

Investor Owned Utility Bill Payment Assistance Programs Selected States

Alabama

Customers of major regulated utilities who are verified as Supplemental Security Income or Medicaid for Low Income Families recipients may qualify to receive a monthly base charge discount that varies between \$8.00 and \$14.50. About 18,000 customers receive the discount annually, amounting to about \$2.3 million. The discounts have been offered to qualifying Alabama ratepayers since 1991.

Arizona

Most of the state's major utilities offer rate discounts. The programs vary by utility; however, they all offer a declining block discount structure, with the customer receiving a smaller percentage discount as their monthly usage passes certain kWh thresholds. In addition to a general residential discount some utilities offer a low-income seniors' discount rate, and medical life support rate.

2010: \$24 million

California

California Alternate Rates for Energy (CARE) began in 1989 as result of state legislation. On June 7, 2001, the California Public Utility Commission (CPUC) raised the amount of the CARE discount from its historic level of 15 percent to 20 percent, and increased income eligibility levels from 150 percent of federal poverty guidelines to 175 percent for all regulated utilities. In October 2005, eligibility limits were expanded to 200 percent. At the beginning of 2001, CARE spending by the four largest utilities totaled about \$126 million; by the end of 2010 it amounted to nearly \$1.2 billion, with over 4.8 million customers receiving gas and electric bill discounts. Additionally some municipal utilities have discount programs for low-income and seniors.

2010: \$1,182 million

Colorado

Public Service Co./ Xcel has operated percentage of income pilots for its gas and electric customers, which end as of September 2011. Enrollees pay no more than 3 percent of their income towards their gas and their electric bills for a total of 6 percent, and they may participate in an arrearage forgiveness plan that forgives existing arrears over a 24-month period. Enrollment was expected to reach 15,000 households. Costs are not available until a final report on the pilots is issued in early 2012.

Connecticut

All gas public service companies are required by statute to operate an arrearage forgiveness program for gas heating customers. One of the state's three gas utilities has extended the program to non-heating gas customers, as allowed by the statute.

Source: LIHEAP Clearinghouse

<http://www.liheap.ncat.org/Supplements/2010/supplement10.htm>

A payment agreement is established which includes a customer's base monthly payment plus an affordable arrearage payment. There are two arrearage forgiveness program periods (November 1 to April 30 and May 1 to October 31) in conjunction with the state energy assistance program dates of operation. Participation in the winter month period does not require timely payments but all payments are due to the utility by April 30. However, failure to make a timely payment during the summer month period may result in termination of gas service until payments are made or the November 1 moratorium begins. For persons successfully completing a program period, arrearage forgiveness results in a reduction of the bill on the last period day equal to the total of customer payments plus energy assistance.

Both electric public service companies operate arrearage forgiveness programs. As of late 2004, arrearage forgiveness programs are mandatory for electric heat customers, but still voluntary for non-heating electric customers' bills.

2010: \$14.6 million

Delaware

Restructuring legislation provides funding for low-income energy assistance and weatherization through a systems benefit charge (SBC) on Delmarva Power & Light Company customers. The Department of Health and Social Services, Division of State Service Centers, the LIHEAP grantee, administers the fund as a program that is separate from LIHEAP, mostly for clients at or above 150 percent of federal poverty guidelines.

2009: \$1.3 million

District of Columbia

Eligible Pepco customers receive the Residential Aid Discount (RAD) — a 63 percent discount on the first 400 kWhs in summer months (June - October) and a 32 percent discount on the first 400 kWhs in winter months (November - May) for a total savings of \$102 per year. Eligible all-electric customers receive a \$20 per month discount year-round and save \$240. Annual funding for RAD is about \$2.7 million.

Eligible Washington Gas customers receive Residential Essential Service (RES) that offers discount rates to customers during the winter months from November through April. The amount of the discount is based on household size and income level. The D.C. State Energy Office, the LIHEAP grantee, performs outreach, determines customer eligibility and refers potential clients to the utility. Annual funding for RES is about \$1.8 million.

