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**SOUTHWEST GAS CORPORATION**

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AZ CORP COMMISSION  
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May 26, 2006

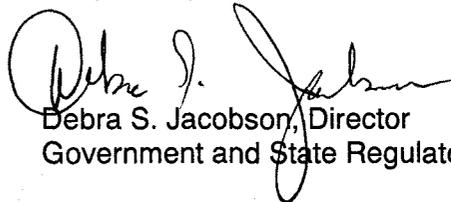
Docket Control Center  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, AZ 85007

Re: **Docket Nos. G-01551A-02-0425 and G-01970A-02-0425; D.68249**

In compliance with Arizona Corporation Commission Decision No. 68249, dated October 25, 2005, Southwest Gas Corporation (Southwest) hereby submits for filing an original and fifteen (15) copies of Southwest's 2005/2006 annual report on the Low-Income Ratepayer Assistance (LIRA) pilot program for Page, Arizona.

If you have any questions or comments on the attached report, please do not hesitate to contact me at 702-876-7163.

Respectfully submitted,



Debra S. Jacobson, Director  
Government and State Regulatory Affairs

Enclosures

c ACC Compliance Division

**SOUTHWEST GAS CORPORATION  
2005/2006 ANNUAL LIRA REPORT  
PAGE, ARIZONA**

**Introduction**

In compliance with Decision No. 68249, dated October 25, 2005 (issued in Docket Nos. G-01551A-02-0425 and G-01970A-02-0425), Southwest Gas Corporation (Southwest) submits its annual report on the Low-Income Ratepayer Assistance (LIRA) pilot program for Page, Arizona. In addition, Southwest has included a discussion about the Low-Income Energy Conservation (LIEC) program in Page.

**Low-Income Ratepayer Assistance**

The Page LIRA pilot program provides discounted rates for regulated propane service to income-qualifying customers during the winter months (November through April). Customers are eligible for the LIRA program if their household income does not exceed 150 percent of the Federal Poverty Level set by the U.S. Department of Health and Human Services. The maximum monthly customer discount during the winter is \$12.10. Southwest has an annual program budget cap of \$12,500.

Southwest's LIRA outreach efforts incorporated multiple strategies: 1) quarterly bill inserts to customers; 2) a webpage promoting the program; 3) the distribution of LIRA applications throughout the community. This year's applications were distributed to the local Seniors Center, Office of Energy Assistance, Circle of Page (Salvation Army assistance), and various churches during November 2005; 4) a direct mail letter to customers informing them of various assistance programs, including LIEC and LIRA; and 5) a news release published in the *Lake Powell Chronicle*. Examples of the outreach materials are located in the Appendix of this report. As of April 2006, Southwest had 51 customers in the Page service area participating in the LIRA program. The program is currently a two-year pilot program. Without additional Commission authorization, the Page LIRA program is scheduled to sunset in October 2007.

Table 1 in the Appendix provides monthly information, as required in D. 68249. This table includes several types of information: the number of participants billed by month;

**SOUTHWEST GAS CORPORATION  
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PAGE, ARIZONA**

total amount of the monthly received discounts; both the median and mean customer discount; administrative expenses; and the balance in the Page LIRA deferral account.

**Low-Income Energy Conservation Program**

Southwest initiated a LIEC program to eligible Page customers in November 2005, in accordance with the above-referenced Decision. This program provides qualified, low-income customers with cost-effective<sup>1</sup> improvements that reduce energy use in their homes. The program currently has an annual budget of \$12,500. The LIEC program is managed through the Arizona Department of Commerce Energy Office's (AEO) statewide weatherization program and is available to customers whose annual income is less than 125 percent of the federal poverty guidelines, and to customers over the age of 60 or disabled whose income is under 150 percent of the federal poverty guidelines. Both owners and renters are eligible. The annual program runs on a fiscal year from July through June, as do the other federally-funded programs administered by the AEO. In Page, the AEO contracts with the Northern Arizona Council of Governments (NACOG), the local community action partnership agency, to install the home weatherization measures. NACOG is based in Flagstaff and sends representatives to Page periodically during the year. Southwest combines the promotion and outreach activities for both the LIEC and LIRA programs to more efficiently reach the target audience and keep administrative costs low.

