A National Survey of Electric and Gas Utility Rate Structures for Low-Income Customers

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**Introduction**

Electric and gas utility bill assistance available to low-income households varies widely from state to state and utility to utility. Some states have no utility-run programs and therefore no long-term rate relief for low-income ratepayers. On the other side of the spectrum, California and Texas have statewide mandates on utility programs for the poor.

In order to get a better understanding of the commonality of the various rates for low-income customers, we identified ten categories and placed the utility or statewide rate structures into the category that fit best.1 Below the chart is a more detailed list of utility low-income rate assistance programs, first broken down by state and then by major utility.2

**Ten categories of rate programs for low-income customers**

**Flat Rate Discount**: Across-the-board discounts.

**Marginal Cost Based Rate**: Payments allow utilities to recover variable costs of serving the customer plus part of fixed costs.

**Available Resource Approach**: Monthly bill for low-income customers are based on some or all of the following factors: household’s income, size, utility bills for the previous 12 months, estimated future utility bills, monthly normal heating degree days, significant changes in utility pricing.

**Percentage of income payment plan (PIPP)**: Energy bills are set to equal a percentage of the household’s income. PIPP’s often use a tiered approach, where the percentage of income depends on the Federal Poverty Level of the household.

**Fixed Credit Approach**: Bill is calculated by first determining PIPP payment, then calculating annual bill, then calculating amount of subsidy needed to equilibrate annual bill and PIPP payment.

**Percentage of Bill Approach**: Similar to fixed credit approach. First calculate PIPP payment, then calculate annual bill, then convert PIPP payment into percentage of annual bill.

**Waiver of Fixed Monthly Charge**: The fixed customer charge is waived for eligible households.

**Block Rate Approach**: Different classes of customers pay different block rates; low-income customers billed at lowest rate tier.

**Direct vendor payment approach**: Customers receive a rate discount when they agree to allow utility bill payments to be taken directly from a public benefit the customer may receive (e.g. AFDC).

**Usage Based Discounts**: Discounted rate applies to first set of kWhs (e.g. first 400kWhs gets 25% discount).

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1 Most of these categories are adopted from a 1995 analysis of low-income residential utility discount programs found here: http://www.fsconline.com/downloads/Papers/1995%2006%20MODELS.pdf

2 Most of the data only comes from the largest utilities, so there are likely small outliers that are unaccounted for. Furthermore, this report does not analyze or categorize the demand-side, or energy efficiency incentives available to low-income customers.
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Detailed List of Low-Income Rate Programs by State and Utility

1. **Alabama**
   a. **Alabama Power Co.:** Customers who are verified as Supplemental Security Income (SSI) or Medicaid for Low Income Families (MLIF) recipients may qualify to receive a monthly base charge discount of approximately $14.50.
   b. **Alagasco:** Customers who receive Supplemental Security Income (SSI) or Temporary Assistance for Needy Families (TANF) will not be billed a monthly customer charge if eligibility requirements are met.
   c. **Mobile Gas:** Customers who receive Supplemental Security Income (SSI payments or Aid to Dependent Children) and who qualify can have the customer charge of approximately $8 waived from their monthly gas bill.

2. **Alaska**
   a. **Power Cost Equalization Program** pays part of the utility bill for eligible utilities and residential customers in rural areas where kWh charge can be 3-5 times greater than in urban areas.
   b. **Golden Valley Electric Association Home$ense:** An energy audit and energy saving measures are provided at no cost to Low-Income Weatherization Assistance Program recipients (State Program).

3. **Arizona**
   a. **Arizona Public Service Energy Support (E3):** Offers a discount up to 65 percent off the cost of electricity for customers who meet certain income guidelines. The income guidelines are based on 150 percent of the Federal Poverty Guidelines and change every July 1st. The discount varies depending on how much electricity is used each month.
   b. **Salt River Project Economy Price Plan:** Customers with limited incomes can receive $17 off SRP charges each month through the Economy Price Plan.
   c. **Southwest Gas Low Income Ratepayer Assistance (LIRA):** For customers whose household income does not exceed 150 percent of the Federal Poverty Level, a 20 percent rate discount is applicable to the first 150 therms per month during the winter season (November through April).
   d. **Tucson Electric Power Company Low-Income Discount:** Customers whose household income is at or below 150 percent of the Federal Poverty Level, may qualify for an $8 discount off their bill each month.
   e. **Navaho Tribal Utility Authority:** NTUA offers a 7 percent discount to customers who are 60 years or older and have an annual household income of $16,000 or less.

