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WAYS AND MEANS: Gronstal, Chair; Readinger and Murphy

WAYS & MEANS CALENDAR

HOUSE FILE 683

BY COMMITTEE ON WAYS AND MEANS

(Formerly House Study Bill 323)

Passed House, Date 5/5/87 (7-1982) Passed Senate, Date 4/14/88 (P.1567)

Vote: Ayes 73 Nays 25 Vote: Ayes 42 Nays 5

Approved May 6, 1988

A BILL FOR

1 An Act relating to energy assistance to low income households by
 2 requiring each gas and electric public utility to create a
 3 utility shutoff fund with certain exceptions, by providing for
 4 the implementation of pilot projects of an affordable utility
 5 payment plan and affordable heating payment plan, making civil
 6 penalties applicable, providing a penalty, and providing for a
 7 sales tax refund for certain participating gas and electric
 8 public utilities and heating fuel supplier.

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

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HF 683

1 Section 1. Section 476.1B, subsection 1, Code 1987, is
2 amended by adding the following new paragraph:

3 NEW PARAGRAPH. h. Enforcement of section 476.66.

4 Sec. 2. NEW SECTION. 476.66 UTILITY SHUTOFF FUND.

5 1. The utilities board shall adopt rules which shall
6 require each electric and gas public utility to create a
7 separate fund called the utility shutoff fund. Moneys
8 contributed to the fund shall be equitably distributed among
9 the local agencies which administer the low income home energy
10 assistance program and weatherization assistance program in
11 accordance with the rules of the utilities board to assist
12 eligible recipients of public energy assistance programs in
13 the payment of utility billings of Iowa customers of electric
14 and gas public utilities.

15 2. The utilities board shall require each electric and gas
16 public utility to provide forms to all of their customers
17 authorizing the utility to include in the customers' billing
18 statements a contribution to the utility shutoff fund. The
19 utility company shall send a notice to its customers and the
20 notice shall state that each customer may make a monthly
21 contribution to the fund with the contribution being included
22 in the customer's monthly billing statement. The notice shall
23 explain the uses of the fund and the match of moneys which
24 will be contributed by the public utility to the fund, if any.
25 If the utility company provides for a match of moneys to be
26 contributed by the utility, the notice shall also state that
27 the utility's contributions to the fund will not be assessed
28 or charged to the customers of the utility.

29 3. A utility may provide for a match of moneys contributed
30 to the utility shutoff fund by the utility's customers.
31 Moneys contributed by the utility to the utility shutoff fund
32 shall not be included either directly or indirectly in the
33 utility's charges or rates to its customers.

34 4. The board may exempt a public utility from application
35 of this section if the public utility is conducting a program

1 comparable to that required under subsections 1 through 3.

2 5. After July 1, 1987, unclaimed patronage dividends of
3 electric cooperative corporations or associations shall be
4 applied to the electric cooperative corporation's or
5 association's utility shutoff fund following the time
6 specified in section 556.12 for claiming the dividend from the
7 holder.

8 Sec. 3. AFFORDABLE UTILITY PAYMENT PLAN -- PILOT PROJECT.

9 1. PILOT PROJECT. The utilities board shall conduct a
10 two-year pilot project from October 1, 1987, through September
11 30, 1989, which implements the affordable utility payment plan
12 as provided in this section. The utilities board shall select
13 one of each of the following utilities serving customers in
14 this state:

- 15 a. Rate-regulated investor-owned gas utility.
- 16 b. Rate-regulated investor-owned electric utility.
- 17 c. Municipal utility.
- 18 d. Electric cooperative corporation or association.

19 Each utility shall be selected so that a statistically
20 significant data base may be generated for evaluation of the
21 payment plan on a statewide basis and preference shall be
22 given to utilities whose service areas reflect the greatest
23 need for implementation of the payment plan as indicated by
24 the number of the utility's LIHEAP customers who have been
25 disconnected due to nonpayment of utility bills. The board
26 shall base its selection upon recommendations received from
27 the division of community action agencies of the department of
28 human rights, the Iowa utility association, the Iowa
29 association of municipal utilities, and the Iowa association
30 of rural electric cooperatives. The utilities selected for
31 the pilot projects shall have separate service areas.

32 Notwithstanding section 476.1B, the municipally-owned
33 utility selected for the pilot project shall participate in
34 the payment plan.

35 2. DEFINITIONS. As used in this section:

1 a. "Utility" means a gas or electric public utility, as
2 defined in section 476.1, which is the primary heating
3 supplier for the participant in the plan and which has been
4 selected for participation in the pilot project under
5 subsection 1.

6 b. "Arrearage" means any past due utility bill a
7 participant owes when entering into the affordable utility
8 payment plan. "Arrearage" does not include any past due
9 utility bill a participant owes which has been incorporated by
10 the utility into the utility's rate structure.

11 c. "Shortfall" means the amount by which the participant's
12 utility bill exceeds the participant's payments while in the
13 affordable utility payment plan.

14 d. "LIHEAP" means the low income home energy assistance
15 program.

16 e. "CA agency" means the local community action agency
17 administering the participant's low income home energy
18 assistance program.

19 f. "Board" or "utilities board" means the utilities board
20 within the utilities division of the department of commerce.

21 3. ELIGIBILITY.

22 a. To be eligible for the affordable utility payment plan
23 the applicant must be a customer of a utility or an applicant
24 for utility service from a utility, and must be eligible to
25 receive payments under LIHEAP.

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

27 (1) Agree to pay monthly to the utility serving the
28 applicant as provided under subsection 6.

29 (2) Apply for all public energy assistance for which the
30 applicant may be eligible.

31 (3) Apply for all weatherization programs for which the
32 individual may be eligible.

33 (4) Make application for participation in the plan with
34 the applicant's CA agency. The applicant shall certify to the
35 CA agency the applicant's household income, household size,

1 place of residence, name of the applicant's utility provider,
2 and the amount of any arrearage the applicant has with the
3 applicant's utility provider. The applicant shall sign a
4 waiver permitting the applicant's community action agency to
5 receive information from the applicant's utility provider to
6 verify the amount of the arrearage.

7 (5) Sign a waiver permitting the applicant's CA agency to
8 receive income information from the applicant's employer
9 necessary to verify eligibility for the program.

10 (6) Participate in energy usage counseling with the CA
11 agency as required under subsection 6, paragraph "b".

12 (7) Pay the arrearage accrued with each utility supplier
13 as required under subsection 5.

14 c. Notwithstanding section 476.20, subsection 3, for
15 participants who comply with the requirements of paragraphs
16 "a" and "b", the public utility's heating or electrical
17 service shall not be terminated or denied. A participant
18 shall be deemed to comply with the payment requirements of
19 paragraph "b" and subsection 6, paragraph "b" unless the
20 participant is delinquent in making any minimum required
21 payment under paragraph "b" or subsection 6, paragraph "b" for
22 more than sixty consecutive days.

23 4. DEPOSITS. Notwithstanding section 476.20, the utility
24 provider shall not require a deposit for new, reconnected, or
25 continued service from participants in the plan. However, a
26 reasonable connection or reconnection fee may be charged to
27 participants.

28 5. PARTIAL FORGIVENESS OF ARREARAGE.

29 a. A participant shall pay one-fifth of any arrearage with
30 the utility supplier prior to participation in the plan. An
31 additional one-fifth of the arrearage with the utility
32 supplier shall be paid by the participant in equal

33 installments over a twenty-four month period. The utility
34 shall not include in its rate structure amounts of arrearage
35 scheduled to be paid under this paragraph by participants who

1 are complying with this paragraph's payment requirements as
2 interpreted under subsection 3, paragraph "c".

3 b. For each year a participant continues to make required
4 payments under subsection 3, paragraphs "b" and "c", one-third
5 of the remaining arrearage shall be forgiven. Once a
6 participant earns arrearage forgiveness, the utility shall not
7 be able to collect the forgiven amount from the participant.

8 6. PAYMENTS.

9 a. Participants of the plan shall be placed on a budget
10 billing plan wherein their utility bills shall be in even
11 installments over a twelve-month period. However, LIHEAP
12 payments shall be credited toward paying the budget billing
13 payments in an equally distributed manner over the twelve-
14 month period, thus reducing the monthly payment amount for the
15 participant. If a participant is unable to make payments
16 required under this paragraph as determined by rules adopted
17 by the board, the participant shall apply for crisis
18 resolution support, shall make application for a determination
19 of the participant's affordable budget billing contribution,
20 and shall make all utility payments as required under
21 paragraph "b".

22 b. If a participant is unable to pay utility bills under
23 the budget billing plans of paragraph "a" as determined by
24 rules adopted by the board, the participant's utility shall
25 institute counseling sessions on utility payments with the
26 participant and the participant shall upon application with
27 the CA agency, participate in crisis resolution support
28 through the CA agency. The CA agency shall train participants
29 in energy and money management skills and techniques. The CA
30 agency shall also make a determination as to the amount of
31 utility payments the participant is able to afford. The
32 participant shall make payments to the participant's utility
33 in accordance with this determination of affordable budget
34 billing contribution.

35 c. (1) To the extent that a shortfall exists between

1 payments received from a participant and the budget billing
2 requirements of paragraph "a", the utility shall apply all
3 energy assistance funds received on behalf of a participating
4 individual, including LIHEAP funds not previously calculated
5 in paragraph "a", relevant public aid funds, and any and all
6 other such state and federal funds which become available in
7 order to reduce or eliminate the shortfall. If any remaining
8 shortfall exists, the utility may apply for a refund on the
9 sales tax collected by the utility under chapter 422, division
10 IV. The refund shall be provided in accordance with the
11 following:

12 (a) The claimant shall certify the amount of the refund to
13 the department of revenue and finance and shall provide other
14 information as the department of revenue and finance may
15 require.

16 (b) The claimant shall make claim for the refund on forms
17 provided by the department of revenue and finance and shall
18 file the claim within thirty days following the fiscal year in
19 which credit for a utility bill was allowed to a customer
20 under this section or in which a grant was provided to a
21 customer of a heating fuel supplier under section 4 of this
22 Act.

23 (c) A claim for refund shall be paid by the department of
24 revenue and finance within ninety days after receipt of the
25 claim. A claimant who makes an erroneous application for
26 refund shall be liable for payment of any refund paid plus
27 interest at the rate in effect under section 421.7. In
28 addition, a claimant who willfully makes a false application
29 for refund is guilty of a simple misdemeanor and is liable for
30 a penalty equal to fifty percent of the refund claimed.
31 Refunds, penalties and interest due under this subpart may be
32 enforced and collected in the same manner as the sales tax is
33 imposed under chapter 422, division IV.

34 (d) The statewide maximum annual sales tax refund under
35 this section and section 4 of this Act is five hundred

1 thousand dollars annually which is to be appropriated for
2 purposes of sections 3 and 4 of this Act. If the anticipated
3 applications for sales tax refunds under this section and
4 section 4 of this Act for a twelve-month period exceeds the
5 statewide maximum sales tax refund for that period, the amount
6 of the refund shall be prorated among the utilities and
7 heating fuel supplier in accordance with rules adopted by the
8 department of revenue and finance.

9 (2) If, after application of subparagraph (1) a shortfall
10 still exists, the amount may be included in the utility's rate
11 structure in accordance with rules adopted by the utilities
12 board, but such charges shall not be set out separately in
13 customers' billing statements. The utility shall not include
14 in its rate structure amounts of shortfall for which the
15 utility has received moneys or state tax credits under
16 subparagraph (1).

17 d. The department of human rights, division of community
18 action agencies, shall adopt rules pursuant to chapter 17A to
19 apply to the CA agencies' determinations of participants'
20 affordable budget billing payments under paragraph "b". The
21 rules may provide for the following calculations:

22 (1) Estimates of anticipated income for the remaining
23 period covered by the plan including food stamps and income
24 from savings in excess of allowable levels.

25 (2) Subtract from this total the following for the
26 remaining period covered by the plan:

27 (a) Housing cost.

28 (b) Standard food cost based on size of household and age
29 of household members.

30 (c) Medical allowance.

31 (d) Clothing costs.

32 (e) Costs of nonfood basic necessities.

33 (f) Water and phone costs.

34 (g) Utility costs other than those identified as the
35 primary heating source.

1 The difference is the amount the household can afford
2 during the period and by dividing the affordable amount by the
3 number of months remaining in the period determines the
4 applicant's monthly affordable budget billing contribution.

5 7. LEAVING PLAN.

6 a. Participants leaving the plan because they exceed
7 income guidelines are required to pay the unpaid arrearage as
8 provided under subsection 5, paragraph "a". The remaining
9 arrearage shall be forgiven. Such participants may, at a
10 later date, requalify and participate in the plan if they meet
11 eligibility requirements.

12 b. A participant leaving the plan because the
13 participant's service has been terminated due to the failure
14 of the participant to make payments as required under
15 subsection 3, paragraphs "b" and "c", is liable for payment of
16 all unpaid utility bills accrued since entering the payment
17 plan.

18 8. MORATORIUM. This section does not prohibit the
19 application of section 476.20, subsections 2 and 3, to
20 participants of the plan.

21 9. RULES. The pilot project for the affordable utility
22 payment plan and the affordable heating payment plan shall be
23 implemented by October 1, 1987. The utilities board,
24 department of human rights, and department of revenue and
25 finance shall adopt rules as necessary for the implementation
26 of the plans.

27 10. NEED AND ECONOMIC IMPACT STUDIES. The committee
28 appointed under subsection 11 shall contract for a study to be
29 conducted to determine the economic impact of the affordable
30 utility payment plan and the affordable heating payment plan
31 on parties involved in the plans. The contract shall also
32 call for the conduction of a scientific study on LIHEAP
33 recipients identifying those who need supplemental funds for
34 payment of utility bills from utilities which are the primary
35 heating suppliers of the recipients and heating costs from

1 heating fuel suppliers of the recipients and predicting the
2 extent of their needs. The results of the studies shall be
3 presented to the committee appointed under subsection 11 by
4 October 1, 1988.

5 11. COMMITTEE. A committee shall be appointed by October
6 1, 1987, to study the merits of the affordable utility payment
7 plan and the affordable heating payment plan. The committee
8 shall receive the need and economic impact studies conducted
9 by the University of Northern Iowa and shall make
10 recommendations to the general assembly by January 15, 1989.

11 The committee shall consist of the following members:

12 a. Two members of the house of representatives appointed
13 by the speaker.

14 b. One member of the house of representatives appointed by
15 the minority leader.

16 c. Two members of the senate appointed by the majority
17 leader.

18 d. One member of the senate appointed by the minority
19 leader.

20 e. Three nonvoting members representing the general public
21 appointed by the legislative council.

