

APPENDIX E. Electric Utility Low Income Rate Discount Programs

Rate discount programs for low income customers are currently offered by Arizona Public Service, Citizens Utilities, Salt River Project, and Tucson Electric Power. Program details vary by utility company, but generally the customer is given a percentage discount off of their entire monthly bill. In most cases a declining block discount structure is used, with a low income customer receiving a smaller percentage discount as their monthly usage passes certain kwh thresholds. In some cases the low income customer receives a flat dollar amount discount if their usage increased beyond a certain point. Several utilities also offer a medical discount supplement to their low income rate discount. This supplement increases the kwh thresholds on the regular low income rate discount tariff to account for the electricity usage of life-supporting medical equipment used by the low income customers.

Because low income rate discounts are typically given on a percentage basis of the customers' entire bill, the introduction of retail electric competition and changes in billing impact these discounts differently than other low income programs. The low income issues working group addresses rate discount programs in consensus recommendation 1A, shown below.

1A. Current levels of rate discounts to customers at current benefits levels should continue irrespective of energy supplier.

The group did not reach a consensus regarding how rate discounts in the competitive market should be structured. The following tables show the details of the rate discount programs currently offered by electric utilities in Arizona.

Arizona Public Service

APS has two low income discount tariffs, E-3, the Residential Energy Support Program, and E-4, the Medical Care Equipment Program.

Rate E-3, Residential Energy Support Program

Monthly Usage (kWh)	0-400	401-800	801-1200	1201+
Discount	30%	20%	10%	\$10.00

Rate E-4, Medical Care Equipment

Monthly Usage (kWh)	0-800	801-1200	1401-2000	2001+
Discount	30%	20%	10%	\$20.00

Citizens Utilities Company

Citizens has two low income discount tariffs, the Citizens Assistance Residential Energy Support program and the Low Income Medical Life Support program.

Citizens Assistance Residential Energy Support

Monthly Usage (kWh)	0-300	301-600	601-1000	1001+
Discount	30%	20%	10%	\$8.00

Low Income Medical Life Support

Monthly Usage (kWh)	0-600	601-1200	1201-2000	2001+
Discount	30%	20%	10%	\$8.00

Salt River Project

SRP has two low income discount tariffs, the Low Income Seniors Discount Rate and the Medical Life Support Rate.

Low Income Seniors Discount Rate

Monthly Usage (kWh)	0-1300	1301+
Discount	5%	0%

Medical Life Support Rate

Monthly Usage (kWh)	0-1800	1801+
Discount	5%	0%

Tucson Electric Power

TEP has three low income discount programs, Rate No.5, Residential Lifeline Discount, Rate No. 4, Residential Lifeline/Senior Discount, and Rate No. 8, Residential Lifeline/Medical Life-Support Discount.

Rate No.5, Residential Lifeline Discount

Monthly Usage (kWh)	0-300	301-600	601-1000	1001+
Discount	25%	20%	15%	0%

Tucson Electric Power (continued)

Rate No. 4, Residential Lifeline/Senior Discount

Monthly Usage kWh)	0-300	301-600	601-1000	1001-1500	1501+
Discount	35%	30%	25%	15%	0%

Rate No. 8, Residential Lifeline/Medical Life-Support Discount

Monthly Usage (kWh)	0-1000	1001-2000	2001+
Discount	35%	30%	10%