The Universal Service Discount Program (USDP) was established through the enactment of the Retail Electric Competition and Consumer Protection Act of 1999. The programs are funded through the Energy Assistance Trust Fund (EATF) , a public benefit fund that supports universal service for low-income customers and residential energy efficiency and renewable resources programs.

The EATF funds the ongoing RAD and RES expansions and the expanded LIHEAP program. The expansion programs increase the awareness and availability of the existing RAD and RES discounts to more LIHEAP-eligible customer. The LIHEAP Expansion is an

addition to the current LIHEAP program and includes bill payment assistance and educates residents about energy efficiency programs.

Georgia

A Universal Service Fund (USF) was established by the original gas deregulation law and funded through surcharges on large industrial users. Initially designed to benefit the gas industry, the law was amended in 2001 and energy assistance is now the primary recipient of the fund. Since December 2001, in response to gas price increases and severe weather, the Georgia Public Service Commission has disbursed about \$59 million in USF funds, usually at least once per year, through the LIHEAP grantee, the Department of Human Resources, with a portion aimed at low-income seniors and the remainder for other LIHEAP households. In 2010, \$500,000 was provided as crisis assistance to gas customers.

In 1987, the PSC mandated that major gas and electric utilities waive their monthly service charge for customers age 65 or over earning less than \$10,000 per year. Since then, the PSC has made several increases to the income limit and the amount of the service charge waiver. Currently seniors making less than \$14,355 receive a waiver of \$14 per month. Other utilities have smaller discounts. At least 55,000 seniors receive the electric discount yearly, and about 35,000 receive the gas discount, amounting to about \$15 million yearly. Around 62,000 seniors receive the electric discount yearly, and about 36,000 receive the gas discount, amounting to about \$16.4 million annually.

2009: \$3.6 million

Illinois

Effective 1998, the Supplemental Low-Income Energy Assistance Fund (SLEAF) was authorized through electric utility restructuring legislation. The law directed gas and electric utilities (participation by municipal utilities and electric cooperatives is optional) to assess a monthly charge of \$0.40 per month on each residential electric service account and \$0.40 per month on residential gas service accounts, plus higher amounts for commercial and industrial accounts. The utilities collect the charges from customers (about \$76 million yearly), and deposit them into a state fund, which the General Assembly then appropriates yearly to the state LIHEAP and weatherization grantee. About 80 percent of the fund goes for low-income bill payment assistance and 10 percent supplements the state's weatherization program. Annual SLEAF funding for bill payment assistance has averaged about \$65 million annually.

In July of 2007, a \$1 billion multi-year rate relief package was approved for electric customers of Ameren Illinois and Commonwealth Edison to help offset electric rates that had escalated after rate caps in place for nine years expired. Rate hikes averaged about 30 percent statewide, but some all-electric homes saw increases up to 300 percent. The package included low-income summer cooling assistance, rate credits and weatherization. For the low-income, ComEd was to spend at least \$20 million over three years; Ameren about \$16 million, over 4 years.

2010: \$66 million

Indiana

Source: LIHEAP Clearinghouse

<http://www.liheap.ncat.org/Supplements/2010/supplement10.htm>

The Indiana Utility Regulatory Commission has approved energy assistance programs for the state's three natural gas utilities: NIPSCO, Citizens Gas, and Vectren, with most of the funding coming from customer surcharges. NIPSCO's Winter Warmth program was paid for through a surcharge on customers' bills and a contribution from NIPSCO. Winter Warmth provides payments of up to \$450 as well as deposit assistance. Low-income customers of Vectren and Citizens Gas receive help through the gas Universal Service Program (USP); after applying for LIHEAP they are automatically enrolled in the USP and receive monthly bill reductions ranging from 9 to 32 percent.

2010: \$7.9 million

Kentucky

In November 2004, the Public Service Commission (PSC) approved three-year pilot programs for Kentucky Utilities and Louisville Gas & Electric that were set to expire October 1, 2007. The PSC extended the programs for 5 years and also extended a 10-cents-per-meter charge on residential bills that funds the programs. Other utilities also offer discounts through their energy assistance programs.

