

CITY OF ALEXANDRIA
ADMINISTRATION

ELECTRIC UTILITY ASSISTANCE POLICY

OVERALL POLICY STATEMENT

It is the policy of the City of Alexandria ("COA") to seek out the fairest, best, most cost efficient, and reliable delivery of electric utilities to its customers. This commitment requires a constant assessment and review of the market, advisory agreements, stakeholder relationships, and internal staff competence. The COA is committed to this level of performance.

The COA expresses policymaking in the public interest to ensure an informative approach to the public on issues that affect the health, welfare, and safety of its employees and all citizens. This policy is adopted in the same spirit and is intended to promote an optimally functioning, transparent, and financially secure utility system.

To make utility assistance available to certain qualifying customers, however, the COA shall maintain the efficient management and operation of the utility. The COA must evaluate the adequacy of its rate structure for utility service, making pricing equitable to all customers. Before any assistance program can be sustained, considerations should address: revenue requirements (the overall adjustment in rates needed to forecast the cash requirements of each utility, reduce inter-utility subsidies, and maintain appropriate cash reserves), cost of services (determining each class's equitable share of the utility revenue requirements), and rate design (the adjustment needed to reflect cost of services and remain sensitive to customer rate impacts).

INTRODUCTION/PHILOSOPHY

It is essential to the maintenance of a democratic society that public business be performed in an open and public manner and that the citizens be advised of and aware of the performance of public officials and the deliberations and decisions that go into the making of public policy.

Government business should be open to public scrutiny, while fostering innovation, inclusiveness, and energy. When possible, and in accord with other laws regarding prohibited donations or gifts without justification or legal basis, the COA shall endeavor to publish its policies on utility assistance to ensure even handed, fair application and proper notice to utility customers of such programming. At the same time, it is declared that policy making in this area is benevolent in nature.

Having made those declarations, the Administration finds that energy consumption is a basic human need. It is equally important to note this policy is in the nature of support

for delineated ratepayer classes of recipients and in derogation of the general rule that all customers and ratepayers are to be treated the same when similarly situated. The COA finds that in the best of times electric utility bills can be difficult for some citizens; in the worst of times, they can be devastating, causing choices between their payment and expenditures for food and medicine. While a reality in America (where a premium is attached to first-world nation utilities), the COA recognizes these negative associations and wishes to ease such deleterious effects in the fairest way possible.

PUBLIC PURPOSE AND PROPORTIONALITY

Because energy consumption is declared a basic human need, formulation of policy to ensure its availability has a public purpose. Because of the: (i) desire to decrease bad debt write off; (ii) harm to individuals and increased cost to healthcare and other community stakeholders serving the indigent and needy; (iii) capacity to increase reestablishment of compliant ratepayers to the system; and (iv) need to educate ratepayers and customers on better, more efficient home utility practices—all of which constitute an important and legitimate use of public investment by the COA—the limited applications herein, being substantially and closely related to achieving the purposes of assistance to the needy and reestablishment of compliant, better educated ratepayers to the system, are curtailed sufficiently to achieve those goals for a delineated ratepayer class of recipients while not improperly allocating an undue burden or cost to other rate paying customers (*e.g.*, non-qualifying residential and commercial customers and ratepayers).

Any assistance, therefore, provided herein, should be supported only by the general operating funds of the COA and not the Utility System, and then only in times of special financial need balanced by financial wherewithal and fiscal funding, while avoiding abuse, overuse, and dependence by recipients to the detriment of other customers.

Notably, this overall policy, being in derogation of normative application and charitable in nature, shall create no rights of action for enforcement, and shall at all times be considered benevolent in nature and not an entitlement, subject to rules of policy and construction to ensure such compassion (granted by the public) is not abused. Because the COA neither creates an expectation to be relied upon nor right by this policy, each recipient's acceptance of assistance shall waive expressly any such claim to a right to this assistance.

FISCAL FUNDING

It is specifically understood the COA is not responsible for monitoring limits on term or annual assistance limits, and it is the obligation of the recipient to do so and obtain in writing a waiver if it appears the limit will be exceeded, if such a waiver is allowed in the discretion of the Electric Utility Department. Assistance or an extension provided

does not indicate a guarantee of future assistance or extensions even if initially allocated, if determined to be provided in error or after an event of default.

No promise by any person, not made in writing and properly approved, shall be sufficient to waive this requirement, and reliance thereon is at the risk and peril of the recipient.

The maximum amounts of individual and ratepayer class assistance as they may be from time to time established or announced shall be adhered to by personnel to ensure the maximum amount of beneficiaries have an opportunity for assistance when qualified and in good standing to receive assistance.