22 f. The director or the director's designee or chair or
23 chair's designee of the following state agencies or
24 associations shall also be nonvoting members:

25 (1) Utilities board.

26 (2) Department of human rights.

27 (3) Department of revenue and finance.

28 (4) Iowa association of community action directors.

29 (5) Iowa utility association.

30 (6) Iowa association of municipal utilities.

31 (7) Iowa association of rural electric cooperatives.

32 (8) Petroleum marketers of Iowa.

33 Sec. 4. AFFORDABLE HEATING PAYMENT PLAN -- PILOT PROJECT.

34 1. PILOT PROJECT. The department of human rights shall
35 conduct a two-year pilot project from October 1, 1987, through

1 September 30, 1989, which implements the affordable heating
2 payment plan as provided in this section. The department of
3 human rights shall select the heating fuel supplier for the
4 pilot projects. The heating fuel supplier shall be selected
5 so that a statistically significant data base may be generated
6 for evaluation of the payment plan on a statewide basis. The
7 department shall base its selection upon recommendations
8 received from the petroleum marketers of Iowa and other
9 associations of heating fuel suppliers. The heating fuel
10 supplier is not restricted to be selected from a particular
11 service area in the state. Upon selection of the heating fuel
12 supplier, the department of human rights shall negotiate a
13 contract with the heating fuel supplier providing for the
14 participation of the supplier in the affordable heating
15 payment plan in accordance with this section.

16 2. DEFINITION. As used in this section and section 3 of
17 this Act, "heating fuel supplier" means a heating fuel
18 supplier doing business in this state who supplies to
19 customers in this state fuel oil, LP gas, wood, or coal, and
20 who is selected to participate in the affordable heating
21 payment plan under subsection 1.

22 3. ELIGIBILITY -- GRANT. A customer in this state of the
23 heating fuel supplier may apply for a grant under this
24 subsection. The customer shall be allowed to make payment to
25 the heating fuel supplier in even installments over a twelve-
26 month period. To be eligible under the affordable heating
27 payment plan, a customer must also be eligible to receive
28 payments under LIHEAP and do all of the requirements of
29 section 3, subsection 3, paragraph "b", subparagraphs (2)
30 through (5) of this Act. However, with regard to section 3,
31 subsection 3, paragraph "b", subparagraph (4) of this Act, the
32 applicant shall provide the name of, arrearage with, and
33 waiver for information from the heating fuel supplier rather
34 than the utility provider.

35 If the customer is unable to pay the customer's heating

1 fuel bill as determined in accordance with the rules adopted
2 pursuant to section 3, subsection 6, paragraph "d" of this Act
3 and meets the other eligibility requirements, the customer is
4 entitled to receive either:

5 a. An annual grant to the household to obtain emergency
6 deliverable fuel, minor heating system repairs, temporary
7 shelter, or to help the customer relocate within the state to
8 where the customer's household energy costs would be lower.

9 b. An annual grant of up to five hundred dollars to match
10 the customer's contributions or payment toward payment of old
11 heating fuel bills to allow the customer to keep service or to
12 allow for the customer's replacement of an unsafe heating
13 system.

14 The customer shall apply to the community action agency
15 which shall determine the customer's eligibility for the
16 grant. If the customer is eligible, the community action
17 agency shall certify the amount of the grant to the heating
18 fuel supplier. The heating fuel supplier shall pay or provide
19 a credit to the eligible customer in the amount of the grant
20 and shall be reimbursed for the amount of the grant by means
21 of a sales tax refund on the sales tax collected by the
22 heating fuel supplier under chapter 422, division IV, by
23 certifying the amount of the grant to the department of
24 revenue and finance and provide other information as the
25 department of revenue and finance may require. Section 3,
26 subsection 6, paragraph "c", subparagraph (1), subparagraph
27 parts (a) through (d) apply to the heating fuel supplier
28 making claim for a sales tax refund under this section.

29 4. RULES. The department of human rights shall adopt
30 rules pursuant to chapter 17A to apply to the CA agencies in
31 determining the eligibility of a customer of a heating fuel
32 supplier to grants under this section.

33 EXPLANATION

34 Sections 1 and 2 of this bill require the utilities board
35 to adopt rules requiring each electric and gas public utility

1 to create a separate fund called the utility shutoff fund.
2 The moneys in the fund shall be distributed among the local
3 agencies which administer the low income home energy
4 assistance program and weatherization assistance program to
5 assist eligible recipients of public energy assistance
6 programs in the payment of utility billings of Iowa customers
7 of electric and gas public utilities. Customers'
8 contributions to the fund may be matched by contributions by
9 their utility. Moneys contributed to the fund by the utility
10 shall not be included either directly or indirectly in the
11 utility's charges or rates to its customers. The utilities
12 board may exempt a public utility from creating the utility
13 shutoff fund if the utility is conducting a comparable
14 program.

15 Sections 3 and 4 of this bill require the implementation of
16 two-year pilot projects constituting the affordable utility
17 payment plan and the affordable heating payment plan. Under
18 the affordable utility payment plan the utilities board is to
19 select four utilities to participate in the plan. To be
20 eligible for either of the plans, a person must be eligible to
21 receive payments under the low income energy assistance
22 program, must apply for all public energy assistance for which
23 the applicant may be eligible, must apply for all
24 weatherization programs for which the individual may be
25 eligible, apply for participation in the plan with the
26 person's local community action agency, and sign waivers
27 permitting the local community action agency to receive
28 utility and income information. If the person is applying for
29 the affordable utility payment plan, the person must also
30 agree to pay monthly to the person's utility in accordance
31 with a budget billing plan or, in certain circumstances, pay
32 the person's affordable billing contribution, must participate
33 in energy usage counseling with the local community action
34 agency, and must also pay one-fifth of any arrearage with the
35 utility supplier and agree to pay an additional one-fifth of

1 the arrearage in equal installments over a twenty-four month
2 period.

3 Participants in the affordable utility payment plan receive
4 forgiveness of one-fifth of their arrearage for each year of
5 making payments required under the plan. Also no deposits may
6 be required for such participants for new, reconnected or
7 continued service. However, a reasonable connection or
8 reconnection fee may be charged to the participants. Should
9 any shortfall exist between payments received from a
10 participant and the budget billing requirements, the utility
11 is to apply all available energy assistance funds to the
12 shortfall. If shortfall still exists the utility may apply
13 for a refund on the sales tax collected by the utility subject
14 to a one-half million dollar annual cap on the statewide sales
15 tax refund under the bill. Any remaining shortfall may be
16 recovered through the utilities rate structure. The
17 moratorium on utility shutoffs still apply to participants in
18 the affordable utility payment plan.

19 Under the affordable heating payment plan the department of
20 human rights is to select a heating fuel supplier for the
21 pilot project. Participants are eligible to receive either an
22 annual grant to the household to obtain emergency deliverable
23 fuel, minor heating system repairs, temporary shelter, or to
24 help the customer relocate within the state to where the
25 customer's household energy costs would be lower, or an annual
26 grant of up to five hundred dollars to match the customer's
27 contributions or payment toward payment of old heating fuel
28 bills to allow the customer to keep service or to allow for
29 the customer's replacement of an unsafe heating system. The
30 participating heating fuel supplier is to pay or provide a
31 credit in the amount of the grant and shall be reimbursed
32 pursuant to a sales tax refund. The refund is subject to the
33 one-half million dollar annual cap on the statewide sales tax
34 refund under the bill.

35 The bill requires the conduction of a study to determine

1 the economic impact of the affordable utility payment plan and
2 the affordable heating payment plan on parties involved in the
3 plans. Also required to be conducted is a scientific study on
4 low income home energy assistance program recipients with the
5 study required to identify those who need supplemental funds
6 for payment of utility bills from utilities which are the
7 primary heating suppliers of the recipients and heating costs
8 from heating fuel suppliers of the recipients and predict the
9 extent of their needs. The results of the studies are to be
10 presented by October 1, 1988.

11 The bill also creates a committee to study the merits of
12 the affordable utility payment plan and the affordable heating
13 payment plan which shall make recommendations to the general
14 assembly by January 15, 1989. Members to the committee are to
15 be appointed by October 1, 1987.

16 The bill creates new section 476.66.

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HOUSE FILE 683

H-4130

Amend House File 683 as follows:

1. Page 7, by striking lines 12 through 13 and inserting the following: "board. The utility shall not include".

H-4130 FILED MAY 1, 1987 BY COREY of Louisa

Adopted 5/5/87 (p. 1725)

HOUSE FILE 683

H-4134

Amend House File 683 as follows:

1. Page 7, line 12, by striking the word "not".

H-4134 FILED MAY 1, 1987 BY COREY of Louisa

Done 5/4 (p. 1829)

HOUSE FILE 683

H-4148

Amend House File 683 as follows:

1. Page 9, by striking lines 12 through 32 and inserting the following:
 - a. Two members of the house of representatives, one appointed by the majority leader and one appointed by the minority leader.
 - b. Two members of the senate, one appointed by the majority leader and one appointed by the minority leader.
 - c. Three nonvoting members appointed by the legislative council, two of whom shall represent the business community and one whom shall represent the public accounting profession.
 - d. The director or director's designee of the following state agencies shall be nonvoting members:
 - (1) Utilities board.
 - (2) Department of human rights.
 - (3) Department of revenue and finance.
 - (4) Department of human services.
 - e. The executive director or the executive director's designee of the following associations shall be nonvoting members:
 - (1) Iowa association of electric cooperatives.
 - (2) Iowa association of municipal utilities.
 - (3) Iowa utility association.
 - (4) Iowa association of community action directors.
 - (5) Petroleum marketers of Iowa.
 - (6) Iowa propane dealers association."

H-4148 FILED MAY 1, 1987 BY STROMER of Hancock

Done 5/5 (p. 1932)

HOUSE FILE 683

H-4147

- 1 Amend House File 683 as follows:
 2 1. Page 2, by striking lines 21 through 25 and
 3 inserting the following: "payment plan on a statewide
 4 basis. The board".

H-4147 FILED MAY 1, 1987 BY PETERSEN of Muscatine
Done 5/4 (p. 1861)

HOUSE FILE 683

H-4145

- 1 Amend House File 683 as follows:
 2 1. Page 9, by striking line 9 and inserting the
 3 following: "under subsection 10 and shall make".

H-4145 FILED MAY 1, 1987 BY BENNETT of Ida
Adopted 5/5/87 (p. 1925)

HOUSE FILE 683

H-4144

- 1 Amend House File 683 as follows:
 2 1. Page 2, line 25, by inserting before the word
 3 "The" the following: "The board shall select the
 4 utilities such that the pilot projects will involve
 5 only one CA agency."

H-4144 FILED MAY 1, 1987 BY BENNETT of Ida
Done 5/4 (p. 1866)

HOUSE FILE 683

H-4142

- 1 Amend House File 683 as follows:
 2 1. Page 6, line 35, by striking the words "five
 3 hundred".
 4 2. Page 7, by striking line 1 and inserting the
 5 following: "equal to the amount which is annually
 6 appropriated for".

H-4142 FILED MAY 1, 1987 BY SCHNEKLOTH of Scott
Done 5/4 (p. 1868)

HOUSE FILE 683

H-4140

- 1 Amend House File 683 as follows:
 2 1. Page 4, line 33, by inserting after the word
 3 "period." the following: "Such amount shall be in
 4 addition to the payment required under paragraph 6
 5 of this section. Service of a customer who fails to
 6 maintain these agreed to payments may be terminated."

H-4140 FILED MAY 1, 1987 BY PETERSEN of Muscatine
Done 5/4 (p. 1867)

HOUSE FILE 683

4152

Amend House File 683 as follows:

1. By striking everything after the enacting clause and inserting the following:

"Section 1. Section 476.1B, subsection 1, Code 1987, is amended by adding the following new paragraph:

NEW PARAGRAPH. h. Enforcement of section 476.66.
Sec. 2. NEW SECTION. 476.66 UTILITY SHUTOFF FUND.

1. The utilities board shall adopt rules which shall require each electric and gas public utility to create a separate fund called the utility shutoff fund. Moneys contributed to the fund shall be equitably distributed among the local agencies which administer the low income home energy assistance program and weatherization assistance program in accordance with the rules of the utilities board to assist eligible recipients of public energy assistance programs in the payment of utility billings of Iowa customers of electric and gas public utilities.

2. The utilities board shall require each electric and gas public utility to provide forms to all of their customers authorizing the utility to include in the customers' billing statements a contribution to the utility shutoff fund. The utility company shall send a notice to its customers and the notice shall state that each customer may make a monthly contribution to the fund with the contribution being included in the customer's monthly billing statement. The notice shall explain the uses of the fund and the match of moneys which will be contributed by the public utility to the fund, if any. If the utility company provides for a match of moneys to be contributed by the utility, the notice shall also state that the utility's contributions to the fund will not be assessed or charged to the customers of the utility.

3. A utility may provide for a match of moneys contributed to the utility shutoff fund by the utility's customers. Moneys contributed by the utility to the utility shutoff fund shall not be included either directly or indirectly in the utility's charges or rates to its customers.

4. The board may exempt a public utility from application of this section if the public utility is conducting a program comparable to that required under subsections 1 through 3.

5. After July 1, 1987, unclaimed patronage dividends of electric cooperative corporations or associations shall be applied to the electric

H-4152

Page Two

1 cooperative corporation's or association's utility
 2 shutoff fund following the time specified in section
 3 556.12 for claiming the dividend from the holder."
 4 2. Title page, by striking lines 3 through 8, and
 5 inserting the following: "utility shutoff fund with
 6 certain exceptions."

H-4152 FILED MAY 4, 1987

BY METCALF of Polk

Adopt 5/5 (87) (p. 1927)

HOUSE FILE 683

H-4149

1 Amend House File 683 as follows:

2 1. Page 7, line 1, by inserting after the word
 3 "appropriated" the following: "from oil overcharge
 4 funds".

H-4149 FILED MAY 4, 1987

BY SCHNEKLOTH of Scott

ADOPTED (p. 1868)

Adopted to recommend (p. 1920)

with 5/5

HOUSE FILE 683

H-4154

1 Amend House File 683 as follows:

- 2 1. Page 6, by striking lines 20 through 22 and
- 3 inserting the following: "under this section."
- 4 2. Page 6, line 35, by striking the words and
- 5 figure "and section 4 of this Act".
- 6 3. Page 7, line 2, by striking the words and
- 7 figure "sections 3 and 4" and inserting the following:
- 8 "section 3".
- 9 4. Page 7, lines 3 and 4, by striking the words
- 10 and figure "and section 4 of this Act".
- 11 5. Page 7, lines 6 and 7, by striking the words
- 12 "and heating fuel supplier".
- 13 6. Page 8, line 35, by striking the words "and
- 14 heating costs from".
- 15 7. Page 9, by striking line 1 and inserting the
- 16 following: "and predicting the".
- 17 8. Page 9, by striking line 32.
- 18 9. By striking page 9, line 33 through page 11,
- 19 line 32.
- 20 10. Title page, line 5, by striking the words
- 21 "and affordable heating payment plan".
- 22 11. Title page, line 8, by striking the words
- 23 "and heating fuel supplier".