2010: \$2.4 million

Maine

State legislation in 1991 ordered low-income rates or other programs from investor-owned utilities; they included a rate discount, a PIPP variation, and a bill credit program. The largest program, through Central Maine Power, allows participants to pay a fixed percentage of their income for energy; the percentage varies based on their level of poverty and electric usage. Effective October 2001 the statewide Low Income Assistance Plan (LIAP), set forth in Chapter 314, was adopted continuing the large utility programs and mandating that all electric utilities participate in the Plan. The LIAP fund amounted to about \$5.8 million yearly from 2002 through 2006. LIAP funding has been increased twice since 2006, bringing annual funding to at least \$8 million.

2010: \$8.6 million

Maryland

Maryland's 1999 restructuring legislation provided a \$34 million Electric Universal Service Program (EUSP) to be administered by the Department of Human Resources (DHR) through the Maryland Energy Assistance Program. The EUSP helps participants pay current and past due electric bills and provides arrearage forgiveness. In response to electric rate hikes, the EUSP base amount has been increased and it has been regularly supplemented by state general funds. Several utilities also provide waivers of reconnect fees and security deposits.

2010: \$31.5 million

Massachusetts

State and local agencies have negotiated low-income discounts with major gas and electric utilities as part of rate cases since 1980. In 1997, the Massachusetts legislature passed legislation that requires electric distribution companies to continue discounts to eligible low-income customers. The natural gas discounts are mandated by state regulation. By law, eligibility for the discounts must follow LIHEAP eligibility, which is currently 60 percent of

Source: LIHEAP Clearinghouse

<http://www.liheap.ncat.org/Supplements/2010/supplement10.htm>

state median income. All of the state's regulated electric and gas utilities provide low-income discounts ranging from 11 to 43 percent.

In 2006, pursuant to St. 2006, c. 140, each gas and electric company was directed to establish an Arrearage Management Program (AMP) targeted at low-income consumers with an overdue utility bill balance. (Chapter 140 of the Acts of 2005) Enrollees agree to an affordable payment plan and, in return, receive some forgiveness of their debt. At the end of 2010, there were 10,648 participants in four electric utility AMPs and 5,653 in six gas utility AMPs. During the year, the electric utilities forgave \$10.8 million in arrearages; gas utilities forgave \$3.7 million.

2010: \$104.9 million

Michigan

Michigan's 2000 restructuring law legislation created the Low-Income Energy and Efficiency (LIEE) fund to provide energy payment assistance and fund energy efficiency programs. Beginning in 2002, the Public Service Commission has periodically issued requests for proposals for energy assistance funds and since then it has awarded over \$277 million (75 percent of the LIEE funds) to state agencies and nonprofits for low-income energy assistance. In 2010, the LIEE awarded \$55 million for low-income financial assistance and \$15.9 million for low-income energy efficiency.

2009: \$43.8 million

Minnesota

As a result of legislation passed in 1994, Minnesota requires that electric companies serving over 200,000 residential customers provide a 50 percent discount for low-income customers on the first 300 kilowatt hours consumed each month. The provision applies only to the state's largest utility, Xcel Energy. Legislation passed in 2007 requires all natural investor-owned gas utilities to provide a Gas Affordability Program which reduces natural gas utility payments from participants to no more than 6 percent of their income. Participants may also receive credits on their monthly natural gas bill. Receipt of LIHEAP is required. In addition, utilities provide late payment and security deposit waivers.

2010: \$12.5 million

Mississippi

Since the early 1990's the monthly service charge has been waived for eligible low-income and elderly customers of the largest electric utility, Mississippi Power. The waiver amounts to about \$16.43 per month for TANF and SSI recipients. Other utilities waive reconnection fees and late payment charges.

2010: \$863,821

Missouri

Laclede's Low-Income Energy Affordability Program, funded at an annual level up to \$600,000, provides customers with bill credits and/or will match their monthly arrearage payments.

