and followed through on public participation/education plans
- ⊙ Worked with cities and counties to develop regional partnerships in meeting planning goals
- ⊙ Participating in the writing and preparation of AIC publications, reports and articles
- ⊙ Acting as spokesperson or liaison for the organization with many other groups, the media and the state legislature
- ⊙ Identifying and developing funding resources and partnerships, including extensive grant writing and administration

Administrative Officer, City of Caldwell, ID, **1989-1993**. Duties included:

- ⊙ Daily administration of all facets of city government including working with AIC and local utilities on related issues including how energy issues affected Caldwell citizens.
- ⊙ Served as Budget Officer in preparation and management of \$14 million budget
- ⊙ Served as Personnel Officer and the American with Disabilities Coordinator
- ⊙ Preparation of meeting agendas and staff reports
- ⊙ Grants Officer responsible for over \$250,000 in grants
- ⊙ Involved in strategic planning at all levels including the city comprehensive plan, area of impact

negotiations, infrastructure master plans, budgets and the Regional/Urban Design Assistance Team (R/UDAT) Study.

Information Officer/Planner, Ada County Development Services, ID, 1988. Ada County serves a population of over 200,000. Duties included:

- Ⓢ Knowledge of land use planning, zoning laws and issues, growth management.
- Ⓢ Interpersonal skills in dealing with general public, governmental agencies and developers in complaint and enforcement issues.

Executive Director, Downtown Casper Development Corporation, 1986-1987. DCDC is a non-profit membership agency with responsibility for downtown redevelopment. Duties included:

- Ⓢ Business retention, expansion and recruitment
- Ⓢ All administrative functions of organization including budgeting, preparation of Board agendas and reports, staff supervision, membership development
- Ⓢ Fund raising for the organization, including membership development, identifying grant resources and corporate/business donors. This included preparing and making presentations
- Ⓢ Responding to membership needs/technical assistance

Assistant City Manager, City of Laramie, WY 1980-1986. Duties included:

- Ⓢ Working with the City County Planning Office to coordinate city/county growth
- Ⓢ Preparation and management of \$17 million budget as City Budget Officer.
- Ⓢ Understanding and management of city risk management program, utility franchises, personnel, grant writing and contract negotiations and administration.
- Ⓢ Public Information Officer

Director of Planning and Research, City of Tracy, CA 1977-1979. Duties included:

- Ⓢ Facilities and program planning and implementation
- Ⓢ Grant administration, volunteer coordinator

#### **OTHER RELATED EXPERIENCE**

- Ⓢ United Way Board Member, Canyon Area United Way, 1988 to present
- Ⓢ United Way Board Member, Wyoming (Laramie and Casper), 1980-1988
- Ⓢ Member, Idaho Community Forestry Council 1993-Present
- Ⓢ Member, Caldwell Beautification Committee 1988-1998
- Ⓢ Coordinator, Caldwell Area Paint the Town 1989-1995
- Ⓢ Member, Mayor's Committee for the Disabled, Caldwell 1988-94
- Ⓢ Member, IDOC Fair Housing Advisory Committee, 1996-1997
- Ⓢ Member, Middleton School District Parents Advisory Committee, 1995-Present
- Ⓢ United Way FEMA Committee – 1992
- Ⓢ Volunteer Member, Wallace Institute Agricultural Preservation Task Force, 1998-1999

#### **HONORS**

- \* Outstanding Young Woman of America, 1983 and 1987
- \* Distinguished Service Award, Laramie Jaycees 1985
- \* Outstanding Young Wyomingite, Wyoming Jaycees, 1986
- \* Friend of American Education, Natrona County School District
- \* Woman of the Year, Beta Sigma Phi, 1992

#### **REFERENCES**

Sherry McMillen, President  
Community Action Partnership  
208-746-3351

Michael McEvoy  
Canyon County Farm Bureau  
208-585-2277

## Percent of Poverty for States

**100 Percent, 110 Percent, 125 Percent, 150 Percent and 175 Percent  
of the 2003 HHS Poverty Guidelines**

For All States (Except Alaska and Hawaii) and for the District of Columbia

Size of family unit	100 Percent of Poverty	110 Percent of Poverty	125 Percent of Poverty	150 Percent of Poverty	175 Percent of Poverty
1	\$8,980	\$9,878	\$11,225	\$13,470	\$15,715
2	\$12,120	\$13,332	\$15,150	\$18,180	\$21,210
3	\$15,260	\$16,786	\$19,075	\$22,890	\$26,705
4	\$18,400	\$20,240	\$23,000	\$27,600	\$32,200
5	\$21,540	\$23,694	\$26,925	\$32,310	\$37,695
6	\$24,680	\$27,148	\$30,850	\$37,020	\$43,190
7	\$27,820	\$30,602	\$34,775	\$41,730	\$48,685
8	\$30,960	\$34,056	\$38,700	\$46,440	\$54,180

For family units with more than 8 members, add \$3,140 for each additional member.

