



## Utility Advisory Committee

### Utility Customer Assistance Program

**Agenda Date:** 4/5/2018  
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#### **Title**

Utility Customer Assistance Program

#### **Recommended Action**

Briefing and provide feedback to Finance Committee

#### **Report**

##### **Issue:**

Whether to provide verbal or written feedback to the Finance Committee on the utility customer assistance program.

#### **Staff Contact:**

Andy Haub, Water Resources Director, 360.753.8475

#### **Background and Analysis:**

City Council requests that the Utility Advisory Committee (UAC) evaluate the City's current utility Lifeline program and recommend potential changes. Specifically, the Council is potentially interested in expanding the program so that rate discounts could apply to more low income households.

The Lifeline program is a City customer assistance program that provides a 50 percent rate reduction for household meeting the following criteria:

- Low income and disabled, or
- Low income and over 62.

The program reduces a typical single-family household bi-monthly utility bill from roughly \$250 to \$125. Additionally, the City provides a flexible payment plan for those customers that have fallen behind in paying their bill.

Cities throughout United States are expanding their customer assistance programs. However, most State legislation constrains the type and amount of low income subsidies funded by traditional ratepayers. Washington State sets very few restrictions on utility assistance programs.

Olympia's current Lifeline program assists about 240 households per year at a cost of roughly \$180,000 to traditional ratepayers. Prorated across the four Utilities, the cost results in 0.35% of rate charges or \$6.32 annual for traditional ratepayers. The bi-monthly cost is \$1.05.

Olympia's population is roughly 46,000 living in 21,200 households. Some data regarding income levels follow:

- Poverty thresholds
  - One adult household: \$12,752
  - Two adult household with one child: \$16,895
- Residents with incomes below the poverty level: 18.4%
- Families with incomes below the poverty level: 10.8%
- Individuals below poverty level, 2012-2016 average: 8,262
- Renting rate among poor: 87.9%

Approximately 52 percent of Olympia's residents rent their home with landlords commonly paying for utilities. Data on housing types in Olympia include the following:

- Total single family houses: 14,273
  - Single family rentals: 3,596
- Apartment units: 9,437
- Mobile homes: 618

Key considerations in the evaluation could include:

- Target population we seek to assist relative to income levels
- Level of financial assistance or cost we seek to provide through traditional ratepayers
- Potential to assist renters that do not directly pay utility bills
- Ease or cost of administering the program

City Council's Finance Committee plans to discuss customer assistance during their May 16<sup>th</sup> meeting. UAC has the option of providing verbal or written perspectives on the subject to the Finance Committee. Potentially, program expansion could be part of the UAC's formal 2019 budget recommendations to Council in September or October.

**Financial Impact:**

Not applicable at this time. However, an expanded assistance program would have rate implications.

**Attachments:**

City of Olympia Lifeline application form