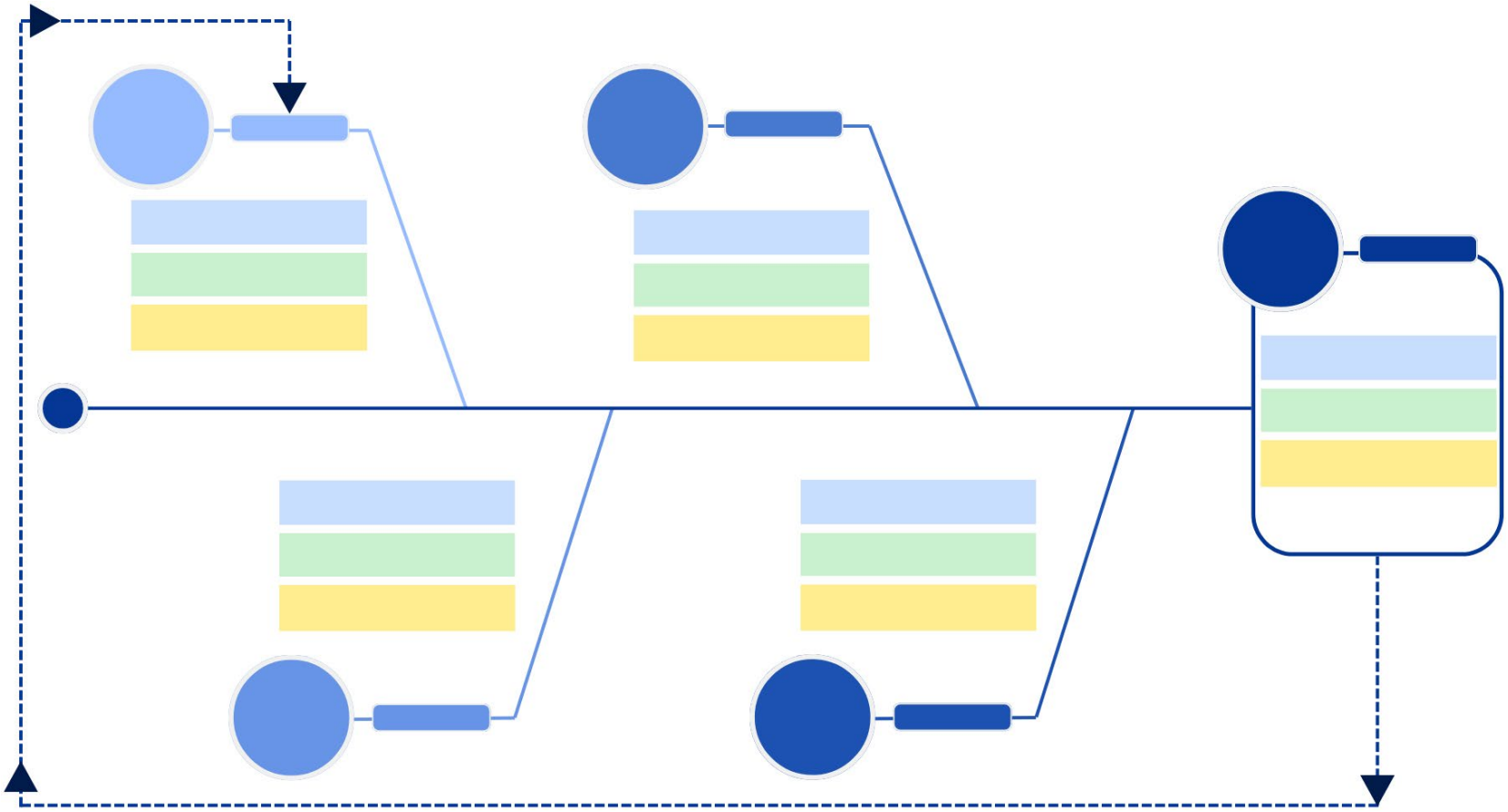
NARUC
National Association of Regulatory Utility Commissioners

Affordability Cohort Roadmap

NARUC Task Force on Natural Gas Resource Planning



December 2025

Table of Contents

Introduction

This roadmap describes a vision for an idealized planning process for a natural gas distribution utility (gas LDC), from a public utility commission perspective, designed to align with state policy goals for affordability. Developed by commissioners and commission staff members in the NARUC Task Force on Natural Gas Resource Planning Affordability Cohort, with input from subject matter experts, the roadmap presents a planning process that a Commission could use as a model for advancing affordability goals in gas utility planning processes. Specifically, the roadmap identifies key planning elements that the Commission will evaluate to ensure that the gas LDC's long-term planning process supports the state's affordability goals.

The roadmap incorporates representative data types, alternatives, analyses, and planning steps that would enable the PUC to understand and properly evaluate the LDC's plans. The roadmap includes:

- A flowchart of the entire planning process
- Descriptions and explanations of each step of the planning process
- Guidance, resources, and examples that can augment understanding and offer starting points for action

Please note that this roadmap is not intended to endorse the pursuit or adoption of any particular state goal. To that end, a fictional state persona was created to guide the development of this roadmap. Comparable roadmaps have been produced by other NARUC cohorts focused on the state policy goals of reliability, clean energy, and economic development. These roadmaps do not focus on electricity system planning related to gas-fired power generation;[1] the focus is on in-state gas distribution utilities.

