

FINAL REPORT

AFFORDABLE HOUSING, IOWA'S HOMELESS, AND UTILITY SHUT-OFFS
INTERIM STUDY COMMITTEE

February, 1987

The Legislative Council established the Affordable Housing, Iowa's Homeless, and Utility Shut-offs Interim Study Committee and authorized it to conduct three meetings. The Legislative Council appointed the following members to serve on the Committee:

Senator Patrick Deluhery, Co-Chairperson
Representative Ralph Rosenberg, Co-Chairperson
Senator C. Joseph Coleman
Senator Edgar Holden
Senator Julia Gentleman
Senator Tom Mann, Jr.
Representative Phil Brammer
Representative Don Shoning
Representative Don Shoultz
Representative Mike Van Camp

In recognition of the diversity of subjects charged to the Committee by the Legislative Council, the Co-Chairpersons determined to hold extensive hearings on affordable housing at the first meeting and on the homeless and utility shut-offs at the second meeting and to consider recommendations and proposals at the third meeting.

At the November 14, 1987 meeting, the Committee received testimony and comments from representatives of the following organizations: Des Moines Central Advisory Board Housing Task Force, Greater Des Moines Chamber of Commerce Federation, Iowa Finance Authority, HOME Inc., Des Moines City Council, and the Iowa National Association of Housing and Redevelopment Officials. The Committee also received the comments of Mr. Joe Jongewaard and was taken on a bus tour of housing developments by the Greater Des Moines Chamber of Commerce.

At the November 25, 1987 meeting the Committee received testimony from representatives of the following organizations: Iowa Finance Authority, Des Moines Coalition for the Homeless, Des Moines Area Urban Mission Council, Catholic Worker Community, Des Moines Hispanic Ministry, Our Community Kitchen, Polk County Department of Social Services, Polk County Physical Planning Department, Iowa Interchurch Agency for Peace and Justice, Iowa Utility Association, Iowa Power, Iowa-Illinois Gas & Electric, Dubuque Citizens for Community Improvement, CABEL Coalition, Catholic Charities, Iowa Utilities Board, and Des Moines Citizens for Community Improvement.

The Committee considered bills and recommendations to the Legislative Council at its meeting on December 12, 1987. The Committee took up a bill proposed by Representative Rosenberg to establish a housing trust fund. The housing trust fund would be financed by appropriating the interest on residential and commercial rental deposits. Those funds would then be used by the Iowa Finance Authority for the following authorized programs:

1. A rental reduction program to provide preferred interest loans to build or substantially rehabilitate rental housing.
2. A rental allowance program providing rent subsidies to homeless people capable of maintaining independent living quarters.
3. A special rehabilitation program to provide below-market rate loans to homeowners, nonprofit organizations, and rental property owners leasing units to low income people or providing group-home shelter to homeless people.
4. A nonprofit housing rehabilitation program providing loan funds to nonprofit sponsors which own or are agents for owners of buildings in need of rehabilitation which serve households of limited income.
5. A home maintenance and repair program providing matching grants to nonprofit organizations and local governments for repair services to low income elderly and handicapped homeowners.
6. A home ownership incentive program providing below-market rate financing to local governments and nonprofit organizations to develop single family projects.

The Committee recommended the bill to the Legislative Council.

The Committee also considered several bills providing alternative methods for providing home energy assistance for low-income Iowans. A spreadsheet comparing the proposals in detail was available to and considered by the Committee. The Committee adopted a motion voting out all of the proposals without recommendation. Subsequent to the adoption of that motion, the Committee amended the Shoultz proposal, LSB 1444IS, by adding a Van Camp amendment extending the energy assistance program to persons whose heating source is fuel oil, LP gas, wood or coal. These proposals are attached.

The Committee also recommended that the State of Iowa should adopt the Emergency Assistance Option of the Aid to Dependent Children program and that the appropriate standing committee establish the details of doing so.

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HOUSE/SENATE FILE _____
BY AFFORDABLE HOUSING,
THE HOMELESS, AND UTILITY
SHUT-OFFS INTERIM STUDY
COMMITTEE

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act establishing and financing a housing trust fund and
2 appropriating its funds.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. NEW SECTION. 220.100 HOUSING TRUST FUND
2 PROGRAM.

3 1. A housing trust fund is created within the authority.
4 The moneys in the housing trust fund are annually appropriated
5 to the authority which shall allocate the available funds
6 among the programs authorized by this section.

7 2. By rule, the authority shall establish the following
8 programs and provide the requirements for their proper
9 administration:

10 a. A rental reduction program to provide below-market rate
11 loans to build or substantially rehabilitate rental housing.

12 b. A rental allowance program providing rent subsidies to
13 homeless people capable of maintaining independent living
14 quarters.

15 c. A special rehabilitation program to provide below-
16 market rate loans to homeowners, nonprofit organizations, and
17 rental property owners leasing units to low-income people or
18 providing group-home shelter for homeless people.

19 d. A nonprofit housing rehabilitation program providing
20 loan funds to nonprofit sponsors which own or are agents for
21 owners of buildings in need of rehabilitation which will serve
22 households of limited income.

23 e. A home maintenance and repair program providing
24 matching grants to nonprofit organizations and local
25 governments for repair services to low-income elderly and
26 handicapped homeowners.

27 f. A home ownership incentive program providing below-
28 market rate financing to local governments and nonprofit
29 organizations to develop single family projects.

30 3. The authority shall coordinate the programs authorized
31 by this section with the other programs under the jurisdiction
32 of the authority. The authority shall establish the
33 appropriate income eligibility requirements for the
34 beneficiaries or participants of the program. The authority
35 shall require that a housing sponsor submitting plans for

1 financing from the housing trust fund shall demonstrate
2 experience with low-income projects and include provisions for
3 housing counseling in their plans.

4 4. If a rental deposit is required to be deposited
5 pursuant to this section, the rental deposits, pooled or
6 separately, shall be an interest-bearing trust account in a
7 bank, savings bank, trust company, savings and loan
8 association, savings association, credit union, or federally
9 regulated investment company selected by the landlord in the
10 exercise of ordinary prudence, authorized by federal or state
11 law to do business in Iowa, and insured by the federal deposit
12 corporation, the national credit union share insurance fund,
13 or the federal savings and loan insurance corporation.
14 Interest-bearing rental deposits shall be placed in accounts
15 from which withdrawals or transfers can be made without delay
16 when such funds are required, subject only to any notice
17 period which the depository institution is required to reserve
18 by law or regulation. The landlord shall direct the
19 depository institution to remit interest or dividends, net of
20 any service charges or fees, as computed in accordance with
21 the depository institution's standard accounting practice, at
22 least quarterly, to the authority for deposit in the housing
23 trust fund, and to transmit with each remittance to the
24 authority a copy of the depositor's statement showing the name
25 of the landlord for whom the remittance is sent, the rate of
26 interest applied, the amount of service charges deducted, if
27 any, and the account balance of the period for which the
28 report is made.