Note: For optional use in FFY 2003 and mandatory use in FFY 2004

**TERI OTTENS EXHIBIT NO. 803**

Calculation of 61,000 Households at or Below 150% of Poverty Level.

This was figured from 2000 Census figures which shows number of households making an income at or below \$24,999. In the Idaho Power service area 92,388 households are at or below 150% of poverty level. It was estimated, based upon poverty figures in the Census, that approximately 65% of all households are at or below \$24,999 will qualify for at the 150% of poverty level, or 60,085 households.

**Exhibit No. 804**

**2002 LIHEAP Figures - Idaho**

Agency	Total Households	LIHEAP Benefits
El Ada	5064	\$890261
WICAP	5930	\$1150336
SCCAP	3281	\$627240
SEICAA (not all of their territory is in Idaho Power areas)	3896	\$874934
TOTAL	18171	\$3560942

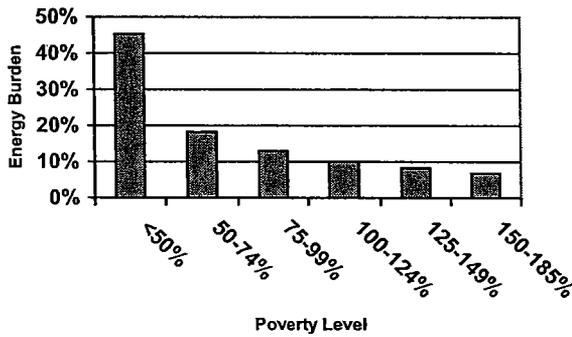
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## The Home Energy Affordability Gap in IDAHO

APRIL 2003

### Finding #1

**Home Energy Burdens for Households at Various Federal Poverty Levels**

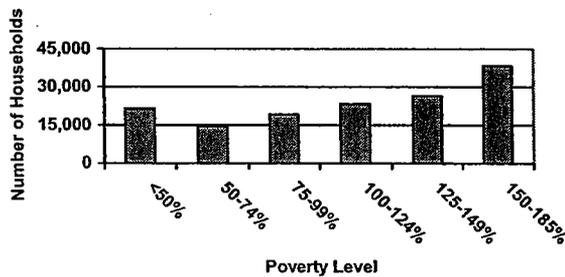


Home energy is a crippling financial burden for low-income Idaho households. Idaho households with incomes of below 50% of the Federal Poverty Level pay 45% or more of their annual income simply for their home energy bills.

Home energy unaffordability, however, is not simply the province of the very poor. Bills for households between 50% and 100% of Poverty take up 16% of income. Even Idaho households with incomes between 150% and 185% of the Federal Poverty Level have energy bills above the percentage of income generally considered to be affordable.