Importantly, the Affordability cohort views affordability holistically, which is reflected in the outlined approach. First, the approach focuses on optimizing future investments to ensure that future proceedings evaluate the potential for lower cost alternatives as a default process. As a complement to the emphasis on costs for all ratepayers, the approach also focuses on ensuring a comprehensive review and improvement process for programs designed to support customers who may need the most assistance---to ensure that such support is accessible and comprehensive.

How to Read this Roadmap

This roadmap describes activities contained in an **idealized** planning process for a gas LDC located in a fictional state looking to address affordability concerns. **Steps** are largely sequential; outputs from each step serve as inputs to subsequent steps (though iteration is expected). Many of the steps involve gathering information or data from the gas LDC or from customers, state agencies, or other stakeholders to provide evidence to support eventual regulatory decisions.

Comprehensive stakeholder engagement throughout the planning process is key to an informed, robust process that ultimately arrives at decisions that further state policy goals and the public interest. To that end, where appropriate, the descriptions of each step note when and how stakeholders can provide input or otherwise engage in the planning process.

This roadmap describes an **idealized planning process, not an actual one**. While this exact process might not be implemented in any instance and any actual process must, of course, be adapted to the particular situation at hand, some Commissions have implemented portions of this process for gas or other regulated utilities. The Cohort expects that the roadmap could offer a starting point for considering state-specific implementation, so where possible, the roadmap notes relevant resources and examples from across the U.S. that can be referenced and adapted as helpful.

Finally, the roadmap does not contain a timeline for the planning process, as timing could vary widely across states based on the particular situation.

1 Please see the NARUC Gas-Electric Alignment for Reliability (GEAR) Task Force report (November 2025) for recommendations from a diverse group of commissioners and industry stakeholders about how to improve electric and gas coordination at the wholesale level.

About the Affordability Cohort's State

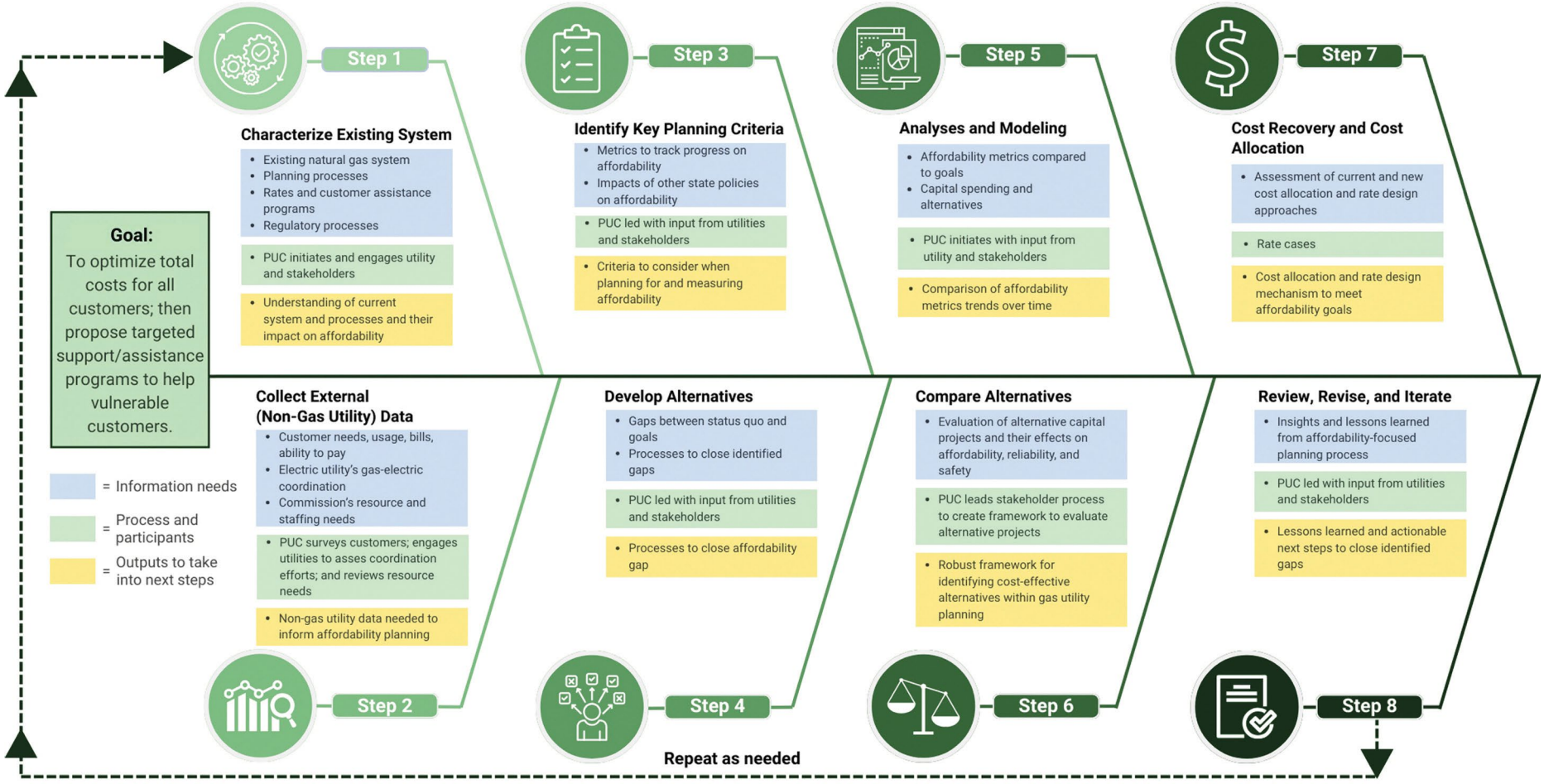
The fictional, representative state that the Affordability Cohort is supporting has some key characteristics that provide context for the cohort's vision of an ideal planning process. As with all aspects of the idealized planning process, the divergence between this fictional state and a real state could result in deviations from the gas planning process offered as a potential starting point.