4. **Arkansas**
   a. **Entergy Arkansas:** Sales tax exemption on the first 500 kWh used each month for customers with an annual household income of less than $12,000.
   b. **Empire District Electricity:** Empire's Action to Support the Elderly (EASE) provides late fee and security deposit waivers for seniors 60+ and disabled customers.

5. **California**
   a. **Pacific Gas & Electric:** Through the California Alternate Rates for Energy (CARE) program eligible customers receive a 20 percent discount on electric and natural gas bills.
   b. **Southern California Edison**
      i. Through CARE program offers income-qualified customers a 20 percent discount off their monthly electric bills.
ii. Energy Assistance Fund
   Provides one-time assistance of $100 during a one-year period.

iii. FERA
   The FERA program offers a discount to income-qualified households of three or more that have monthly bills that exceed baseline electricity usage by 30 percent or more.

6. Colorado
   a. Black Hills Energy Assistance Program (BHEAP): Provides bill-payment assistance (unspecified) and educates customers on ways to manage their monthly bill. 125 percent of Federal Poverty Level and below accepted. Must be enrolled in Low Income Energy Assistance Program, Black Hills budget billing program and participate in no-cost energy efficiency and weatherization programs.

7. Connecticut
   a. Connecticut Light & Power
      i. Matching Payment Program
         Receive matching funds to pay monthly bill. Possible forgiveness of past due balance.
      ii. NUSTART
         Customers can reduce or eliminate their past-due balance if they pay an agreed-upon budgeted amount on time, each month.
      iii. Connecticut Energy Assistance Program
         Federally funded. Provides funding for a portion of winter electric bills. Funds sent directly to CL&P or if utilities are included in rent, payments sent towards rent.
      iv. Winter Protection Program
         Protects eligible customers from electric service shut-offs or natural gas shut-offs for nonpayment from Nov. 1 to May 1.

8. Delaware
   a. No long-term rate assistance.

9. Washington, DC
   a. PEPCO Residential Aid Discount (RAD): Eligible customers who do not have all-electric heating receive 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 eligible residential customers who have all-electric heating the discount is 38 percent on the first 700 kWhs of electricity used in summer months (June - October) and a 51 percent discount on the first 700 kWhs in winter months (November - May).

10. Florida
    a. No long-term rate assistance.

11. Georgia
    a. All utilities have discounts only for seniors (age limits depend on utility). Monthly discounts or base rate charge waivers range from $2.50/month to $14/month.

12. Hawaii
13. Idaho
   a. No long-term rate assistance.

   a. ComEd
      i. Percentage of Income Payment Plan (PIPP)
         Under PIPP, an eligible client pays a percentage of their income, receive a
         monthly benefit towards their utility bill, and receive a reduction in overdue
         payments for every on-time payment they make by the bill due date.
      ii. Summer Assistance Program: A one-time $30 credit for Low Income Home
         Energy Assistance Program participants with household incomes up to 200
         percent of the poverty level.
      iii. Fresh Start
         LIHEAP-approved space-heating customers may qualify to participate in the
         Fresh Start Arrearage Reduction Program, which provides monthly credits of up
         to $150 a month for qualifying customers who begin and continue to pay their
         electric bills on time.
      iv. Residential Special Hardship Fund
         Help is available for households with a financial hardship due to job loss, illness,
         military deployment, disability, or for senior households. Income-eligible,
         residential customers can apply once every 2 years for grants of up to $500 based
         on need and availability of program funds.

15. Indiana
   a. Northern Indiana Public Service Co. (NIPSCO) CARE: Provides bill reductions in
      addition to LIHEAP for customers falling within 150 percent of Federal Poverty
      Guidelines. Once they are approved for LIHEAP, customers are automatically enrolled
      in the program and reductions range from 11 to 26 percent, depending on the same
      criteria used by the state in determining the level of assistance through LIHEAP.
   b. Vectren: Universal Service Program for gas customers provides monthly discount of 15-
      32 percent between December and May.

16. Iowa
   a. No long-term rate assistance.

17. Kansas
   a. Kansas City Power & Light Economic Relief Program: This program provides a monthly
      credit of $50 to individuals and seniors who qualify.

18. Kentucky
   a. Louisville Gas & Electric Home Energy Assistance: Provides a year-round fixed credit
      that varies by month and is based on the household’s income, size and utility bills for the
      previous 12 months, an adjustment for monthly normal heating degree days, and any
      significant changes in utility pricing. The credit can be applied to arrearages. Customers
      with household income at or below 110 percent of Federal Poverty Guidelines must
      have a minimum monthly household income of $100 and household utility arrearages
      under $700 to participate.
   b. Kentucky Utilities Home Energy Assistance: Eligible customers will receive a fixed
      amount of $294 per year in seven monthly installments of $42 that are applied to the
current bill. Customers must use electric heat and have household income at or below 110 percent of Federal Poverty Guideline to participate.