H-4154 FILED MAY 4, 1987

BY BENNETT of Ida

5/5 (p. 1930)

HOUSE FILE 683

H-4159

1 Amend House File 683 as follows:

- 2 1. Page 4, by inserting after line 27 the
- 3 following:
- 4 "A participant who leaves the plan under the
- 5 provisions of subsection 7, paragraph "b" and fails to
- 6 enter into a reasonable payment agreement with the
- 7 utility for payment of all unpaid utility bills
- 8 accrued since entering into the affordable utility
- 9 payment plan may be subject to the utility's deposit
- 10 requirement upon applying for service from that
- 11 utility at a future date."

H-4159 FILED MAY 4, 1987

BY SCHNEKLOTH of Scott

Adopted 5/5/87 (p. 1929)

HOUSE FILE 683

H-4153

1 Amend House File 683 as follows:

2 1. Page 3, by striking lines 11 through 13 and
3 inserting the following:

4 "c. "Shortfall" means the amount by which the
5 participant's actual energy usage cost exceeds the
6 participant's budget billing requirement under
7 subsection 6, paragraph "a" or the participant's
8 affordable budget billing contribution under
9 subsection 6, paragraph "b"."

10 2. Page 4, by striking lines 17 through 22, and
11 inserting the following: "service shall not be
12 terminated or denied. If the utility has been
13 notified by the CA agency that a household has been
14 approved for a LIHEAP grant, the utility shall not
15 terminate services for at least sixty days after such
16 notification."

17 3. Page 5, line 4, by striking the words
18 "paragraphs "b" and "c" and inserting the following:
19 "paragraph "b"".

20 4. Page 5, line 5, by inserting after the word
21 "remaining" the following: "three-fifths".

22 5. Page 6, by striking lines 1 and 2, and
23 inserting the following: "the cost of the actual
24 energy usage of a participant and the budget billing
25 requirements of paragraph "a" or "b" as applicable,
26 the utility shall apply".

27 6. Page 7, by striking lines 34 and 35 and in-
28 serting the following:

29 "(g) Gas utility costs if the primary heating
30 source is electricity, electric utility costs if the
31 primary heating source is gas, or other utility costs
32 if the primary heating source is supplied by a heating
33 fuel supplier."

34 7. Page 8, line 15, by striking the words
35 "paragraphs "b" and "c" and inserting the following:
36 "paragraph "b"".

37 8. Page 11, line 4, by striking the word
38 "either".

39 9. Page 11, by striking lines 6 through 8 and
40 inserting the following: "deliverable fuel, minor
41 heating system repairs or temporary shelter."

42 10. Page 11, line 9, by striking the words "An
43 annual" and inserting the word "A".

44 11. Page 11, by striking lines 11 through 13 and
45 inserting the following: "heating fuel bills."

46 12. Page 11, line 28, by inserting after the word
47 "section." the following: "If the statewide maximum
48 annual sales tax refund is exceeded, the participation
49 of the heating fuel supplier in providing grants under
50 the plan is suspended for the remainder of the twelve-

Page Two

1 month period and no more grants shall be certified
2 under the plan by the community action agency for the
3 remainder of the twelve-month period."

HOUSE FILE 683

H-4167

1 Amend House File 683 as follows:

2 1. Page 8, by inserting after line 4 the
3 following:

4 "e. The department of human rights, division of
5 community action agencies, shall in contracting with
6 the CA agencies assure adequate staffing to accept
7 LIHEAP applications and conduct crisis resolution
8 support activities throughout the year."

H-4167 FILED MAY 4, 1987

BY SCHNEKLOTH of Scott

Scott 5/5 (of 1987)

SEVENTY-SECOND GENERAL ASSEMBLY
1987 REGULAR SESSION

DAILY
HOUSE CLIP SHEET

TUESDAY, MAY 5, 1987

HOUSE FILE 683

H-4161

- 1 Amend House File 683 as follows:
2 1. Page 1, by inserting before line 1 the fol-
3 lowing:
4 "Sec. ____ . Section 476.1A, unnumbered paragraph 2,
5 Code 1987, is amended to read as follows:
6 However, sections 476.6A, 476.20, 476.21, 476.41
7 through 476.44, 476.51 and 476.61 and chapters 476A
8 and 478, to the extent applicable, apply to such
9 electric utilities."
10 2. Page 1, line 3, by striking the word and
11 figure "section 476.66" and inserting the following:
12 "sections 476.6A and 476.66".
13 3. Page 1, by inserting after line 3 the fol-
14 lowing:
15 "Sec. ____ . NEW SECTION. 476.6A BUDGET BILLING
16 FOR LIHEAP RECIPIENTS.
17 An individual, who is a recipient under the low
18 income home energy assistance program and who is a
19 customer of a public utility which is the primary
20 heating supplier of the individual, shall be placed on
21 a budget billing plan with such public utility wherein
22 the utility bill shall be in even installments over a
23 twelve-month period. However, low income home energy
24 assistance program payments shall be credited toward
25 paying the budget billing payments in an equally
26 distributed manner over the twelve-month period, thus
27 reducing the monthly payment amount for the
28 individual."
29 4. Title page, line 1, by inserting after the
30 word "households" the following: "by requiring budget
31 billing for certain utility bills for individuals
32 receiving assistance under the low income home energy
33 assistance program,".

H-4161 FILED MAY 4, 1987

BY CHAPMAN of Linn

6. Chapter 5/5/87 (p. 1928)

See Rep. Mem 5/6/87 Amend (4042) & Co Res 5/7/87
" " 5/10/87 Amend (5357) & Res. 4/7/88 (p. 1342)

HOUSE FILE 683
BY COMMITTEE ON WAYS AND MEANS

(As Amended and Passed by the House May 5, 1987)

Passed House, Date 4/15/87 (p. 2013) Passed Senate, Date 4/14/88 (p. 1567)
Vote: Ayes 88 Nays 7 Vote: Ayes 42 Nays 5
Approved May 6, 1988
Senate 4/16/88 (p. 1642)
46-1

A BILL FOR

1 An Act relating to energy assistance to low income households by
2 requiring budget billing for certain utility bills for
3 individuals receiving assistance under the low income home
4 energy assistance program, by requiring each gas and electric
5 public utility to create a utility shutoff fund with certain
6 exceptions, by providing for the implementation of pilot
7 projects of an affordable utility payment plan and affordable
8 heating payment plan, making civil penalties applicable,
9 providing a penalty, and providing for a sales tax refund for
10 certain participating gas and electric public utilities and
11 heating fuel supplier.

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

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House Amendments _____
Deleted Language ✻

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

3 However, sections 476.6A, 476.20, 476.21, 476.41 through
4 476.44, 476.51 and 476.61 and chapters 476A and 478, to the
5 extent applicable, apply to such electric utilities.

6 Sec. 2. Section 476.1B, subsection 1, Code 1987, is
7 amended by adding the following new paragraph:

8 NEW PARAGRAPH. h. Enforcement of sections 476.6A and
9 476.65.

10 Sec. 3. NEW SECTION. 476.6A BUDGET BILLING FOR LIHEAP
11 RECIPIENTS.

12 An individual, who is a recipient under the low income home
13 energy assistance program and who is a customer of a public
14 utility which is the primary heating supplier of the
15 individual, shall be placed on a budget billing plan with such
16 public utility wherein the utility bill shall be in even
17 installments over a twelve-month period. However, low income
18 home energy assistance program payments shall be credited
19 toward paying the budget billing payments in an equally
20 distributed manner over the twelve-month period, thus reducing
21 the monthly payment amount for the individual.

22 Sec. 4. NEW SECTION. 476.66 UTILITY SHUTOFF FUND.

23 1. The utilities board shall adopt rules which shall
24 require each electric and gas public utility to create a
25 separate fund called the utility shutoff fund. Moneys
26 contributed to the fund shall be equitably distributed among
27 the local agencies which administer the low income home energy
28 assistance program and weatherization assistance program in
29 accordance with the rules of the utilities board to assist
30 eligible recipients of public energy assistance programs in
31 the payment of utility billings of Iowa customers of electric
32 and gas public utilities.

33 2. The utilities board shall require each electric and gas
34 public utility to provide forms to all of their customers
35 authorizing the utility to include in the customers' billing

1 statements a contribution to the utility shutoff fund. The
2 utility company shall send a notice to its customers and the
3 notice shall state that each customer may make a monthly
4 contribution to the fund with the contribution being included
5 in the customer's monthly billing statement. The notice shall
6 explain the uses of the fund and the match of moneys which
7 will be contributed by the public utility to the fund, if any.
8 If the utility company provides for a match of moneys to be
9 contributed by the utility, the notice shall also state that
10 the utility's contributions to the fund will not be assessed
11 or charged to the customers of the utility.

12 3. A utility may provide for a match of moneys contributed
13 to the utility shutoff fund by the utility's customers.
14 Moneys contributed by the utility to the utility shutoff fund
15 shall not be included either directly or indirectly in the
16 utility's charges or rates to its customers.

17 4. The board may exempt a public utility from application
18 of this section if the public utility is conducting a program
19 comparable to that required under subsections 1 through 3.

20 5. After July 1, 1987, unclaimed patronage dividends of
21 electric cooperative corporations or associations shall be
22 applied to the electric cooperative corporation's or
23 association's utility shutoff fund following the time
24 specified in section 556.12 for claiming the dividend from the
25 holder.

26 Sec. 5. AFFORDABLE UTILITY PAYMENT PLAN -- PILOT PROJECT.

27 1. PILOT PROJECT. The utilities board shall conduct a
28 two-year pilot project from October 1, 1987, through September
29 30, 1989, which implements the affordable utility payment plan
30 as provided in this section. The utilities board shall select
31 one of each of the following utilities serving customers in
32 this state:

- 33 a. Rate-regulated investor-owned gas utility.
- 34 b. Rate-regulated investor-owned electric utility.
- 35 c. Municipal utility.

1 d. Electric cooperative corporation or association.

2 Each utility shall be selected so that a statistically
3 significant data base may be generated for evaluation of the
4 payment plan on a statewide basis and preference shall be
5 given to utilities whose service areas reflect the greatest
6 need for implementation of the payment plan as indicated by
7 the number of the utility's LIHEAP customers who have been
8 disconnected due to nonpayment of utility bills. The board
9 shall base its selection upon recommendations received from
10 the division of community action agencies of the department of
11 human rights, the Iowa utility association, the Iowa
12 association of municipal utilities, and the Iowa association
13 of rural electric cooperatives. The utilities selected for
14 the pilot projects shall have separate service areas.

15 Notwithstanding section 476.1B, the municipally-owned
16 utility selected for the pilot project shall participate in
17 the payment plan.

18 2. DEFINITIONS. As used in this section:

19 a. "Utility" means a gas or electric public utility, as
20 defined in section 476.1, which is the primary heating
21 supplier for the participant in the plan and which has been
22 selected for participation in the pilot project under
23 subsection 1.

24 b. "Arrearage" means any past due utility bill a
25 participant owes when entering into the affordable utility
26 payment plan. "Arrearage" does not include any past due
27 utility bill a participant owes which has been incorporated by
28 the utility into the utility's rate structure.

29 c. "Shortfall" means the amount by which the participant's
30 actual energy usage cost exceeds the participant's budget
31 billing requirement under subsection 6, paragraph "a" or the
32 participant's affordable budget billing contribution under
33 subsection 6, paragraph "b".

34 d. "LIHEAP" means the low income home energy assistance
35 program.

1 e. "CA agency" means the local community action agency
2 administering the participant's low income home energy
3 assistance program.

4 f. "Board" or "utilities board" means the utilities board
5 within the utilities division of the department of commerce.

6 3. ELIGIBILITY.

7 a. To be eligible for the affordable utility payment plan
8 the applicant must be a customer of a utility or an applicant
9 for utility service from a utility, and must be eligible to
10 receive payments under LIHEAP.

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

12 (1) Agree to pay monthly to the utility serving the
13 applicant as provided under subsection 6.

14 (2) Apply for all public energy assistance for which the
15 applicant may be eligible.

16 (3) Apply for all weatherization programs for which the
17 individual may be eligible.

18 (4) Make application for participation in the plan with
19 the applicant's CA agency. The applicant shall certify to the
20 CA agency the applicant's household income, household size,
21 place of residence, name of the applicant's utility provider,
22 and the amount of any arrearage the applicant has with the
23 applicant's utility provider. The applicant shall sign a
24 waiver permitting the applicant's community action agency to
25 receive information from the applicant's utility provider to
26 verify the amount of the arrearage.

27 (5) Sign a waiver permitting the applicant's CA agency to
28 receive income information from the applicant's employer
29 necessary to verify eligibility for the program.

30 (6) Participate in energy usage counseling with the CA
31 agency as required under subsection 6, paragraph "b".

32 (7) Pay the arrearage accrued with each utility supplier
33 as required under subsection 5.

34 c. Notwithstanding section 476.20, subsection 3, for
35 participants who comply with the requirements of paragraphs

1 "a" and "b", the public utility's heating or electrical
2 service shall not be terminated or denied. If the utility has
3 been notified by the CA agency that a household has been
4 approved for a LIHEAP grant, the utility shall not terminate
5 services for at least sixty days after such notification.

6 4. DEPOSITS. Notwithstanding section 476.20, the utility
7 provider shall not require a deposit for new, reconnected, or
8 continued service from participants in the plan. However, a
9 reasonable connection or reconnection fee may be charged to
10 participants.

11 A participant who leaves the plan under the provisions of
12 subsection 7, paragraph "b" and fails to enter into a
13 reasonable payment agreement with the utility for payment of
14 all unpaid utility bills accrued since entering into the
15 affordable utility payment plan may be subject to the
16 utility's deposit requirement upon applying for service from
17 that utility at a future date.

18 5. PARTIAL FORGIVENESS OF ARREARAGE.

19 a. A participant shall pay one-fifth of any arrearage with
20 the utility supplier prior to participation in the plan. An
21 additional one-fifth of the arrearage with the utility
22 supplier shall be paid by the participant in equal
23 installments over a twenty-four month period. The utility
24 shall not include in its rate structure amounts of arrearage
25 scheduled to be paid under this paragraph by participants who
26 are complying with this paragraph's payment requirements as
27 interpreted under subsection 3, paragraph "c".