29 Sec. 2. Section 220.91, subsection 1, Code 1987, is
30 amended to read as follows:

31 1. The authority through the title guaranty division shall
32 initiate and operate a program in which the division shall
33 offer guaranties of real property titles in this state. The
34 terms, conditions and form of the guaranty contract shall be
35 forms approved by the division board. The division shall fix

1 a charge for the guaranty in an amount sufficient to permit
2 the program to operate on a self-sustaining basis, including
3 payment of administrative costs and the maintenance of an
4 adequate reserve against claims under the title guaranty
5 program. A title guaranty fund is created in the office of
6 the treasurer of state. Funds collected under this program
7 shall be placed in the title guaranty fund and are available
8 to pay all claims, necessary reserves and all administrative
9 costs of the title guaranty program. Moneys in the fund shall
10 not revert to the general fund and interest on the moneys in
11 the fund shall be retained as a part of the fund and shall not
12 accrue to the general fund. If the authority board in
13 consultation with the division board determines that there are
14 surplus funds in the title guaranty fund after providing for
15 adequate reserves and operating expenses of the division, the
16 surplus funds shall be transferred to the commitment-costs
17 housing trust fund created pursuant to section ~~220-40~~ 220.100.

18 Sec. 3. NEW SECTION. 562.12 COMMERCIAL RENTAL PROPERTY.

19 If the landlord is renting property assessed as commercial
20 or industrial property and the landlord has received as a
21 rental deposit a deposit of money to secure performance of the
22 rental agreement, other than a deposit which is exclusively in
23 advance payment of rent, the rental deposit shall be deposited
24 pursuant to section 220.100.

25 Sec. 4. Section 562A.12, subsection 2, Code 1987, is
26 amended to read as follows:

27 2. All rental deposits shall be held by the landlord for
28 the tenant, who is a party to the agreement, ~~in-a-bank-or~~
29 ~~savings-and-loan-association-or-credit-union-which-is-insured~~
30 ~~by-an-agency-of-the-federal-government~~ and deposited pursuant
31 to section 220.100. Rental deposits shall not be commingled
32 with the personal funds of the landlord. Notwithstanding the
33 provisions of chapter 117, all rental deposits may be held in
34 a trust account, which may be a common trust account ~~and-which~~
35 ~~may-be-an-interest-bearing-account~~. ~~Any-interest-earned-on-a~~

1 ~~rental-deposit-during-the-first-five-years-of-a-tenancy-shall~~
2 ~~be-the-property-of-the-landlord.~~

3 Sec. 5. Section 562B.13, subsection 2, Code 1987, is
4 amended to read as follows:

5 2. All rental deposits shall be held by the landlord for
6 the tenant, who is a party to the agreement, ~~in-a-bank-credit~~
7 ~~union-or-savings-and-loan-association-which-is-insured-by-an~~
8 ~~agency-of-the-federal-government~~ and deposited pursuant to
9 section 220.100. Rental deposits shall not be commingled with
10 the personal funds of the landlord. All rental deposits may
11 be held in a trust account, which may be a common trust
12 ~~account and-which-may-be-an-interest-bearing-account.~~ Any
13 ~~interest-earned-on-a-rental-deposit-shall-be-the-property-of~~
14 ~~the-landlord.~~

15 EXPLANATION

16 This bill establishes a housing trust fund in the Iowa
17 finance authority that will be financed by requiring that
18 residential and commercial rental deposits be placed in
19 interest-bearing accounts and that the interest be paid to the
20 housing trust fund. The surplus in the title guaranty fund
21 shall also be paid to the housing trust fund.

22 The housing trust fund is appropriated to and will be
23 administered by the Iowa finance authority, which will
24 allocate the fund among the authorized programs. The
25 authorized programs are:

26 1. A rental reduction program to provide preferred-
27 interest loans to build or substantially rehabilitate rental
28 housing.

29 2. A rental allowance program providing rent subsidies to
30 homeless people capable of maintaining independent living
31 quarters.

32 3. A special rehabilitation program to provide below-
33 market rate loans to homeowners, nonprofit organizations, and
34 rental property owners leasing units to low-income people or
35 providing group home shelter to homeless people.

1 4. A nonprofit housing rehabilitation program providing
2 loan funds to nonprofit sponsors which own or are agents for
3 owners of buildings in need of rehabilitation which will serve
4 households of limited income.

5 5. A home maintenance and repair program providing
6 matching grants to nonprofit organizations and local
7 governments for repair services to low-income elderly and
8 handicapped homeowners.

9 6. A home ownership incentive program providing below-
10 market rate financing to local governments and nonprofit
11 organizations to develop single family projects.

12 The Iowa finance authority may coordinate these programs
13 with its other housing programs, establish income eligibility
14 requirements, and require that developers submitting plans for
15 financing from the housing trust fund demonstrate experience
16 with low-income projects and include provisions for housing
17 counseling in their plans.

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SENATE/HOUSE FILE _____
BY (PROPOSED AFFORDABLE HOUSING,
IOWA'S HOMELESS AND UTILITY
SHUT-OFFS STUDY COMMITTEE BILL)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to gas and electric utility level payment plans
2 for low income home energy assistance program recipients.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 476.1A, unnumbered paragraph 2, Code
2 1987, is amended to read as follows:

3 However, sections 476.20, 476.21, 476.41 through 476.44,
4 476.51, 476.56 and 476.61 and chapters 476A and 478, to the
5 extent applicable, apply to such electric utilities.

6 Sec. 2. NEW SECTION. 476.56 LEVEL PAYMENT PLAN FOR
7 LIHEAP RECIPIENTS.

8 The utilities board shall adopt rules which require gas and
9 electric public utilities to offer to their customers who have
10 qualified for payments to the utility under the low income
11 home energy assistance program an optional level payment plan.
12 Under the optional level payment plan the amount of the low
13 income home energy assistance payment to the public utility
14 shall be subtracted from the customer's total annual billing
15 under the payment plan. The resulting amount shall become due
16 and payable in level payments in accordance with the rules of
17 the utilities board.

18 Notwithstanding section 476.1B, this section applies to
19 municipally owned utilities.

20 EXPLANATION

21 This bill requires the utilities division of the department
22 of commerce to adopt rules providing for a level payment plan
23 for low income home energy assistance recipients. Under the
24 plan, the payments to the utility under the low income home
25 energy assistance program are subtracted from the customer's
26 total annual billing under the payment plan. Under current
27 practice, LIHEAP payments are not considered in calculating a
28 customer's level payment plan.

29 The level payment plan is at the option of the LIHEAP
30 recipient. The bill applies to all gas and electric public
31 utilities including municipal utilities and electric
32 cooperatives.

33 This bill creates and internally cites new section 476.56.

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SENATE/HOUSE FILE _____
BY (PROPOSED AFFORDABLE HOUSING,
IOWA'S HOMELESS AND UTILITY
SHUT-OFFS STUDY COMMITTEE
BILL)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act allowing rate-regulated public utilities to participate in
2 an affordable budget utilities plan.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. NEW SECTION. 476.58 AFFORDABLE BUDGET
2 UTILITIES PLAN.

3 1. IOWA HEATING ZONES. The utilities board shall by rule
4 designate boundaries for Iowa heating zones with each zone
5 being an area with similar winter temperatures. Data obtained
6 from the state climatologist shall be used in establishing the
7 zones.

8 2. STANDARD COST. The utilities board shall, by July 1 of
9 each year, establish the heat and electricity standard cost
10 for each utility service area in each heating zone for each
11 month for each possible combination of the following:

12 a. For attached housing units and detached housing units.