Montana

Source: LIHEAP Clearinghouse

<http://www.liheap.ncat.org/Supplements/2010/supplement10.htm>

A major gas/electric utility agreed to a 10 percent discount in gas and electric rates for LIHEAP recipients beginning in winter 1991, several smaller utilities also have discounts. The discounts have been continued under electric and gas utility restructuring through a Universal System Benefits Charge. Current discounts range from 15 to 30 percent. Several small utilities provide discounts and fee waivers.

2010: \$5.3 million

Nevada

The Public Utility Commission has been collecting the Nevada Fund for Energy Assistance and Conservation (NFEAC) since August 2001. The NFEAC is funded through a mill tax assessment paid by residential and commercial customers of the seven regulated utilities in the state. It generates about \$12 million annually for low-income energy assistance and conservation. Seventy-five percent is distributed on a quarterly basis to the Nevada State Welfare Division, the state LIHEAP grantee, to fund a Fixed Annual Credit program. During SFY 2010, the Energy Assistance Program expended \$8 million in UEC funds, serving 10,150 households with those and other funds including LIHEAP. The average benefit was \$791. In addition, utilities provide waivers of deposit and reconnect fees to low-income households.

2010: \$8.1 million

New Hampshire

New Hampshire 's Electric Assistance Program (EAP), also called the tiered-discount program was implemented statewide during 2002 for customers of regulated electric utilities. The legislature had passed a law in 1996 that authorized a system benefits charge (SBC) for the program. The SBC totals 3.3 mills per kWh, with the EAP currently receiving 1.8 mills per kWh and energy efficiency programs the remainder. EAP participants are responsible for electric bills equal to approximately 4.5 percent of household income. During FY 2010, the EAP electric rate discounts amounted to about \$16.6 million.

The New Hampshire Public Utilities Commission in 2005 approved a one-year pilot program for qualifying natural gas customers of Keyspan and Northern/Unitil. Now a permanent program called the Residential Low Income Assistance Program, it provides a 15 percent discount averaging about \$225 per year. In 2010 program expenditures were about \$1.5 million.

2010: \$17.7 million

New Jersey

- Utility restructuring legislation established a nonlapsing Universal Service Fund. In March 2003, The Board approved a statewide permanent Universal Service Fund to assist low-income customers who heat their homes with electricity and gas through a fixed credit percentage of income payment plan under which participants will be required to pay no more than six percent of their annual income toward electric and gas bills. The permanent USF got underway late in 2003. The FY2010 program includes \$192.9 million for USF benefits; \$13.4 million for the USF Fresh Start program, which helps USF

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customers pay off their arrearages and \$65.8 million for the Lifeline Assistance Program that provides a heating assistance benefit to elderly and disabled citizens.

2010: \$272 million

New York

Most of New York's investor-owned utilities (both electric and gas) have rate assistance programs, and most of them have expanded in recent years as part of restructuring or rate case settlements. Each utility has a program designed specifically for its customers' needs. Most provide a discount off the basic monthly gas or electric service charge; a few provide case management or arrearage forgiveness. The total amount in 2010 was about \$90 million, assisting about 900,000 households.

PSC regulated utilities waive security deposits and reconnect fees for recipients of public assistance, SSI or additional State payments.

2010: \$90 million

North Carolina

Duke Energy discount for elderly and disabled SSI customers.

2010: \$165,988

Ohio

On November 1, 2010, Ohio began an updated Percentage of Income Payment Plan (PIPP) for low-income households. Called "PIPP Plus," it revamped the PIPP that had been in place in Ohio since 1983 (the oldest and largest PIPP in the nation). The new program makes customers' monthly payments more affordable on a year-round basis. Participating households pay six percent of their monthly income or \$10 per month to both electric and natural gas utilities, whichever is greater. All-electric customers pay 10 percent of their income or \$10 as their monthly payment, whichever is greater. This compares to a maximum energy bill payment of 15 percent of income (generally 10 percent for gas and five percent for electric) for participants in the original PIPP. The shortfall between the PIPP payment and other energy assistance the customer may receive and the actual bill is recovered through a ratepayer surcharge on gas customers or a PIPP rider on electric customers. During 2010 the electric PIPP enrolled about 290,000 households and covered a PIPP customer shortfall of around \$170 million. Security deposit waivers for electric PIPP customers amounted to another \$6.2 million in 2010. Costs for the gas PIPP were not available.