28 b. For each year a participant continues to make required
29 payments under subsection 3, paragraph "b", one-third of the
30 remaining three-fifths arrearage shall be forgiven. Once a
31 participant earns arrearage forgiveness, the utility shall not
32 be able to collect the forgiven amount from the participant.

33 6. PAYMENTS.

34 a. Participants of the plan shall be placed on a budget
35 billing plan wherein their utility bills shall be in even

1 installments over a twelve-month period. However, LIHEAP
2 payments shall be credited toward paying the budget billing
3 payments in an equally distributed manner over the twelve-
4 month period, thus reducing the monthly payment amount for the
5 participant. If a participant is unable to make payments
6 required under this paragraph as determined by rules adopted
7 by the board, the participant shall apply for crisis
8 resolution support, shall make application for a determination
9 of the participant's affordable budget billing contribution,
10 and shall make all utility payments as required under
11 paragraph "b".

12 b. If a participant is unable to pay utility bills under
13 the budget billing plans of paragraph "a" as determined by
14 rules adopted by the board, the participant's utility shall
15 institute counseling sessions on utility payments with the
16 participant and the participant shall upon application with
17 the CA agency, participate in crisis resolution support
18 through the CA agency. The CA agency shall train participants
19 in energy and money management skills and techniques. The CA
20 agency shall also make a determination as to the amount of
21 utility payments the participant is able to afford. The
22 participant shall make payments to the participant's utility
23 in accordance with this determination of affordable budget
24 billing contribution.

25 c. (1) To the extent that a shortfall exists between the
26 cost of the actual energy usage of a participant and the
27 budget billing requirements of paragraph "a" or "b" as
28 applicable, the utility shall apply energy assistance funds
29 received on behalf of a participating individual, including
30 LIHEAP funds not previously calculated in paragraph "a",
31 relevant public aid funds, and any and all other such state
32 and federal funds which become available in order to reduce or
33 eliminate the shortfall. If any remaining shortfall exists,
34 the utility may apply for a refund on the sales tax collected
35 by the utility under chapter 422, division IV. The refund

1 shall be provided in accordance with the following:

2 (a) The claimant shall certify the amount of the refund to
3 the department of revenue and finance and shall provide other
4 information as the department of revenue and finance may
5 require.

6 (b) The claimant shall make claim for the refund on forms
7 provided by the department of revenue and finance and shall
8 file the claim within thirty days following the fiscal year in
9 which credit for a utility bill was allowed to a customer
10 under this section or in which a grant was provided to a
11 customer of a heating fuel supplier under section 4 of this
12 Act.

13 (c) A claim for refund shall be paid by the department of
14 revenue and finance within ninety days after receipt of the
15 claim. A claimant who makes an erroneous application for
16 refund shall be liable for payment of any refund paid plus
17 interest at the rate in effect under section 421.7. In
18 addition, a claimant who willfully makes a false application
19 for refund is guilty of a simple misdemeanor and is liable for
20 a penalty equal to fifty percent of the refund claimed.
21 Refunds, penalties and interest due under this subpart may be
22 enforced and collected in the same manner as the sales tax is
23 imposed under chapter 422, division IV.

24 (d) The statewide maximum annual sales tax refund under
25 this section and section 4 of this Act is five hundred
26 thousand dollars annually which is to be appropriated from oil
27 overcharge funds for purposes of sections 3 and 4 of this Act.
28 If the anticipated applications for sales tax refunds under
29 this section and section 4 of this Act for a twelve-month
30 period exceeds the statewide maximum sales tax refund for that
31 period, the amount of the refund shall be prorated among the
32 utilities and heating fuel supplier in accordance with rules
33 adopted by the department of revenue and finance.

34 (2) If, after application of subparagraph (1) a shortfall
35 still exists, the amount may be included in the utility's rate

1 structure in accordance with rules adopted by the utilities
2 board. The utility shall not include in its rate structure
3 amounts of shortfall for which the utility has received moneys
4 or state tax credits under subparagraph (1).

5 d. The department of human rights, division of community
6 action agencies, shall adopt rules pursuant to chapter 17A to
7 apply to the CA agencies' determinations of participants'
8 affordable budget billing payments under paragraph "b". The
9 rules may provide for the following calculations:

10 (1) Estimates of anticipated income for the remaining
11 period covered by the plan including food stamps and income
12 from savings in excess of allowable levels.

13 (2) Subtract from this total the following for the
14 remaining period covered by the plan:

15 (a) Housing cost.

16 (b) Standard food cost based on size of household and age
17 of household members.

18 (c) Medical allowance.

19 (d) Clothing costs.

20 (e) Costs of nonfood basic necessities.

21 (f) Water and phone costs.

22 (g) Gas utility costs if the primary heating source is
23 electricity, electric utility costs if the primary heating
24 source is gas, or other utility costs if the primary heating
25 source is supplied by a heating fuel supplier.

26 The difference is the amount the household can afford
27 during the period and by dividing the affordable amount by the
28 number of months remaining in the period determines the
29 applicant's monthly affordable budget billing contribution.

30 7. LEAVING PLAN.

31 a. Participants leaving the plan because they exceed
32 income guidelines are required to pay the unpaid arrearage as
33 provided under subsection 5, paragraph "a". The remaining
34 arrearage shall be forgiven. Such participants may, at a
35 later date, requalify and participate in the plan if they meet

1 eligibility requirements.

2 b. A participant leaving the plan because the
3 participant's service has been terminated due to the failure
4 of the participant to make payments as required under
5 subsection 3, paragraph "b", is liable for payment of all
6 unpaid utility bills accrued since entering the payment plan.

7 8. MORATORIUM. This section does not prohibit the
8 application of section 476.20, subsections 2 and 3, to
9 participants of the plan.

10 9. RULES. The pilot project for the affordable utility
11 payment plan and the affordable heating payment plan shall be
12 implemented by October 1, 1987. The utilities board,
13 department of human rights, and department of revenue and
14 finance shall adopt rules as necessary for the implementation
15 of the plans.

16 10. NEED AND ECONOMIC IMPACT STUDIES. The committee
17 appointed under subsection 11 shall contract for a study to be
18 conducted to determine the economic impact of the affordable
19 utility payment plan and the affordable heating payment plan
20 on parties involved in the plans. The contract shall also
21 call for the conduction of a scientific study on LIHEAP
22 recipients identifying those who need supplemental funds for
23 payment of utility bills from utilities which are the primary
24 heating suppliers of the recipients and heating costs from
25 heating fuel suppliers of the recipients and predicting the
26 extent of their needs. The results of the studies shall be
27 presented to the committee appointed under subsection 11 by
28 October 1, 1988.

29 11. COMMITTEE. A committee shall be appointed by October
30 1, 1987, to study the merits of the affordable utility payment
31 plan and the affordable heating payment plan. The committee
32 shall receive the need and economic impact studies conducted
33 under subsection 10 and shall make recommendations to the
34 general assembly by January 15, 1989.

35 The committee shall consist of the following members:

1 a. Two members of the house of representatives appointed
2 by the speaker.

3 b. One member of the house of representatives appointed by
4 the minority leader.

5 c. Two members of the senate appointed by the majority
6 leader.

7 d. One member of the senate appointed by the minority
8 leader.

9 e. Three nonvoting members representing the general public
10 appointed by the legislative council.

11 f. The director or the director's designee or chair or
12 chair's designee of the following state agencies or
13 associations shall also be nonvoting members:

14 (1) Utilities board.

15 (2) Department of human rights.

16 (3) Department of revenue and finance.

17 (4) Iowa association of community action directors.

18 (5) Iowa utility association.

19 (6) Iowa association of municipal utilities.

20 (7) Iowa association of rural electric cooperatives.

21 (8) Petroleum marketers of Iowa.

22 Sec. 6. AFFORDABLE HEATING PAYMENT PLAN -- PILOT PROJECT.

23 1. PILOT PROJECT. The department of human rights shall
24 conduct a two-year pilot project from October 1, 1987, through
25 September 30, 1989, which implements the affordable heating
26 payment plan as provided in this section. The department of
27 human rights shall select the heating fuel supplier for the
28 pilot projects. The heating fuel supplier shall be selected
29 so that a statistically significant data base may be generated
30 for evaluation of the payment plan on a statewide basis. The
31 department shall base its selection upon recommendations
32 received from the petroleum marketers of Iowa and other
33 associations of heating fuel suppliers. The heating fuel
34 supplier is not restricted to be selected from a particular
35 service area in the state. Upon selection of the heating fuel

1 supplier, the department of human rights shall negotiate a
2 contract with the heating fuel supplier providing for the
3 participation of the supplier in the affordable heating
4 payment plan in accordance with this section.

5 2. DEFINITION. As used in this section and section 3 of
6 this Act, "heating fuel supplier" means a heating fuel
7 supplier doing business in this state who supplies to
8 customers in this state fuel oil, LP gas, wood, or coal, and
9 who is selected to participate in the affordable heating
10 payment plan under subsection 1.

11 3. ELIGIBILITY -- GRANT. A customer in this state of the
12 heating fuel supplier may apply for a grant under this
13 subsection. The customer shall be allowed to make payment to
14 the heating fuel supplier in even installments over a twelve-
15 month period. To be eligible under the affordable heating
16 payment plan, a customer must also be eligible to receive
17 payments under LIHEAP and do all of the requirements of
18 section 3, subsection 3, paragraph "b", subparagraphs (2)
19 through (5) of this Act. However, with regard to section 3,
20 subsection 3, paragraph "b", subparagraph (4) of this Act, the
21 applicant shall provide the name of, arrearage with, and
22 waiver for information from the heating fuel supplier rather
23 than the utility provider.

24 If the customer is unable to pay the customer's heating
25 fuel bill as determined in accordance with the rules adopted
26 pursuant to section 3, subsection 6, paragraph "d" of this Act
27 and meets the other eligibility requirements, the customer is
*28 entitled to receive:

29 a. An annual grant to the household to obtain emergency
30 deliverable fuel, minor heating system repairs or temporary
31 shelter.

32 b. A grant of up to five hundred dollars to match the
33 customer's contributions or payment toward payment of old
34 heating fuel bills to allow the customer to keep service or to
35 allow for the customer's replacement of an unsafe heating

1 system.

2 The customer shall apply to the community action agency
3 which shall determine the customer's eligibility for the
4 grant. If the customer is eligible, the community action
5 agency shall certify the amount of the grant to the heating
6 fuel supplier. The heating fuel supplier shall pay or provide
7 a credit to the eligible customer in the amount of the grant
8 and shall be reimbursed for the amount of the grant by means
9 of a sales tax refund on the sales tax collected by the
10 heating fuel supplier under chapter 422, division IV, by
11 certifying the amount of the grant to the department of
12 revenue and finance and provide other information as the
13 department of revenue and finance may require. Section 3,
14 subsection 6, paragraph "c", subparagraph (1), subparagraph
15 parts (a) through (d) apply to the heating fuel supplier
16 making claim for a sales tax refund under this section.

17 4. RULES. The department of human rights shall adopt
18 rules pursuant to chapter 17A to apply to the CA agencies in
19 determining the eligibility of a customer of a heating fuel
20 supplier to grants under this section.

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HOUSE FILE 683

S-4057

- 1 Amend House File 683 as follows:
- 2 1. Page 1, line 4, by striking the word and
- 3 figure "and 476.61" and inserting the following:
- 4 "and, 476.61 and 476.66".
- 5 2. Page 2, line 30, by inserting after the word
- 6 "select" the following: "for participation in this
- 7 project a representative area from".
- 8 3. Page 3, line 4, by striking the words "and
- 9 preference" and inserting the following: ".
10 Preference".
- 11 4. Page 3, line 5, by striking the words
- 12 "utilities whose service".
- 13 5. Page 3, line 5, by inserting after the word
- 14 "areas" the following: "which".

S-4067

Filed May 7, 1987

BY LARRY MURPHY

Placed on file 5/14/87 (S-4067)

HOUSE FILE 683

S-4068

- 1 Amend House File 683 as amended, passed and
- 2 reprinted by the House as follows:
- 3 1. Page 9, by striking line 28 and inserting in
- 4 lieu thereof the following: "December 1, 1989".
- 5 2. Page 9, line 34, by striking the figure "1989"
- 6 and inserting in lieu thereof the following: "1990".

S-4068

Filed May 7, 1987

BY HURLEY W. HALL

Placed on file 5/14/87 (S-4068)

HOUSE FILE 683

S-4042

1 Amend House File 683 as amended, passed, and
2 reprinted by the House as follows:
3 1. Page 2, by inserting after line 19 the
4 following: "The board may also exempt a public
5 utility from application of this section if, following
6 reasonable notice to its customers as described in
7 subsection 2, the cost of administering the utility
8 shut-off fund exceeds the amount of contributions
9 collected."

S-4042

Filed May 7, 1987

Classified by 4/14/88 (p. 1567)

BY COMMITTEE ON WAYS AND MEANS
CHARLES BRUNER, Chairperson

HOUSE FILE 683

S-4059

1 Amend House File 683 as amended, passed and
2 reprinted by the House, as follows:
3 1. Page 5, by inserting after line 32 the
4 following:
5 "c. The utility shall certify the amount of the
6 arrearages forgiven under subsection 5, paragraph "b"
7 and under subsection 7, paragraphs "a" and "b". The
8 utility may apply for a refund on the sales tax
9 collected by the utility under chapter 422, division
10 IV for the certified amount of the arrearages
11 forgiven. The refund shall be provided in accordance
12 with the provisions of subsection 6, paragraph "c",
13 subparagraph (1), subparagraph parts (a) through (d).
14 d. After the application of paragraph "c", any
15 remaining forgiven arrearage may be included in the
16 utility's rate structure in accordance with rules
17 adopted by the utilities board. The utility shall not
18 include in its rate structure amounts of forgiven
19 arrearage for which the utility has received state tax
20 refunds under paragraph "c"."

S-4059

Filed May 7, 1987

Classified by 4/14/88 (p. 1567)

BY EDGAR H. HOLDEN

HOUSE FILE 683

S-4065

1 Amend House File 683 as amended, passed, and
2 reprinted by the House as follows:
3 1. Page 2, by striking lines 20 through 25.

S-4065

Filed May 7, 1987

Classified by 4/14/88 (p. 1567)

BY EDGAR H. HOLDEN

HOUSE FILE 683

S-5857

1 Amend House File 683, as amended, passed, and re-
2 printed by the House, as follows:

3 1. By striking everything after the enacting
4 clause and inserting the following:

5 "Section 1. Section 476.1A, unnumbered paragraph
6 2, Code 1987, is amended to read as follows:

7 However, sections 476.20, 476.21, 476.41 through
8 476.44, 476.51, and 476.61, and 476.66 and chapters
9 476A and 478, to the extent applicable, apply to such
10 electric utilities.