13 b. For each of the following household sizes: one to two
14 persons, three to four persons, five to six persons, and more
15 than six persons.

16 3. AFFORDABLE PERCENTAGE OF INCOME. By February 1 of each
17 year the department of human services shall by rule establish
18 the affordable percentage of income for heat and electricity
19 for each of the following household income levels:

20 a. At or below seventy-five percent of the federal poverty
21 level.

22 b. Greater than seventy-five percent but no more than one
23 hundred percent of the federal poverty level.

24 c. Greater than one hundred percent but no more than one
25 hundred twenty-five percent of the federal poverty level.

26 d. Greater than one hundred twenty-five percent but no
27 more than one hundred fifty percent of the federal poverty
28 level.

29 The department of human services shall deliver a copy of
30 its findings on the affordable percentage of income for heat
31 and electricity to the secretary of the senate and the chief
32 clerk of the house by February 1 of each year.

33 4. ANNUAL DETERMINATION OF ELIGIBLE INCOME GROUPS. The
34 general assembly shall by July 1 of each year pass a joint
35 resolution establishing the household income levels which will

1 be eligible for participation in the affordable budget
2 utilities plan for enrollment periods commencing on or after
3 July 1 of that year. The joint resolution may also modify the
4 affordable percentage of income for heat and electricity as
5 established by the department of human services. Absent
6 action by the general assembly, the household income levels
7 which are eligible for participation in the affordable budget
8 utilities plan for enrollment periods commencing on or after
9 July 1 of each year are those enumerated in subsection 3,
10 paragraphs "a" through "d" and the applicable affordable
11 percentage of income for heat and electricity shall be that
12 percentage established under subsection 3.

13 5. PARTICIPATION OF A PUBLIC UTILITY. Only rate-regulated
14 public utilities may participate in offering the affordable
15 budget utilities plan. Those rate-regulated public utilities
16 wishing to participate in the plan shall make application to
17 the utilities board in accordance with rules adopted by the
18 utilities board. To participate, a utility shall establish
19 with the utilities board the utility's average monthly bad
20 debt loss per household from their low income residential
21 customers for the 1986 calendar year. For purposes of this
22 subsection, "low income residential customers" are those
23 customers of the public utility whose household income levels
24 are those enumerated in subsection 3, paragraphs "a" through
25 "d". The 1986 average monthly utility bad debt loss per
26 household shall be established for each of the income levels
27 enumerated in subsection 3, paragraphs "a" through "d". The
28 base year bad debt loss for a utility participating in the
29 plan during the twelve-month period commencing July 1, 1987,
30 shall be the average monthly utility's bad debt loss per
31 household from their low income residential customers for the
32 1986 calendar year. For succeeding twelve-month periods the
33 base year bad debt loss shall be the utility's 1986 average
34 monthly bad debt loss per household from their low income
35 residential customers with household income levels which are

1 eligible for participation in the affordable budget utilities
2 plan, as established in subsection 4, adjusted for changes in
3 the utility's rates. The appropriate adjustment to the 1986
4 average monthly bad debt loss per household shall be
5 determined by the utilities board.

6 6. SHORTFALL REIMBURSEMENT. The state shall reimburse
7 each participating public utility the total of the difference
8 between the amount the utility receives as payment from
9 customers who are participating in the affordable budget
10 utilities plan and the applicable heat and electricity
11 standard costs for the participating households to the extent
12 that the difference exceeds the sum of the applicable base
13 year bad debt loss for each income level allowed to
14 participate in the program multiplied by the number of
15 households participating in the plan multiplied by the number
16 of months each participant participated in the plan. The
17 total reimbursement amount due a participating public utility
18 shall be reduced by the amount of low income home energy
19 assistance program grants received by the public utility for
20 customers participating in the affordable budget utilities
21 plan.

22 The general assembly shall annually appropriate moneys for
23 payment of the reimbursement under this section. If the total
24 amount of reimbursement due all utilities in the state under
25 the plan exceeds the amount appropriated, the utilities shall
26 receive prorated reimbursements in accordance with rules
27 adopted by the utilities board. Any reimbursable amounts
28 which were unpaid due to prorated reimbursement may be
29 recovered by the public utility by an adjustment in rates.
30 However, any such adjustment approved by the utilities board
31 shall not be set out separately in customers' bills.

32 7. CUSTOMER PARTICIPATION.

33 a. To be eligible for the affordable budget utilities
34 plan, an individual shall be either a customer of a public
35 utility participating in the plan or an applicant for utility

1 service from such a utility. The applicant shall be a "head
2 of household", as defined in section 422.4, subsection 11,
3 whose total household income level is at or below those
4 eligibility levels established under subsection 4.

5 b. The individual shall do all of the following:

6 (1) Enter into an affordable budget payment plan with the
7 participating public utility or utilities serving the
8 individual under which the individual agrees to pay monthly
9 during the period of November 1 through March 31 of each year
10 the affordable percentage of income for heat and electricity
11 for the individual's household income level, as established
12 under subsections 3 and 4, to the participating public utility
13 or utilities supplying the individual's heat and electrical
14 utility service. The individual shall also agree to pay
15 monthly during the period of April 1 through October 31 of
16 each year the greater of the individual's current monthly
17 utility bill or the individual's affordable percentage of
18 applicable income for heat and electricity. When an
19 individual is served by both a primary and secondary utility
20 for heat and electrical service, the percent of household
21 income to be paid to the individual's primary source is two-
22 thirds of the affordable percentage of income for heat and
23 electricity for the individual's household income level, and
24 the amount to be paid to the individual's secondary source is
25 one-third of the affordable percentage of income for heat and
26 electricity for the individual's household income level. If,
27 during the period of April 1 through October 31, the
28 individual has paid in full all prior utility usage with the
29 participating utility, the individual shall pay only the
30 individual's current monthly bill for the remainder of the
31 period.

32 (2) Apply and be approved for a low income home energy as-
33 sistance program grant.

34 (3) Apply for all weatherization programs for which the
35 individual is eligible.

1 (4) Sign a waiver permitting the participating utility to
2 receive income information necessary to verify eligibility for
3 the program from any public or private agency providing income
4 or energy assistance and from the individual's employer.

5 (5) Pay to the participating public utility or utilities
6 serving the individual for all energy usage above the
7 applicable month's heat and electricity standard cost for the
8 individual's household determined under subsection 2.

9 c. For qualified individuals who comply with the require-
10 ments of paragraph "b", public utility heating or electric
11 service shall not be terminated or denied by the participating
12 utility or utilities. An individual shall be deemed to comply
13 with the payment requirements of paragraph "b" unless the
14 individual is delinquent in making a minimum required payment
15 for more than sixty consecutive days.

16 d. Any preexisting unpaid utility bills of customers or
17 applicants for service qualifying for the program shall be
18 dealt with according to the utility division's rules.
19 However, for an individual who qualifies for the program,
20 utility service shall not be terminated on account of past
21 debts. The board shall provide by rule for the reconnection
22 of customers whose service has been previously terminated for
23 nonpayment of utility bills upon the payment of at least fifty
24 percent of the past due bill at the time of reconnection.

