



California Public Utilities Commission

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News Release

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PUC TAKES STEPS TO LESSEN IMPACT OF RISING NATURAL GAS PRICES ON LOW-INCOME CONSUMERS

SAN FRANCISCO, Oct. 27, 2005 – The California Public Utilities Commission (PUC) today took further steps to lessen the impact of rising natural gas prices on low-income customers by adopting plans that will provide greater bill protection this winter.

Buyers and sellers of natural gas anticipate exceptionally high natural gas prices this winter, with utility bills as much as 70 percent higher than comparable bills last year. These cost increases will also affect bills for electricity, since electric utilities are heavily dependent on gas-fired generation.

To help assist low-income customers, the Commission made changes to aspects of two existing programs: the California Alternative Rates for Energy (CARE), which provides discounted rates for qualifying low-income energy customers; and the Low-Income Energy Efficiency Program (LIEE), which provides weatherization and appliance replacement services for qualifying low-income customers. The changes include:

- CARE rates become available to all customers with incomes between 175 percent and 200 percent of the Federal poverty guideline levels. Currently, eligibility ends at 175 percent of the poverty guidelines. The same expanded income eligibility requirements apply to LIEE program participants. Currently, LIEE participants are limited to those with 175 percent of the poverty guidelines, with the exception of elderly and disabled, who must be within 200 percent of the poverty guidelines.
- CARE customers may now enroll by telephone.
- No CARE customer will be dropped from the program during the winter months for failure to recertify income eligibility.
- LIEE program enrollment is simplified in several ways to help speed up the provision of services this winter.

- Utilities are authorized to accelerate the replacement of gas forced-air furnaces, leaky or broken gas water heaters, and inefficient refrigerators and light bulbs for low-income customers this winter.
- Utilities are directed to expand and improve their levelized payment plans.
- Utilities are prohibited from shutting off service this winter to residential customers who make regular payments of at least 50 percent of their bills. The utilities may require such customers to comply with a levelized payment plan to avoid shut-off, or otherwise must provide such customers with 9-month repayment plans starting at the end of the winter.
- Utilities are directed to waive reconnection fees and deposits for CARE customers this winter.
- Utilities are directed to take various steps to increase and improve outreach efforts to consumers to notify them of the rising natural gas prices and the impacts on bills and the assistance of CARE, Medical Baseline, and LIEE.

“This decision is the result of a true collaboration between all of the stakeholders,” said PUC Commissioner Dian M. Grueneich. “It shows that when we work together in a spirit of cooperation, we truly can make a difference in the every day lives of Californians.”

The Commission held a full-panel hearing on Oct. 6, 2005, in Los Angeles to more closely study the impact of rising natural gas prices on low-income consumers. The proposals adopted today arose from that hearing, subsequent written proposals, and a workshop.

For more information on the PUC, please visit www.cpuc.ca.gov.

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