11 Sec. 2. Section 476.1B, subsection 1, Code 1987,
12 is amended by adding the following new paragraph:

13 NEW PARAGRAPH. h. Enforcement of section 476.66.

14 Sec. 3. NEW SECTION. 476.66 CUSTOMER
15 CONTRIBUTION FUND.

16 1. The utilities board shall adopt rules which
17 shall require each electric and gas public utility to
18 establish a fund whose purposes shall include the
19 receiving of contributions to assist the utility's
20 low-income customers with weatherization and to
21 supplement the energy assistance received under the
22 federal low-income heating energy assistance program
23 for the payment of winter heating bills.

24 2. The rules shall require each utility to
25 periodically notify its customers of the availability
26 and purpose of the fund and to provide them with forms
27 on which they can authorize the utility to bill their
28 contribution to the fund on a monthly basis.

29 3. The rules shall permit the fund to accept
30 matching funds from persons or organizations who wish
31 to provide assistance for customers of the utility.

32 4. The utility may be reimbursed by the fund for
33 the administrative costs of the billings,
34 disbursements, notices to customers, and financial
35 recordkeeping. However, such reimbursement shall not
36 exceed five percent of the total revenues collected:

37 5. The utility shall establish a board or
38 committee to determine the appropriate distribution of
39 the funds. The board or committee shall include
40 representatives from community or regional
41 organizations which are active in assisting citizens
42 with payment of their winter heating bills.

43 6. The rules established by the utilities board
44 shall require an annual report to be filed for each
45 fund. The utilities board shall compile an annual
46 statewide report of the fund results. The division of
47 community action agencies of the department of human
48 rights shall prepare an annual report of the unmet
49 need for energy assistance and weatherization. Both
50 reports shall be submitted to the appropriations

S-5857 Page 2

1 committees of the general assembly on the first day of
2 the following session.

3 7. Existing programs to receive customer
4 contributions established by public utilities shall be
5 construed to meet the requirements of this section.
6 Such plans shall be subject to review by the utilities
7 board. If determined not to be in compliance with the
8 provisions of this section, they shall be given until
9 July 1989 to modify their operation so as to be in
10 compliance.

11 Sec. 4. NEW SECTION. 601K.101 EMERGENCY
12 WEATHERIZATION FUND.

13 1. The division of community action agencies of
14 the department of human rights shall identify all
15 participants in the low-income home energy assistance
16 program for the 1987-1988 winter heating season whose
17 household income was less than seventy-five percent of
18 the poverty level.

19 2. The division shall conduct within each
20 community action agency an inventory of the residences
21 of these individuals to determine the number of
22 residences eligible for weatherization under the two
23 programs currently administered by the division but
24 which will not be weatherized in the next twelve
25 months due to the current priorities imposed by the
26 federal programs.

27 3. One and one-half percent of the total amount of
28 funds appropriated by 1988 Iowa Acts, Senate File
29 2323, to the division of community action agencies for
30 the fiscal year beginning October 1, 1988, for the
31 low-income home energy assistance block grants, shall
32 be expended by the division for the operation of the
33 program under this section. The one and one-half
34 percent shall be taken from those funds to be used for
35 low-income residential weatherization or other related
36 home repairs for low-income households; however, no
37 less than ten percent of the total amount of funds
38 appropriated for the low-income home energy assistance
39 block grants shall be expended by the division for
40 low-income residential weatherization or other related
41 home repairs for low-income households.

42 4. The division shall allocate the available funds
43 among the nineteen community action agencies and shall
44 establish weatherization goals for each agency based
45 upon the inventory in subsection 2 of this section.
46 The division shall give priority to weatherizing these
47 residences prior to the 1988-1989 winter heating
48 season.

49 5. The division shall submit a report to the
50 general assembly on February 1, 1989. The report

APRIL 8, 1988

S-5857 Page 3

1 shall include the number of residences identified as
2 eligible for weatherization in this project, the
3 number of residences weatherized from July 1, 1988, to
4 December 31, 1988, the average cost per dwelling
5 weatherized, and the range of costs for individual
6 weatherizations. In addition, the report shall
7 include the department's recommendation for a program
8 to complete the weatherization of the remaining
9 residences in this category. The report shall also
10 include an inventory of the number of residences not
11 weatherized for the 1987-1988 participants whose
12 household incomes fall between seventy-five percent
13 and one hundred percent of the poverty level.

14 Sec. 5. NEW SECTION. 601K.102 ENERGY CRISIS
15 FUND.

16 1. An energy crisis fund is created in the state
17 treasury. Moneys deposited in the fund shall be used
18 to assist low-income families who qualify for the low-
19 income heating energy assistance program to avoid loss
20 of essential heating.

21 2. The fund may receive moneys including, but not
22 limited to, the following:

23 a. Moneys appropriated by the general assembly for
24 the fund.

25 b. Moneys credited to the fund under sections
26 556.4 and 556.18.

27 c. After July 1, 1988, unclaimed patronage
28 dividends of electric cooperative corporations or
29 associations shall be applied to the fund following
30 the time specified in section 556.12 for claiming the
31 dividend from the holder.

32 d. The fund may also receive contributions from
33 customer contribution funds established under section
34 476.66.

35 3. Under rules developed by the division of
36 community action agencies of the department of human
37 rights, the fund may be used to negotiate reconnection
38 of essential utility services with the energy
39 provider.

40 Sec. 6. AFFORDABLE HEATING PAYMENT PROGRAM PILOT
41 PROJECT.

42 1. The division of community action agencies of
43 the department of human rights in cooperation with the
44 department of natural resources and the utilities
45 board shall conduct a two-year pilot project from
46 October 1, 1988, through September 30, 1990, to do all
47 of the following:

48 a. Determine the most economical and effective
49 means of maintaining low-income Iowans' access to
50 heating fuels at a cost that is within their means.

1 b. Develop more effective programs for
2 weatherizing residences and achieving energy
3 conservation.

4 2. The pilot projects shall:

5 a. Involve at least one provider of each of these
6 sources of heat in the state:

7 (1) Natural gas.

8 (2) Electricity.

9 (3) Deliverable fuels.

10 Providers shall be selected on a voluntary basis.
11 The scope of the project shall include a statistically
12 valid demographic region but will not necessarily
13 include all customers of the selected energy provider
14 in the state. If a provider has a pilot project in
15 progress, that project may be selected for a pilot
16 project under this section.

17 b. Provide a schedule or formula under which funds
18 appropriated by this Act are used to make up the
19 difference between what a low-income family or
20 individual pays toward heating costs plus federal low-
21 income home energy assistance payments and either the
22 actual heating cost or the cost determined by rule by
23 the division of community action agencies, department
24 of human rights, as the cost of reasonable heating
25 fuel consumption for the customer, considering size of
26 family, location of residence, and such other factors
27 as may be considered appropriate by the division.

28 c. Include programs designed to promote the use of
29 energy conservation strategies by the participant.
30 These programs shall be cost-effective.

31 d. Include a plan for affordable budget level
32 repayment of heating provider bills in arrears at the
33 time a customer enters an affordable heating payment
34 program.

35 e. Provide for data gathering and evaluation of
36 the projects to determine the effect of the program on
37 residents who participate in comparison with residents
38 in areas where such programs are not available.

39 f. Be designed and implemented to operate within
40 funds appropriated or budgeted for the projects.

41 3. An advisory board is created to provide
42 guidance in the development of the pilot programs and
43 their administration.

44 a. The advisory board shall include the
45 administrator of the division of community action
46 agencies, who shall serve as chairperson of the board,
47 the director of the department of natural resources,
48 or the director's designee, the chairperson of the
49 utilities board, or the chairperson's designee, the
50 consumer advocate, or the consumer advocate's

1 designee, and the following members to be appointed by
2 the governor to serve for the two-year term of the
3 pilot projects:

4 (1) A representative of an investor-owned utility.

5 (2) A representative of a municipal utility.

6 (3) A representative of a rural electric
7 cooperative.

8 (4) A representative of dealers of deliverable
9 fuels.

10 (5) Representatives of two local community action
11 agencies.

12 (6) Representatives of two private advocacy or
13 assistance agencies.

14 The speaker of the house of representatives, the
15 senate majority leader, and the minority leaders of
16 the house of representatives and senate shall each
17 name a member of the general assembly to serve on the
18 advisory board without vote.

19 b. Advisory board members who are not members of
20 the general assembly shall serve without compensation,
21 but shall be reimbursed for actual expenses from
22 moneys appropriated under subsection 4.

23 c. The advisory board shall provide the general
24 assembly with an evaluation of the first year of the
25 program and recommendations for further legislative
action no later than January 15, 1990.

26 4. The division of community action agencies of
28 the department of human rights shall adopt rules
29 pursuant to chapter 17A regarding eligibility for
30 customer participation, means of calculating
31 assistance payments, and procedures for provider
32 participation under the pilot projects."

33 2. Title page, by striking lines 2 through 4 and
34 inserting the following: "requiring each gas and
35 electric".

36 3. Title page, by striking lines 7 through 11 and
37 inserting the following: "projects, making civil
38 penalties applicable, and providing an appropriation."

S-5857

Filed April 7, 1988

As amended by S-5857 (4/15/88)

BY COMMITTEE ON WAYS AND MEANS
CHARLES BRUNER, Chairperson

HOUSE AMENDMENT TO
HOUSE FILE 683

S-6051

1 Amend the Senate amendment, H-6492, to House File
2 683, as amended, passed, and reprinted by the House,
3 as follows:

4 1. Page 2, by striking line 14 and inserting the
5 following: "shall annually credit the first one
6 hundred fifty thousand dollars of all funds moneys
7 received under section 556.47".

8 2. Page 2, by striking lines 17 through 19 and
9 inserting the following: "~~deducted under subsection~~
10 ~~27~~ to the energy research and development fund created
11 under section 93.14, and shall credit all additional
12 moneys received under section 556.4 to the energy
13 crisis fund created under section 601K.102."

S-6051

Filed April 15, 1988

Senate Amendment 4/16 (y. 16.92)

RECEIVED FROM THE HOUSE

HOUSE FILE 683

S-5950

1 Amend the Committee on Ways and Means amendment, S-
2 5857, to House File 683, as amended, passed, and
3 reprinted by the House, as follows:

4 1. Page 2, by inserting after line 10 the fol-
5 lowing:

6 "Sec. ____ . Section 556.18, subsection 3, Code
7 1987, is amended to read as follows:

8 3. After July 1, 1983 1988, the treasurer of state
9 shall credit all funds received under section 556.47
10 ~~after a proportional amount has been deducted for the~~
11 ~~trust fund under subsection 1 and any costs have been~~
12 ~~deducted under subsection 2,~~ to the energy research
13 ~~and development~~ crisis fund created under section
14 ~~93-14~~ 601K.102."

15 2. Page 2, line 39, by inserting after the word
16 "for" the following: "other".

17 3. Page 2, line 40, by striking the word "other".

18 4. Page 2, by striking lines 47 and 48 and
19 inserting the following: "residences."

20 5. Page 3, lines 25 and 26, by striking the words
21 and figure "sections 556.4 and" and inserting the
22 following: "section".

23 6. Page 5, line 4, by striking the words "an
24 investor-owned utility" and inserting the following:
25 "the investor-owned utility industry".

26 7. Page 5, by striking lines 21 and 22 and
27 inserting the following: "but shall be reimbursed for
28 actual expenses."

29 8. Page 5, by striking lines 33 through 38 and
30 inserting the following:

31 " ____ . Title page, by striking lines 1 through 11
32 and inserting the following: "An Act relating to
33 energy assistance to low income households by
34 establishing a customer contribution fund, an
35 emergency weatherization fund, an energy crisis fund
36 and an affordable heating payment program pilot
37 project, making civil penalties applicable, and
38 providing an appropriation.""

S-5950

Filed April 12, 1988

Adopted 4/12 (p. 1500)

BY MICHAEL E. GRONSTAL

HOUSE FILE 683

S -5872

1 Amend the Committee amendment, S-5857, to House
2 File 683, as amended, passed, and reprinted by the
3 House, as follows:

4 1. Page 3, by striking lines 27 through 31.

S-5872

Filed April 8, 1988

Adopted 4/12 (p. 1500)

BY EDGAR H. HOLDEN

HOUSE FILE 683

S-5976

1 Amend amendment, S-5857 to House File 673, as
2 amended, passed and reprinted by the House as follows:
3 1. Page 5, by inserting after line 32 the
4 following:
5 "Sec. ____ . Section 478A.7, Code 1987, is
6 repealed."
7 2. Page 5, by inserting after line 35, the
8 following:
9 " ____ . Title, line 6, by inserting after the word
10 "exceptions," the following: "repealing the
11 prohibition against selling or offering for sale
12 decorative gas lamps,".

S-5976

Filed April 13, 1988
4/13 4/14 (S-5976)

BY JACK RIFE

HOUSE FILE 683

S-5991

1 Amend amendment, S-5857 to House File 683, as
2 amended, passed and reprinted by the House as follows:

3 1. Page 5, by inserting after line 32 the
4 following:
5 "Sec. ____ . Section 478A.7, Code 1987, is
6 repealed."

7 2. Page 5, by inserting after line 35, the
8 following:
9 " ____ . Title, line 6, by inserting after the word
10 "exceptions," the following: "repealing the
11 prohibition against selling or offering for sale
12 decorative gas lamps,".

S-5991

Filed April 14, 1988

BY JACK RIFE

DIV A - OUT OF ORDER (4.15.88)
DIV B - OUT OF ORDER

SENATE AMENDMENT TO HOUSE FILE 683

H-6492

1 Amend House File 683, as amended, passed, and re-
2 printed by the House, as follows:

3 1. By striking everything after the enacting
4 clause and inserting the following:

5 "Section 1. Section 476.1A, unnumbered paragraph
6 2, Code 1987, is amended to read as follows:

7 However, sections 476.20, 476.21, 476.41 through
8 476.44, 476.51, and 476.61, and 476.66 and chapters
9 476A and 478, to the extent applicable, apply to such
10 electric utilities.

11 Sec. 2. Section 476.1B, subsection 1, Code 1987,
12 is amended by adding the following new paragraph:

13 NEW PARAGRAPH. h. Enforcement of section 476.66.

14 Sec. 3. NEW SECTION. 476.66 CUSTOMER
15 CONTRIBUTION FUND.

16 1. The utilities board shall adopt rules which
17 shall require each electric and gas public utility to
18 establish a fund whose purposes shall include the
19 receiving of contributions to assist the utility's
20 low-income customers with weatherization and to
21 supplement the energy assistance received under the
22 federal low-income heating energy assistance program
23 for the payment of winter heating bills.