### Finding #2

**Number of Low-Income Idaho Households by Federal Poverty Level**

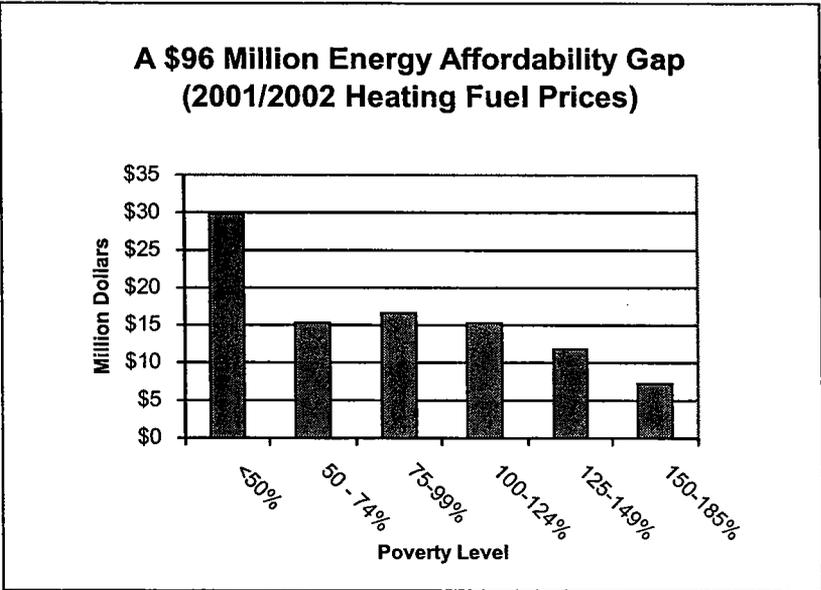


The number of households facing these energy burdens is staggering. More than 21,000 Idaho households live with income at or below 50% of the Federal Poverty Level and thus face a home energy burden of 45% of income or more.

14,000 additional Idaho households live with incomes between 50% and 74% of Poverty (home energy burden of 18%).

19,000 *more* Idaho households live with incomes between 75% and 99% of the Federal Poverty Level (home energy burden of 13%).

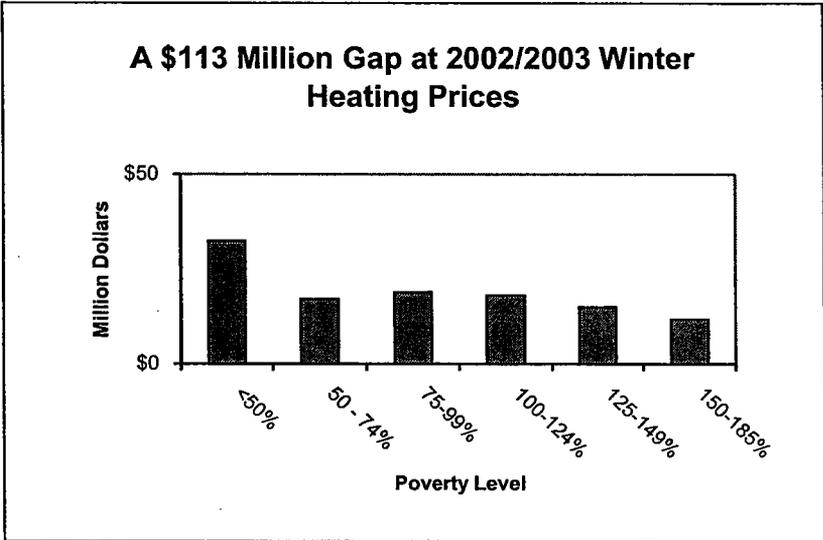
**Finding #3**



Existing sources of energy assistance do not adequately address the energy affordability gap in Idaho. Actual low-income energy bills exceeded affordable energy bills in Idaho by more than \$96 million at 2001/2002 winter heating fuel prices.

In contrast, Idaho received a gross allotment of federal energy assistance funds of \$10.5 million for Fiscal Year 2003. Some of those funds will be used for administrative costs, weatherization, and other non-cash assistance.

**Finding #4**

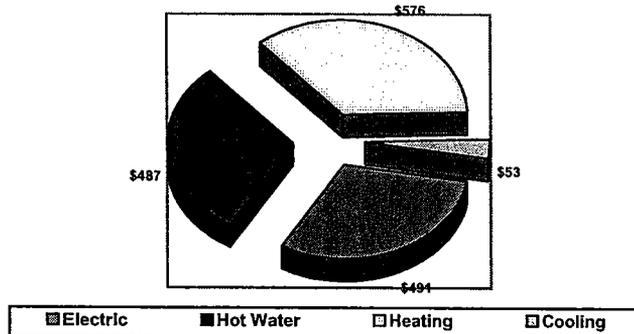


Increases in the prices of natural gas, propane and fuel oil during the 2002/2003 winter heating season drive the unaffordability gap up to more than \$113 million.

While the gap for the lowest income households (0-50% of Poverty) increases by nearly 9% (from \$30 million to \$32 million), the gap for the highest income households (150-185% of Poverty) increases by nearly 65% (from \$7 million to \$12 million).

### Finding #5

#### Low-Income Energy Bills in Idaho by End Use (2001/2002 Winter Heating Prices)



The energy affordability gap in Idaho is not created exclusively, or even primarily, by home heating and cooling bills.

