

Senate Energy & Telecomm. Comm.
Exhibit No. 7
Date 2.3-05
Bill No. INFE HR2

**SUMMARY OF LOW INCOME ENERGY ISSUES AND
TRENDS**

**PRESENTED TO THE SENATE ENERGY AND TELECOMMUNICATIONS
COMMITTEE**

February 3, 2005

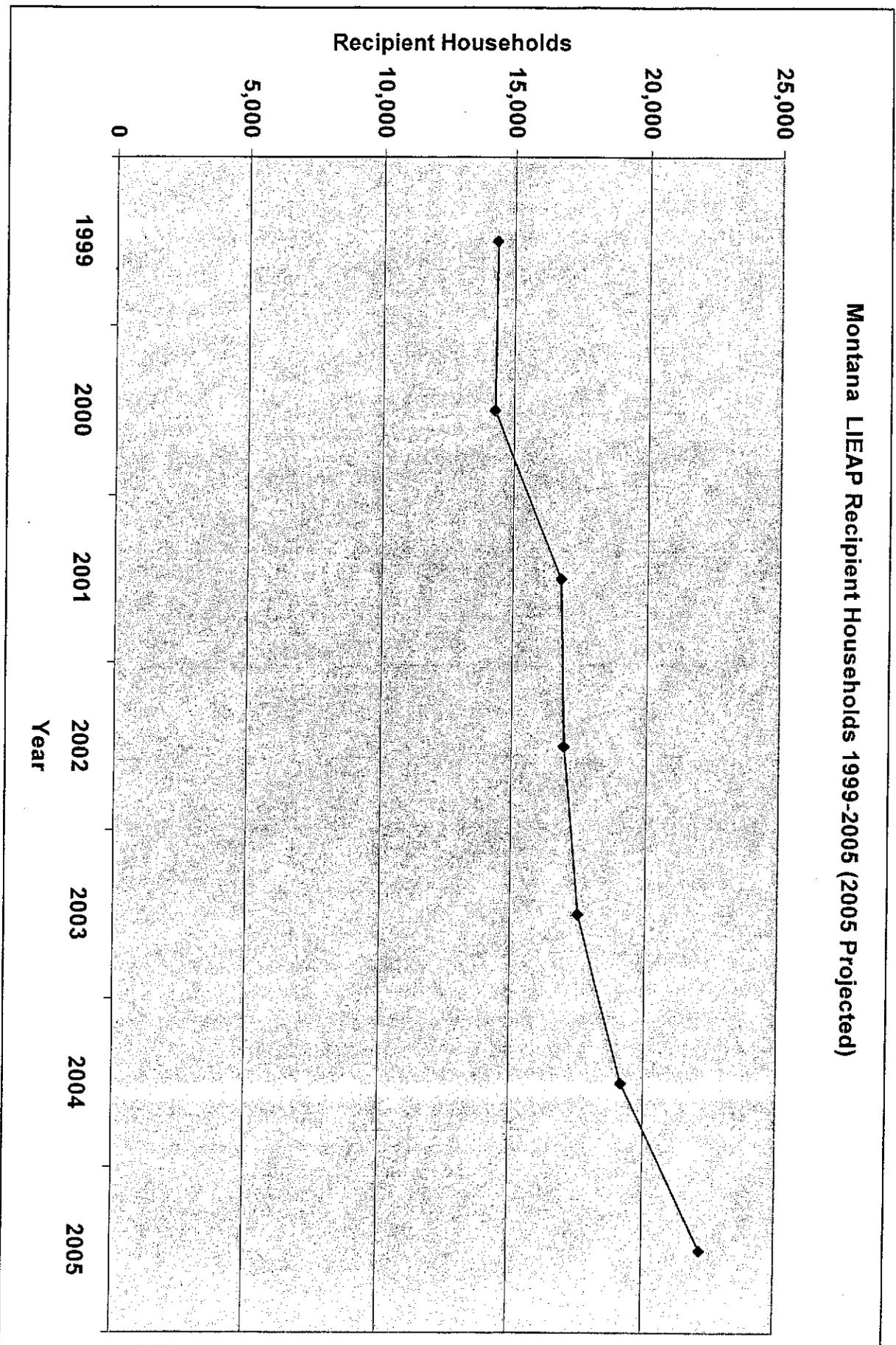
THE NEED FOR LOW-INCOME ENERGY PROGRAMS

- One of the Department's primary objectives in administering the Low Income Energy Assistance Program (LIEAP) and the Weatherization Assistance Program is to ensure that the home heating energy burden shouldered by low-income Montanans is comparable to that of other income groups in the state.
- Data from the Department of Energy and the 1990 Census indicate the average home heating energy burden for all Montana families was approximately 4.1% of household income. Data from last year's LIEAP households indicate the average home heating energy burden for Montana's low-income families was approximately 12.8%. At 2003-2004 caseload and funding levels, provision of LIEAP reduced the heating costs for participating households to 6.8% of income.
- In today's dollars, the expense to cost-effectively weatherize all of approximately 17,211 of last year's LIEAP households whose heating burdens, at this winter's fuel prices, exceed 4.1% would be approximately \$51,633,000. To weatherize all of approximately 76,664 potentially eligible low-income households (LIEAP and non-LIEAP combined) whose heating burdens exceed 4.1%, it would cost approximately \$229,991,805.
- The Weatherization Assistance Program has reduced the annual energy costs of recipient households by approximately 21 percent. FY 2005 funding for the Weatherization Assistance Program is \$7,383,574. This funding will weatherize approximately 2,019 homes.
- At today's energy prices, the heating costs of participating LIEAP households are \$21,522,900 per year. Based on these figures, the heating costs of all Montana's 90,789 low-income households are \$87,974,541.
- Funding for this winter's LIEAP, provided by the U.S. Department of Health and Human Services is \$12,542,323.

**ESTIMATED NUMBER AND PERCENT OF HOUSEHOLDS
AT OR BELOW 150% OF POVERTY: MONTANA COUNTIES**