24 2. The rules shall require each utility to
25 periodically notify its customers of the availability
26 and purpose of the fund and to provide them with forms
27 on which they can authorize the utility to bill their
28 contribution to the fund on a monthly basis.

29 3. The rules shall permit the fund to accept
30 matching funds from persons or organizations who wish
31 to provide assistance for customers of the utility.

32 4. The utility may be reimbursed by the fund for
33 the administrative costs of the billings,
34 disbursements, notices to customers, and financial
35 recordkeeping. However, such reimbursement shall not
36 exceed five percent of the total revenues collected.

37 5. The utility shall establish a board or
38 committee to determine the appropriate distribution of
39 the funds. The board or committee shall include
40 representatives from community or regional
41 organizations which are active in assisting citizens
42 with payment of their winter heating bills.

43 6. The rules established by the utilities board
44 shall require an annual report to be filed for each
45 fund. The utilities board shall compile an annual
46 statewide report of the fund results. The division of
47 community action agencies of the department of human
48 rights shall prepare an annual report of the unmet
49 need for energy assistance and weatherization. Both
50 reports shall be submitted to the appropriations

H-6492

Page 2

1 committees of the general assembly on the first day of
2 the following session.

3 7. Existing programs to receive customer
4 contributions established by public utilities shall be
5 construed to meet the requirements of this section.
6 Such plans shall be subject to review by the utilities
7 board. If determined not to be in compliance with the
8 provisions of this section, they shall be given until
9 July 1989 to modify their operation so as to be in
10 compliance.

11 Sec. 4. Section 556.18, subsection 3, Code 1987,
12 is amended to read as follows:

13 3. After July 1, ~~1983~~ 1988, the treasurer of state
14 shall credit all funds received under section 556.4,
15 ~~after-a-proportional-amount-has-been-deducted-for-the~~
16 ~~trust-fund-under-subsection-1-and-any-costs-have-been~~
17 ~~deducted-under-subsection-2,~~ to the energy research
18 ~~and-development~~ crisis fund created under section
19 ~~93-14~~ 601K.102.

20 Sec. 5. NEW SECTION. 601K.101 EMERGENCY
21 WEATHERIZATION FUND.

22 1. The division of community action agencies of
23 the department of human rights shall identify all
24 participants in the low-income home energy assistance
25 program for the 1987-1988 winter heating season whose
26 household income was less than seventy-five percent of
27 the poverty level.

28 2. The division shall conduct within each
29 community action agency an inventory of the residences
30 of these individuals to determine the number of
31 residences eligible for weatherization under the two
32 programs currently administered by the division but
33 which will not be weatherized in the next twelve
34 months due to the current priorities imposed by the
35 federal programs.

36 3. One and one-half percent of the total amount of
37 funds appropriated by 1988 Iowa Acts, Senate File
38 2323, to the division of community action agencies for
39 the fiscal year beginning October 1, 1988, for the
40 low-income home energy assistance block grants, shall
41 be expended by the division for the operation of the
42 program under this section. The one and one-half
43 percent shall be taken from those funds to be used for
44 low-income residential weatherization or other related
45 home repairs for low-income households; however, no
46 less than ten percent of the total amount of funds
47 appropriated for the low-income home energy assistance
48 block grants shall be expended by the division for
49 other low-income residential weatherization or related
50 home repairs for low-income households.

1 4. The division shall allocate the available funds
 2 among the nineteen community action agencies and shall
 3 establish weatherization goals for each agency based
 4 upon the inventory in subsection 2 of this section.
 5 The division shall give priority to weatherizing these
 6 residences.

7 5. The division shall submit a report to the
 8 general assembly on February 1, 1989. The report
 9 shall include the number of residences identified as
 10 eligible for weatherization in this project, the
 11 number of residences weatherized from July 1, 1988, to
 12 December 31, 1988, the average cost per dwelling
 13 weatherized, and the range of costs for individual
 14 weatherizations. In addition, the report shall
 15 include the department's recommendation for a program
 16 to complete the weatherization of the remaining
 17 residences in this category. The report shall also
 18 include an inventory of the number of residences not
 19 weatherized for the 1987-1988 participants whose
 20 household incomes fall between seventy-five percent
 21 and one hundred percent of the poverty level.

22 Sec. 6. NEW SECTION. 601K.102 ENERGY CRISIS
 23 FUND.

24 1. An energy crisis fund is created in the state
 25 treasury. Moneys deposited in the fund shall be used
 26 to assist low-income families who qualify for the low-
 27 income heating energy assistance program to avoid loss
 28 of essential heating.

29 2. The fund may receive moneys including, but not
 30 limited to, the following:

31 a. Moneys appropriated by the general assembly for
 32 the fund.

33 b. Moneys credited to the fund under section
 34 556.18.

35 c. After July 1, 1988, unclaimed patronage
 36 dividends of electric cooperative corporations or
 37 associations shall be applied to the fund following
 38 the time specified in section 556.12 for claiming the
 39 dividend from the holder.

40 d. The fund may also receive contributions from
 41 customer contribution funds established under section
 42 476.66.

43 3. Under rules developed by the division of
 44 community action agencies of the department of human
 45 rights, the fund may be used to negotiate reconnection
 46 of essential utility services with the energy
 47 provider.

48 Sec. 7. ASFORDABLE HEATING PAYMENT PROGRAM PILOT
 49 PROJECT.

50 1. The division of community action agencies of

H-6492

Page 4

1 the department of human rights in cooperation with the
2 department of natural resources and the utilities
3 board shall conduct a two-year pilot project from
4 October 1, 1988, through September 30, 1990, to do all
5 of the following:

6 a. Determine the most economical and effective
7 means of maintaining low-income Iowans' access to
8 heating fuels at a cost that is within their means.

9 b. Develop more effective programs for
10 weatherizing residences and achieving energy
11 conservation.

12 2. The pilot projects shall:

13 a. Involve at least one provider of each of these
14 sources of heat in the state:

15 (1) Natural gas.
16 (2) Electricity.
17 (3) Deliverable fuels.

18 Providers shall be selected on a voluntary basis.
19 The scope of the project shall include a statistically
20 valid demographic region but will not necessarily
21 include all customers of the selected energy provider
22 in the state. If a provider has a pilot project in
23 progress, that project may be selected for a pilot
24 project under this section.

25 b. Provide a schedule or formula under which funds
26 appropriated by this Act are used to make up the
27 difference between what a low-income family or
28 individual pays toward heating costs plus federal low-
29 income home energy assistance payments and either the
30 actual heating cost or the cost determined by rule by
31 the division of community action agencies, department
32 of human rights, as the cost of reasonable heating
33 fuel consumption for the customer, considering size of
34 family, location of residence, and such other factors
35 as may be considered appropriate by the division.

36 c. Include programs designed to promote the use of
37 energy conservation strategies by the participant.
38 These programs shall be cost-effective.

39 d. Include a plan for affordable budget level
40 repayment of heating provider bills in arrears at the
41 time a customer enters an affordable heating payment
42 program.

43 e. Provide for data gathering and evaluation of
44 the projects to determine the effect of the program on
45 residents who participate in comparison with residents
46 in areas where such programs are not available.

47 f. Be designed and implemented to operate within
48 funds appropriated or budgeted for the projects.

49 3. An advisory board is created to provide
50 guidance in the development of the pilot programs and

H-6492

Page 5

1 their administration.
2 a. The advisory board shall include the
3 administrator of the division of community action
4 agencies, who shall serve as chairperson of the board,
5 the director of the department of natural resources,
6 or the director's designee, the chairperson of the
7 utilities board, or the chairperson's designee, the
8 consumer advocate, or the consumer advocate's
9 designee, and the following members to be appointed by
10 the governor to serve for the two-year term of the
11 pilot projects:

12 (1) A representative of the investor-owned utility
13 industry.

14 (2) A representative of a municipal utility.

15 (3) A representative of a rural electric
16 cooperative.

17 (4) A representative of dealers of deliverable
18 fuels.

19 (5) Representatives of two local community action
20 agencies.

21 (6) Representatives of two private advocacy or
22 assistance agencies.

23 The speaker of the house of representatives, the
24 senate majority leader, and the minority leaders of
25 the house of representatives and senate shall each
26 name a member of the general assembly to serve on the
27 advisory board without vote.

28 b. Advisory board members who are not members of
29 the general assembly shall serve without compensation,
30 but shall be reimbursed for actual expenses.

31 c. The advisory board shall provide the general
32 assembly with an evaluation of the first year of the
33 program and recommendations for further legislative
34 action no later than January 15, 1990.

35 4. The division of community action agencies of
36 the department of human rights shall adopt rules
37 pursuant to chapter 17A regarding eligibility for
38 customer participation, means of calculating
39 assistance payments, and procedures for provider
40 participation under the pilot projects."

41 _____. Title page, by striking lines 1 through 11
42 and inserting the following: "An Act relating to
43 energy assistance to low income households by
44 establishing a customer contribution fund, an
45 emergency weatherization fund, an energy crisis fund
46 and an affordable heating payment program pilot
47 project, making civil penalties applicable, and
48 providing an appropriation."

RECEIVED FROM THE SENATE

H-6492 FILED APRIL 14, 1988

House amended (6506) & concurred 4/15 (p. 2012)

HOUSE FILE 683

H-6506

1 Amend the Senate amendment, H-6492, to House File
2 683, as amended, passed, and reprinted by the House,
3 as follows:

4 1. Page 2, by striking line 14 and inserting the
5 following: "shall annually credit the first one
6 hundred fifty thousand dollars of all funds moneys
7 received under section 556.47".

8 2. Page 2, by striking lines 17 through 19 and
9 inserting the following: "~~deducted under subsection~~
10 ~~27~~ to the energy research and development fund created
11 under section 93.14, and shall credit all additional
12 moneys received under section 556.4 to the energy
13 crisis fund created under section 501k.102."

By HATCH of Polk

H-6506 FILED APRIL 15, 1988

adapted 4/15 (p. 2012)

HSB 323

WAYS AND MEANS

now
HF 683

HOUSE FILE _____

BY (PROPOSED COMMITTEE ON
WAYS AND MEANS BILL)

Passed House, Date _____ Passed Senate, Date _____

Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act relating to energy assistance to low income households by
2 requiring each gas and electric public utility to create a
3 utility shutoff fund with certain exceptions, by providing for
4 the implementation of pilot projects of an affordable utility
5 payment plan and affordable heating payment plan, making civil
6 penalties applicable, providing a penalty, and providing for a
7 sales tax refund for certain participating gas and electric
8 public utilities and heating fuel supplier.

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

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SUB COMMITTEE ASSIGNMENTS

CHAIR: *Prinoga*

COMMITTEE: *Ways + means*

1 Section 1. Section 476.1B, subsection 1, Code 1987, is
2 amended by adding the following new paragraph:

3 NEW PARAGRAPH. h. Enforcement of section 476.66.

4 Sec. 2. NEW SECTION. 476.66 UTILITY SHUTOFF FUND.

5 1. The utilities board shall adopt rules which shall
6 require each electric and gas public utility to create a
7 separate fund called the utility shutoff fund. Moneys
8 contributed to the fund shall be equitably distributed among
9 the local agencies which administer the low income home energy
10 assistance program and weatherization assistance program in
11 accordance with the rules of the utilities board to assist
12 eligible recipients of public energy assistance programs in
13 the payment of utility billings of Iowa customers of electric
14 and gas public utilities.

15 2. The utilities board shall require each electric and gas
16 public utility to provide forms to all of their customers
17 authorizing the utility to include in the customers' billing
18 statements a contribution to the utility shutoff fund. The
19 utility company shall send a notice to its customers and the
20 notice shall state that each customer may make a monthly
21 contribution to the fund with the contribution being included
22 in the customer's monthly billing statement. The notice shall
23 explain the uses of the fund and the match of moneys which
24 will be contributed by the public utility to the fund, if any.
25 If the utility company provides for a match of moneys to be
26 contributed by the utility, the notice shall also state that
27 the utility's contributions to the fund will not be assessed
28 or charged to the customers of the utility.

29 3. A utility may provide for a match of moneys contributed
30 to the utility shutoff fund by the utility's customers.
31 Moneys contributed by the utility to the utility shutoff fund
32 shall not be included either directly or indirectly in the
33 utility's charges or rates to its customers.

34 4. The board may exempt a public utility from application
35 of this section if the public utility is conducting a program

1 comparable to that required under subsections 1 through 3.

2 5. After July 1, 1987, unclaimed patronage dividends of
3 electric cooperative corporations or associations shall be
4 applied to the electric cooperative corporation's or
5 association's utility shutoff fund following the time
6 specified in section 556.12 for claiming the dividend from the
7 holder.

8 Sec. 3. AFFORDABLE UTILITY PAYMENT PLAN -- PILOT PROJECT.

9 1. PILOT PROJECT. The utilities board shall conduct a
10 two-year pilot project from October 1, 1987, through September
11 30, 1989, which implements the affordable utility payment plan
12 as provided in this section. The utilities board shall select
13 one of each of the following utilities serving customers in
14 this state:

- 15 a. Rate-regulated investor-owned gas utility.
- 16 b. Rate-regulated investor-owned electric utility.
- 17 c. Municipal utility.
- 18 d. Electric cooperative corporation or association.

19 Each utility shall be selected so that a statistically
20 significant data base may be generated for evaluation of the
21 payment plan on a statewide basis and preference shall be
22 given to utilities whose service areas reflect the greatest
23 need for implementation of the payment plan as indicated by
24 the number of the utility's LINEAP customers who have been
25 disconnected due to nonpayment of utility bills. The board
26 shall base its selection upon recommendations received from
27 the division of community action agencies of the department of
28 human rights, the Iowa utility association, the Iowa
29 association of municipal utilities, and the Iowa association
30 of rural electric cooperatives. The utilities selected for
31 the pilot projects shall have separate service areas.

32 Notwithstanding section 476.1B, the municipally-owned
33 utility selected for the pilot project shall participate in
34 the payment plan.

35 2. DEFINITIONS. As used in this section:

1 a. "Utility" means a gas or electric public utility, as
2 defined in section 476.1, which is the primary heating
3 supplier for the participant in the plan and which has been
4 selected for participation in the pilot project under
5 subsection 1.

6 b. "Arrearage" means any past due utility bill a
7 participant owes when entering into the affordable utility
8 payment plan. "Arrearage" does not include any past due
9 utility bill a participant owes which has been incorporated by
10 the utility into the utility's rate structure.

11 c. "Shortfall" means the amount by which the participant's
12 utility bill exceeds the participant's payments while in the
13 affordable utility payment plan.

14 d. "LIHEAP" means the low income home energy assistance
15 program.

16 e. "CA agency" means the local community action agency
17 administering the participant's low income home energy
18 assistance program.

