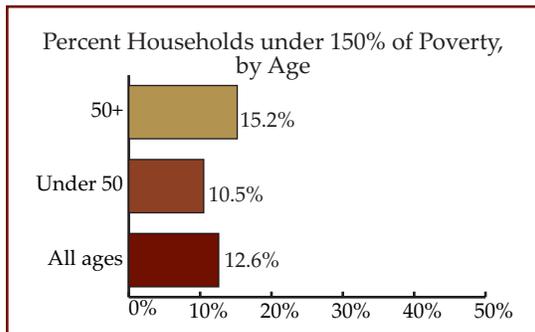


Energy and Telephone Assistance in the States

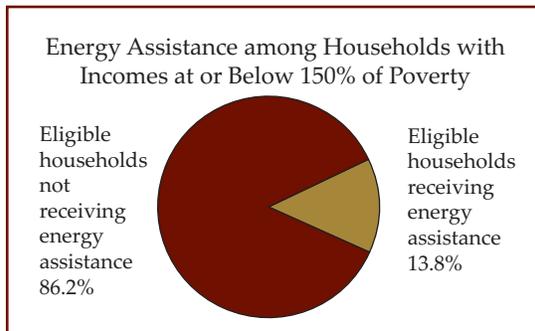
Minnesota

Minnesota in Brief (2006)

Total state population:	5,167,101
State median income:	\$76,733
Percent households age 50+:	45.0%

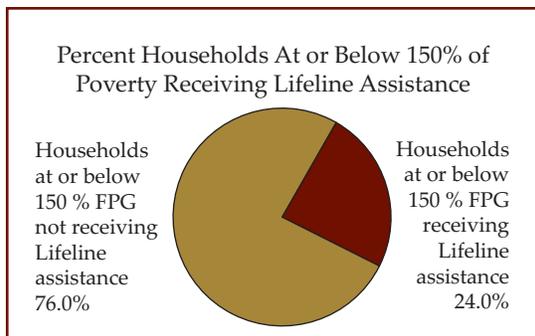


Energy Assistance



Telephone Assistance

Telephone penetration rate in state: 97.4%



Telephone Assistance

Lifeline and Link-Up, along with the Minnesota Telephone Assistance Program (TAP), are the primary sources of telephone assistance for low-income households in the state.

Lifeline

Lifeline provides participating low-income households with a monthly credit toward the price of basic local telephone service.

Benefits (2006)

Total monthly credit: \$10.87
 Basic federal support: \$8.25
 State support: \$1.75
 Federal matching: \$0.87

Funding (2005)

Federal: \$5,777,274
 State: \$4,500,000 (Telephone Assistance Program)

The Minnesota Public Utilities Commission provides state funding through a \$0.05 surcharge per wired line in the state.

Eligibility (2006)

To receive Lifeline assistance, state residents must complete an application with their local telephone provider and prove they have a household income that is at or below 135% of the federal poverty guideline, or that they are enrolled in any of the following programs:

- Medical assistance
- Food stamps
- Supplemental Security Income (SSI)
- Low-Income Home Energy Assistance Program (LIHEAP)
- Federal public housing, Section 8

Beneficiaries must recertify with their local telephone provider periodically to remain eligible for this program.

Energy and Telephone Assistance in the States

Participation (2005)

Households served: 60,886
Participation rate: 27.6% (based on 135% of the federal poverty guideline)

Link-Up

Qualified customers receive a discount on the price of installing new telephone service.

Benefits (2006)

Link-Up subscribers receive the following:

- A credit of \$30 or a 50% reduction in the charges customers pay for connecting to new telephone service, whichever is less
- The option of deferring payment on the balance of the connection fee (up to \$200) with no interest charges for a period not to exceed one year

Funding (2005)

Federal: \$155,911

Eligibility (2006)

Eligibility requirements are the same as for Lifeline.

Participation (2005)

Households served: 8,280

Telephone Assistance Program (TAP)

This program assists low-income senior citizens and disabled persons with the costs of telephone service. The program can also be used in conjunction with Lifeline.

Benefits (FY2006)

The maximum benefit is \$1.75 per participant per month and is combined with Lifeline benefits. Benefits are provided as a credit on the participant's monthly telephone bill.

Funding (FY2006)

State: \$4,500,000
Wired line surcharge: \$4,500,000

The Minnesota Public Utilities Commission (PUC) provides TAP funding through a surcharge of \$0.05 per wired access line throughout the state.

Eligibility (2006)

In order to qualify for TAP, a subscriber must have household income at or below 135% of the federal poverty guideline or participate in a federal assistance program, such as Medicaid or food stamps.