(U.S. Census 2000 Summary: Ratio of Income in 1999 to Poverty Level)

	HOUSEHOLDS AT OR BELOW 150% OF POVERTY	PERCENT OF TOTAL HOUSEHOLDS
Beaverhead County, Montana	1,108	30.12%
Big Horn County, Montana	1,531	39.16%
Blaine County, Montana	962	38.01%
Broadwater County, Montana	395	22.61%
Carbon County, Montana	962	23.65%
Carter County, Montana	171	31.26%
Cascade County, Montana	8,028	24.60%
Chouteau County, Montana	625	27.90%
Custer County, Montana	1,391	29.11%
Daniels County, Montana	259	28.87%
Dawson County, Montana	1,026	28.35%
Deer Lodge County, Montana	1,109	27.60%
Fallon County, Montana	283	25.13%
Fergus County, Montana	1,274	26.21%
Flathead County, Montana	7,021	23.64%
Gallatin County, Montana	5,687	21.58%
Garfield County, Montana	191	35.83%
Glacier County, Montana	1,733	40.18%
Golden Valley County, Montana	107	29.72%
Granite County, Montana	343	28.56%
Hill County, Montana	1,810	28.03%
Jefferson County, Montana	708	18.93%
Judith Basin County, Montana	251	26.39%
Lake County, Montana	3,199	31.26%
Lewis and Clark County, Montana	4,482	19.61%
Liberty County, Montana	207	24.97%
Lincoln County, Montana	2,606	33.46%
McCone County, Montana	230	28.43%
Madison County, Montana	773	26.13%
Meagher County, Montana	240	29.74%
Mineral County, Montana	486	30.53%
Missoula County, Montana	9,968	25.90%
Musselshell County, Montana	583	31.26%
Park County, Montana	1,780	26.10%
Petroleum County, Montana	87	41.63%
Phillips County, Montana	532	28.85%
Pondera County, Montana	671	27.80%
Powder River County, Montana	208	28.15%
Powell County, Montana	537	22.07%
Prairie County, Montana	153	28.49%
Ravalli County, Montana	3,556	24.94%
Richland County, Montana	937	24.06%
Roosevelt County, Montana	1,478	40.96%
Rosebud County, Montana	924	28.15%
Sanders County, Montana	1,436	33.58%
Sheridan County, Montana	428	24.49%
Silver Bow County, Montana	3,766	26.04%
Stillwater County, Montana	567	17.67%
Sweet Grass County, Montana	304	20.58%
Teton County, Montana	662	26.29%
Toole County, Montana	536	27.19%
Treasure County, Montana	109	30.03%
Valley County, Montana	817	25.99%
Wheatland County, Montana	251	30.06%
Wibaux County, Montana	142	33.41%
Yellowstone County, Montana	11,159	21.41%
Total	90,789	25.28%