2010: \$176.2 million

Oklahoma

LIHEAP customers of gas utilities receive a rate discount.

2010: \$12.3 million

Oregon

Oregon legislation authorized collection of \$10 million for low-income electric rate assistance through a meters charge on customers of the state's two investor-owned electric utilities. Due to the passage of SB 461 by the Oregon Legislature in 2007, the amount collected through the meters charge increased to \$15 million annually. The funds must be expended solely for low-

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income electric bills in the service area of the electric company from which the funds are collected. Priority is directed to low-income electricity consumers in danger of having their electricity service disconnected. The funds are distributed through the local agencies that operate LIHEAP.

Additionally, legislation enacted in 2001 allows natural gas companies to collect funds through a meters charge for bill payment assistance.

2010: \$15 million

Pennsylvania

All electric and gas utilities are required by statute to offer universal service programs, to include Customer Assistance Programs (CAPs), and to continue pre-restructuring low income programs. Most electric utilities expanded their CAPs in their 1999 restructuring plans or subsequent settlements. Most CAPs offer a reduced payment based on a percentage of the household's income and include arrearage forgiveness. In 2010, Pennsylvania utilities spent nearly \$353.6 million on CAPs and helped 521,644 households.

The LIHEAP state plan and individual vendor agreements mandate the waiver of late payment charges for LIHEAP recipients. Although the waivers of security deposits or reconnection fees are not required, payment of such fees with LIHEAP funds is prohibited. As a result, some utilities waive such fees for LIHEAP recipients. Waivers amounted to over \$41 million in 2010.

2010: \$394.7 million

Rhode Island

A major electric company provided a discount for low-income customers that amounted to over \$6.6 million in 2010. LIHEAP customers of a gas utility received a 10 percent discount on gas usage that amounted to \$2.2 million in 2010. In addition, one natural gas utility provided a 23 percent match of of LIHEAP grants to customer bills

2010: \$9.4 million

Texas

Texas' restructuring legislation authorized a system benefits charge (SBC), a nonbypassable fee of up to 65 cents per megawatt hour, to fund, among other things, low-income rate assistance and energy efficiency. A low-income electric discount program called LITE-UP Texas began in January 2002. The discount, now about 17 percent, has been continued for May through September of 2010 and 2011. About 500,000 households were receiving the discount as of June 2010, and funding for the year was set at \$119 million.

Utah

The Home Electric Lifeline Program (HELP) was created to provide qualified Rocky Mountain Power customers with an \$8 discount off their monthly electric bills; over 35,000 households received the discount in 2010. Questar Gas now offers the Energy Assistance Fund, which provides LIHEAP-qualified customers with a one-time \$37 credit per year during its first year (2010), increasing to \$52 in 2011; over 36,000 households received the credit in 2010.

2007: \$2.3 million

Source: LIHEAP Clearinghouse

<http://www.liheap.ncat.org/Supplements/2010/supplement10.htm>

Washington

Some regulated and public gas and electric utilities provide rate discounts for low-income households and/or households with senior or disabled members. Public utilities in Seattle and Tacoma have low-income and senior/handicapped discount rates; Seattle also has a low-income program for utility emergencies. Public utility districts in at least seven counties have senior/handicapped reductions.

2010: \$18.7 million

Wisconsin

1999 legislation created public benefits funding for energy efficiency, renewables and low-income energy programs. Funding for the low-income energy portion of the public benefits fund comes from three sources: prior utility (gas and electric) low-income expenditures, a new access fee or customer charge on all electric bills and the current year's federal LIHEAP and weatherization allocations. During 2010, public benefits funding for energy assistance totaled \$15.6 million and assisted 119,625 households with their electric bills.

Some utilities also funded arrearage forgiveness programs, fee waivers and other assistance.

2010: \$22.7 million