The Minnesota Department of Human Service certifies eligibility for the program and informs local telephone companies when their subscribers are found to be eligible for the program.

Participation (2005)

Reflected in Lifeline participation total.
Energy Assistance

Energy Assistance

Low-income energy assistance in Minnesota includes the following programs:

- Low-Income Home Energy Assistance Program (LIHEAP)—Energy Assistance Program (EAP)
- Weatherization Assistance Program (WAP)
- Minnesota Utility Rate Assistance
- Conservation Improvement Program (CIP) for Low-Income Households
- Reach Out for Warmth (ROFW)

Low-Income Home Energy Assistance Program (LIHEAP)—Energy Assistance Program (EAP)
The federal Low-Income Home Energy Assistance Program (LIHEAP) provides the state of Minnesota with a block grant to help eligible low-income households meet their immediate home energy needs. With this grant, Minnesota distributes payments through its Energy Assistance Program (EAP), which includes three categories of assistance: heating, crisis, and crisis heating-repair.

Energy and Telephone Assistance in the States

Benefits (FY2006)

Heating: \$1,200 maximum per household
 Crisis: \$500 maximum per household
 Crisis heating-repair: No set maximum per household (case-by-case basis)

Clients receive one benefit a year. Benefits are paid to the energy provider unless the client's home energy costs are included in rent, in which case the payment is sent directly to the client. Heating and crisis assistance are available from September 1 to May 1. Crisis repair assistance is available year-round if funds are available.

Funding (FY2006)

Total: \$141,135,526
 Federal: \$141,135,526
 Regular net block grant: \$77,468,944
 One-time additional net block grant: \$893,611
 Total emergency/cont.: \$32,486,872
 Department of Energy: \$10,100,643
 Temporary Assistance for Needy Families (TANF) bonus funds: \$13,399,244
 FY2005 carryover: \$6,786,212

The Energy Division of the Minnesota Department of Commerce distributes grants to community action agencies, counties, nonprofits, and tribal reservation governments throughout the state. These agencies accept applications and determine eligibility. They also use case-management techniques to encourage bill payment. The program uses eHEAT, a centralized system that notifies clients and makes payments to energy providers and clients. Minnesota allocates LIHEAP funding in the following manner:

• Heating assistance:	65%
• Crisis assistance:	15%
• Weatherization:	5%
• Administration, etc.	10%
• Advocacy services	5%

Eligibility (FY2006)

State residents with household incomes at or below 50% of the state median income are eligible for assistance.

Participation (FY2005)

Households served by program component:
 Heating: 117,698
 Winter/year-round crisis: 34,402
 Weatherization: 1,045

Weatherization Assistance Program (WAP)

This program helps low-income residents—especially those 60 years and older, disabled, or living with young children—increase the energy efficiency of their homes, reduce their energy expenditures, and improve health and safety.

Benefits (FY2005)

Average benefit per household: \$2,312
 Weatherization technicians use energy audits to identify and implement energy-saving measures for each home. Examples of these measures include the following:

- Insulating attics, floors, water heaters, and exposed pipes
- Tuning up, repairing, or replacing the furnace or heating unit and/or air conditioner
- Providing ventilation fans—including electric, attic, ceiling, or whole-house fans—to increase air circulation
- Stopping air infiltration by weather-stripping and caulking around doors and windows, replacing broken glass panes, and installing storm windows

Funding (FY2006)

Total: \$14,643,146
 Federal: \$13,974,090
 DOE funding: \$10,100,643
 Additional funds from LIHEAP: \$3,873,447
 State: \$669,056
 Petroleum violation escrow: \$75,000
 Oil/propane taxes: \$594,056

The Energy Division of the Minnesota Department of Commerce distributes grants to 33 community action and nonprofit agencies throughout the state. These agencies accept

Energy and Telephone Assistance in the States

applications, determine eligibility, and provide weatherization services, such as performing energy audits and implementing suggested measures.

Eligibility (FY2006)

State residents with household incomes at or below 50% of the state median income are eligible for this program. Priority is given to households with at least one elderly or disabled member or child under 19, and to low-income households that consume a large quantity of heating energy.

Participation (2005)

Households served: 3,179

Minnesota Utility Rate Assistance

Minnesota requires public utilities with more than 200,000 residential electric customers (only Xcel Energy qualifies under this description) to provide eligible low-income customers with discounted rates.

Benefits (2004)

Eligible recipients receive a 50% discount on the first 300 kWh consumed each month. The discount averages about \$10 per month.