Montana LIEAP Recipient Households 1999-2005 (2005 Projected)

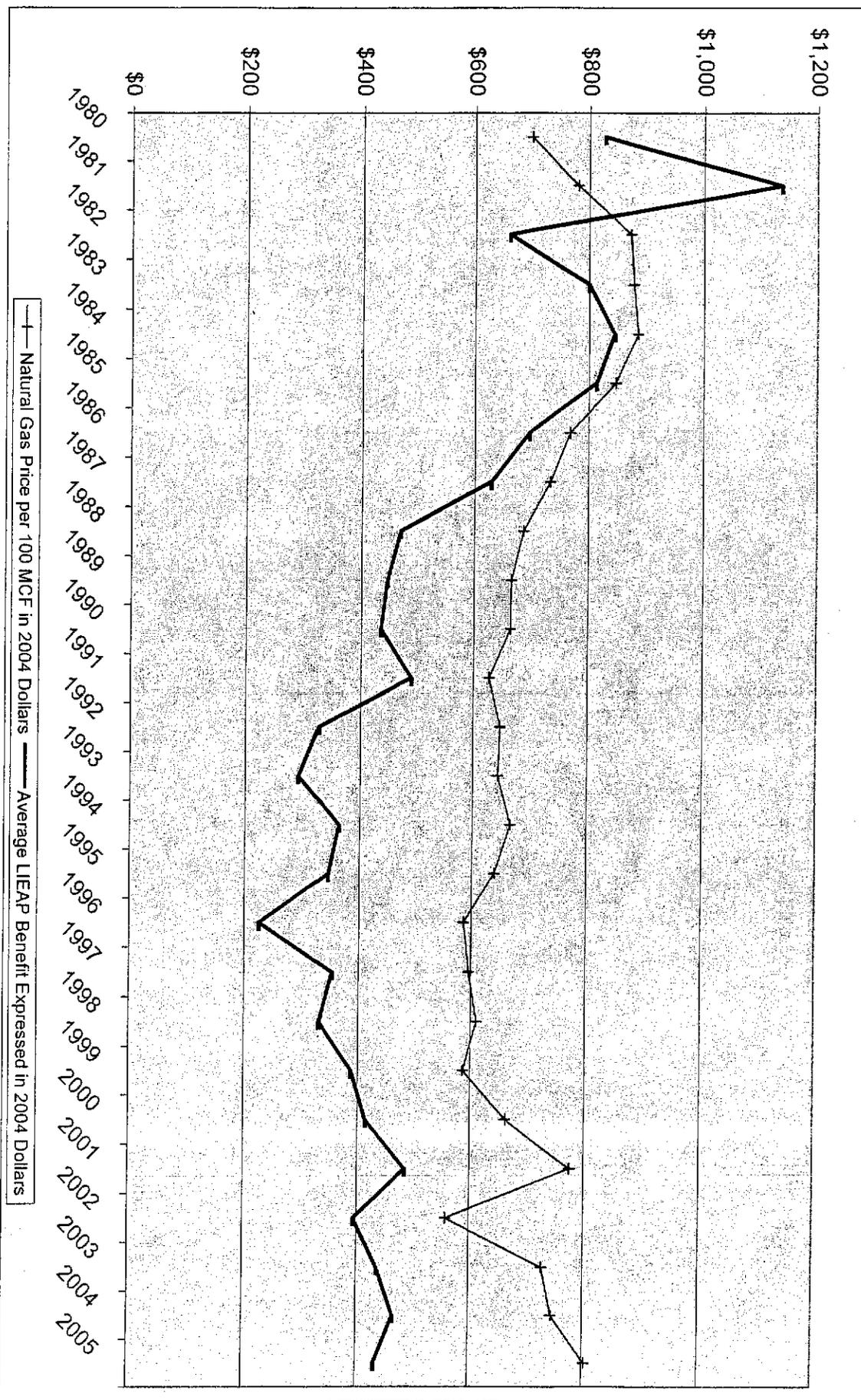


Factors Influencing Low Income Households' Decision to Apply for LIEAP Assistance*