Geography and Economy	
• This is among the top five largest states in the country, by area. • The population is dispersed but concentrated in big cities across the state.	• Diverse climatic conditions exist across different regions in the state. • The state is a net natural gas importer.
Infrastructure	
• The state is heavily reliant on aging gas infrastructure in need of replacement, but some new infrastructure is being built. • New gas infrastructure is potentially at risk of being stranded due to customers looking to electrify or to find other alternatives to natural gas service. • The state is exploring more expensive alternative fuels for use in the future.	• Demand for gas is growing in sparsely populated rural areas but declining in densely populated urban areas. It is unclear what the net effect of these trends will be on overall peak demand. • Customers have legacy appliances and rely predominately on gas heating. Approximately 70 percent of customers use gas for heating.
Utility Demographics	
• The state has multiple jurisdictional utilities; some are combined gas and electric utilities. • Federal policies and funding incentivizing new clean energy investments are being accessed by the state, utilities, and customers. There is some uncertainty about the duration of these policies as some federal energy subsidies, funding, and assistance programs have been discontinued.	• The Commission has deemed planning for expected new large loads to be important and is prioritizing rate design, gas-electric coordination, and cost allocation. • Gas and electric utilities are required to develop integrated resource plans. • The state may need to severely overbuild the natural gas distribution system to maintain resilience during more frequent, severe, and longer extreme cold events.
Customer Characteristics	
• The majority of gas utility customers are residential and small businesses with a small number of industrial users. • Rates are steadily increasing for gas and electric customers through frequent rate cases.	• 40 percent of the state's population struggles to pay their utility bills. • Policies, procedures, participation, and assistance programs are seen as complicated and difficult to access for customers.

Roadmap Features

The flowchart shown in **Figure 1** outlines a series of steps designed to gather and process relevant information that would aid in developing a comprehensive affordability plan for a gas LDC. The eight steps in the Affordability Cohort's roadmap are: (1) Characterize the Existing System, (2) Collect External (Non-Gas Utility) Data, (3) Identify Key Planning Criteria, (4) Develop Alternatives, (5) Analyses and Modeling, (6) Compare Alternatives, (7) Cost Recovery and Cost Allocation, and (8) Review, Revise, and Iterate. Each step is described in more detail in the following sections, which highlight information needs [in blue], processes and participants [in green], and outputs to take into the next step [in yellow] along with relevant resources and examples. See the NARUC Task Force on Natural Gas Resource Planning online library for supplementary materials, such as expert presentations, data sources, and regulatory tools.

Figure 1: Affordability Cohort Roadmap



The planning process is intended to be iterative, with periodic reassessments during which utility regulators, utilities, and stakeholders identify opportunities for refinement and improvement. The plan, once completed, will be reviewed and approved or acknowledged by the utility regulator and will serve as a resource going forward for all stakeholders.

Regulatory decisions are based on state law and evidence submitted by utilities and stakeholders. During the planning cycle, the Commission may need to evaluate new tools or services to customers even in cases where available evidence is limited. Evidence will change over time as technologies and customer preferences evolve, so the completed plan and its future iterations will likely be dynamic.

Step 1. Characterize Existing System

This step establishes a baseline understanding of the existing natural gas distribution system, regulatory processes, and customer programs. It sets the scope of what the remainder of the planning process will cover. Creating a repository of known information about the distribution system will underpin subsequent steps.

- Existing natural gas system
- Planning processes
- Rates and customer assistance programs
- Regulatory processes

- PUC initiates and engages utility and stakeholders

- Understanding of current system and processes and their impact on affordability

Information needs

The Commission will first need to document the existing infrastructure and planning processes used by gas LDCs and understand how these processes intersect with customer bills and affordability. Many drivers of customer bills stem from system status, planning to meet future needs, and resulting investments. Therefore, an initial step is understanding (A) the state of existing infrastructure and (B) how forecasting future needs and planning investments to meet those needs is currently done in the state.