The AEO and NACOG both leverage Southwest's LIEC funds with funds from the U.S. Department of Energy, U.S. Department of Health and Human Services, other governmental funds, and other utility funds (when applicable). However, in Page, the electric provider, Page Electric Utility (PEU), is a non-profit public power entity which is owned and operated by the City of Page; PEU does not provide low-income weatherization assistance. Funds are spent in three major categories: (1) duct repair; (2) infiltration control; and (3) attic insulation. The majority of low-income housing stock in Page consists of mobile homes. The cost of weatherizing a mobile home is much

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<sup>1</sup> Based on calculations from the AEO for Southwest's existing LIEC program

**SOUTHWEST GAS CORPORATION  
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lower than the cost for a single-family home. The majority of mobile homes receive low-cost measures, such as low-flow showerheads, aerators, gaskets, weatherstripping, and water heater blankets. Higher cost items, such as blown-in insulation, are not applicable to these units. The estimated average amount spent per home on weatherization in the area is \$1,000. Southwest filed on May 1, 2006, in its report on Demand-Side Management (DSM) programs for Page, to adjust the annual budget for LIEC to \$10,000 annually.

The AEO provides training to both field and administrative personnel of the agencies conducting the statewide program. Training occurs in a variety of forms:

- Peer-to-Peer Training - provides interaction with agencies that have the experience and skills needed to successfully implement the weatherization program. This knowledge is shared with other agencies throughout the state. The peer-to-peer technical training includes pressure diagnostics, health and safety, and applied building science.
- REM/Design Training - instructs attendees on the use of software for estimating annual heating, cooling, and water heating use, the potential savings of retrofit measures, and the cost-effectiveness of retrofit measures.
- Peer-to-Peer Fiscal and Technical Procedures - allows the fiscal and technical staff from the agencies and the AEO to meet and discuss issues that arise in the program. Agencies are able to share solutions to common problems and other information.

Field inspections are conducted by the AEO on a minimum of 15 percent of completed jobs. Inspections consist of verifying diagnostic results, measures completed, and appropriateness of decisions made by the field technicians. The AEO also reviews 100 percent of the technical reports submitted.

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PAGE, ARIZONA**

**Conclusion**

Southwest does not propose to make any modifications to the Page LIRA pilot program at this time. Southwest will continue to monitor the LIRA program and make appropriate recommendations to the Commission, when necessary.

## **APPENDIX**

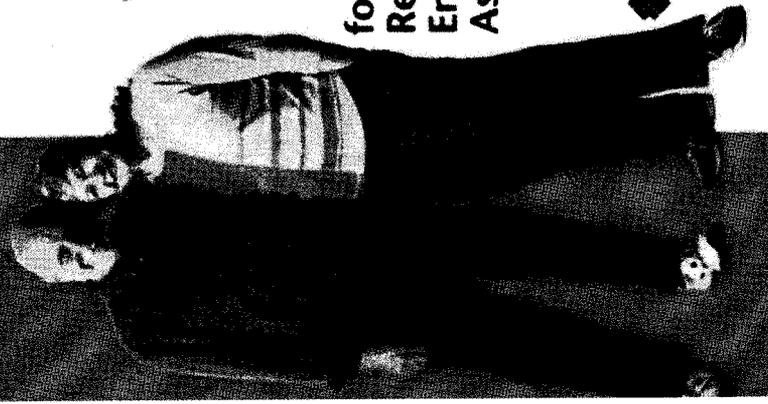
TABLE 1  
 SOUTHWEST GAS CORPORATION  
 PAGE, ARIZONA  
 ANNUAL REPORT - LIRA PILOT PROGRAM BENEFITS RECEIVED BY CUSTOMERS  
 FOR THE MONTHS OF NOVEMBER 2005 THROUGH APRIL 2006

	# of Participants <sup>[1]</sup>	Total Amount of Discounts	Median Discount per Customer	Mean Discount per Customer	Administrative Expenses <sup>[2]</sup>	Balance in Deferral Account
Nov-05	7	\$84.70	\$12.10	\$12.10	\$	\$85.00
Dec-05	39	\$471.90	\$12.10	\$12.10	\$	\$557.00
Jan-06	45	\$544.50	\$12.10	\$12.10	\$	\$1,105.00
Feb-06	29	\$350.90	\$12.10	\$12.10	\$	\$1,692.00
Mar-06	69	\$823.04	\$12.10	\$11.93	\$	\$2,295.00
Apr-06	56	\$662.39	\$12.10	\$11.83	\$	\$2,970.00

<sup>[1]</sup> There are currently 51 total participants in the LIRA program. However, the number of participants may vary from month to month due to Southwest's customer billing cycle.

<sup>[2]</sup> Southwest did not charge administrative costs to the Page LIRA program.

**You May Qualify...**



**for  
Residential  
Energy  
Assistance**



## **Low Income Ratepayer Assistance (LIRA) Program**

The LIRA Program provides a \$12.10 maximum discount listed on your monthly gas bill. The reduction applies to each month from November through April.

## **Low Income Energy Conservation (LIEC) Program**

The LIEC Program works in partnership with the Arizona Department of Economic Security to provide free energy audits, conservation education and comprehensive energy efficiency and safety in the homes of low-income customers.