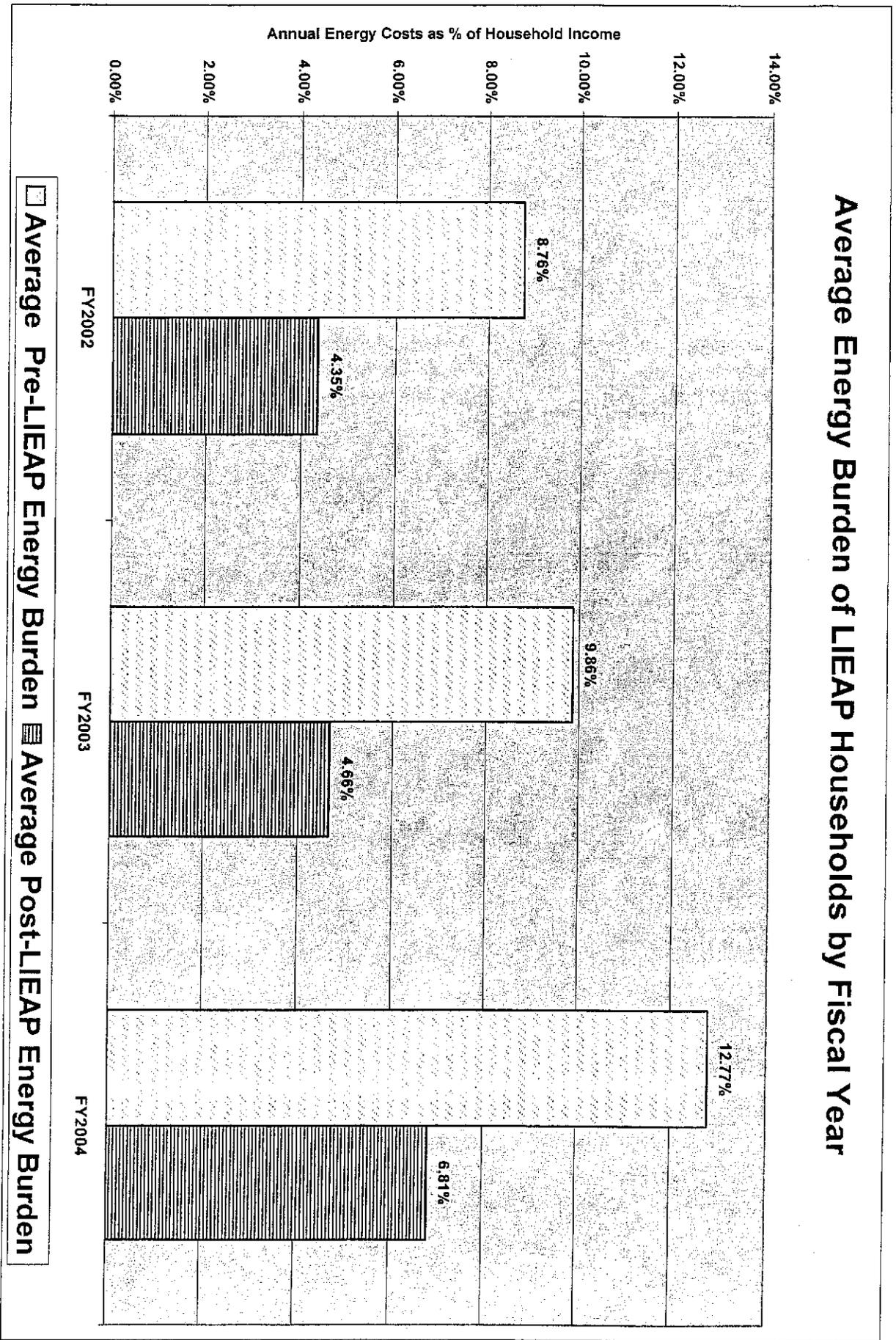
<u>Factor Evaluated (Listed in Order of Importance)</u>	<u>Importance to Applicants</u>
The amount or size of the LIEAP benefit	Very important
The amount or size of my energy bill	Very important
Friendliness/helpfulness of eligibility staff	Pretty important
How often I must re-apply for LIEAP	Pretty important
The amount and kind of information required on the LIEAP application	Pretty important
The stability of my employment situation	Pretty important
The availability of help in completing the LIEAP application	Pretty important
The length of the LIEAP application	Somewhat important
The distance between the LIEAP office and my house	Somewhat important
What my family and friends think about accepting energy assistance	Slightly important