25 e. An individual shall apply for participation in the af-
26 fordable budget utilities plan with the participating utility
27 or utilities. The household income calculation shall be based
28 on income at the time of enrollment in the plan.

29 Participation shall be for twelve-month intervals.
30 Adjustments for increases in household income shall be made at
31 the next enrollment period. The utilities board shall adopt
32 rules which provide for emergency adjustment to be made in the
33 payment plan in case of drastic income reduction or loss.

34 8. PROGRAM ASSESSMENT. The board shall require each
35 participating utility providing heating or electrical service

1 to compile data and information as necessary to adequately and
2 comprehensively monitor and assess the affordable budget
3 utilities plan. The board shall specifically analyze the
4 effect of the plan upon each public utility's expense for
5 uncollectible residential accounts.

6 9. EXCLUSION FROM MORATORIUM. The prohibition from
7 disconnection of gas and electric service between November 1
8 and April 1 contained in section 476.20, subsection 3, does
9 not apply to participants of the plan.

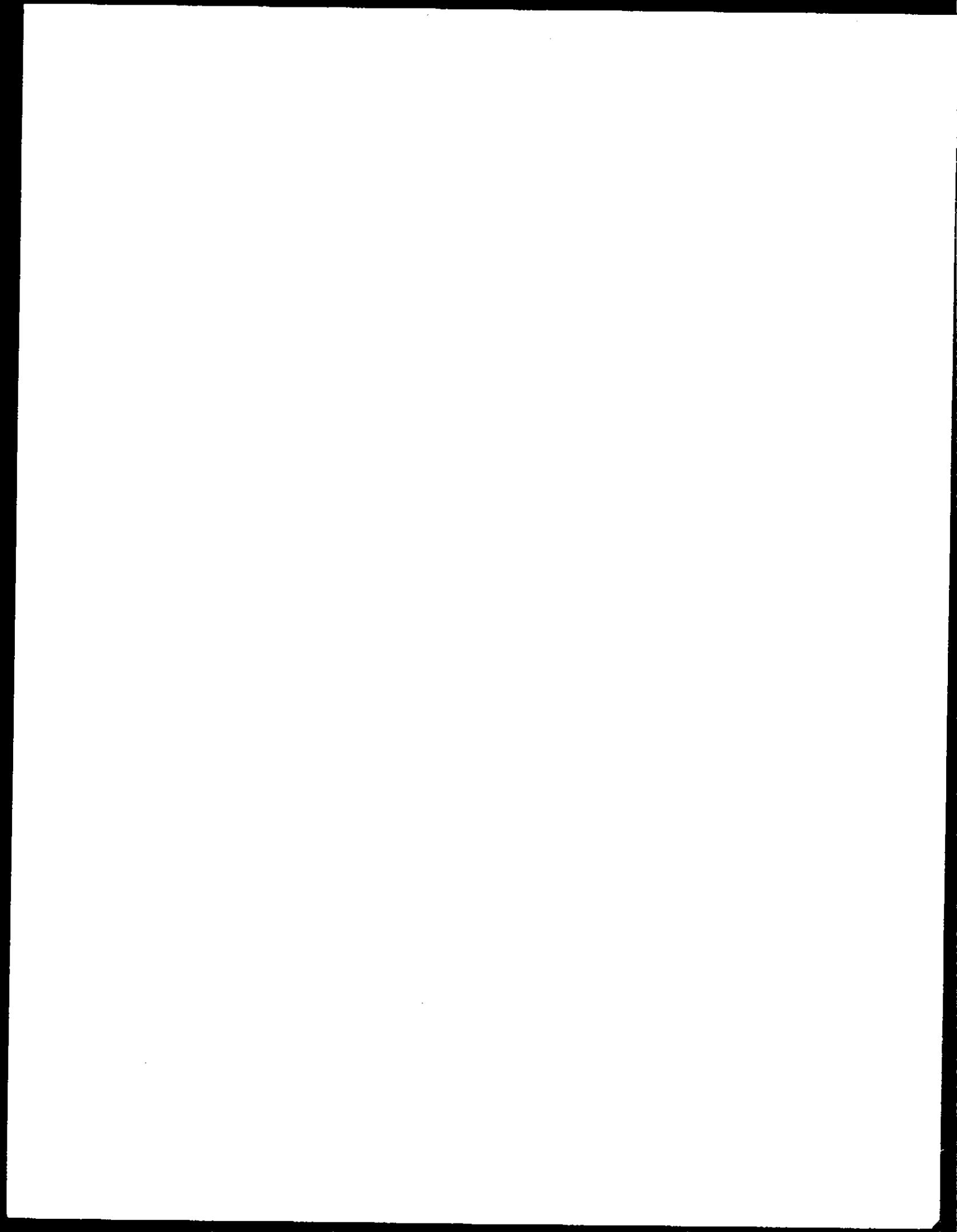
10 10. INITIAL YEAR IMPLEMENTATION. For purposes of
11 implementing the affordable budget utilities plan, the
12 eligible household income levels are those enumerated in
13 subsection 3, paragraphs "a" through "d" and the affordable
14 percentage of income for heat and electricity for each of
15 these levels is twelve percent for the twelve-month period
16 commencing July 1, 1987.

17 EXPLANATION

18 This bill provides for rate-regulated public utilities to
19 participate, at their option, in offering an affordable budget
20 utilities plan for their low income customers. Eligible
21 customers wishing to apply for the plan must meet certain
22 conditions including entering into an agreement specifying
23 limiting the amount the individual is required to pay. A
24 person participating in the program cannot be terminated from
25 receiving services or be denied services as long as the person
26 is meeting certain conditions under the plan. The November 1
27 through April 1 moratorium on disconnection of service does
28 not apply to participating customers under the plan.

29 The bill creates new section 476.58 of the Code.

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HOUSE/SENATE FILE _____
BY (PROPOSED AFFORDABLE HOUSING,
IOWA'S HOMELESS AND UTILITY
SHUT-OFFS STUDY COMMITTEE
BILL)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act providing for the issuance of a supplemental low income
2 home energy assistance grant.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. NEW SECTION. 476.57 SUPPLEMENTAL LOW INCOME
2 HOME ENERGY ASSISTANCE PROGRAM GRANT.

3 1. IOWA HEATING ZONES. The utilities board shall by rule
4 designate boundaries for Iowa heating zones with each zone
5 being an area with similar winter temperatures. Data obtained
6 from the state climatologist shall be used in establishing the
7 zones.

8 2. ANNUAL STANDARD COST. The utilities board shall, by
9 July 1 of each year, establish the heat and electricity
10 standard cost for each utility service area in each heating
11 zone for each possible combination of the following:

12 a. For each heating fuel: fuel oil, LP gas, electricity,
13 natural gas, wood and coal.

14 b. For attached housing units and detached housing units.

15 c. For each of the following household sizes: one to two
16 persons, three to four persons, five to six persons, and more
17 than six persons.

18 3. ELIGIBILITY. A "head of household", as defined in
19 section 422.4, subsection 11, whose combined twelve-month bill
20 for electricity and heating minus the amount of the low income
21 home energy assistance program grant paid to the heating fuel
22 supplier exceeds twelve percent of the person's twelve-month
23 income for a July through June fiscal year, may apply between
24 August 1 and October 1 of each year for a supplemental low
25 income home energy assistance program grant. Only persons who
26 have received a low income home energy assistance program
27 grant in the July through June fiscal year prior to the
28 application are eligible for the supplemental grant.