A. Understanding **the state of existing infrastructure** of the natural gas distribution system helps inform the changes that will be needed in the future to achieve affordability policy goals. Current information and initial projections about the system that cohort members think could be necessary to receive from the gas utility include:

- Physical system attributes and condition
  - Pipe age, material, condition
  - Maps of the gas system with reasonable geographic resolution of pipes, planned pipe maintenance / replacement[2]
  - Interstate pipeline and storage resources
- System demand
  - Baseline throughput: current energy usage across the year and on peak days, as well as related weather data, including actual sales figures
  - Energy efficiency programs and their results
- System costs
  - Existing book of gas system assets (e.g., carrying charges, current value of undepreciated rate base and how that is projected to change over time)
  - Cost of potential pipeline replacements (e.g., if needed due to risk assessment), expansions, and repairs that may be considered in strategies to be developed; may be estimates or averages (e.g., dollars per mile for main installation, replacement or repair, dollars per service for new services)
  - Current line extension tariffs

2 Some of these data requests could include critical energy infrastructure information, which will need to be shared in line with the Commission's data sharing guidelines. Data sharing that is allowed, encouraged, or required varies by utility and Commission along with protection strategies and data transfer protocols for different types of information. For example, relevant customer information is often aggregated and/or anonymized prior to sharing. Non-disclosure agreements are commonly used with intervenors for sharing particular sensitive information. Although originally designed for decision-making about electric data, the NARUC 2023 Grid Data Sharing Framework could provide a helpful framework for Commissions to establish expectations about scope, granularity, resolution, and audience if they do not have data access procedures already in place.

B. The Commission can then explore how gas LDCs are **forecasting future needs and planning investments** to meet these needs. Questions to explore may include:

- How does the LDC identify / diagnose operational issues?
- How does the LDC anticipate gas demand and costs changing in the future under a range of relevant scenarios?
  - How will uncertainty be acknowledged and reflected in these scenarios?
  - What assumptions is the LDC making?
  - What methodologies are being used?
- How are potential alternatives evaluated for cost-effectiveness?

Documenting existing rate design and cost recovery mechanisms will also help to create a full picture of the existing system. In addition, the Commission will catalog the existing regulatory proceedings and processes that intersect with affordability. This will help determine how affordability is addressed today and potential opportunities for process improvements.

Another component of initial characterization is understanding the status of assistance programs available to customers. There are federal, state, and utility-funded programs in place designed to help customers who struggle to pay their bills. However, the starting point for addressing customer affordability is understanding how well these programs are working today. The NARUC/NCEP - Public Utilities Commissions and Consumer Advocates mini-guide describes the overlap and distinction between Commissions and consumer advocates, examines the current and emerging state of engagements between the two parties, and offers ideas on how these relationships can be strengthened. Understanding funding levels, customer outreach and enrollment strategies, customer participation, rates, and more will be helpful for establishing a baseline.

The Low-Income Discount Programs Assessment report by the Columbia University Center on Global Energy Policy provides an overview of different low-income discount programs and discusses the prevalence of these programs across the U.S. See Additional Resources for more information.

Process and participants

The Cohort envisions that the Commission will initiate and lead efforts to characterize the existing system. The Commission will engage utilities, customer advocates, state agencies, and other stakeholders to help collect and document information.

Outputs

This step results in a documented understanding of the existing natural gas system, utility system planning processes, rate design and cost recovery mechanisms, regulatory processes, and customer assistance programs and how they interact with customer affordability.

Step 2. Collect External (Non-Gas Utility) Data

This step focuses on developing a list of the external (i.e., not provided by the gas utility) data and information that must be collected early in the process in order to support planning processes related to affordability. It also lists the resources that would be needed by the Commission in order to process and efficiently utilize the data in planning to enhance system affordability.

- Customer needs, usage, bills, ability to pay
- Electric utility's gas-electric coordination
- Commission's resource and staffing needs

- PUC surveys customers; engages utilities to asses coordination efforts; and reviews resource needs

- Non-gas utility data needed to inform affordability planning

Information needs

The Commission can use this step to collect information on customers' needs, preferences, and expectations. This will help the Commission develop a better understanding of the priorities and pain points of different customer groups individually – whether residential customers, small businesses, or large commercial or industrial users – which will

eventually help the Commission take a more targeted approach to managing affordability concerns. The Commission can also collect more comprehensive information about customers' non-gas energy usage patterns, characteristics, their bill impacts, and customers' ability to pay, which will inform the development of new regulatory processes and assistance programs to comprehensively address affordability.

This step must also review data and planning measures that would enable better coordination between natural gas and electric utilities in the state so that energy affordability can be looked at more holistically. It will also gather information on gas and electric utilities' perspectives on key affordability questions.

Finally, this step identifies resource and staffing needs and gaps that must be addressed in order to effectively analyze and utilize the data collected. These include, but are not limited to, obtaining necessary software, sufficient staff training, accessing hydraulic modeling, mapping, and other technical experts, and involving customer representatives, advocates, and other intervenors who bring technical expertise and representation at relevant junctures.

Process and participants

The Commission may help conduct or institute customer surveys to gather data on customer needs and preferences. They can engage electric and gas utilities as necessary to understand existing coordination efforts and perspectives on affordability. The Commission and stakeholders will also review and characterize their own resource availability and needs to enable the process.

Outputs

This information-gathering step results in the availability of non-gas utility data needed to support affordability goals within the broader planning context. The Commission can gain a complete understanding of customer perspectives, a better understanding of what affordability means to customers and utilities, and resources needed to adequately support the Commission in delivering affordability.