19 f. "Board" or "utilities board" means the utilities board
20 within the utilities division of the department of commerce.

21 3. ELIGIBILITY.

22 a. To be eligible for the affordable utility payment plan
23 the applicant must be a customer of a utility or an applicant
24 for utility service from a utility, and must be eligible to
25 receive payments under LIHEAP.

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

27 (1) Agree to pay monthly to the utility serving the
28 applicant as provided under subsection 6.

29 (2) Apply for all public energy assistance for which the
30 applicant may be eligible.

31 (3) Apply for all weatherization programs for which the
32 individual may be eligible.

33 (4) Make application for participation in the plan with
34 the applicant's CA agency. The applicant shall certify to the
35 CA agency the applicant's household income, household size,

1 place of residence, name of the applicant's utility provider,
2 and the amount of any arrearage the applicant has with the
3 applicant's utility provider. The applicant shall sign a
4 waiver permitting the applicant's community action agency to
5 receive information from the applicant's utility provider to
6 verify the amount of the arrearage.

7 (5) Sign a waiver permitting the applicant's CA agency to
8 receive income information from the applicant's employer
9 necessary to verify eligibility for the program.

10 (6) Participate in energy usage counseling with the CA
11 agency as required under subsection 6, paragraph "b".

12 (7) Pay the arrearage accrued with each utility supplier
13 as required under subsection 5.

14 c. Notwithstanding section 476.20, subsection 3, for
15 participants who comply with the requirements of paragraphs
16 "a" and "b", the public utility's heating or electrical
17 service shall not be terminated or denied. A participant
18 shall be deemed to comply with the payment requirements of
19 paragraph "b" and subsection 6, paragraph "b" unless the
20 participant is delinquent in making any minimum required
21 payment under paragraph "b" or subsection 6, paragraph "b" for
22 more than sixty consecutive days.

23 4. DEPOSITS. Notwithstanding section 476.20, the utility
24 provider shall not require a deposit for new, reconnected, or
25 continued service from participants in the plan. However, a
26 reasonable connection or reconnection fee may be charged to
27 participants.

28 5. PARTIAL FORGIVENESS OF ARREARAGE.

29 a. A participant shall pay one-fifth of any arrearage with
30 the utility supplier prior to participation in the plan. An
31 additional one-fifth of the arrearage with the utility
32 supplier shall be paid by the participant in equal
33 installments over a twenty-four month period. The utility
34 shall not include in its rate structure amounts of arrearage
35 scheduled to be paid under this paragraph by participants who

1 are complying with this paragraph's payment requirements as
2 interpreted under subsection 3, paragraph "c".

3 b. For each year a participant continues to make required
4 payments under subsection 3, paragraphs "b" and "c", one-third
5 of the remaining arrearage shall be forgiven. Once a
6 participant earns arrearage forgiveness, the utility shall not
7 be able to collect the forgiven amount from the participant.

8 6. PAYMENTS.

9 a. Participants of the plan shall be placed on a budget
10 billing plan wherein their utility bills shall be in even
11 installments over a twelve-month period. However, LIHEAP
12 payments shall be credited toward paying the budget billing
13 payments in an equally distributed manner over the twelve-
14 month period, thus reducing the monthly payment amount for the
15 participant. If a participant is unable to make payments
16 required under this paragraph as determined by rules adopted
17 by the board, the participant shall apply for crisis
18 resolution support, shall make application for a determination
19 of the participant's affordable budget billing contribution,
20 and shall make all utility payments as required under
21 paragraph "b".

22 b. If a participant is unable to pay utility bills under
23 the budget billing plans of paragraph "a" as determined by
24 rules adopted by the board, the participant's utility shall
25 institute counseling sessions on utility payments with the
26 participant and the participant shall upon application with
27 the CA agency, participate in crisis resolution support
28 through the CA agency. The CA agency shall train participants
29 in energy and money management skills and techniques. The CA
30 agency shall also make a determination as to the amount of
31 utility payments the participant is able to afford. The
32 participant shall make payments to the participant's utility
33 in accordance with this determination of affordable budget
34 billing contribution.

35 c. (1) To the extent that a shortfall exists between

1 payments received from a participant and the budget billing
2 requirements of paragraph "a", the utility shall apply all
3 energy assistance funds received on behalf of a participating
4 individual, including LIHEAP funds not previously calculated
5 in paragraph "a", relevant public aid funds, and any and all
6 other such state and federal funds which become available in
7 order to reduce or eliminate the shortfall. If any remaining
8 shortfall exists, the utility may apply for a refund on the
9 sales tax collected by the utility under chapter 422, division
10 IV. The refund shall be provided in accordance with the
11 following:

12 (a) The claimant shall certify the amount of the refund to
13 the department of revenue and finance and shall provide other
14 information as the department of revenue and finance may
15 require.

16 (b) The claimant shall make claim for the refund on forms
17 provided by the department of revenue and finance and shall
18 file the claim within thirty days following the fiscal year in
19 which credit for a utility bill was allowed to a customer
20 under this section or in which a grant was provided to a
21 customer of a heating fuel supplier under section 4 of this
22 Act.

23 (c) A claim for refund shall be paid by the department of
24 revenue and finance within ninety days after receipt of the
25 claim. A claimant who makes an erroneous application for
26 refund shall be liable for payment of any refund paid plus
27 interest at the rate in effect under section 421.7. In
28 addition, a claimant who willfully makes a false application
29 for refund is guilty of a simple misdemeanor and is liable for
30 a penalty equal to fifty percent of the refund claimed.
31 Refunds, penalties and interest due under this subpart may be
32 enforced and collected in the same manner as the sales tax is
33 imposed under chapter 422, division IV.

34 (d) The statewide maximum annual sales tax refund under
35 this section and section 4 of this Act is five hundred

1 thousand dollars annually which is to be appropriated for
2 purposes of sections 3 and 4 of this Act. If the anticipated
3 applications for sales tax refunds under this section and
4 section 4 of this Act for a twelve-month period exceeds the
5 statewide maximum sales tax refund for that period, the amount
6 of the refund shall be prorated among the utilities and
7 heating fuel supplier in accordance with rules adopted by the
8 department of revenue and finance.

9 (2) If, after application of subparagraph (1) a shortfall
10 still exists, the amount may be included in the utility's rate
11 structure in accordance with rules adopted by the utilities
12 board, but such charges shall not be set out separately in
13 customers' billing statements. The utility shall not include
14 in its rate structure amounts of shortfall for which the
15 utility has received moneys or state tax credits under
16 subparagraph (1).

17 d. The department of human rights, division of community
18 action agencies, shall adopt rules pursuant to chapter 17A to
19 apply to the CA agencies' determinations of participants'
20 affordable budget billing payments under paragraph "b". The
21 rules may provide for the following calculations:

22 (1) Estimates of anticipated income for the remaining
23 period covered by the plan including food stamps and income
24 from savings in excess of allowable levels.

25 (2) Subtract from this total the following for the
26 remaining period covered by the plan:

27 (a) Housing cost.

28 (b) Standard food cost based on size of household and age
29 of household members.

30 (c) Medical allowance.

31 (d) Clothing costs.

32 (e) Costs of nonfood basic necessities.

33 (f) Water and phone costs.

34 (g) Utility costs other than those identified as the
35 primary heating source.

1 The difference is the amount the household can afford
2 during the period and by dividing the affordable amount by the
3 number of months remaining in the period determines the
4 applicant's monthly affordable budget billing contribution.

5 7. LEAVING PLAN.

6 a. Participants leaving the plan because they exceed
7 income guidelines are required to pay the unpaid arrearage as
8 provided under subsection 5, paragraph "a". The remaining
9 arrearage shall be forgiven. Such participants may, at a
10 later date, requalify and participate in the plan if they meet
11 eligibility requirements.

12 b. A participant leaving the plan because the
13 participant's service has been terminated due to the failure
14 of the participant to make payments as required under
15 subsection 3, paragraphs "b" and "c", is liable for payment of
16 all unpaid utility bills accrued since entering the payment
17 plan.

18 8. MORATORIUM. This section does not prohibit the
19 application of section 476.20, subsections 2 and 3, to
20 participants of the plan.

21 9. RULES. The pilot project for the affordable utility
22 payment plan and the affordable heating payment plan shall be
23 implemented by October 1, 1987. The utilities board,
24 department of human rights, and department of revenue and
25 finance shall adopt rules as necessary for the implementation
26 of the plans.

27 10. NEED AND ECONOMIC IMPACT STUDIES. A study shall be
28 conducted by the University of Northern Iowa to determine the
29 economic impact of the affordable utility payment plan and the
30 affordable heating payment plan on parties involved in the
31 plans. The University of Northern Iowa shall also conduct a
32 scientific study on LIHEAP recipients identifying those who
33 need supplemental funds for payment of utility bills from
34 utilities which are the primary heating suppliers of the
35 recipients and heating costs from heating fuel suppliers of

1 the recipients and predicting the extent of their needs. The
2 results of the studies shall be presented to the committee
3 appointed under subsection 11 by October 1, 1988.

4 11. COMMITTEE. A committee shall be appointed to study
5 the merits of the affordable utility payment plan and the
6 affordable heating payment plan. The committee shall receive
7 the need and economic impact studies conducted by the
8 University of Northern Iowa and shall make recommendations to
9 the general assembly by January 15, 1989.

10 The committee shall consist of the following members:

11 a. Two members of the house of representatives appointed
12 by the speaker.

13 b. One member of the house of representatives appointed by
14 the minority leader.

15 c. Two members of the senate appointed by the majority
16 leader.

17 d. One member of the senate appointed by the minority
18 leader.

19 e. Three nonvoting members representing the general public
20 appointed by the legislative council.

21 f. The director or the director's designee or chair or
22 chair's designee of the following state agencies or
23 associations shall also be nonvoting members:

24 (1) Utilities board.

25 (2) Department of human rights.

26 (3) Department of revenue and finance.

27 (4) Iowa association of community action directors.

28 (5) Iowa utility association.

29 (6) Iowa association of municipal utilities.

30 (7) Iowa association of rural electric cooperatives.

31 (8) Petroleum marketers of Iowa.

32 Sec. 4. AFFORDABLE HEATING PAYMENT PLAN -- PILOT PROJECT.

33 1. PILOT PROJECT. The department of human rights shall
34 conduct a two-year pilot project from October 1, 1987, through
35 September 30, 1989, which implements the affordable heating

1 payment plan as provided in this section. The department of
2 human rights shall select the heating fuel supplier for the
3 pilot projects. The heating fuel supplier shall be selected
4 so that a statistically significant data base may be generated
5 for evaluation of the payment plan on a statewide basis. The
6 department shall base its selection upon recommendations
7 received from the petroleum marketers of Iowa and other
8 associations of heating fuel suppliers. The heating fuel
9 supplier is not restricted to be selected from a particular
10 service area in the state. Upon selection of the heating fuel
11 supplier, the department of human rights shall negotiate a
12 contract with the heating fuel supplier providing for the
13 participation of the supplier in the affordable heating
14 payment plan in accordance with this section.

15 2. DEFINITION. As used in this section and section 3 of
16 this Act, "heating fuel supplier" means a heating fuel
17 supplier doing business in this state who supplies to
18 customers in this state fuel oil, LP gas, wood, or coal, and
19 who is selected to participate in the affordable heating
20 payment plan under subsection 1.

21 3. ELIGIBILITY -- GRANT. A customer in this state of the
22 heating fuel supplier may apply for a grant under this
23 subsection. The customer shall be allowed to make payment to
24 the heating fuel supplier in even installments over a twelve-
25 month period. To be eligible under the affordable heating
26 payment plan, a customer must also be eligible to receive
27 payments under LIHEAP and do all of the requirements of
28 section 3, subsection 3, paragraph "b", subparagraphs (2)
29 through (5) of this Act. However, with regard to section 3,
30 subsection 3, paragraph "b", subparagraph (4) of this Act, the
31 applicant shall provide the name of, arrearage with, and
32 waiver for information from the heating fuel supplier rather
33 than the utility provider.

34 If the customer is unable to pay the customer's heating
35 fuel bill as determined in accordance with the rules adopted

1 pursuant to section 3, subsection 6, paragraph "d" of this Act
2 and meets the other eligibility requirements, the customer is
3 entitled to receive either:

4 a. An annual grant to the household to obtain emergency
5 deliverable fuel, minor heating system repairs, temporary
6 shelter, or to help the customer relocate within the state to
7 where the customer's household energy costs would be lower.

8 b. An annual grant of up to five hundred dollars to match
9 the customer's contributions or payment toward payment of old
10 heating fuel bills to allow the customer to keep service or to
11 allow for the customer's replacement of an unsafe heating
12 system.

13 The customer shall apply to the community action agency
14 which shall determine the customer's eligibility for the
15 grant. If the customer is eligible, the community action
16 agency shall certify the amount of the grant to the heating
17 fuel supplier. The heating fuel supplier shall pay or provide
18 a credit to the eligible customer in the amount of the grant
19 and shall be reimbursed for the amount of the grant by means
20 of a sales tax refund on the sales tax collected by the
21 heating fuel supplier under chapter 422, division IV, by
22 certifying the amount of the grant to the department of
23 revenue and finance and provide other information as the
24 department of revenue and finance may require. Section 3,
25 subsection 6, paragraph "c", subparagraph (1), subparagraph
26 parts (a) through (d) apply to the heating fuel supplier
27 making claim for a sales tax refund under this section.

28 4. RULES. The department of human rights shall adopt
29 rules pursuant to chapter 17A to apply to the CA agencies in
30 determining the eligibility of a customer of a heating fuel
31 supplier to grants under this section.

32

EXPLANATION

33 Sections 1 and 2 of this bill require the utilities board
34 to adopt rules requiring each electric and gas public utility
35 to create a separate fund called the utility shutoff fund.

1 The moneys in the fund shall be distributed among the local
2 agencies which administer the low income home energy
3 assistance program and weatherization assistance program to
4 assist eligible recipients of public energy assistance
5 programs in the payment of utility billings of Iowa customers
6 of electric and gas public utilities. Customers'
7 contributions to the fund may be matched by contributions by
8 their utility. Moneys contributed to the fund by the utility
9 shall not be included either directly or indirectly in the
10 utility's charges or rates to its customers. The utilities
11 board may exempt a public utility from creating the utility
12 shutoff fund if the utility is conducting a comparable
13 program.

