

Report to the Department of Justice  
on Duke & El Paso Settlement Funds  
for Energy Assistance  
12/27/06

**INTRODUCTION**

The Interagency Agreement between Oregon Housing and Community Services and the Oregon Department of Justice for distribution of the Duke and El Paso Settlement funds for energy assistance calls for an annual report to the DOJ. Due by December 31, 2006, this report fulfills that requirement. The report is to explain "...how the settlement funds were used and the extent of the benefit provided to Oregon consumers."

**WHO WE SERVE**

The DEP energy assistance funds were paid out to heating vendors on behalf of eligible clients. Clients must be at or below 60% of state median income (see attachment A), though the actual income of the households served is about \$11,600 per year. Consumer-owned utilities received 93.5% of the payments to date.

A total of 3,910 households have received an energy payment from the funds. The table below illustrates the households served related to the federal poverty level and the makeup of the household.

<b>Percent of Poverty Report DUKE/EL PASO FUND Intake date of 2/28/06 - 12/26/06</b>					
<b>% of Poverty</b>	<b>Households</b>	<b>Seniors</b>	<b>Disabled</b>	<b>Age &lt;6</b>	<b>Age &lt;3</b>
Under 75%	2,143	97	408	784	497
75%-100%	603	101	213	179	94
101%-125%	473	79	118	154	88
126%-150%	340	68	88	99	56
Over 150%	351	61	75	85	51
Totals	3,910	406	902	1,301	786

The next table shows the type of bill that clients presented when they came in for assistance using DEP funds.

<b>Payment Type Report</b>	
<b>DUKE/EL PASO FUND</b>	
Intake date of 2/28/06-12/26/06	
<b>Description</b>	<b>Count</b>
Past due	856
Regular	1,704
Shutoff 0-24 hours	624
Shutoff 1-5 days	592
Shutoff disconnected	338
Total	4,114
*Number of Households may not compare to other reports due to possibility of counting in more than one category.	

And, finally the Heat Type Report shows the type of primary heat for the households served.

<b>Heat Type Report</b>		
<b>DUKE/EL PASO FUND</b>		
Intake date of 2/28/06-12/26/06		
<b>Heat Type</b>	<b>Household Count</b>	<b>Client Count</b>
Electric	3,420	9,692
Liquid Gas	46	104
Natural Gas	300	949
Oil	56	161
Other	0	0
Pellet	6	22
Solar	0	0
Wood	0	0
Totals	3,828	10,928

### **SERVICE DELIVERY**

The DEP bill assistance program is delivered through a network of community action agencies throughout Oregon, which deliver a myriad of anti-poverty programs to low-income clients. This creates efficiency of operations plus assures that clients are able to access multiple services that are designed to help them move away from dependency while assisting them with their immediate needs. See Attachment C Vendor Report for a list of the vendors and payments made from DEP Energy Assistance Funds.

OHCS has developed, with assistance from partner agencies and major utilities, a set of energy education and case management practices to help clients move toward self-

sufficiency. The project is titled Energy Efficiency and Consumer Competency (E2C2). A federal REACH grant is in the third of three years to fund pilot projects with three agencies in five Oregon counties. Through the award of Duke and El Paso Settlement Funds for case management in July 2006 and other sources, these pilots have been expanded so these services can be offered to community action agencies statewide. Nine community action agencies are currently participating in the case management services and 18 agencies are delivering energy education. See a separate report on this program for a more complete description. Major components of E2C2 include:

- Web-based linkage to Oregon Helps
- Needs assessment for client services
- Consumer education about how to reduce energy costs
- Energy bill assistance through OEAP, LIEAP and settlement funds
- Weatherization services
- Energy saving kits
- Case management that links clients to additional services with the goal of increased self-sufficiency skills

### **PROGRAM SPENDING**

All DEP Settlement Funds for energy bill payment assistance have been allocated and approximately 88.5% have been expended. Local agencies were given the option of holding funds for use during this winter heating season rather than spending them immediately. The Vendor Payment Summary in Attachment C demonstrates that 93.5% of the funds paid out have gone directly to COUs.

### **ALLOCATIONS**

A total of \$1,486,890 was received by OHCS from DOJ in DEP Funds for energy bill payment assistance. Of this amount, \$1,442,284 was allocated to partner agencies by April 1, 2006. The remainder of \$44,606 or 3.0%, was retained by OHCS for administration.

