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APPLICATION OF TEXAS CENTRAL  
COMPANY FOR AUTHORITY TO  
CHANGE RATES

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BEFORE THE STATE OFFICE  
OF  
ADMINISTRATIVE HEARINGS

Direct Testimony of  
Rodolfo Cantu for  
Texas Legal Services Center and  
Texas Ratepayers' Organization to Save Energy

DIRECT TESTIMONY OF RODOLFO CANTU  
ON THE LOW-INCOME WEATHERIZATION PROGRAM

Q. Please state your name and business address.

A. My name is Rodolfo Cantu. My business address is 4760 Old Brownsville Road, Corpus Christi, Texas, 78405.

Q. Please provide the name of your employer and the capacity in which you are employed.

A. I am employed by Nueces County Community Action Agency as the community services director.

Q. Please explain the purpose of Nueces County Community Action Agency and your responsibilities.

A. Nueces County Community Action Agency (NCCAA) is a private, non-profit corporation that offers a wide variety of programs for the poor. The programs include Community Services, Weatherization, Utility Assistance, Housing Information and Referral, Head Start and Early Head Start. As the community services director, I am responsible for all of the agency's delivery of social services and report to the executive director.

Q. Please explain your qualifications to testify in this proceeding.

A. I have been employed at NCCAA since September 1993. In my capacity as community services director I oversee all community services programs. My experience in this capacity includes overseeing all activities of our weatherization program including budget preparation, client eligibility, contracting for services, planning, scheduling and measuring production, and preparing reports to the Texas Department of Housing and Community Affairs.

Q. What is the purpose of your testimony?

A. This testimony is to explain the impacts in our community of losing the system benefit funds dedicated to weatherization and the need for weatherization services in our community.

Q. Do you have exhibits attached to your testimony?

A. Yes. Please see Exhibits RC-1 and RC-2

Q. Please provide the amount of weatherization funding your agency received when weatherization was funded by Central Power & Light Company and the amount provided under the system benefit fund.

A. In the period 4-1-2001 through 12-31-2001, NCCAA received funding in the amount of \$105,136. At this time, Central Power & Light Company through the CPL HOMESAVERS PROGRAM funded weatherization. Through the lifetime of the HOMESAVERS PROGRAM, several thousand CFLs and water savers were installed and enhanced the energy savings of our low-income clients.

In the period 1-01-02 through 8-31-02, NCCAA received \$185,717 of system benefit funds for weatherization. NCCAA implemented the SBF program to achieve a prescribed level of assistance for eligible low-income personnel (at 125% of the poverty level), particularly the elderly, disabled, and households with young children and in accordance with the provisions of the system benefit fund Low-Income Energy Efficiency Plan.

In 2003, NCCAA received \$314,682 from the system benefit fund for weatherization, refrigerators, compact fluorescent lights and water savers.

Q. In 2003 what were NCCAA's expenditures of the weatherization system benefit funds?

A. As reported to the managing agency, the Texas Department of Housing and Community Affairs, 99.02% of the weatherization funds were expended to weatherize 110 units, at an average cost of \$2,179.15; 100% of the refrigerator funds were expended to replace 108 inefficient refrigerators with Energy Star rated refrigerators. One hundred percent of budgeted funds, \$2,243.00, benefited 160 households by replacing 500 incandescent light bulbs with compact fluorescent bulbs and installing 200 water saving faucet aerators and 45 water saving showerheads.

Q. How has the loss of funding impacted your agency and your low-income clients?

A. The loss of system benefit fund funding has resulted in the reduction in the number of low-income families assisted. It is estimated that approximately 115 low-income families lost the opportunity to save on energy. By using the SBF funds in coordination with the federal program our results show that families have achieved a 30 percent total energy savings.

Q. How has the loss of funding impacted your community?

A. The overall low-income community has been impacted by the loss of the system benefit fund weatherization program. Now, other like social service programs have taken a more restrictive look as to how the low-income are assisted – if at all due to their budget constraints. There is no other weatherization program to speak of in the community that assists low-income families with their weatherization needs. The City of Corpus Christi provides Community Development Block Grant dollars which are piggy-backed with U.S. Department of Energy and LIHEAP dollars to help alleviate the problem – but the funds are not sufficient to replace the level of funding provided by the system benefit fund.

Q. Can you provide some representative examples of how individual clients have been affected?

A. Yes. With the system benefit fund we were able to assist a 46-year-old man who suffered a stroke three weeks after he was laid off of his job. He was unable to collect unemployment and his social security supplement was pending. The walls of the home were in various stages of deterioration and had to be completely changed out. Exhibit RC 1 has photographs of the condition of the rear exterior of the house before repairs were made and the front corner of the house midway through the repairs. Insulation was added to the walls and ceiling, and windows and doors were replaced. This client now has an electric bill that shows a 30 to 40% decrease in total cost and a 30% decrease in heating cost. The work done on the home saves money that would have been spent on electric and gas. The client also benefits from better comfort levels and a healthier environment that prevents colds and other illness for this disabled man. By end of year 2003 this client was granted Supplemental Social Security benefits, but due to his age he continues to be at 60% of median income. The assistance given with the System Benefit Program can not be measured. Today this client's home would be denied.

Another example is an elderly woman, living alone. Because of deteriorated windows and doors there was too much air infiltration. There was no insulation in the walls and attic. Exhibit RC-2 contains photographs of the rafters in the attic without and with insulation and a photograph of insulation being blown in the attic. Before the weatherization improvements were made the cost of keeping the home warm in winter and cool in the summer were beyond what the client could afford. After weatherization the client's utility costs were lowered by 40%. Before weatherization this client would

often seek help to pay utility bills at the local service center. The saving that the client now enjoys has decreased her need to seek help. Today, without the SBF program we would not be able to insulate the home and do other home repairs because the cost would exceed the federal program's spending cap.

