Background

The City Council provides financial oversight and fiscal management for the City of Redding Electric Utility (REU) and has authority to establish appropriate rates, fees, and charges to guarantee the financial integrity of the Utility. Due to electric industry restructuring mandated by the State of California under Assembly Bill 1890, passed in September 1996, the City Council enacted an interim rate surcharge to ensure the Electric Utility’s long-term competitiveness. The City Council recognized that the effect of the surcharge on certain customers could be severe. Therefore, in April 1997 the City Council passed Resolution 97-082 instituting a Lifeline Rate discount program for REU. This program has been modified and expanded throughout the years since that time and continues to provide much needed assistance to our most vulnerable customers.

Purpose

The purpose of the Lifeline Rate discount program is to provide financial relief by reducing the cost of electric service to the City’s low-income population.

Policy

1. The program will be administered to provide a discount on electric utility charges to qualified City of Redding Electric Utility customers.

2. The Lifeline Rate will be a twenty-five (25) percent discount on the sum of the Electric Utility Network Access Charge and the first 800 kWh usage for qualified customers as computed using the standard Residential Rate. The Lifeline Plus+ Rate will be a twenty-five (25) percent discount on the sum of the Electric Utility Network Access Charge and the first 300 kWh usage for qualified customers as computed using the standard Residential Rate. The Lifeline Rates shall not be applicable to or available for three-phase service, resale for profit, temporary construction service, standby or auxiliary service, service to any single motor exceeding a nameplate rating of 7½ horsepower, or any equipment that will cause excessive voltage fluctuations.

3. The Lifeline Rate will be available to senior citizens (age 62 or older) and to disabled customers whose maximum household income does not exceed the low-income level limits most recently published by the City of Redding and as determined by the number of household members. The income level limit is set at seventy-five (75) percent of median income level for the area.

The Lifeline Plus+ Rate will be available to all customers whose maximum household income does not exceed the very low-income level limits most recently published by the City of Redding and as determined by the number of household members. The income level limit is set at fifty (50) percent of median income level for the area.

4. Funds for this program will be considered to be applicable to the “Public Goods Charge” as mandated by California AB 1890, the Electric Industry restructuring bill, and will be taken from the 2.85 percent of retail revenues that REU sets aside for its Public Benefits programs.
## SUBJECT

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### Procedure

The City Council directs staff to administer the Lifeline Rate discount program as follows:

1. The Lifeline Rates will be in effect until otherwise directed by City Council.
2. The Lifeline Rates will be available only to individually metered single-phase electric residential service provided to any single-family dwelling, apartment, or mobile home.
3. The Lifeline Rates will be available to City of Redding residents only and can only be applied to one location per qualified household.
4. REU reserves the right to establish a waiting list if more customers qualify than funds for the program will allow. Whenever budgeted funds are exhausted, qualified customers will be added to a waiting list. As available spaces allow, they will be filled from the beginning of the list, according to the applicant’s date of qualification for the Lifeline or Lifeline Plus+ Rate, if the applicant meets the program qualifications at the time the space becomes available.
5. Benefits under this program will be denied by the City of Redding for a period of twelve months, subject to appeal to the Electric Utility Director, for any of the following conditions:
   a. Any evidence of service tampering or meter tampering.
   b. Failure to re-certify qualification at any time requested to do so by the City of Redding.
   c. False information provided during qualification or re-certification.
6. Application forms shall be developed by the Electric Utility Director, or his designee, which shall set forth the minimum criteria to obtain the applicable Lifeline rate discount.
7. Any project that is master-metered shall have the option to enter into a separate agreement with the City that provides that any credit would be fully passed through to the qualifying households. Included in this category would be mobile home parks, senior housing residences, and nonprofit housing of qualified households.
8. All Lifeline discounts will become effective at the beginning of the billing period after qualification is met.
9. Determination of eligibility:
   
   To be eligible for the Lifeline Rate discount, the applicant must meet the following criteria:
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a. Total gross annual income for all persons in the applicant’s household may not exceed seventy-five (75) percent of the median income levels for Shasta County, as most recently published by the City of Redding. Application forms will show current maximums by household size.

b. The applicant must be a senior citizen (age 62 or older), or be permanently disabled. Applicants who care for a disabled person in the home also qualify.

To be eligible for the Lifeline Plus+ Rate discount, the applicant must meet the following criteria:

a. Total gross annual income for all persons in the applicant’s household may not exceed fifty (50) percent of the median income levels for Shasta County, as most recently published by the City of Redding. Application forms will show current maximums by household size.

Amended on 11-18-97 by Resolution No. 97-204
Amended on 01-19-99 by Resolution No. 99-009
Amended on 05-06-14 by Resolution No. 14-046
Amended on 01-19-16 by Resolution No. 16-014