### **EXPENSES**

#### **OHCS Administration**

OHCS provides contract management, monitoring for grant compliance, accounts payable/receivable, OPUS database system and management, program monitoring, training and technical support. These expenses will not exceed 3.0% of the total receipts.

#### **Partner Agency Administration**

Each community action agency provides contract management, supervision of staff and accounts payable/receivable in administering the DEP Fund. Federal funds cannot be used to pay other program expenses, so agencies need funds to cover their actual costs of administering this program. Partner agencies are allowed to expend up to 7.5% of their total allocation for administration. Agencies are allowed to move unexpended administration funds to client vendor payments at their discretion.

### **Program Delivery**

Agencies incur costs directly related to delivery of DEP Fund services to clients. These program specific expenses are paid to agencies on a cost reimbursement basis as program delivery expenses. Common expenses include payroll for intake service workers, direct program management, telephones, supplies, postage and office space costs. Again, federal funds cannot be used to pay other program expenses, so agencies need funds to cover their actual costs of delivering this program. Up to 10.5% of an agency's allocation is allowed for program delivery costs.

### **Client Vendor Payments**

Partner agencies make vendor payments directly to utilities on behalf of their clients. These payments meet vital needs to maintain heat for low-income households. Vendor payments totaling \$1,194,030 have been allocated for energy payments on behalf of clients which is 80.3% of the total funds.

### **NEED**

The 2005 American Community Survey (ACS) estimates that 419,000 households are eligible for energy assistance in Oregon. Of those, fewer than 20% receive services from the Duke and El Paso Energy Assistance Fund, Oregon Energy Assistance Program (OEAP) or the federally funded Low-Income Energy Assistance Program (LIEAP), all of which are administered through OHCS.

Low-income households pay a disproportionate share of their income to maintain energy services. According to an April 2006 study (see table below) on home energy affordability, Oregon households with incomes at or below 50% of the federal poverty level pay 34.4% of their annual income to energy bills. For households between 50% and 100% of poverty, the energy burden averages 11.9%, more than twice that of a non low-income household. The 2005 ACS identifies 197,800 Oregon households that fall below the federal poverty level.

Federal Poverty Level	Home Energy Burden
Below 50%	34.4%
50-74%	13.8%
75-100%	9.9%
101-124%	7.7%
125-150%	6.3%
150-185%	5.2%

Source: *On the Brink*, Fisher, Sheehan & Colton, April 2006

Low-income households often have problems with late or missed payments, arrearages or debt, and face disconnection of utility services. Consequences of even short periods of service disconnection include failing health of seniors, poor performance of children in school and deterioration of housing stock. More severe consequences include loss of

eligibility for other support programs (i.e. eviction from subsidized housing), homelessness and death. A 2005 survey report by the National Energy Assistance Directors' Association, found that recipients of energy assistance reported the following consequences of unaffordable energy bills:

- 20% went without food for at least one day,
- 32% went without filling a prescription or taking a full dose of a prescribed medicine,
- 16% became sick because their home was too cold,
- 20% said they were not able to pay their energy bills due to medical expenses, and
- 73% reduced expenses for household necessities because they did not have enough money for their energy bills.

### **CONCLUSION**

OHCS is in a unique position to coordinate settlement funds such as the Duke and El Paso Energy Assistance Fund along with the other energy and weatherization programs administered by the agency. Reporting and auditing systems are in place to assure funds are used appropriately and efficiently. The system for distribution of funds and delivery of services is effective, cost-efficient, and takes advantage of existing networks that already work with low-income households. It provides a model of collaboration that helps assure the multiple needs of low-income families are met by bringing together resources from the public and private sectors.

The OHCS programs through which the DEP Settlement Funds were distributed have significant positive impact in helping low-income Oregonians meet basic needs, both in the short-term and long-term. The bill payment assistance administered in the Consumer Owned Utilities service areas helps low-income households deal with home heating crisis situations, and along with the related services provided by the Community Action Agency network support those households in a transition toward self-sufficiency.

