

STATE OF NEW YORK  
PUBLIC SERVICE COMMISSION

CASE 14-M-0565 - Proceeding on Motion of the Commission to  
Examine Programs to Address Energy Affordability  
for Low Income Utility Customers.

NOTICE SEEKING COMMENTS

(Issued January 16, 2015)

The Commission has commenced a proceeding to examine programs for addressing energy affordability for low income utility customers, to evaluate the effectiveness of current low income program designs, and to identify any improvements that are warranted.<sup>1</sup> The primary purposes of this proceeding are to provide the opportunity to standardize utility low-income programs to reflect best practices where appropriate, streamline the regulatory process to conserve administrative resources, and ensure that these programs continue to be consistent with the Commission's statutory and policy objectives.

The Commission directed Staff, in consultation with interested parties, to conduct an investigation of utility low income programs, to identify best practices, and develop a set of recommendations for how best to optimize the implementation of utility low income programs, for party comment. To begin this process, Staff seeks comments on the following questions, organized into sections as numbered below. In support of their positions, interested parties are encouraged to provide examples and/or documentation based on performance of existing utility affordability programs in New York and other states.

---

<sup>1</sup> Case 14-M-0565, Utility Low Income Programs, Order Instituting Proceeding (issued January 9, 2015).

1. Overall Policy

- a. How do we achieve the goal of affordability most effectively, and at minimum cost?
- b. What is the level of affordability that should be achieved? How should the appropriate "energy burden" (i.e., the percentage of a customer's income that is spent on energy) or level of affordability be determined?
- c. What is the appropriate level of funding? How much assistance should be provided by ratepayers, in light of taxpayer and privately funded assistance?
- d. How can benefits be maximized and costs minimized?
  - i. What approaches maximize the benefits to participating customers?
  - ii. Can waste and administrative costs be further reduced?
- e. How specifically can utility programs be better coordinated with the Home Energy Assistance Program (HEAP), fuel funds, and/or other forms of assistance?
- f. Are there barriers to non-utility entities offering assistance programs which are not funded by ratepayers, and if so, how can they be removed?

2. General Program Design Issues

- a. Should a uniform statewide program be created? If not, to what extent should diversity among utilities in the design of affordability programs be allowed?
- b. What additional benefits and costs are introduced by implementing a portfolio of assistance programs to address a range of customer-specific needs, as opposed to a single program?
- c. What is the appropriate level of benefit per participant?

- d. Should a basic level of assistance be provided to all eligible households (i.e., broad-based approaches), or should more assistance be directed to those most in need (i.e., targeted approaches)?
- e. If funds are targeted, is it more important to direct funds to households with the lowest incomes, the highest bills, the largest arrears, or those at greatest risk of termination?
- f. What are the least-cost approaches to administering targeted programs?

3. Program Type

- a. Comments are solicited on the advantages and disadvantages of each of the following approaches:
  - i. Fixed Discount
  - ii. Percentage Discount
  - iii. Volumetric Discount, including whether volumetric discounts should be capped; and if so, at what level (e.g., providing a discounted block reflecting average usage for low income households, with subsequent usage blocks at full rate)
  - iv. Percentage of Income Payment Plan (PIPP)
  - v. Arrears Forgiveness
  - vi. Reconnection Fee Waiver
  - vii. Other program types (please specify)
- b. What is the appropriate balance between funding for rate discounts, arrears forgiveness, reconnection fee waivers, and/or other types of assistance?

4. Determining Eligibility/Enrollment

- a. How can eligibility for utility affordability programs best be determined?
  - i. Who should determine eligibility?

- ii. Should eligibility consider other financial assets, in addition to income?
  - iii. Should current eligibility criteria be expanded to encompass more households?
  - iv. What improvements should be made to eligibility criteria?
- b. If enrollment is not automatic, how can the number of eligible households enrolled be maximized? Can better ways be found to reach more of the eligible population, and if so, what are they?
- c. How can it be ensured that benefits are only paid to customers who are eligible?

5. Program Evaluation

- a. What are the criteria the Commission should use to evaluate the effectiveness of different approaches? Some potential criteria for consideration include the following:
- i. Participation rates among eligible households
  - ii. Level of administrative costs/percentage of program budget disbursed as participant benefits
  - iii. Average dollar benefit per recipient
  - iv. Average reduction in participant energy burden and/or bill amount
  - v. Reductions in utility arrears and/or bad debt
  - vi. Reductions in termination rates among eligible households
  - vii. Percentage of participants who are current on their bills (i.e., not in arrears)
  - viii. Rate/bill impacts on non-participating customers
  - ix. Other criteria (please specify)
- b. How should utility benefits (e.g., reduced arrears, collection costs, write-offs, etc.) be weighed

relative to participant benefits (e.g., maintaining service/reductions in terminations, increased affordability, and reduced energy burden)?

6. Please comment on any other relevant matters that are not specifically addressed above.

Interested parties are invited to submit comments on the above questions by February 17, 2015. Parties are asked to submit comments by e-filing through the Department of Public Service's Document and Matter Management System (DMM),<sup>2</sup> or by e-mail to the Secretary at [secretary@dps.ny.gov](mailto:secretary@dps.ny.gov). If unable to file electronically, parties may make submissions by post or hand delivery to the Hon. Kathleen H. Burgess, Secretary, Three Empire Plaza, Albany, New York 12223-1350.<sup>3</sup> All comments received will be posted to the Commission's website and become an official part of the case record.

Any questions may be directed to Martin Insogna, Office of Consumer Services, at (518) 486-2493 and [Martin.Insogna@dps.ny.gov](mailto:Martin.Insogna@dps.ny.gov) or Francis Dwyer, Office of General Counsel, at (518) 474-5366 and [Francis.Dwyer@dps.ny.gov](mailto:Francis.Dwyer@dps.ny.gov).

(SIGNED)

KATHLEEN H. BURGESS  
Secretary

---

<sup>2</sup> To register with DMM, go to <http://www.dps.ny.gov/e-file/registration.html>.

<sup>3</sup> Information and instructions related to becoming a party, subscribing to the service list, or otherwise monitoring the status of this proceeding can found on the Commission's Web site at: <http://documents.dps.ny.gov/public/MatterManagement/RequestAPStatus.aspx>.