Step 3. Identify Key Planning Criteria

This step involves identifying key criteria for affordability planning, based on the information garnered from completing the previous two steps, understanding the status quo and collecting external data.

- Metrics to track progress on affordability
- Impacts of other state policies on affordability

- PUC led with input from utilities and stakeholders

- Criteria to consider when planning for and measuring affordability

Information needs

In this step, the Commission will develop a list of metrics to measure and track progress against affordability goals. These metrics will also help the Commission define affordability within their state's context and what successfully achieving affordability means. As the Commission develops criteria for affordability, it might consider incorporating lessons learned or ongoing questions / challenges raised in dockets examining interrelated issues. Key metrics to track could include:

1. Number of disconnects and volume of arrearages, both of which can serve as an indicator for increasing unaffordability of energy service
2. Income and energy burden (i.e. the proportion of a customer's income that is spent on natural gas, electricity, or other energy utility services)
3. Equity factors, with a focus on disadvantaged communities identified by the state
4. Forecasts on evolving market trends and expectations surrounding prices, demand, and supply

While developing these metrics, the Commission must take into account broader policy objectives that could impact long-term rate projections and affect energy affordability. For example, clean energy goals could require utilities to invest in new low-carbon technologies while transitioning away from existing gas assets as necessary. Similarly, reliability objectives set by the utility could result in increased expenditures to secure supply or increase sizing on the system. These measures could both have implications on utilities' investment planning and profit motives over time.

Process and participants

The Commission will require utility participation to procure data on the metrics identified; legislative guidance on policy objectives; and the participation of advocates representing disadvantaged communities and other stakeholders. Targeted working groups could be established to explore how progress towards clean energy, reliability, or other policy goals may impact affordability. These working groups could enhance the Commission's understanding of the tradeoffs that may be considered as the affordability plan is further developed.

Outputs

This step ends with criteria that will be taken into account when developing planning processes and tracking progress towards affordability goals.

Step 4. Develop Alternatives

This step requires the Commission to set up and implement tools and processes to work towards affordability goals, following a comprehensive assessment of the gap between the status quo and the desired outcome.

- Gaps between status quo and goals
- Processes to close identified gaps

- PUC led with input from utilities and stakeholders

- Processes to close affordability gap

Information needs

Previous steps have provided the Commission with sufficient data to perform a gap analysis. This gap analysis will assess the changes that need to be made to the status quo in order to achieve the state's policy objectives while maintaining affordability among consumers. After the completion of this gap analysis, the Commission will develop solutions in the form of: (a) the modeling utilities will be required to perform, (b) the tools needed to enable this modeling and to position the Commission to act upon the results, and (c) proactive processes that must be created to achieve the Commission's objectives.

The Pennsylvania Office of Consumer Advocate (OCA) represents the interest of all utility customers in Pennsylvania by participating in all major proceedings before the Pennsylvania Public Utilities Commission. The OCA submits testimonies and reports in proceedings, participates in settlement negotiations, and helps facilitate public participation in hearings. See Additional Resources for more information.

Going forward, the Commission should not only try to ensure that dockets have specific segments that address relevant affordability topics but also make sure that all such dockets with interrelated issues are connected.

This step will require stakeholders to collect and analyze large amounts of technical data to comprehensively inform next steps. The data and information required will depend on the alternatives analyzed and the specific state, Commission, utility, and customer context.

Process and participation

The Commission utilizes information from prior steps to establish a complete understanding of status quo and future goals, information on available solutions and processes to achieve the state's affordability goals. The Commission will seek input and engagement from key stakeholders including utilities, advocates, Commission staff, customers and technical experts. Targeted working groups may be established to tackle different issues related to affordability with appropriate participation from consumer advocates, such as in Pennsylvania where advocates participate at all public statement hearings.

Outputs

This step will reveal processes to address affordability and close the gap between the status quo and policy goal. Key stakeholders (utilities and / or Commission) will initiate efforts to improve customer education and access to assistance programs. By the end of this step, the Commission can identify the cost-effective alternatives and mechanisms that can be adopted, ascertain the appropriate spending levels and funding sources

to implement the mechanism, and prepare plans to implement the solutions identified.

TIP: The use of intervenor compensation could be considered to enable the substantive participation of previously un- or under-represented constituencies. See NARUC, State Approaches to Intervenor Compensation, 2021 for a detailed discussion of the objectives and features of intervenor compensation programs, snapshots of existing state programs, and case studies featuring intervenors whose participation was enabled and / or enhanced by compensation.

Step 5. Analyses and Modeling

- Affordability metrics compared to goals
- Capital spending and alternatives

- PUC initiates with input from utility and stakeholders

- Comparison of affordability metrics trends over time

The goal of this step is to implement the planning process developed in the prior steps and measure the success of the process after implementation of initial solutions using the previously identified key metrics. The specific actions undertaken by the Commission may vary depending on the unique needs of the jurisdiction and the broader context with which the commission operates (e.g., availability of state or federal programs and funding, unique drivers of affordability). This section offers suggestions to measure and track progress on addressing affordability.