## **Attachments**

Attachment A	Poverty Guidelines
Attachment B	Client Characteristics for Duke and El Paso program
Attachment C	Vendor Payment Summary for Duke and El Paso program

## Attachment A

**POVERTY GUIDELINES**  
**For Use in Federal Fiscal Year 2007**  
**2006 Federal Poverty Guidelines at 100% – Source HHS**

<b>Household Unit Size</b>	<b>Annual Income</b>	<b>Monthly Income</b>
1	\$9,800.00	\$816.66
2	\$13,200.00	\$1,100.00
3	\$16,600.00	\$1,383.33
4	\$20,000.00	\$1,666.66
5	\$23,400.00	\$1,950.00
6	\$26,800.00	\$2,233.33
7	\$30,200.00	\$2,516.66
8	\$33,600.00	\$2,800.00
9	\$37,000.00	\$3,083.33
10	\$40,400.00	\$3,366.66
11	\$43,800.00	\$3,650.00
Each Additional Member	\$3,400.00	\$283.33

**60% of State Median Income by Household Size**  
**For Use in Federal Fiscal Year 2007**  
**Estimated State Median by Household Size – Source HHS**

<b>Household Unit Size</b>	<b>Annual Income</b>	<b>Monthly Income</b>
1	\$19,110.00	\$1,592.50
2	\$24,990.00	\$2,082.50
3	\$30,870.00	\$2,572.50
4	\$36,750.00	\$3,062.50
5	\$42,630.00	\$3,552.50
6	\$48,510.00	\$4,042.50
7	\$49,613.00	\$4,134.41
8	\$50,715.00	\$4,226.25
9	\$51,818.00	\$4,318.16
10	\$52,920.00	\$4,410.00
11	\$54,022.00	\$4,501.83
Each Additional Member	\$1,102.50	\$91.87

## Attachment B

CLIENT CHARACTERISTICS					
Intake Date of 2/28/06-12/26/06					
DUKE / EL PASO FUND					
<b>Agency Reporting: OHCS</b>					
<b>Sub Grantee or Program: DUKE/EL PASO Fund</b>					
A. Total unduplicated number of persons about whom one or more characteristics were obtained:				11,104	
B. Total unduplicated number of persons about whom no characteristics were obtained:				0	
C. Total unduplicated number of households about whom one or more characteristics were obtained:				3,889	
D. Total unduplicated number of households about whom no characteristics were obtained:				0	
PERSONS		HOUSEHOLDS			
GENDER		HOUSEHOLD SIZE			
Male	4,792	1	891		
Female	6,289	2	959		
Unknown Gender	23	3	831		
AGES		4	589		
0 - 5	1,878	5	381		
6 - 11	1,741	6	165		
12 - 17	1,610	7	45		
18 - 23	803	8 or More	28		
24 - 44	3,163	Unknown Household Size	0		
45 - 54	1,114	INCOME SOURCE			
55 - 69	629	No Income	1,615		
70 & Over	166	AFDC/TANF	248		
Unknown Age	0	SSI	470		
ETHNICITY		Social Security	715		
Hispanic or Latino	1,738	Pension	74		
Not Hispanic or Latino	8,896	General Assist	43		
Ethnicity Not Reported	470	Unemployment Insurance	238		
RACE		Employment + Above	270		
White	8,516	Employment Only	1,529		
Black or African American	164	Other	643		
American Indian/Alaska Native	319	Unknown	19		
Asian	27	Unduplicated # of Households	3,870		
Native Hawaiian/Pacific Islander	73	Reporting Income Source	???		
Multi-Race	468	POVERTY LEVEL			
Race Not Reported	1,537	Up to 50%	1,434		
EDUCATIONAL STATUS		51% - 75%	684		
0 - 8	297	76% - 100%	606		
9 - 12 Non Grad, Adult	920	101% - 125%	477		
High School Grad/GED	2,098	126% - 150%	333		
12 + Some Post Secondary	983	151% & Over	355		
College Grad	487	Unknown Level	0		
Unknown Ed	287	HOUSE TYPES			
OTHER CHARACTERISTICS		Yes	No	Unkwn	
Health Ins	7,461	3,644	0		
Disabled	1,009	10,095	0		
Veteran	285	10,819	0		
HOUSEHOLD TYPE		Own	825		
Single Parent, Female	1,286	Rent	3,059		
Single Parent, Male	107	Homeless	0		
Two Parent Household	623	Other	0		
Single Person	888	Unkwn Housing Type	9		
Two Adult/No Children	750	OTHER HOUSEHOLD CHARACTERISTICS			
Other	192	Yes		No	
Unknown Household Type	43	Rec. Food Stamps	2,845	1,044	
OTHER HOUSEHOLD CHARACTERISTICS		Farmer		Migrant	
Rec. Food Stamps	2,845	1,044	0		
Farmworker	126	3,763	0		
		Farmer	Migrant	Seasonal	
Farmworker Type	56	6	64		

\*Number of Clients and Households may not compare to other reports due to possibility of counting in more than one category.