Program eligibility is determined by the number of persons in the household and the total household gross annual income. If you would like more information on the LIRA or LIEC Programs, please contact your local Southwest Gas office.

**Page, Arizona - (928) 645-2391**

## **Low Income Ratepayer Assistance (LIRA) Program**

## **Low Income Energy Conservation (LIEC) Program**

### **YOU MAY QUALIFY FOR RESIDENTIAL ENERGY ASSISTANCE**

The *LIRA Program* provides a 20 percent discount on the first 150 therms used each month from November through April.

The *LIEC Program* works in partnership with the Arizona Energy Office to provide free energy audits, conservation education, and comprehensive weatherization materials that increase energy efficiency and safety in the homes of low-income customers.

Program eligibility is determined by the number of persons in the household and the total household gross annual income. If you would like more information on the LIRA or LIEC Programs, please contact your local Southwest Gas office.

**Central Arizona – 1-800-873-2440**

**Southern Arizona – 1-800-428-7324**

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**ARIZONA NEWS RELEASE**

BACK

November 23, 2005

FOR IMMEDIATE RELEASE

Contact: Cynthia Messina, (702) 876-7132

### Southwest Gas Offers Discount Rates to Low Income Households

PAGE, ARIZ.- Rising natural gas costs nationwide will result in higher gas bills this winter. Southwest Gas wants to remind its customers about the Low-Income Ratepayer Assistance (LIRA) and the Low-Income Energy Conservation (LIEC) programs.

LIRA provides discount rates to low-income households by offering a \$12.10 maximum discount on the customer's monthly gas bill to qualifying households, representing a significant savings from November through April.

LIEC works in partnership with the Arizona Department of Commerce Energy Office to provide free energy audits, conservation education, and comprehensive weatherization materials that increase energy efficiency and safety in the homes of low-income customers.

"The LIRA program assists low-income households with their gas bill payment," stated Anita Romero, vice president at Southwest Gas. "We encourage those who need the assistance to look into the LIRA program and take advantage of it if they qualify. Also, implementing energy-saving measures can help households manage their natural gas usage and budget."

LIRA is available to Page households with a total annual income that does not exceed 150 percent of the federal poverty level. For example, a family of four whose total gross annual income is \$29,025 would qualify for the LIRA program. Interested customers should call Southwest Gas at (928) 645-2391 for more information on the LIRA or LIEC programs.

To save energy, Southwest Gas recommends setting the thermostat between 66-68, health permitting, during the heating season and using caulk and weatherstrip around drafty doors and windows. The company's Equal Payment Plan and Automatic Payment Plan also help customers manage their budget. For more information on these plans and energy saving tips visit [www.swgas.com](http://www.swgas.com).

# # # #

## RESIDENTIAL SPECIAL PROGRAMS



- Energy Assistance Programs
  - Nevada Energy Connection
  - California Alternate Rates for Energy (CARE)
  - Low-Income Ratepayer Assistance (LIRA) for Arizona
  - Low-Income Weatherization
  - California Additional Baseline
  - Deferred Payment
- Energy Share
- Gift Announcements
- Landlord Agreement Program
- Third-Party Notification Program
- Services for the Hearing Impaired
- Services for the Visually Impaired
- Language Bank
- Referral Program

## Arizona Low-Income Energy Conservation Program

Whether you own or rent your residence, the Southwest Gas Conservation Program can assist you with money-saving home improvements to increase the energy efficiency of your home. Energy-saving measures are available to income-qualified customers, at no cost.



Examples of energy-saving measures are caulking, insulation, weather-stripping, ductwork repairs and windows.

In order to participate in this program, a customer must meet the income qualifications set forth by the U.S. Department of Health and Human Services.

Check the chart below to see if you qualify for the conservation program:

### LOW-INCOME ENERGY CONSERVATION PROGRAM HOUSEHOLD INCOME GUIDELINES

Number of People Living in Household	Annual Income	Seniors(60+) & Permanently Disabled
1	\$11,963	\$14,355
2	\$16,038	\$19,245
3	\$20,113	\$24,135
4	\$24,188	\$29,025
5	\$28,263	\$33,915
6	\$32,338	\$38,805
<b>For each additional person in your household, add:</b>	<b>\$4,075</b>	<b>\$4,890</b>

**To request the Low-Income Energy Conservation Program, call:**

**Tucson District**  
Tucson Urban League (TUL)  
2305 S. Park Avenue Tucson, AZ 85713

**Tucson District**

Pima County Community Services Department CDBG  
2797 E. Ajo Way Tucson, AZ 85713  
(520) 243-6700

**Casa Grande, Globe, Oracle - Valley District and Mountain District**

Community Action Human Resources Agency (CAHRA)  
311 North Main Street Eloy, AZ 85231  
(520)466-1112