29 4. APPLICATION. Application for supplemental low income
30 home energy assistance program grants shall be made at the
31 applicant's local department of human services office. The
32 grant application form shall include the following
33 information:

34 a. Name of the head of household.

35 b. Name of heating fuel supplier.

1 c. Amount of the actual household income for the previous
2 July through June fiscal year with supporting records as may
3 be required by rule by the department of human services.

4 d. Actual heating and electricity bills for the applicable
5 twelve-month period including copies of the bills.

6 e. Amount of the low income home energy assistance grant
7 paid to the heating fuel supplier during the previous July
8 through June fiscal year.

9 f. Such other information as required by rule by the
10 department of human services.

11 5. GRANT. The amount of the grant paid to an eligible
12 applicant shall be the difference between twelve percent of
13 the July through June annual income for the household
14 subtracted from the lesser of the following:

15 a. The applicable heat and electricity standard cost as
16 established by the utilities board's rules under subsection 1.

17 b. The actual heating and electricity bills for the
18 applicable twelve-month period for the applicant.

19 The grant shall be paid in the form of a two-party check
20 made payable to the head of household and the heating fuel
21 supplier.

22 6. APPROPRIATION AND PRORATION OF GRANT. The general
23 assembly shall annually appropriate moneys to pay for the
24 supplemental low income home energy assistance grants. In the
25 event that the grants in total exceed the amount of the
26 appropriation, a prorated grant shall be paid to each eligible
27 applicant in accordance with rules adopted by the department
28 of human services.

29 EXPLANATION

30 This bill provides for the issuance of a supplemental low
31 income home energy assistance program grant to eligible
32 applicants. The amount of the grant is equal to the amount
33 that the lesser of the applicant's twelve-month heat and
34 electricity bill or the applicant's heat and electricity
35 standard cost exceeds twelve percent of the applicant's

1 twelve-month income. The applicant's heat and electricity
2 standard cost is determined annually by the utilities board of
3 the department of commerce, taking into account the
4 applicant's heating zone, service area, heating fuel, type of
5 housing unit, and household size. The grant is paid in the
6 form of a two-party check made payable to the head of
7 household and the heating fuel supplier. The general assembly
8 shall annually appropriate moneys to pay for the supplemental
9 low income home energy assistance program grants. If the
10 amount of the grants in total exceeds the amount of the
11 appropriation, a prorated grant shall be paid to each eligible
12 applicant.

13 This bill creates new section 476.57 of the Code.

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SENATE/HOUSE FILE _____
BY (PROPOSED AFFORDABLE HOUSING,
IOWA'S HOMELESS AND UTILITY
SHUT-OFFS STUDY COMMITTEE
BILL)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act requiring the implementation of a program allowing certain
2 customers of rate-regulated utilities and heating fuel
3 suppliers to participate in a payment plan based on a
4 percentage of the customer's income and providing an
5 appropriation.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. NEW SECTION. 476.58 PERCENTAGE OF INCOME
2 PAYMENT PLAN.

3 1. IOWA HEATING ZONES. The utilities board shall by rule
4 designate boundaries for Iowa heating zones with each zone
5 being an area with similar winter temperatures. Data obtained
6 from the state climatologist shall be used in establishing the
7 zones.

8 2. ANNUAL STANDARD COST. The utilities board shall, by
9 July 1 of each year, establish the heat and electricity
10 standard cost for each utility service area in each heating
11 zone for each month of the year for each of the following
12 household sizes: One or two persons, three to four persons,
13 five to six persons, and more than six persons.

14 3. PROGRAM INITIATED. The utilities board shall design,
15 initiate, and implement a program to ensure the availability
16 and affordability of heating and electrical services to low
17 income residential customers. The program shall be
18 implemented by rule no later than October 1, 1987. In
19 developing the program, the utilities board shall conduct
20 public hearings to receive public input on the design of the
21 program. The program shall be consistent with the goal to en-
22 sure that citizens of this state are able to receive essential
23 levels of heat and electrical service regardless of economic
24 circumstances without jeopardizing the ability of utilities to
25 receive just compensation for the services. At a minimum, the
26 program shall encompass all of the following provisions:

27 a. To be eligible for the program, an individual shall be
28 either a customer of a public utility or an applicant for
29 utility service.

30 b. The individual shall do all of the following:

31 (1) Enter into a percentage of income payment plan with
32 the public utility or utilities serving the individual under
33 which the individual agrees to pay monthly during the period
34 of November 1 through March 31 of each year, twelve percent of
35 the individual's monthly household income to the public

1 utility or utilities which provide the individual's primary
2 source of heat and electrical utility service and to pay
3 monthly during the period of April 1 through October 31 of
4 each year the greater of twelve percent of the individual's
5 monthly income or the current utility bill.

6 (2) Make all reasonable efforts to apply for all public
7 energy assistance for which the individual is eligible.

8 (3) Apply for all weatherization programs for which the
9 individual is eligible. An individual who is a participant
10 under the program initiated under this section shall be given
11 priority in participating in the weatherization program ad-
12 ministered by the division of community action agencies of the
13 department of human rights consistent with requirements and
14 priorities under federal law.

15 (4) Provide proof to each utility serving the individual
16 every six months after the beginning of participation in the
17 program that the individual is qualified for the program.

18 (5) Sign a waiver permitting the utility to receive income
19 information necessary to verify eligibility for the program
20 from any public or private agency providing income or energy
21 assistance and from the individual's employer.

22 c. For an individual who complies with the requirements of
23 paragraph "b", public utility heating or electric service
24 shall not be terminated or denied. The utilities board, in
25 designing and implementing the program, shall provide
26 standards for determining whether an individual is meeting the
27 minimum requirements for participating in the program. The
28 standards shall include, but are not limited to, providing
29 that an individual complies with the requirements of paragraph
30 "b" unless the individual is delinquent in making the minimum
31 required payment under paragraph "b" for more than sixty
32 consecutive days.

33 d. Any preexisting unpaid utility bill of an individual
34 qualifying for the program shall be dealt with according to
35 the board's rules. However, for an individual who qualifies

1 for the program, utility service shall not be terminated on
2 account of past debts. The board shall provide by rule for
3 the reconnection of an individual whose service has been
4 previously terminated for nonpayment of utility bills upon the
5 payment of at least fifty percent of the past due bill at the
6 time of reconnection.

7 e. To the extent that a shortfall exists between payments
8 received from an individual participating in the program and
9 actual amounts incurred for utility heating or electrical
10 service rendered, the utility shall apply all energy
11 assistance funds received on behalf of a participating
12 individual, including low income home energy assistance
13 program funds, relevant public aid funds, and any and all
14 other such state and federal funds which become available, to
15 reduce or eliminate the shortfall. However, an individual who
16 participates in the program under this section for more than
17 twelve consecutive months shall have twenty-five percent of
18 any shortfall forgiven. The amount forgiven may be included
19 in the utility's rate base, but shall not be set out
20 separately in customers' billing statements.