14 Sections 3 and 4 of this bill require the implementation of
15 two-year pilot projects constituting the affordable utility
16 payment plan and the affordable heating payment plan. Under
17 the affordable utility payment plan the utilities board is to
18 select four utilities to participate in the plan. To be
19 eligible for either of the plans, a person must be eligible to
20 receive payments under the low income energy assistance
21 program, must apply for all public energy assistance for which
22 the applicant may be eligible, must apply for all
23 weatherization programs for which the individual may be
24 eligible, apply for participation in the plan with the
25 person's local community action agency, and sign waivers
26 permitting the local community action agency to receive
27 utility and income information. If the person is applying for
28 the affordable utility payment plan, the person must also
29 agree to pay monthly to the person's utility in accordance
30 with a budget billing plan or, in certain circumstances, pay
31 the person's affordable billing contribution, must participate
32 in energy usage counseling with the local community action
33 agency, and must also pay one-fifth of any arrearage with the
34 utility supplier and agree to pay an additional one-fifth of
35 the arrearage in equal installments over a twenty-four month

1 period.

2 Participants in the affordable utility payment plan receive
3 forgiveness of one-fifth of their arrearage for each year of
4 making payments required under the plan. Also no deposits may
5 be required for such participants for new, reconnected or
6 continued service. However, a reasonable connection or
7 reconnection fee may be charged to the participants. Should
8 any shortfall exist between payments received from a
9 participant and the budget billing requirements, the utility
10 is to apply all available energy assistance funds to the
11 shortfall. If shortfall still exists the utility may apply
12 for a refund on the sales tax collected by the utility subject
13 to a one-half million dollar annual cap on the statewide sales
14 tax refund under the bill. Any remaining shortfall may be
15 recovered through the utilities rate structure. The
16 moratorium on utility shutoffs still apply to participants in
17 the affordable utility payment plan.

18 Under the affordable heating payment plan the department of
19 human rights is to select a heating fuel supplier for the
20 pilot project. Participants are eligible to receive either an
21 annual grant to the household to obtain emergency deliverable
22 fuel, minor heating system repairs, temporary shelter, or to
23 help the customer relocate within the state to where the
24 customer's household energy costs would be lower, or an annual
25 grant of up to five hundred dollars to match the customer's
26 contributions or payment toward payment of old heating fuel
27 bills to allow the customer to keep service or to allow for
28 the customer's replacement of an unsafe heating system. The
29 participating heating fuel supplier is to pay or provide a
30 credit in the amount of the grant and shall be reimbursed
31 pursuant to a sales tax refund. The refund is subject to the
32 one-half million dollar annual cap on the statewide sales tax
33 refund under the bill.

34 The bill requires the University of Northern Iowa to de-
35 termine the economic impact of the affordable utility payment

1 plan and the affordable heating payment plan on parties
2 involved in the plans. The university is also to conduct a
3 scientific study on low income home energy assistance program
4 recipients identifying those who need supplemental funds for
5 payment of utility bills from utilities which are the primary
6 heating suppliers of the recipients and heating costs from
7 heating fuel suppliers of the recipients and predict the
8 extent of their needs. The results of the studies are to be
9 presented by October 1, 1988.

10 The bill also creates a committee to study the merits of
11 the affordable utility payment plan and the affordable heating
12 payment plan which shall make recommendations to the general
13 assembly by January 15, 1989.

14 The bill creates new section 476.66.

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1 comparable to that required under subsections 1 through 3.

2 5. After July 1, 1987, unclaimed patronage dividends of
3 electric cooperative corporations or associations shall be
4 applied to the electric cooperative corporation's or
5 association's utility shutoff fund following the time
6 specified in section 556.12 for claiming the dividend from the
7 holder.

8 Sec. 3. AFFORDABLE UTILITY PAYMENT PLAN -- PILOT PROJECT.

9 1. PILOT PROJECT. The utilities board shall conduct a
10 two-year pilot project from October 1, 1987, through September
11 30, 1989, which implements the affordable utility payment plan
12 as provided in this section. The utilities board shall select
13 one of each of the following utilities serving customers in
14 this state:

- 15 a. Rate-regulated investor-owned gas utility.
- 16 b. Rate-regulated investor-owned electric utility.
- 17 c. Municipal utility.
- 18 d. Electric cooperative corporation or association.

19 Each utility shall be selected so that a statistically
20 significant data base may be generated for evaluation of the
21 payment plan on a statewide basis and preference shall be
22 given to utilities whose service areas reflect the greatest
23 need for implementation of the payment plan as indicated by
24 the number of the utility's LIHEAP customers who have been
25 disconnected due to nonpayment of utility bills. The board
26 shall base its selection upon recommendations received from
27 the division of community action agencies of the department of
28 human rights, the Iowa utility association, the Iowa
29 association of municipal utilities, and the Iowa association
30 of rural electric cooperatives. The utilities selected for
31 the pilot projects shall have separate service areas.

32 Notwithstanding section 476.1B, the municipally-owned
33 utility selected for the pilot project shall participate in
34 the payment plan.

35 2. DEFINITIONS. As used in this section:

1 a. "Utility" means a gas or electric public utility, as
2 defined in section 476.1, which is the primary heating
3 supplier for the participant in the plan and which has been
4 selected for participation in the pilot project under
5 subsection 1.

6 b. "Arrearage" means any past due utility bill a
7 participant owes when entering into the affordable utility
8 payment plan. "Arrearage" does not include any past due
9 utility bill a participant owes which has been incorporated by
10 the utility into the utility's rate structure.

11 c. "Shortfall" means the amount by which the participant's
12 utility bill exceeds the participant's payments while in the
13 affordable utility payment plan.

14 d. "LIHEAP" means the low income home energy assistance
15 program.

16 e. "CA agency" means the local community action agency
17 administering the participant's low income home energy
18 assistance program.

19 f. "Board" or "utilities board" means the utilities board
20 within the utilities division of the department of commerce.

21 3. ELIGIBILITY.

22 a. To be eligible for the affordable utility payment plan
23 the applicant must be a customer of a utility or an applicant
24 for utility service from a utility, and must be eligible to
25 receive payments under LIHEAP.

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

27 (1) Agree to pay monthly to the utility serving the
28 applicant as provided under subsection 6.

29 (2) Apply for all public energy assistance for which the
30 applicant may be eligible.

31 (3) Apply for all weatherization programs for which the
32 individual may be eligible.

33 (4) Make application for participation in the plan with
34 the applicant's CA agency. The applicant shall certify to the
35 CA agency the applicant's household income, household size,

HOUSE FILE 683

AN ACT

RELATING TO ENERGY ASSISTANCE TO LOW INCOME HOUSEHOLDS BY ESTABLISHING A CUSTOMER CONTRIBUTION FUND, AN EMERGENCY WEATHERIZATION FUND, AN ENERGY CRISIS FUND AND AN AFFORDABLE HEATING PAYMENT PROGRAM PILOT PROJECT, MAKING CIVIL PENALTIES APPLICABLE, AND PROVIDING AN APPROPRIATION.

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

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

However, sections 476.20, 476.21, 476.41 through 476.44, 476.51, and 476.61, and 476.66 and chapters 476A and 478, to the extent applicable, apply to such electric utilities.

Sec. 2. Section 476.1B, subsection 1, Code 1987, is amended by adding the following new paragraph:

NEW PARAGRAPH. h. Enforcement of section 476.66.

Sec. 3. NEW SECTION. 476.66 CUSTOMER CONTRIBUTION FUND.

1. The utilities board shall adopt rules which shall require each electric and gas public utility to establish a fund whose purposes shall include the receiving of contributions to assist the utility's low-income customers with weatherization and to supplement the energy assistance received under the federal low-income heating energy assistance program for the payment of winter heating bills.

2. The rules shall require each utility to periodically notify its customers of the availability and purpose of the fund and to provide them with forms on which they can authorize the utility to bill their contribution to the fund on a monthly basis.

3. The rules shall permit the fund to accept matching funds from persons or organizations who wish to provide assistance for customers of the utility.

4. The utility may be reimbursed by the fund for the administrative costs of the billings, disbursements, notices to customers, and financial recordkeeping. However, such reimbursement shall not exceed five percent of the total revenues collected.

5. The utility shall establish a board or committee to determine the appropriate distribution of the funds. The board or committee shall include representatives from community or regional organizations which are active in assisting citizens with payment of their winter heating bills.

6. The rules established by the utilities board shall require an annual report to be filed for each fund. The utilities board shall compile an annual statewide report of the fund results. The division of community action agencies of the department of human rights shall prepare an annual report of the unmet need for energy assistance and weatherization. Both reports shall be submitted to the appropriations committees of the general assembly on the first day of the following session.

7. Existing programs to receive customer contributions established by public utilities shall be construed to meet the requirements of this section. Such plans shall be subject to review by the utilities board. If determined not to be in compliance with the provisions of this section, they shall be given until July 1989 to modify their operation so as to be in compliance.

Sec. 4. Section 556.18, subsection 3, Code 1987, is amended to read as follows:

3. After July 1, 1983 ~~1988~~, the treasurer of state shall annually credit the first one hundred fifty thousand dollars of all funds moneys received under section 556.47 after a proportional amount has been deducted for the trust fund under subsection 1 and any costs have been deducted under subsection 2 to the energy research and development fund created under section 93.14, and shall credit all additional moneys received

under section 556.4 to the energy crisis fund created under section 601K.102.

Sec. 5. NEW SECTION. 601K.101 EMERGENCY WEATHERIZATION FUND.

1. The division of community action agencies of the department of human rights shall identify all participants in the low-income home energy assistance program for the 1987-1988 winter heating season whose household income was less than seventy-five percent of the poverty level.

2. The division shall conduct within each community action agency an inventory of the residences of these individuals to determine the number of residences eligible for weatherization under the two programs currently administered by the division but which will not be weatherized in the next twelve months due to the current priorities imposed by the federal programs.

3. One and one-half percent of the total amount of funds appropriated by 1988 Iowa Acts, Senate File 2323, to the division of community action agencies for the fiscal year beginning October 1, 1988, for the low-income home energy assistance block grants, shall be expended by the division for the operation of the program under this section. The one and one-half percent shall be taken from those funds to be used for low-income residential weatherization or other related home repairs for low-income households; however, no less than ten percent of the total amount of funds appropriated for the low-income home energy assistance block grants shall be expended by the division for other low-income residential weatherization or related home repairs for low-income households.

4. The division shall allocate the available funds among the nineteen community action agencies and shall establish weatherization goals for each agency based upon the inventory in subsection 2 of this section. The division shall give priority to weatherizing these residences.

5. The division shall submit a report to the general assembly on February 1, 1989. The report shall include the number of residences identified as eligible for weatherization in this project, the number of residences weatherized from July 1, 1988, to December 31, 1988, the average cost per dwelling weatherized, and the range of costs for individual weatherizations. In addition, the report shall include the department's recommendation for a program to complete the weatherization of the remaining residences in this category. The report shall also include an inventory of the number of residences not weatherized for the 1987-1988 participants whose household incomes fall between seventy-five percent and one hundred percent of the poverty level.

Sec. 6. NEW SECTION. 601K.102 ENERGY CRISIS FUND.

1. An energy crisis fund is created in the state treasury. Moneys deposited in the fund shall be used to assist low-income families who qualify for the low-income heating energy assistance program to avoid loss of essential heating.

2. The fund may receive moneys including, but not limited to, the following:

- a. Moneys appropriated by the general assembly for the fund.
- b. Moneys credited to the fund under section 556.18.
- c. After July 1, 1988, unclaimed patronage dividends of electric cooperative corporations or associations shall be applied to the fund following the time specified in section 556.12 for claiming the dividend from the holder.
- d. The fund may also receive contributions from customer contribution funds established under section 476.66.

3. Under rules developed by the division of community action agencies of the department of human rights, the fund may be used to negotiate reconnection of essential utility services with the energy provider.

Sec. 7. AFFORDABLE HEATING PAYMENT PROGRAM PILOT PROJECT.

1. The division of community action agencies of the department of human rights in cooperation with the department of natural resources and the utilities board shall conduct a two-year pilot project from October 1, 1988, through September 30, 1990, to do all of the following:

a. Determine the most economical and effective means of maintaining low-income Iowans' access to heating fuels at a cost that is within their means.

b. Develop more effective programs for weatherizing residences and achieving energy conservation.

2. The pilot projects shall:

a. Involve at least one provider of each of these sources of heat in the state:

- (1) Natural gas.
- (2) Electricity.
- (3) Deliverable fuels.

Providers shall be selected on a voluntary basis. The scope of the project shall include a statistically valid demographic region but will not necessarily include all customers of the selected energy provider in the state. If a provider has a pilot project in progress, that project may be selected for a pilot project under this section.

b. Provide a schedule or formula under which funds appropriated by this Act are used to make up the difference between what a low-income family or individual pays toward heating costs plus federal low-income home energy assistance payments and either the actual heating cost or the cost determined by rule by the division of community action agencies, department of human rights, as the cost of reasonable heating fuel consumption for the customer, considering size of family, location of residence, and such other factors as may be considered appropriate by the division.

c. Include programs designed to promote the use of energy conservation strategies by the participant. These programs shall be cost-effective.

d. Include a plan for affordable budget level repayment of heating provider bills in arrears at the time a customer enters an affordable heating payment program.

e. Provide for data gathering and evaluation of the projects to determine the effect of the program on residents who participate in comparison with residents in areas where such programs are not available.

f. Be designed and implemented to operate within funds appropriated or budgeted for the projects.

3. An advisory board is created to provide guidance in the development of the pilot programs and their administration.

a. The advisory board shall include the administrator of the division of community action agencies, who shall serve as chairperson of the board, the director of the department of natural resources, or the director's designee, the chairperson of the utilities board, or the chairperson's designee, the consumer advocate, or the consumer advocate's designee, and the following members to be appointed by the governor to serve for the two-year term of the pilot projects:

- (1) A representative of the investor-owned utility industry.
- (2) A representative of a municipal utility.
- (3) A representative of a rural electric cooperative.
- (4) A representative of dealers of deliverable fuels.
- (5) Representatives of two local community action agencies.
- (6) Representatives of two private advocacy or assistance agencies.

The speaker of the house of representatives, the senate majority leader, and the minority leaders of the house of representatives and senate shall each name a member of the general assembly to serve on the advisory board without vote.

b. Advisory board members who are not members of the general assembly shall serve without compensation, but shall be reimbursed for actual expenses.

c. The advisory board shall provide the general assembly with an evaluation of the first year of the program and recommendations for further legislative action no later than January 15, 1990.

4. The division of community action agencies of the department of human rights shall adopt rules pursuant to chapter 17A regarding eligibility for customer participation, means of calculating assistance payments, and procedures for provider participation under the pilot projects.

DONALD D. AVENSON
Speaker of the House

JO ANN ZIMMERMAN
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 683, Seventy-second General Assembly.

JOSEPH O'HERN
Chief Clerk of the House

Approved May 6, 1988

TERRY E. BRANSTAD
Governor