Information needs

Information gathered from prior steps will be utilized in this step. The Commission will establish the current baseline for its affordability metrics (previously identified in Step 3) and track progress relative to those thresholds. The Commission must be careful to not introduce bias by considering extraordinary data (e.g., economic cycles, temporary disruptions, or changes to existing programs) when measuring progress against these metrics unless such circumstances are expected to continue over the long term and be representative of future circumstances (i.e., new business-as-usual scenarios).

An Assessment of Energy Affordability in New Jersey and Alternative Policy and Rate Options (The Brattle Group) evaluates the effectiveness of the major bill assistance programs in New Jersey based on how much they reduce energy burden for participating households. See Additional Resources for more information.

These metrics will be measured and tracked across the various dockets and proceedings before a Commission, where affordability issues can arise. This is especially important within utility planning dockets because capital investments are typically the largest driver of customer rates (and an area over which the Commission has significant oversight and control).

Process and participants

The Commission collects and tracks data from utilities and stakeholders. Stakeholders can provide input on how to best collect and analyze data to track progress.

Outputs

The Commission will arrive at a comparison of trends in affordability metrics over time. This will vary from state to state but may include the following aspects:

1. **Low energy burden:** This metric measures the proportion of a customer's income that is spent on natural gas, electricity, or other energy utility services. Consideration should also be given to the energy consumption behavior of customers, particularly those customers just above or below any established energy burden threshold. For example, some customers may meet or exceed the threshold because they are reducing their energy consumption in order to afford their utility bills.
2. **Low and comparable energy prices to neighbors:** Benchmark the state's energy prices against those of similarly situated states or utilities in the region. If a particular provider's prices are significantly higher or lower than peers, understand what the drivers of those

differences are and consider setting more specific metrics or goals against those drivers.

3. **Level of customer qualification and utilization of assistance programs:** Assistance programs can provide help to customers, but only if they qualify for and enroll in those programs. These metrics should be considered together and re-evaluated over time because success in addressing affordability may reduce the number of customers who qualify for a program (all else equal) but the percentages of qualifying customers who participate in those programs should remain high.

Step 6. Compare Alternatives

This step is focused on analyzing alternatives to minimize the cost for all customers by identifying and comparing other lower-cost solutions that address the operational, safety, or technical objectives of traditional gas infrastructure investments.

- Evaluation of alternative capital projects and their effects on affordability, reliability, and safety
- PUC leads stakeholder process to create framework to evaluate alternative projects
- Robust framework for identifying cost-effective alternatives within gas utility planning

Information needs

As discussed in the prior step, utility capital plans are a significant driver of customer rates. Much of this capital spending today is dedicated to maintaining the existing system (e.g., addressing leak-prone pipes). This provides an opportunity to develop locally optimized solutions that can reduce costs (i.e., address affordability) and drive progress towards other state policy and regulatory goals (e.g., removing leak-prone pipe, achieving decarbonization goals, enable system expansion). An analysis of options can help ensure that when costs are expected to be borne by ratepayers, the utility and / or the Commission have at least considered reasonable alternatives that may provide cost savings over conventional planning and infrastructure, thus lessening the burden on ratepayers.

In this step of the process map, the Commission will evaluate capital spending alternatives and metrics within this framework to address affordability. For example, alternative analyses could be embedded into a gas utility's integrated resource plan process or as part of the certificate of public convenience and necessity (CPCN) process for certain infrastructure projects that meet specified criteria.

The implementation of cost-effective measures may run counter to existing business models for gas LDCs under which capital spending is incentivized (i.e., gas LDCs earn an authorized rate of return on capital expenditures versus simple cost recovery on operational expenditures). Therefore, it is important that the Commission, utilities, and stakeholders work collaboratively to develop innovative business models that allow gas LDCs to pursue the most cost-efficient solutions for customers while still maintaining safe and reliable utility service and the opportunity for utilities to earn a fair rate of return, enabling them to attract capital at favorable rates and maintain long-term financial stability.

Process and participants

The Commission will work with utilities and stakeholders to develop an alternative analyses framework. The utility will identify and propose specific alternatives. Stakeholders will be engaged during the alternatives

In a July 2025 order in Central Hudson Gas & Electric's long-term gas system planning docket, the New York State Public Service Commission ordered the pursuit of at least two demand response and non-pipeline alternatives (NPA), analyzing affordability, reliability, and climate impacts of the pilots. The Colorado Public Service Commission commissioned a regulatory framework for NPAs in Colorado in October 2023. The three-step framework includes an equity assessment incorporating affordability metrics of proposed projects. The framework defines an NPA as "an investment or activity that defers, reduces, or avoids the need to construct or replace gas system infrastructure," reducing gas system costs and customer risks. See Additional Resources for more information.

evaluation process, especially stakeholders who are directly impacted by the project(s).

Outputs

This step will result in a robust framework for identifying cost-effective alternatives that is embedded into gas utility planning proceedings.

Step 7. Cost Recovery and Cost Allocation

This step of the planning processes focuses on using ratemaking as a tool to address affordability, building on the information gathered in previous steps.