At 2001/2002 winter heating prices, while home heating bills were \$576 of a \$1,607 bill (35.9%), electric bills (other than cooling) were \$491 (30.5%). Annual cooling bills represented \$53 in expenditures (3.3% of the total bill), while domestic hot water represented \$487 in expenditures (30.3%).

### Finding #6

The unaffordability of home energy bills frequently causes low-income households to take drastic actions that are detrimental to their health, safety and welfare. A survey of energy assistance recipients by the Iowa Department of Human Rights found that:

- Over 12 percent of the surveyed energy assistance recipients went without food to pay their home heating bill.
- More than one-in-five went without medical care to pay for heating bills, including not seeking medical assistance when it was needed, not filling prescriptions for medicine when a doctor has prescribed it, and/or not taking prescription medicines in the dosage ordered by the doctor.
- Almost 30 percent reported that they did not pay other bills, but did not elaborate as to which bills were not paid.
- In addition to not paying other bills, many low-income households incurred debt in order to pay both their home heating bills and other basic necessities: borrowed from friends and/or neighbors; used credit cards to pay for food and other necessities, or did not pay the heating bill.

**IDAHO Energy Gap Rankings**  
(scale of 1 - 51)

<p>AVERAGE DOLLAR AMOUNT BY WHICH ACTUAL HOME ENERGY BILLS EXCEEDED AFFORDABLE HOME ENERGY BILLS FOR HOUSEHOLDS BELOW 185% OF POVERTY LEVEL.</p> <p>\$672 per household</p> <p><b>RANK: #33</b></p>	<p>AVERAGE TOTAL HOME ENERGY BURDEN FOR HOUSEHOLDS BELOW 50% OF POVERTY LEVEL.</p> <p>45.3% of household income</p> <p><b>RANK: #36</b></p>
<p>PERCENT OF INDIVIDUALS BELOW 100% OF POVERTY LEVEL.</p> <p>11.8% of all individuals</p> <p><b>RANK: #29</b></p>	<p>COMBINED HEATING/COOLING AFFORDABILITY GAP COVERED BY FEDERAL HOME ENERGY ASSISTANCE.</p> <p>23.0% of gap is covered</p> <p><b>RANK: #27</b></p>

#### DEFINITIONS AND EXPLANATIONS

Each state (along with the District of Columbia) has been ranked (from 1 to 51) in terms of four separate measures of the extent of the energy affordability gap facing its low-income customers:

- (1) The percent of individuals with annual incomes at or below 100% of the Federal Poverty Level. This data is obtained directly from the 2000 U.S. Census.
- (2) The average total home energy burden for households with income at or below 50% of the Federal Poverty Level shows the percentage of income which households with these incomes spend on home energy. "Total home energy" includes all energy usage, not merely heating and cooling. A home energy bill is calculated on a county-by-county basis. The statewide average is a population-weighted average of county-by-county data.
- (3) The average affordability gap (in dollars per household) for all households with income at or below 185% of Poverty is the dollar difference between actual total home energy bills and bills that are set equal to an affordable percentage of income. Affordability for total home energy bills is set at 6% of household income.
- (4) The extent to which federal energy assistance covers the combined heating/cooling affordability gap for each state. The combined heating/cooling affordability gap is the difference between actual heating/cooling bills and bills that are set equal to an affordable percentage of income. Affordability for combined heating/cooling bills is set at 2% of income. This measure thus examines the proportion of the heating/cooling gap that is covered by the gross federal Low-Income Home Energy Assistance Program (LIHEAP) allocation to the state assuming that the entire LIHEAP allocation is used for cash benefits.

In the state's rankings, a higher ranking indicates better conditions while a lower ranking indicates worse conditions relative to other states. Thus, for example:

- (1) The state with the rank of #1 has the lowest percentage of individuals living in households with income at or below 100% of the Federal Poverty Level while the state with the rank of #51 has the highest percentage.
- (2) The state with the rank of #1 has the lowest average home energy burden for households with income below 50% of the Federal Poverty Level while the state with the rank of #51 has the highest average home energy burden.
- (3) The state with the rank of #1 has the lowest average affordability gap (dollars per household) while the state with the rank of #51 has the highest dollar gap.
- (4) The state with the rank of #1 has the highest percentage of its heating/cooling affordability gap covered by federal energy assistance while the state with the rank of #51 has the lowest percentage of its heating/cooling gap covered.

All references to "states" include the District of Columbia as a "state." Low-income home energy bills are calculated using average residential revenues per unit of energy. State financial resources and utility-specific discounts are not considered.