21 f. An individual participating in the program shall pay
22 for all energy usage above the applicable month's heat and
23 electricity standard cost for the participant determined under
24 subsection 2. Board rules shall exempt from this requirement
25 an individual who has a medical excuse as certified to the
26 utility by a registered physician or local board of health.

27 4. PROGRAM ASSESSMENT. The board shall require each
28 public utility providing heating or electrical service to
29 compile data and information as necessary to adequately and
30 comprehensively monitor and assess the program. The board
31 shall specifically analyze the effect of the program upon each
32 utility's expense for uncollectible residential accounts.

33 5. EXCLUSION FROM MORATORIUM. The prohibition from
34 disconnection of gas and electric service between November 1
35 and April 1 contained in section 476.20, subsection 3, does

1 not apply to participants of the program.

2 3. ELIGIBLE. The program applies only to customers of or
3 applicants for utility service from rate-regulated public
4 utilities.

5 Sec. 2. NEW SECTION. 476.58A PERCENTAGE OF INCOME
6 PAYMENT PLAN FOR CERTAIN HEATING FUEL SUPPLIERS.

7 1. SCOPE. This section applies to heating fuel suppliers
8 doing business in this state who supply to customers in this
9 state fuel oil, LP gas, wood, or coal.

10 2. IOWA HEATING ZONES. The utilities board shall by rule
11 designate boundaries for Iowa heating zones as provided in
12 section 476.58, subsection 1.

13 3. ANNUAL STANDARD COST. The utilities board shall, by
14 July 1, of each year, establish the heat and electricity
15 standard cost in each heating zone for each month of the year
16 for each possible combination of the following:

17 a. For each heating fuel: fuel oil, LP gas, wood, and
18 coal.

19 b. For attached housing units and detached housing units.

20 c. For each of the following household sizes: one to two
21 persons, three to four persons, five to six persons, and more
22 than six persons.

23 4. PROGRAM INITIATED -- APPROPRIATION. The utilities
24 board shall design, initiate, and implement a program to
25 ensure the availability and affordability of heating and
26 electrical services to low income residential customers. The
27 program shall be implemented by rule no later than October 1,
28 1987. In developing the program, the utilities board shall
29 conduct public hearings to receive public input on the design
30 of the program. The program shall be consistent with the goal
31 to ensure that citizens of this state are able to receive
32 essential levels of heat and electrical service regardless of
33 economic circumstances without jeopardizing the ability of
34 utilities to receive just compensation for the services. At a
35 minimum, the program shall encompass all of the following

1 provisions:

2 a. To be eligible for the program, an individual shall be
3 either a customer of a heating fuel supplier doing business in
4 this state or an applicant for service from such a heating
5 fuel supplier.

6 b. The individual shall do all of the following:

7 (1) Enter into a percentage of income payment plan with
8 the heating fuel supplier and electric utility serving the
9 individual under which the individual agrees to pay monthly
10 during the period of November 1 through March 31 of each year,
11 twelve percent of the individual's monthly household income to
12 the heating fuel supplier and electric utility which provide
13 the individual's primary source of heat and electrical utility
14 service and to pay monthly during the period of April 1
15 through October 31 of each year the greater of twelve percent
16 of the individual's monthly income or the current month's
17 heating fuel and electricity bills.

18 (2) Make all reasonable efforts to apply for all public
19 energy assistance for which the individual is eligible.

20 (3) Apply for all weatherization programs for which the
21 individual is eligible. An individual who is a participant
22 under the program initiated under this section shall be given
23 priority in participating in the weatherization program ad-
24 ministered by the division of community action agencies of the
25 department of human rights consistent with requirements and
26 priorities under federal law.

27 (4) Provide proof to the heating fuel supplier and
28 electric utility serving the individual every six months after
29 the beginning of participation in the program that the
30 individual is qualified for the program.

31 (5) Sign a waiver permitting the heating fuel supplier and
32 electric utility to receive income information necessary to
33 verify eligibility for the program from any public or private
34 agency providing income or energy assistance and from the
35 individual's employer.

1 c. For an individual who complies with the requirements of
2 paragraph "b", heating fuel supply and electric service shall
3 not be terminated or denied. The utilities board, in
4 designing and implementing the program, shall provide
5 standards for determining whether an individual is meeting the
6 minimum requirements for participating in the program. The
7 standards shall include, but are not limited to, providing
8 that an individual complies with the requirements of paragraph
9 "b" unless the individual is delinquent in making the minimum
10 required payment under paragraph "b" for more than sixty
11 consecutive days.

12 d. Any preexisting unpaid heating fuel supply or electric
13 utility bills of an individual qualifying for the program
14 shall be dealt with according to the board's rules. However,
15 for an individual who qualifies for the program, heating fuel
16 supply or electric utility service shall not be terminated on
17 account of past debts. The board shall provide by rule for
18 the electrical reconnection and resupplying of heating fuel of
19 an individual whose service has been previously terminated for
20 nonpayment of electric utility or heating fuel supply bills
21 upon the payment of at least fifty percent of the past due
22 bill at the time of reinstatement of service.

23 e. To the extent that a shortfall exists between payments
24 received from an individual participating in the program and
25 actual amounts incurred for electrical service rendered, the
26 electric utility shall apply all energy assistance funds
27 received on behalf of a participating individual, including
28 low income home energy assistance program funds, relevant
29 public aid funds, and any and all other such state and federal
30 funds which become available, to reduce or eliminate the
31 shortfall. However, an individual who participates in the
32 program under this section for more than twelve consecutive
33 months shall have twenty-five percent of any shortfall
34 forgiven. The amount forgiven may be included in the electric
35 utility's rate base, but shall not be set out separately in

1 customers' billing statements.

2 f. To the extent that a shortfall exists between payments
3 received from an individual participating in the program and
4 actual amounts incurred for heating supplies provided, the
5 heating fuel supplier shall apply all energy assistance funds
6 received on behalf of a participating individual, including
7 low income home energy assistance program funds, relevant
8 public aid funds, and any and all other such state and federal
9 funds which become available, to reduce or eliminate the
10 shortfall. However, an individual who participates in the
11 program under this section for more than twelve consecutive
12 months shall have twenty-five percent of any shortfall
13 forgiven. The amount forgiven and other shortfall incurred by
14 the heating fuel supplier shall be reimbursed on an annual
15 basis in accordance with rules adopted by the utilities board.
16 There is hereby appropriated from the general fund of the
17 state to the utilities board an amount necessary to pay for
18 the reimbursement of shortfall to heating fuel suppliers under
19 this paragraph. Payment shall be made as provided by rules
20 adopted by the utilities board.

21 g. The utilities board shall adopt rules providing for the
22 appropriate split of payments under paragraph "b",
23 subparagraph (1), and paragraph "h" between an individual's
24 heating fuel supplier and electric utility.

25 h. An individual participating in the program shall pay
26 for all energy usage above the applicable month's heat and
27 electricity standard cost for the participant determined under
28 subsection 3. Board rules shall exempt from this requirement
29 an individual who has a medical excuse as certified to the
30 utility by a registered physician or local board of health.