No Rights Granted and Fiscal Funding Clause. In any assistance agreement, written or verbal, the following shall be understood to be implicitly and explicitly contained therein:

“There is no right to assistance at all and continuation of this agreement is contingent upon the appropriation of funds to fulfill the requirements of the agreement by the City Council. If the Council fails to appropriate sufficient monies to provide for the continuation of the agreement, or if such appropriation is reduced by the veto of the Mayor or by any means provided in the Budget Ordinance, or amendments thereto, to prevent the total appropriation for the year from exceeding revenues for that year, or for any other lawful purpose, and the effect of such reduction is to provide insufficient monies for the continuation of the agreement, the agreement shall terminate on the date of the beginning of the first fiscal year for which funds are not appropriated, or immediately if so noted.”

SPECIFIC POLICY STATEMENTS AND RULES OF CONSTRUCTION TO GOVERN BUT NOT OVERRIDE SPECIFIC POLICY ADMINISTERED BY THE UTILITY DIVISION AND AS DEFINED BY LAW.

1. Recipients should note assistance directly from the COA is a public record and requests shall be handled according to state law, La.R.S. 44:1 et seq., and nothing contained herein shall alter that law or be treated as altering those rules.
2. Assistance shall be a determination of fiscal funding based on the particular state of general fund availability and not based on the state of any proprietary enterprise fund, except as otherwise provided.
3. Recipient policy primarily shall be gauged to aid financially challenged elderly and disabled customers. Cash or credit contributions to utility accounts shall adhere to strict guidelines and audits to ensure compliance and avoid fraud. Some assistance may be through qualified nongovernmental partners

(“NGOs”) complying with strict audit and partnering requirements; others may be provided by pass-through relationships with other partners through the COA. Assistance shall be calculated to help customers of great need in a manner to foster future payment compliance as opposed to assumption of indefinite support. The COA shall do so by:

- Allowing payment plans and schedules for those struggling with payment;
 - Cautioning against poor practices by the customer and promoting better practices to create real savings;
 - Educating the public on ways to save and invest in better technology;
 - In especially approved cases, investing in better technology by direct, targeted interventions to recipient homes;
 - Providing assistance to quality NGOs aiding the needy; and
 - Providing direct assistance to qualified customers in states of need.
4. The Utility Assistance Program (“UAP”), as defined herein and elsewhere by appropriate personnel, shall be based on objective criteria and, when appropriate, partnered only with non-city partners who demonstrate the same or greater level of objective criteria and consistent adherence to those criteria as the COA. THERE WILL BE STRICT COMPLIANCE WITH THIS RULE.
 5. For programming assistance not provided by the COA, such as LIHEAP, the NGOs must be approved by the COA, meet certain eligibility criteria, avoid overuse of funds to pay administrative costs, and service a reasonable amount of recipients when allocating an appropriation to an outside NGO or third party.
 6. The COA shall formulate at least one pilot program based on a credit to the customer account, paid by the general fund, as a means of assistance, on a monthly incremental or one-time basis, subject to policy limits and rules.
 7. In the fiscal year 2015 (FY 2014-1015), an initial appropriation from the general fund of \$50,000-\$100,000 to commence the UAP shall be recommended, but this may not be requested each year; instead, community partners and foundations shall be solicited through proper agencies and officials for help to alleviate the public nature of this assistance and allocate its costs across a spectrum of community resources and participants, including churches and businesses in the private sector. The inaugural year shall focus on delineated ratepayer classes, in the order indicated, as follows:
 - Elderly
 - Disabled

- Qualifying event households
 - Qualified Veteran
 - Qualified other Special Needs
 - Other Qualified Payment Plan Holders
 - Other
8. The “energy assistance fund,” already established with private contributions, shall be used to augment these policies and be provided dollar for dollar to the UAP. The contribution from the general operating fund may be placed in the energy assistance fund and may be used ultimately in a matching program dollar for dollar up to a set cap.
9. Alexandria INCOME ELIGIBILITY GUIDELINES for the UAP shall be based on [xy]% of Estimated City Median Income as determined by the current census and certified COA data.
10. All forms of direct assistance shall be subject to yearly caps and may be offset and lessened if the recipient receives assistance from LIHEAP and other sources. Accurate reporting of additional assistance shall be a prerequisite for assistance under the UAP and false statements or defaults grounds for cessation of payments and debarment from future assistance.

GLOSSARY ON MEANING

“Assistance” means any noncommercial support or help, direct or indirect, to residential ratepayers for the purpose of alleviating the burden of electric utility obligations, or for the purpose of educating ratepayers so that individual choices and consumption can be lowered or gauged to better handle market, seasonal, or other changes and conditions.

“Customers” mean Alexandria ratepayers or other users of the electric utility system.

“Qualified and in good standing to receive assistance” means those circumstances detailed by the Electric Utility Department in unreviewable, nonappealable fashion as long as the policies, as written or related to the customer are followed by the COA, where “qualification” refers to being within a delineated ratepayer class and “good standing” refers to adherence by a recipient of assistance to policies and procedures.

“Ratepayers” who are eligible are those persons who are Alexandria resident customers who pay electric utilities for Alexandria properties to the City of Alexandria Utility System and who have been such customers on a single, identifiable account for a minimum of twelve consecutive months before making a request.