Q. What would you like to see the Public Utility Commission order AEP Texas Central Company to do in regard to the low-income weatherization program?

A. The need for weatherization funds far exceeds our resources and we would ask that the 2003 level of funding provided under the system benefit fund be restored.

Q. Does that conclude your testimony?

A. Yes.

Exhibit RC-1

Client is a 46 year old man disabled by a stroke.



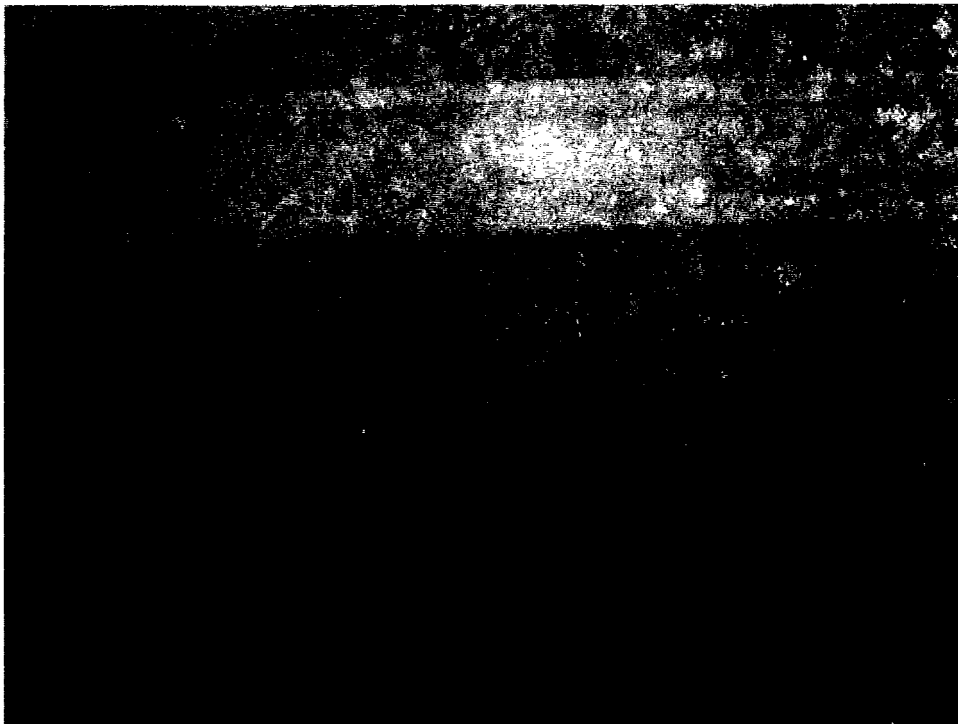
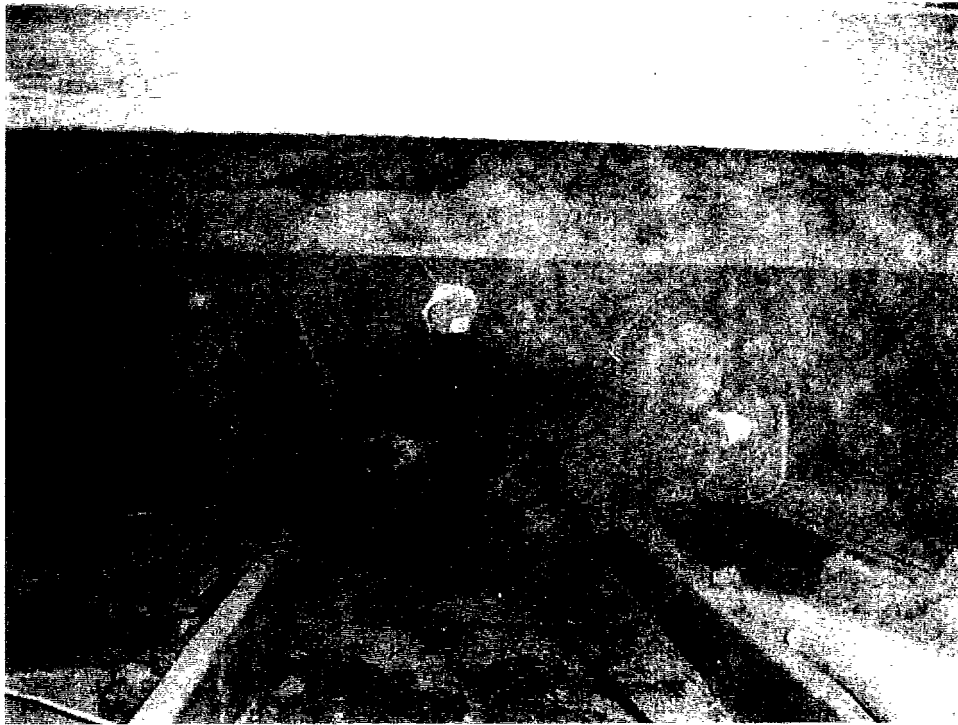
Pictures MVC 014S, MVC 012S  
Direct Testimony of Rodolfo Cantu  
For Texas Legal Services Center and  
Texas Ratepayers' Organization to Save Energy  
February 9, 2004

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Exhibit RC-2

Client is an elderly woman living alone.





Pictures MVC 072S, MVC 071S, MVC 070S