31 5. PROGRAM ASSESSMENT. The board shall require each
32 applicable heating fuel supplier and electric utility to
33 compile data and information as necessary to adequately and
34 comprehensively monitor and assess the program. The board
35 shall specifically analyze the effect of the program upon each

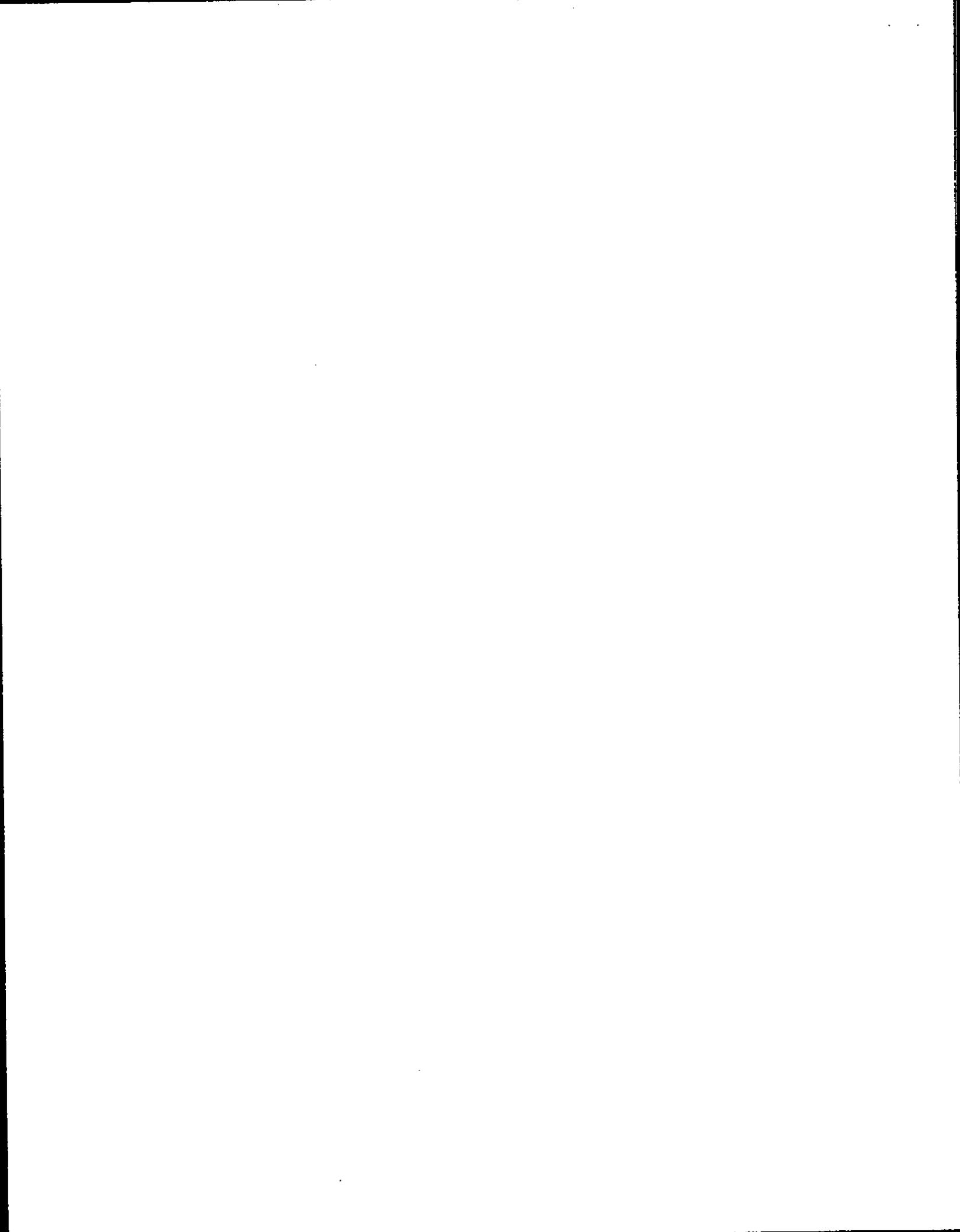
1 business's expense for uncollectible residential accounts.
2 6. EXCLUSION FROM MORATORIUM. The prohibition from
3 disconnection of electric service between November 1 and April
4 1 contained in section 476.20, subsection 3, does not apply to
5 participants of the program.

6 EXPLANATION

7 This bill requires the utility board of the department of
8 commerce to design, initiate, and implement programs by
9 October 1, 1987 to provide that individuals who are customers
10 or applicants for services from a public utility or a heating
11 fuel supplier may become eligible to participate in the
12 programs by agreeing to meet certain conditions. These
13 conditions include entering into certain payment agreements
14 specifying or limiting the amount the individual is required
15 to pay. A person participating in one of the programs cannot
16 be terminated from receiving services or be denied services as
17 long as the person is meeting certain conditions of the
18 program. The programs apply only to customers of rate-
19 regulated public utilities or to customers of heating fuel
20 suppliers doing business in this state who supply customers in
21 this state fuel oil, LP gas, wood, or coal. The November 1
22 through April 1 moratorium on disconnection of service does
23 not apply to participants of the programs. An appropriation
24 is made to reimburse heating fuel suppliers for certain unpaid
25 utility bills.

26 This bill creates new sections 476.58 and 476.58A of the
27 Code.

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SENATE/HOUSE FILE _____
BY (PROPOSED AFFORDABLE HOUSING,
IOWA'S HOMELESS AND UTILITY
SHUT-OFFS STUDY COMMITTEE
BILL)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act implementing a twelve percent affordable utility budget
2 plan for eligible customers of rate-regulated investor-owned
3 public utilities.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. NEW SECTION. 476.58 TWELVE PERCENT AFFORDABLE
2 UTILITY BUDGET PLAN.

3 1. DEFINITIONS. As used in this section:

4 a. "Utility" means a rate-regulated investor-owned public
5 utility.

6 b. "Arrearage" means any past due utility bill a
7 participant owes when entering into the twelve percent
8 affordable utility budget plan.

9 c. "Shortfall" means the amount by which the participant's
10 actual utility bill exceeds the participant's payments while
11 in the twelve percent affordable utility budget plan.

12 d. "LIHEAP" means the low income home energy assistance
13 program.

14 e. "CAP agency" means the local agency administering the
15 participant's low income home energy assistance program.

16 f. "Primary service provider" means the utility providing
17 space heating.

18 g. "Secondary service provider" means the utility
19 providing electrical service.

20 2. ELIGIBILITY.

21 a. To be initially eligible for the twelve percent
22 affordable utility budget plan the applicant shall be an
23 individual who is a "head of household", as defined in section
24 422.4, subsection 11, and who is either a customer of a
25 utility or an applicant for utility service from a utility.
26 The applicant's household income shall be equal to or less
27 than one hundred fifty percent of the federal poverty level.
28 Out-of-pocket medical expenses shall be deducted from
29 household income when determining the income eligibility under
30 the plan and in determining the amount of the twelve percent
31 payments.

32 b. The applicant shall do all of the following:

33 (1) Agree to pay the utility or utilities serving the
34 applicant monthly during the period of November 1 through
35 March 31 of each year, twelve percent of the applicant's

1 monthly household income and to pay monthly during the period
2 of April 1 through October 31 of each year the greater of
3 twelve percent of the applicant's monthly household income or
4 the applicant's current monthly utility bill.