**Source: "The Dynamics of Montana LIEAP Participation, an Analysis Using Agregate and Individual Household Data", Cathy Roark, University of Washington, May 1999.*

Natural Gas Price per 100 MCF and Average LIEAP Benefit in Constant Dollars



Average Energy Burden of LIEAP Households by Fiscal Year



Heating Costs and LIEAP Benefits at this Winter's Projected Heating Fuel Prices

(Non-Reservation Montana LIEAP and Non-LIEAP Households at or Below 150% of Poverty)

	Number of Households	Est. Annual Heat Costs	Est. Aggregate LIEAP Benefits	% of Heat		Est. Annual Heat Costs	
				Paid by LIEAP	Not Paid by LIEAP	Not Paid by LIEAP	Not Paid by LIEAP
A. LIEAP Households - @ 03-04 Caseload Level	19,187	\$18,601,797	\$9,325,261	50.1%		\$9,276,536	
B. LIEAP Households - Projected 04-05 Caseload	22,200	\$21,522,900	\$9,594,612	44.6%		\$11,928,288	
C. All Potentially Eligible Households*	85,465	\$82,858,318	\$9,594,612	11.6%		\$73,263,706	

* Estimates of potentially eligible households based on Census 2000 estimates of non-reservation Montana households at or below 150% of poverty.



FREE Home Energy Audits a Service of NorthWestern Energy

Who qualifies?

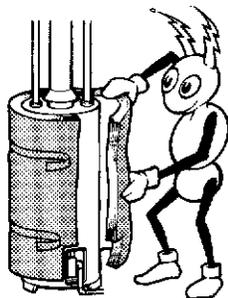
- NorthWestern Energy space and/or water heating customers
- Homeowners and renters

What types of structures qualify?

- Mobile homes, single family houses, duplexes, triplexes, and four-plexes
- Larger multi-family facilities qualify for special audits if electric hot water heaters are present

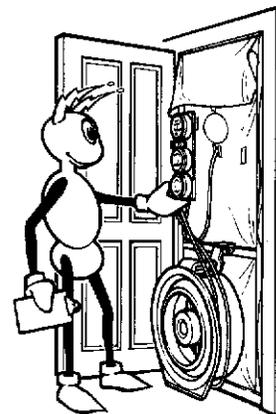
Materials installed during visit:

- **FREE** water heater insulation blanket
- **FREE** pipe insulation (up to 10-feet on the hot water line)
- **FREE** low-flow showerheads
- **FREE** low-flow faucet aerators for bathroom and kitchen sinks



Where appropriate the following services and measures will be available:

- **FREE** air tightness analysis on the home (blower door test)
- **FREE** computer analysis of energy use in your home (includes energy-saving recommendations and payback information)
- **FREE** heating system safety check including CO test (for homes heated with our natural gas)
- **FREE** water heater safety check including CO test (for homes that use our natural gas to heat water)
- **FREE** inspection of insulation and ventilation levels in attics and crawl spaces
- **FREE** inspection of insulation levels in walls, floors, and basements
- **FREE** inspection of windows and doors



Call today to request a FREE energy audit!

1-800-823-5995

www.northwesternenergy.com/energy

Some qualifications may apply, limited number of audits available.

NorthWestern
Energy