## Attachment C

Vendor Payment Summary 2/28/06-12/26/06 DUKE / EL PASO FUND			
VENDOR NAME	# CLIENTS*	# HOUSEHOLDS*	TOT PMTS
BLACHLY-LANE ELEC. COOP	33	11	\$3,865
CANBY UTILITY BOARD	206	70	\$17,608
CENTRAL ELEC COOP	540	180	\$51,812
CENTRAL LINCOLN PUD	570	204	\$49,863
CITY OF ASHLAND	181	87	\$22,015
CITY OF BANDON ELECTRIC	30	10	\$3,265
CITY OF CASCADE LOCKS	11	4	\$990
CITY OF DRAIN ELEC	9	3	\$930
CITY OF FOREST GROVE	336	104	\$28,519
CITY OF MILTON-FREEWATER	72	26	\$8,145
CITY OF MONMOUTH	82	26	\$6,785
CLATSKANIE PUD	90	32	\$9,038
CO ENERGY	3	1	\$150
COLUMBIA BASIN ELECTRIC COOP	19	8	\$2,385
COLUMBIA POWER CO-OP	22	6	\$2,420
COLUMBIA RIVER PUD	796	286	\$75,216
CONSUMERS POWER INC.	560	195	\$51,631
COOS-CURRY ELECTRIC	140	45	\$12,394
DOUGLAS ELECTRIC	157	52	\$16,459
EMERALD PUD	217	80	\$22,475
EWEB	1,315	507	\$142,430
GODDARD ENERGY CO.	2	1	\$250
HARNEY ELECTRIC CO-OP	5	2	\$690
HERMISTON ENERGY SERVICES	186	57	\$16,620
HOOD RIVER ELECTRIC	225	56	\$17,785
LANE ELECTRIC COOPERATIVE	111	42	\$12,030
MAC WATER & LIGHT	422	160	\$36,575
MIDSTATE ELEC CO-OP	127	47	\$14,260
OTEC	504	176	\$49,129
PACIFIC POWER	0		\$0
PACIFIC POWER	96	32	\$10,799
PUD	383	105	\$28,125
SALEM ELECTRIC	409	136	\$35,225
SUB	2,230	804	\$203,508
TILLAMOOK PUD	39	16	\$5,317
UMATILLA ELECTRIC COOPERATIVE	295	92	\$29,570
WASCO ELE	22	10	\$3,080
WEST OREGON ELECTRIC	95	33	\$11,073
<b>SUB TOTAL FOR COUs</b>	<b>10,540</b>	<b>3,706</b>	<b>\$1,002,431</b>

A. M. HATTON	5	1	\$320
AMERIGAS	8	3	\$880
AVISTA	146	52	\$11,850
BARNES FUEL OIL	4	1	\$350
BASSETT-HYLAND	3	1	\$270
BEND OIL	4	1	\$340
BLACK DIST. INC.	2	1	\$110
CARSON OIL INC.	1	1	\$250
CASCADE	150	49	\$9,470
CENTRAL PETROLEUM SERVICES, INC	2	1	\$265
DEDICATED FUEL/DAVIS OIL	20	4	\$1,520
DEVIN OIL CO INC	1	1	\$300
DIRECT	12	7	\$1,870
EBAR OIL COMPANY	8	3	\$740
FARR'S TRUE VALUE	29	13	\$3,595
FERRELLGAS	16	7	\$1,880
HATTENHAUER DIST CO	2	1	\$300
HODGE DISTRIBUTOR, INC.	23	4	\$1,710
JACKSON OIL, INC.	1	1	\$276
MCNESBY & AUBRY	6	3	\$610
MORROW COUNTY GRAIN GROWERS	7	3	\$875
NEWPORT RENTAL	4	1	\$310
NORTHWEST NATURAL	358	113	\$24,293
PENDLETON GRAIN GROWERS	1	1	\$330
R & D PROPANE	1	1	\$300
STAUB AND SONS PETROLEUM	31	14	\$4,100
SUBURBAN PROPANE	7	4	\$860
T C ENTERPRISES	2	1	\$200
TRIANGLE OIL	3	2	\$600
TYREE OIL	6	2	\$550
WHEEL ON OIL CO	2	1	\$300
WILCOX & FLEGEL OIL CO.	6	2	\$462
<b>Sub Total Other</b>	871	300	\$70,086
<b>GRAND TOTAL</b>	11,411	4,006	\$1,072,517

\* Number of clients and households may not compare to other reports due to possibility of split payments between primary and secondary heat source.