- Assessment of current and new cost allocation and rate design approaches
- Rate cases
- Cost allocation and rate design mechanism to meet affordability goals

Information needs

In this step, the Commission and stakeholders will model the effectiveness of existing and new cost allocation and rate design approaches to achieve affordability goals with the goal of selecting an optimal plan. The Commission will also work with utilities and stakeholders to develop new rate solutions to drive progress towards the state's affordability goal. Examples of potential ratemaking solutions include:

- Explore the relationship between sales and capital spending, especially if sales declines are expected
- Develop income-based customer classes (with consideration that rates are not unduly discriminatory)
- Evaluate depreciation rates for appropriateness, especially given state policy context

Oregon HB 3179 (FAIR Energy Act) gives the Oregon Public Utility Commission authority to consider the cumulative economic impact of proposed residential rate increases and make adjustments if it affects the ability of customers to maintain adequate utility services. See Additional Resources for more information.

The Illinois Commerce Commission ordered gas LDCs to initiate the state's first income-based programs to provide bill discounts for eligible customers. The Low-Income Discount Rate (LIDR) program is open to customers with incomes below 300 percent of the federal poverty line (FPL) and funded through a rider on customer bills. LIDR operates concurrently with LIHEAP and offers customers additional discounts with the goal of limiting gas bill expenditures to no more than 3 percent of monthly income. See Additional Resources for more information.

- Adopt usage-based rates and charges to incentivize customers to monitor and reduce consumption
- Design programs that enable stakeholders to provide input on cost-effective investments
- Develop granular cost allocation methodologies and rate designs that reflect location-specific capacity constraints, usage patterns, and gas system investment needs
- Evaluate the appropriateness of purely volumetric rates, especially if sales are declining without a commensurate decline in capacity needs
- Work with the legislature to develop new types of assistance programs and provide the Commission with the staffing and resources necessary to implement innovative rate design solutions

The types of ratemaking solutions that can be developed will depend on the particular affordability circumstances in a jurisdiction and the solutions explored in the prior steps of the planning process. Actions explored would also depend on the Commission's jurisdiction and their

The New York Enhanced Energy Affordability Policy provides discounts to gas and electric utility customers below the median income who do not qualify for existing low-income energy affordability programs. See Additional Resources for more information.

authority to consider different affordability metrics or customer incomes as a determinant of rates. Some examples include:

- **Riders:** Riders are charges on customer bills that are separated from standard rates and allow a utility to recover costs for specific programs or investments while providing transparency for customers on those costs and charges.
- **Performance-based ratemaking (PBR):** PBR compensates utilities for their services based on their performance in meeting pre-specified outcomes, in supplement to or instead of compensating utilities based on the costs of service.
- **Multi-year ratemaking:** Multi-year ratemaking sets a utility's base rates and revenue requirements for longer than a single 12-month period. A formula can be applied to allow rate changes over the duration of the plan. See Multiyear Rate Plans and the Public Interest, National Regulatory Research Institute, October 2016.

Process and participants

This step envisions a Commission-led process with robust engagement from utilities and stakeholders.

Outputs

This step will produce a roadmap of potential rate design and cost allocation strategies that can improve affordability outcomes according to the metrics resulting from earlier in the planning process.

Step 8. Review, Revise, and Iterate

After working through the planning cycle, the Commission will reflect on what worked well, what did not go well, and lessons learned. These lessons learned will inform refinements to affordability-focused planning processes.

- Insights and lessons learned from affordability-focused planning process
- PUC led with input from utilities and stakeholders
- Lessons learned and actionable next steps to close identified gaps

Information needs

In the final step, the Commission will initiate a process to collect lessons learned from the affordability-focused planning process. These reflections will come from the Commission, staff, and key stakeholders involved in the process.

A suggested approach for this step is to review the metrics that were measured and tracked during the process:

- Did they provide useful and actionable insights to address affordability?
- Were any gaps in the planning process identified along the way?
- Would alternative planning processes yield better (or worse) outcomes?

Using insights from reflecting on these questions, the Commission will review the planning process and make revisions.

Revisions could also be driven by how the context surrounding affordability has changed since the start of the planning process (e.g., changes in policies, regulations, economic conditions, or funding levels that may impact the Commission's affordability goals).

After taking account of and potentially implementing these changes, the Commission will re-initiate the planning process again from the beginning.

Process and participants

The Commission will lead the collection of lessons learned and actionable takeaways. The Commission will solicit and review feedback from stakeholders.

Outputs

This final step results in lessons learned and actionable next steps to further close the gap with the affordability policy goal.

Additional Resources

Below is a compiled list of additional resources and examples that may be helpful to consider when implementing an affordability-focused natural gas distribution utility planning process. Resources are offered on ratepayer assistance programs and consumer advocates.