Funding (2004)

Total: \$4,700,000

Utility surcharge: \$4,700,000

Low-income discounts are funded through a \$0.36 monthly charge on all customer accounts, except for fire and civil defense siren service.

Eligibility (2004)

Customers eligible for LIHEAP assistance are eligible for the program. Households spending more than 3% of their annual household income on electric use may also be eligible. The company will first offer benefits to those customers with the lowest incomes and an electricity consumption pattern that exceeds the residential average of 750 kWh per month.

Customers must have their eligibility certified annually through community action agencies or other LIHEAP agencies.

Participation (2004)

Households served: 49,385

Conservation Improvement Program (CIP) for Low-Income Households

The Conservation Improvement Program (CIP) requires Minnesota's electric and natural gas utilities to fund and operate programs that encourage energy conservation and are required to devote a portion of that spending to programs that specifically address the needs of low-income households.

Benefits (2006)

Service contractors conduct energy audits on the houses of eligible participants and identify the causes of high or inefficient electricity use. They identify relevant energy-saving measures and perform any or all of the following services:

- Energy audits and checkups
- Energy-efficient appliance rebates, including appliances such as air conditioners, furnaces, water heaters, heat pumps, refrigerators, and freezers
- Compact fluorescent light rebates
- Installation of low-flow shower heads and aerators
- Low-interest loans or grants for more substantial home energy improvements

Funding (2005)

Total: \$2,734,594

Xcel Energy (2005 proposed) \$756,800

Municipal and Cooperative Utilities:

\$1,977,794

Electric: \$1,965,332

Natural gas: \$12,462

Regulated electric utilities are required to fund CIPs through 1.5% of their state revenues (Xcel Energy must invest 2%). Regulated gas utilities

Energy and Telephone Assistance in the States

and cooperative and municipal utilities are required to invest 0.5% of their state revenues in conservation programs.

The utilities are allowed to recover the costs of CIP funding and the loss of energy sales from conservation-related energy savings through rates charged to all customer classes.

Eligibility (2006)

Eligibility requirements vary by utility. Each utility administers a unique CIP that must be approved by the Minnesota legislature.

Participation

Not available

Reach Out for Warmth (ROFW)

Reach Out for Warmth (ROFW), established by the state legislature in 1992, provides emergency heating and repair assistance to eligible households. Income guidelines apply to benefits from local and federal funds.

Benefits (2006)

The program provides emergency energy payments and emergency furnace repairs (up to \$300) to eligible low-income households.

- \$350 for households who pay their own heat
- \$150 for households who pay for heat in their rent
- \$100 for subsidized households with heat in rent but who pay for electricity

Funding (2006)

Federal: \$300,000

Charitable donations: Not yet determined

The Minnesota Energy Assistance Program provides a two-for-one match for contributions from individuals, businesses, civic groups, and churches with funds set aside from the LIHEAP block grant.

The Department of Commerce's State Energy Office administers the year-round emergency

fuel fund through 40 local energy assistance agencies.

Eligibility (2006)

Households at or below 60% of state median income and that have exhausted all other resources are eligible for assistance. Specifically, the guidelines are the following:

- To receive a ROFW energy payment, a household must be disconnected from its heat or electric source, have a disconnection notice, or be unable to have fuel delivered. In addition, the household must not have received a regular Energy Assistance Program emergency benefit.
- To receive ROWF emergency repair, a household must own their dwelling and have an energy emergency that affects the heat in the household or the health and safety of household members.

Participation

Not available

Seasonal, Health-, and Income-Related Disconnection Policies

Seasonal

From October 1 to April 15, Minnesota prohibits disconnection of residential natural gas or electric service for nonpayment if the customer meets any of the following requirements:

- The customer declares an inability to pay the overdue bill (the customer is determined to be unable to pay the bill if the household is receiving any form of government assistance, or if household income is below 50% of the state median income), and agrees to a payment plan offered by the utility.
- The customer requests and is found eligible for the commission's 10% plan—that is, the customer pays 10% of his or her income or the full amount of the current bill (not excluding arrearages), whichever is less.

Energy and Telephone Assistance in the States

Minnesota

- The customer enters into a payment schedule and makes reasonably timely payments under the schedule.

Minnesota also prohibits the disconnection of service in times of excessive heat or during a heat advisory.

Health

Minnesota prohibits utilities from disconnecting residential service for nonpayment if a physician certifies that such an action would adversely affect the health of the customer or a permanent household resident.

Deferred Payments

Before disconnecting residential service for nonpayment, utilities are required to offer the customer an opportunity to extend service by entering into and adhering to a deferred-payment arrangement.