19. **Louisiana**
   a. Entergy Gulf States Utilities, Inc.: $6/mo. fee waiver to elderly and handicapped persons.

20. **Maine**
   b. Maine Public Service Power Co. Power Pact: LIHEAP-eligible customers who keep current with bill payments November - March may receive a credit up to $230 in June.
   c. Central Maine Power: Qualified low-income customers receive a lump-sum credit on their electric bill. The credit is based on household income and estimated electricity usage.
   d. Bangor Hydro: LIHEAP-eligible customers may qualify for a rate discount. Depending on income, the percentage of the discount will vary based on the amount of electricity used.
   e. Unitil Discount Rate Program: LIHEAP recipients receive a 30 percent discount on gas.

21. **Maryland**
   a. Baltimore Gas and Electric
      i. Deposit, reconnect fee and application fee waivers to qualifying customers.
      ii. Under the Customer Assistance Maintenance Program (CAMP) customers who participate in the Universal Service Protection Program can qualify to earn monthly bill credits ranging from $7 to $12. The amount of credit is based upon income.

22. **Massachusetts**
   a. Massachusetts law requires regulated gas and electric utility companies to offer discounted rates to customers who receive public assistance benefits and meet income limits.
   b. Good Neighbor Energy Fund: Available to all MA residents with gross household income between 60 and 80 percent of state median income. $350 grant per season.
   c. NSTAR Electric: Discounted rate for eligible low-income customers.
   d. Western Massachusetts Electric: Discounted rate for eligible low-income customers.
   e. National Grid Electric
      i. Credit based on 25 percent of total monthly bill. Household income cannot exceed 60 percent of state median income level, and household must be receiving or eligible to receive benefits including LIHEAP, Head Start, Food Stamps, TANF and SSI.
      ii. Under the Arrears Management Program low income customers may qualify for forgiveness of past due bills.
   f. National Grid Gas: Discounted rate for eligible low-income customers.
   g. Berkshire Gas Company: Discounted delivery charges for customers who are eligible for LIHEAP or means-tested benefits and gross income does not exceed 60 percent for state median income.
   h. Columbia Gas of Massachusetts: Residential discount rate (approx. 20 percent off natural gas service rates).

23. **Michigan**
   a. Arrearage forgiveness and deposit and fee waivers are provided by utilities that participate in the state automated positive billing system and other payment plans.
Under positive billing, a participating household must pay a percentage of its monthly assistance grant to its utility.

b. Winter Protection Plan: This plan protects senior and low-income customers of Commission-regulated natural gas and electric companies, rural electric cooperatives and alternative electric suppliers from electric or natural gas service shut-off and high utility payments between November 1 and March 31.

c. Consumers Energy
   i. Electric Income Assistance: $7 monthly credit.
   ii. Electric Senior Citizen: $3.50 monthly credit for seniors on fixed incomes (cannot be combined with income assistance).
   iii. Natural Gas Income Assistance $10.50 monthly credit.

d. Detroit Edison: Low Income Senior Citizen Gas rate: $6 credit and no late payment fees.

24. Minnesota
   a. Xcel Energy is required to provide a 50 percent discount for low-income customers on the first 300 kilowatt hours consumed each month.

25. Mississippi
   a. Mississippi Power: Monthly base charge is waived ($0.55 per day) for eligible low-income and elderly customers receiving SSI or AFDC.

26. Missouri
   a. Kansas City Power & Light Economic Relief Program: This program provides a monthly credit of $50 to individuals and seniors who qualify.
   b. Ameren Missouri Keeping Current: Eligible customers (up to 135 percent of poverty) will receive credits on their bills during the heating and/or cooling season if they remain current with payments.

27. Montana
   a. NorthWestern Energy: Customers who qualify for LIHEAP automatically receive 15 percent electric bill discount.

28. Nebraska
   a. Unspecified state low-income assistance for energy bills.

29. Nevada
   a. Lincoln County Power District: Company funds provide deposit and reconnection fee waivers to low-income households who could not secure other assistance.

30. New Hampshire
   a. PUC established the tiered-discount program (TDP): The tiers are structured to provide qualified low-income households with monthly electricity bill payments equal to, on average, four to five percent of income.
   b. Some utilities also waive or reduce fees associated with energy delivery.

