

CITY OF REDDING, CALIFORNIA

Council Policy

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Electric Utility Lifeline Rate	97-082	1407	05-06-97	1

Background

The City Council provides financial oversight and fiscal management for the City of Redding Electric Utility and has authority to establish appropriate rates, fees, and charges to guarantee the financial integrity of the Utility. Due to electric industry restructuring mandated by the State of California under Assembly Bill 1890, the City Council enacted an interim rate surcharge to ensure the Electric Utility's long-term competitiveness. The City Council recognizes that the effect of the surcharge on certain customers could be severe. Therefore, the City Council instituted a Lifeline Rate Program for the City of Redding Electric Utility.

Purpose

The purpose of the Lifeline Rate Program is to help mitigate the impact of the interim rate surcharge on the City's low-income senior citizen and disabled population.

Policy

1. A program will be instituted to provide a discount on electric utility charges to qualified City of Redding Utility customers.
2. The Lifeline Rate will be a 20% discount on the sum of the Electric Utility Service Charge, the Interim Rate Surcharge, and the first 600 kWh usage for qualified customers as computed using the standard Residential Rate. The Lifeline Rate shall not be applicable to or available for three-phase service, resale for profit, temporary construction service, standby or auxiliary service, service to any single motor exceeding a nameplate rating of 7-½ horsepower, or any equipment that will cause excessive voltage fluctuations.
3. The Lifeline Rate will be available to senior citizens (age 62 or older) and to disabled customers whose maximum household income does not exceed the very low income level limits most recently published by the City of Redding and as determined by the number of household members. The income level limit is set at 75% of median income level for the area.
4. For qualified applicants, who apply before July 5, 1997, the Lifeline Rate will be retroactive to April 26, 1997.
5. Funds for this program will be considered to be applicable to the "Public Goods Charge" as mandated by California AB1890, the Electric Industry restructuring bill.
6. The Lifeline Rate shall be subject to all provisions of the Residential Rate of the City of Redding Electric Utility regarding character of service, taxes, and payment.

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Procedure

The City Council directs staff to enact the Lifeline Rate Policy as follows:

1. The Lifeline Rate will be in effect until the Interim Rate Surcharge is no longer necessary or until otherwise directed by City Council.
2. The Lifeline Rate will be available only to individually metered single-phase residential service provided to any single-family dwelling, apartment, or mobile home.
3. The Lifeline Rate will be available to City of Redding residents only and can only be applied to one location per qualified household.
4. The maximum savings for any household is \$147 annually (\$12.25 per month).
5. A waiting list will be established if more customers qualify than funds for the program will allow. Each budget year a maximum number of households that funds are available for will be established. When that number is reached, qualified customers will be added to a waiting list. As available spaces allow, they will be filled from the beginning of the list, according to the applicant's date of qualification for the Lifeline Rate, if the applicant meets the program qualifications at the time the space becomes available.
6. Benefits under this program can be denied by the City of Redding for a period of up to twelve months, subject to review by the Electric Utility Director, for any of the following conditions:
 - a. Service is discontinued for nonpayment of account.
 - b. Any evidence of service tampering or meter tampering.
 - c. Failure to re-certify qualification at any time requested to do so by the City of Redding.
 - d. False information provided during qualification or re-certification.
7. Application forms shall be developed by the Electric Utility Director, which shall set forth the minimum criteria to obtain a lifeline credit.
8. Any project that is master-metered shall have the option to enter into a separate agreement with the City which provides that any credit would be fully passed through to the qualifying households. Included in this category would be mobile home parks, senior housing residence, and nonprofit housing of qualified households.

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9. Determination of eligibility:

To be eligible for the Lifeline Rate, the applicant must meet all of the following criteria:

- a. The total annual adjusted gross income for all persons in the applicant's household may not exceed the following limits based on household size:

Number of Persons in Household	Maximum Annual Household Income
1	\$19,371
2	21,171
3	22,971
4	24,771
5	26,221
6	27,671
7	29,121
8	30,571
each additional person	add 1,450

- b. The applicant must be a senior citizen (age 62 or older) or, be a disabled or blind person as evidenced by receiving Supplemental Security Income (SSI) or State Supplemental Payment (SSP), or any other private or public source of long-term disability benefit.
- c. Not be receiving a Federal, State, or City rent subsidy.

10. A policy and procedure manual shall be developed to implement the provisions of the Lifeline Rate program.

11. A \$700 maximum deduction from gross annual income will be allowed for applicants with medical needs for electric powered equipment at the rate of \$350 per household member with medical needs. The City of Redding reserves the right to require proof of medical need.

Amended on 11/18/97 by Resolution No. 97-204

Amended on 01/19/99 by Resolution No. 99-9