5 (2) Make all reasonable efforts to apply for all public
6 energy assistance for which the applicant is eligible.

7 (3) Apply for all weatherization programs for which the
8 individual is eligible.

9 (4) Make application for participation in the plan with
10 the applicant's CAP agency. The applicant shall certify to
11 the CAP agency the applicant's household income, household
12 size, place of residence, name of the applicant's utility
13 providers, and the amount of any arrearage the applicant has
14 with the applicant's utility providers.

15 (5) Provide proof to the applicant's CAP agency every six
16 months after the beginning of participation in the program of
17 the participant's household income.

18 (6) Sign a waiver permitting the applicant's CAP agency to
19 receive income information necessary to verify eligibility for
20 the program from the applicant's employer.

21 (7) Make payment of arrearages as provided in subsection
22 5.

23 (8) Pay monthly each month's utility usage which is in
24 excess of the reasonable energy ceiling for the applicant as
25 determined in subsection 6.

26 c. For participants who comply with the requirements of
27 paragraph "b", public utility heating or electric service
28 shall not be terminated or denied. A participant shall be
29 deemed to comply with the payment requirements of paragraph
30 "b" unless the participant is delinquent in making any minimum
31 required payment under paragraph "b" for more than sixty
32 consecutive days.

33 3. CHANGES IN INCOME. A participant in the program may
34 report changes in income between the six-month certification
35 dates and receive an adjustment to the required twelve percent

1 of income payment.

2 4. DEPOSITS. Utility providers shall not require a
3 deposit for new, reconnected or continued service from
4 participants in the plan. However, a reasonable reconnection
5 fee may be charged to participants who have been disconnected
6 as provided in subsection 11.

7 5. PARTIAL FORGIVENESS OF ARREARAGE. A participant is
8 responsible for the first one hundred eighty dollars of
9 arrearage with each utility supplier. This amount shall be
10 paid over a three-year period in thirty-six equal monthly
11 payments. For each year a participant continues to make
12 required payments under subsection 2, paragraphs "b" and "c",
13 one-third of the remaining arrearage shall be forgiven. Once
14 a participant earns arrearage forgiveness, the utility shall
15 not be able to collect the forgiven amount from the
16 participant. However, arrearage forgiven under this
17 subsection may be included in the utility's rate base in
18 accordance with rules adopted by the utility board, but such
19 charges shall not be set out separately in customers' billing
20 statements.

21 6. REASONABLE ENERGY CEILING. The utilities board, in
22 cooperation with the department of human rights, shall
23 annually develop a formula for encouraging energy conservation
24 and discourage wastefulness. The board shall include in its
25 formula the following variables:

26 (a) Size of family.

27 (b) Using LIHEAP definitions, consider:

28 (1) Whether the residence is attached or detached.

29 (2) Whether the residence is located in the north or south
30 region of the state.

31 (c) Actual average temperature for each month and how it
32 bears in relation with the thirty-year average temperature for
33 the month.

34 The formula will determine the reasonable energy ceiling
35 expressed in terms of dollars for a participant's household

1 for each month. The participant shall pay each month's
2 utility usage which is in excess of the reasonable energy
3 ceiling for that month for the participant.

4 In developing the formula, the utilities board shall
5 consider statistics for Iowa energy usage published by the
6 United States department of energy.

7 7. ALLOCATION OF PAYMENTS. The utilities division shall
8 adopt rules providing for allocation of payments under the
9 plan between the primary and secondary service providers.

10 8. WEATHERIZATION PREFERENCE AND ENERGY AUDITS.

11 Participants whose dwellings are shown to be the most
12 inefficient based on energy usage above the reasonable energy
13 ceiling shall be given priority in participating in the
14 weatherization program consistent with requirements and
15 priorities under federal law. Such participants shall be
16 required to undergo free home energy audits through which the
17 participants will be counseled on the most cost-effective use
18 of energy efficiency improvements.

19 9. LENGTH OF PARTICIPATION.

20 a. Participants may remain on the plan as long as they
21 meet eligibility requirements. Participants shall stay on the
22 plan for a minimum period of one year which may be renewed
23 yearly based on income eligibility.

24 b. If a participant's income increases so that it is
25 beyond one hundred fifty percent of the federal poverty level,
26 the participant may continue to remain on the plan provided
27 the participant can show that twelve percent of the
28 participant's household income exceeds the amount the
29 participant would pay if the participant's annual utility
30 usage was paid in equal monthly installments.

31 c. Participants who can demonstrate that their utility
32 bills are less than twelve percent of their household income
33 may elect to leave the plan early.

34 d. Participants leaving the plan shall be required to pay
35 all shortfall incurred by the participant while on the plan

1 plus any unpaid or unforgiven arrearage.

2 e. A participant who leaves the plan may, at a later date,
3 requalify and participate in the plan. However, the partial
4 forgiveness of arrearage under subsection 5 shall not apply
5 for this subsequent participation in the plan.

6 10. SHORTFALL. LIHEAP grants received by the
7 participant's utility shall be credited toward payment of the
8 participant's shortfall.

9 Moneys which the general assembly appropriate toward
10 payment of participants' remaining shortfall under the plan
11 shall be prorated to each utility, and such payments shall be
12 credited toward each participant's shortfall amount. If
13 moneys appropriated toward payment of the participants'
14 shortfall is not sufficient to reimburse the utilities for the
15 total remaining shortfall incurred, the utilities may treat
16 the unreimbursed amount as bad debt and ask for its inclusion
17 in the utilities' rate base in accordance with rules adopted
18 by the utilities board.

19 11. DISCONNECTION. A participant whose service is
20 disconnected may have service reconnected and be reinstated in
21 the plan if the participant pays all missed payments under
22 section 2, paragraph "b" and pays a reasonable reconnection
23 fee to the utility.

24 12. EXCLUSION FROM MORATORIUM. The prohibition from
25 disconnection of gas and electric service between November 1
26 and April 1 contained in section 476.20, subsection 3, does
27 not apply to participants of the twelve percent affordable
28 utility budget plan.

29 13. APPROPRIATIONS. The general assembly may annually
30 appropriate moneys as necessary for the following:

31 a. State supplemental energy assistance moneys to pay for
32 shortfall incurred by utilities under the plan.

33 b. CAP agency administration and counseling.

34 c. Moneys for weatherization targeted toward energy
35 inefficient homes.

1 14. RULES. The utilities division shall adopt rules as
2 necessary for the implementation of the twelve percent
3 affordable utility budget plan.

4 Sec. 2. The utilities division of the department of
5 commerce shall adopt rules establishing the formula for the
6 reasonable energy ceiling as provided in section 476.58,
7 subsection 6, created under this Act by August 1, 1987.

8 EXPLANATION

9 This bill allows low income customers of rate-requested
10 investor-owned utilities to elect to participate in a twelve
11 percent affordable utility budget plan by meeting certain
12 conditions. These conditions include entering into certain
13 payment agreements specifying or limiting the amount the
14 participants are required to pay. Participants in the plan
15 cannot be terminated from receiving services or be denied
16 services as long as the participants meet the conditions of
17 the plan. The November 1 through April 1 moratorium on
18 disconnection of service does not apply to participating
19 customers under the plan.

20 The bill creates new section 476.58 of the Code.

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