31. New Jersey
   a. Lifeline Assistance Program (Three programs)
      i. Lifeline Credit Program provides a $225 credit on electric or gas bills.
      ii. Tenants Lifeline Assistance Program provides $225 check to tenants who pay utilities included in rent.
      iii. Special Utility Supplement provides up to $18.75 credit per month (not available with Lifeline Credit or Tenants Lifeline programs).
b. Universal Service Fund: Participants pay no more than six percent of their annual income toward electric and gas bills (175 percent of poverty line eligibility).

32. New Mexico
   a. No long-term rate assistance.

33. New York
   a. State-mandated Utility Assistance Program
      i. Liaison between utility companies and eligible customers. Helps with financial assistance and delaying disconnection.
   b. Con Edison: EnergyShare provides grants of up to $200 every five years.

34. North Carolina
   a. No long-term rate assistance.

35. North Dakota
   a. No long-term rate assistance.

36. Ohio
   a. Duke Energy
      i. Ohio Electric & Gas Residential Low Income Pilot Program: lower rates available to eligible customers who are at or below 200 percent of the federal poverty guideline.
      ii. Percentage of Income Payment Plan Plus.

37. Oklahoma
   a. Oklahoma Gas & Electric: Eligible LIHEAP customers certified to OGE by the Department of Human services (DHS) receive a $10 credit per month on their bill.

38. Oregon
   a. Oregon Energy Assistance Program: a state mandated electric meter charge that provides assistance to low-income households under public utility jurisdiction (amounts unspecified).

39. Pennsylvania
   a. Pennsylvania’s major gas and electric utilities are required to provide Customer Assistance Programs (CAPs) which fund to following programs:
      i. Allegheny Power: percentage of income payment plan and waived late charges.
      ii. Equitable Gas: percentage of income payment plan.
      iii. Duquesne Light: percentage of income payment plan and arrearage forgiveness.
      iv. Met-Ed: percentage of income payment plan and debt forgiveness.
      vi. PECO: four tiers of discounted residential rates based on gross household income.
      vii. Penelec: reduced monthly payment and arrearage forgiveness.
      viii. Penn Power: discounted rate.
      ix. UGI Utilities, UGI Central Penn Gas, UGI Penn Natural Gas: monthly payment based on percentage of household gross income, household size and usage.

40. Rhode Island
41. South Carolina
   a. No long-term rate assistance.

42. South Dakota
   a. State low-income assistance for home heating bills.

43. Tennessee
   a. Memphis Light Gas and Water: “On Track”: A payment program designed to help customers with limited incomes to manage debt and pay off their bills over a period of time.

44. Texas
   a. Lite-up Texas program: Provides unspecified discounts on the cost of electric service during May-September to families below 125 percent of the poverty line.

45. Utah
   a. Rocky Mountain Power (PacifiCorp) Home Electric Lifeline Program (HELP): Income must meet HEAT (state) Assistance guidelines, to be eligible for a credit.

46. Vermont
   a. Green Mountain Power (GMP) Energy Assistance Program: Eligible households (up to 150 percent of federal poverty guidelines) can receive a 25 percent discount off their monthly bills for the first 600 kilowatt hours used.

47. Virginia
   a. Some utilities in Virginia waive security deposits for LIHEAP eligible customers.

48. Washington
   a. Pacific Power: “Low-Income Bill Assistance”: A three-tiered bill discount based on income is available during the heating months of November through April. Monthly billings include a discount on each kWh of usage over 600 kWh.
   b. Puget Sound HELP: Provides additional bill-payment assistance (beyond the federal LIHEAP program) to qualified PSE customers. Eligible customers can receive credits to lower their electricity or natural-gas bills.

49. West Virginia
   a. All gas and electric utilities offer a reduced rate of 20 percent from December - April. Eligible customers must receive SSI, WV WORKS, or Food Stamps AND be 60 years of age or older.

50. Wisconsin
   a. State law requires municipal electric utilities and electric cooperatives to collect fees annually per customer, with half of the funds collected going to low-income programs. Many municipal utilities and co-ops retain the fees for their own internal low-income/weatherization programs. If approved for LIHEAP, customers of some municipals and co-ops can receive bill credits, home energy efficiency measures or refrigerator replacements.

51. Wyoming
   a. Cheyenne Light Fuel and Power: Will provide a $30 benefit per household to LIEAP eligible customers.

List of Sources:

LIHEAP State Advocacy Center
http://liheap.org/

U.S. Dept. of Health and Human Services LIHEAP Clearinghouse
http://www.liheap.ncat.org/

Individual state government websites

Individual utility websites