**Sierra Vista, Douglas, Morenci - Southeast & Eastern Districts**

Southeastern Arizona Community Action Program (SEACAP)  
283 W. 5th Street Safford, AZ 85546  
800-293-1144

**Globe, Miami - Mountain District**

Gila County Community Services Division  
P. O. Box 1254 1177  
Monroe Street Globe, AZ 85502  
(928)425-3281

**Yuma District**

Western Arizona Council of Governments (WACOG)  
224 South 3rd Avenue Yuma, AZ 85364  
(520)782-1886

**Bullhead City District**

Western Arizona Council of Governments (WACOG)  
208 N. 4th Street Kingman, AZ 86401  
(928)753-6247

**Maricopa County - Excluding the City of Phoenix and the City of Mesa**

Maricopa County-Human Services Department  
Community Services Division  
234 N Central, Suite 3000 Phoenix AZ 85004  
(602) 506-4844

**City of Phoenix Only**

City of Phoenix-Neighborhood Services Department  
Housing Rehabilitation Section  
200 West Washington-4th Floor Phoenix, AZ 85003

**City of Mesa Only**

Community Revitalization Division  
PO Box 1466 Mesa AZ 85211-1466  
(480) 644-3381

**Phoenix & Outlying Communities**

Statewide Community Information & Referral Help Line (602)  
263-8856

If calling from Outside Phoenix area - 1(800)352-3792



## **SOUTHWEST GAS CORPORATION**

October 31, 2005

Dear Southwest Gas Customer:

The Arizona Corporation Commission recently authorized Southwest Gas to offer programs that can assist income-qualified metered propane customers in Page, Arizona, manage their winter heating bills. Additionally, Southwest Gas is now able to offer our metered propane customers additional bill-payment options. The following list of services represents several of the more important programs now available to you:

**LIRA** (Low-Income Ratepayer Assistance) offers eligible residential metered propane customers a monthly discount up to \$12.10 during the winter season, November 1 through April 30. To be eligible, a customer's household income must not exceed 150 percent of the Federal poverty level. An application for LIRA is enclosed.

**LIEC** (Low-Income Energy Conservation) partners with the Arizona Energy Office to provide low-income customers with free energy audits, conservation education, and comprehensive weatherization materials that increase energy efficiency in their homes.

**EPP** (Equal Payment Plan) conveniently distributes your annual bill into equal monthly payments.

**APP** (Automatic Payment Plan) allows you to pay your bill with an automatic withdrawal from a checking or savings account.

By enrolling in APP and EPP, you will know the amount of your bill each month and that it will be paid on time.

**E-bill** gives you the option of paying your gas bill on-line through various payment providers. CheckFree® is the company's E-bill provider; to sign-up for this free service visit [www.mycheckfree.com](http://www.mycheckfree.com).

**Summary Bill** provides customers that have several Southwest Gas accounts the opportunity to receive a single bill with summarized billing data for all accounts.

With the winter season fast approaching and propane prices climbing on a national level, Southwest Gas recommends setting the thermostat between 66-68°F, health permitting, during the heating season. In addition, using caulk and weather strip around drafty doors

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October 31, 2005

and windows helps to save energy. For more information on the programs and energy saving tips, please contact the Southwest Gas office at (928) 645-2391.

Thank you for being a valued customer of Southwest Gas.

Sincerely,

A handwritten signature in black ink that reads "James Kane". The signature is written in a cursive style with a large initial "J" and a long, sweeping underline.

James Kane  
President



## Media Summary

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4) Lake Powell Chronicle (Internet) 12/1/05

### **"Southwest Gas Has Low-Income Aid"**

Rising natural gas costs nationwide will result in higher gas bills this winter. Southwest Gas has several programs in place for its customers to get help during this period: the Low-Income Ratepayer Assistance and Low-Income Energy Conservation programs.

LIRA provides discount rates to low-income households by offering a \$12.10 maximum discount on the customer's monthly gas bill to qualifying households, according to a press release from Southwest Gas. LIRA would represent significant savings on natural gas related bills from November through April.

The release also stated that LIEC works in partnership with the Arizona Department of Commerce Energy Office to provide free energy audits, conservation education, and comprehensive weatherization materials that increase energy efficiency and safety in the homes of low-income customers.

LIRA is available to Page households with a total annual income that does not exceed 150 percent of the federal poverty level, according to the release. For example, a family of four whose total gross annual income is \$29,025 would qualify for the LIRA program.

To conserve energy, Southwest Gas recommends setting the thermostat between 66 to 68 degrees Fahrenheit, health permitting, during the heating season, in addition to caulking and weather-stripping drafty doors and windows.

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