

Resolution Supporting the Use of Innovative Billing Alternatives and the Use of Resources to Assist in Alleviating the Hardships Evident in the Marketplace for Low and Moderate Income Households

WHEREAS, Rising natural gas prices, higher electricity costs and higher heating oil prices have contributed to this past winter's soaring home heating bills nationwide with prices expected to remain at relatively high levels for this winter heating season; *and*

WHEREAS, Information reported by State-energy assistance offices shows that in the 2000-2001 winter season, 4.9 million households requested assistance under federal assistance programs for low-income families, close to 1.1 million more than last winter; *and*

WHEREAS, Information also reported by National Energy Assistance Directors Association indicates a high percentage of consumers are in serious arrears with significant threat of disconnection due to their inability to pay bills from last winter; *and*

WHEREAS, The National Association of Regulatory Utility Commissioners (NARUC) has consistently supported and encouraged programs and initiatives which provide financial and other assistance toward payment of utility expenses for the low to moderate income segment of our society; *and*

WHEREAS, Electricity and natural gas costs constitute a much higher percentage of the household budgets of low to moderate income ratepayers; *and*

WHEREAS, These conditions have evolved to create considerable hardship and financial burden, particularly on low income households and/or on households to which utility expenses make up a disproportionate share of their total income; *and*

WHEREAS, NARUC has recognized, at its 2001 Annual Convention, the importance of encouraging States to review their consumer protection policies and strategies for helping consumers adjust to the rising natural gas prices; *and*

WHEREAS, NARUC, at its 2001 Winter Meetings in Washington D.C., adopted the Resolution Regarding the Low Income Home Energy Assistance Program (LIHEAP) that: a) supports continued funding and advanced funding for LIHEAP, b) urges Congress to insure that the LIHEAP appropriation not only keeps pace with inflation but is also funded at a level that meets energy cost increases projected for the fiscal year of the appropriation and, in the case of advanced funding for the fiscal year, of the advanced appropriation, and c) recommends that Congress continue to appropriate adequate emergency contingency funding each fiscal year to provide an insurance policy for years where "core" funding was not sufficient due to extreme price increases and/or weather; *now, therefore, be it*

RESOLVED, That the Board of Directors of the National Association of Regulatory Utility Commissioners, convened in its 2001 Summer Meetings in Seattle, Washington, encourages State public utility commissions to fully explore and examine various regulatory tools that can be used to help utilities and their customers mitigate the impact of higher prices for natural gas and electricity; *and be it further*

RESOLVED, That State commissions strongly encourage electric and natural gas utilities to invoke reasonable measures in alleviating hardships for low and moderate income households, recognizing that such utility measures should be balanced with efforts to not unduly shift costs to remaining customers by:

- Offering extended payment periods,
- Encouraging year-round enrollment for equal payment or levelized payment plans,
- Reviewing options for late payment fees,
- Encouraging reasonable utility bill payment options by credit cards, debit cards or from checking accounts,
- Referring qualifying customers to outreach/assistance agencies,
- Providing contacts for customers wishing to contribute and/or participate with outreach/assistance agency initiatives,
- Providing incentives for utility companies to match customers' contributions for programs which assist low income customers with utility bill payments,
- Reviewing service disconnection procedures,
- Providing consumer information and education on home energy efficiency and conservation, and
- Promoting inexpensive home energy audits and weatherization programs; *and be it further*

RESOLVED, That State commissions work with gas and electric utility companies to continue develop an approach to collect, track, and analyze utility arrearages and shut-offs for the benefit of the marketplace.

*Sponsored by the Committees on Consumer Affairs and Telecommunications
Adopted by the Board of Directors July 18, 2001*