Ratepayer Assistance Programs

- New York Enhanced Energy Affordability Policy: New York's EEAP provides discounts to gas and electric utility customers below the median income who do not qualify for existing low-income energy affordability programs. EEAP was adopted by the New York Public Service Commission in July 2025 to expand the State's existing goal of holding low-income households' energy utility bills to 6 percent or less of household income.
- Oregon HB 3179 (FAIR Energy Act): HB 3179 requires natural gas and electric utilities to file annual reports detailing upcoming rate increases and providing an analysis of the economic impact of those increases on utility customers. It also gives the Oregon Public Utility Commission authority to consider the cumulative economic impacts of proposed residential rate increases and make adjustments if it affects the ability of customers to maintain adequate utility services. The bill also limits utility rate requests to once every three years.
- Low-Income Discount Rate (LIDR): In November 2023, the Illinois Commerce Commission ordered gas LDCs to initiate income-based programs to provide bill discounts for eligible customers. The program, launched in October 2024, is open to customers with incomes below 300 percent of the federal poverty line (FPL) and funded through a rider on customer bills. LIHEAP customers (up to 200 percent FPL) are automatically enrolled in LIDR and receive additional savings ranging from 10 to 83 percent depending on income level and utility. An additional tier exists for customers between 201 – 300 percent of FPL; these customers are ineligible for LIHEAP but can still receive a 5 percent discount through LIDR.
- Brattle – An Assessment of Energy Affordability in New Jersey and Alternative Policy and Rate Options (December 2024): This study focuses on addressing energy affordability for low- and moderate-income (LMI) customers through energy assistance programs and rate options as New Jersey strives to achieve its climate and energy policy goals. The report provides a jurisdictional scan of energy assistance programs in New Jersey and across the country. The study finds that assistance programs coupled with cost-effective strategies such as load flexibility, energy efficiency, time varying rates, and prudent infrastructure investments can help mitigate rate increases driven by decarbonization.
- Columbia University Center on Global Energy Policy – Low-Income Discount Programs Assessment (September 2024): This article provides an overview of different low-income discount programs and discusses the prevalence of these programs across the U.S.
- NARUC – State Energy Justice Roundtable Series: Customer Affordability and Arrearages (February 2023): This report was published by NARUC as a product of the State Energy Justice Roundtable hosted by NARUC, the National Association of State Energy Officials (NASEO), and the National Governors Association in April 2022. It includes a background on the concept of energy justice and how it is becoming of higher priority in energy policy. This report also outlines the role of affordability and arrearages in energy justice, explaining that energy insecurity is prevalent in historically disadvantaged communities and correlated to overall financial security. It also discusses the characteristics of energy burden, actions to increase affordability, and the pronounced impact of COVID-19 on energy insecurity.

Consumer Advocates

- National Council on Electricity Policy (NCEP) – Public Utilities Commissions and Consumer Advocates (December 2021): This mini guide describes the overlap and distinction between Commissions and consumer advocates, examining current and emerging state of engagements between the two parties, and offers ideas on how these relationships can be strengthened.
- Pennsylvania Office of Consumer Advocate: The OCA represents the interest of all utility customers in Pennsylvania by participating in all major proceedings before the Pennsylvania Public Utilities Commission. The OCA submits testimonies and reports in proceedings, participates in settlement negotiations, and helps facilitate public participation in hearings.

Non-Pipeline Alternatives

- New York State Department of Public Service Matter No. 23-G-0676: In a July 2025 order in Central Hudson Gas & Electric's long-term gas system planning docket, the New York State Public Service Commission ordered the pursuit of at least two demand response and non-pipeline alternatives (NPA), analyzing affordability, reliability, and climate impacts of the pilots. An expert consultant assisting PSC staff recommended that the utility "conduct an optimization process to identify and develop a long-term plan scenario with the highest emissions reduction potential and lowest impact on affordability while maintaining system reliability and safety and other requirements set by the Commission.
- Colorado Public Service Commission NPA Framework: The Colorado Public Service Commission commissioned a regulatory framework for NPAs in Colorado in October 2023. The three-step framework includes an equity assessment incorporating affordability metrics of proposed projects. The framework defines an NPA as "an investment or activity that defers, reduces, or avoids the need to construct or replace gas system infrastructure," reducing gas system costs and customer risks.

Acknowledgements and Disclaimer

This material is based on work supported by the U.S. Department of Energy (DOE) under award numbers DE-OE0000925 and DE-FE0031893. This report was prepared as an account of work sponsored by an agency of the United States Government. Neither the United States Government nor any agency thereof, nor any of their employees, makes any warranty, express or implied, or assumes any legal liability or responsibility for the accuracy, completeness, or usefulness of any information, apparatus, product, or process disclosed, or represents that its use would not infringe privately-owned rights. Reference herein to any specific commercial product, process, or service by trade name, trademark, manufacturer, or otherwise does not necessarily constitute or imply its endorsement, recommendation, or favoring by the United States Government or any agency thereof. The views and opinions of authors expressed herein do not necessarily state or reflect those of the United States Government or any agency thereof.

This document was authored by staff of NARUC and The Brattle Group based on extensive discussions with members of the Affordability Cohort within the Task Force on Natural Gas Resource Planning. The primary authors were:

- Josh Figueroa, The Brattle Group
- Ragini Sreenath, The Brattle Group

Danielle Sass Byrnett, Kiera Zitelman, Taylor Fitzgerald, and Jessica Diaz of NARUC provided research, writing, and publication support.

The authors thank the following NARUC members for engaging in the development of this resource:

- Hon. Tammy Cordova, Nevada
- Hon. James Ellison, New Mexico
- Hon. Megan Gilman, Colorado
- Hon. Kristy Nieto, Wisconsin
- Hon. Radina Valova, New York
- Hon. Kathryn Zerfuss, Pennsylvania
- Kate Christensen, Wisconsin
- Charece Collins, Pennsylvania
- Jason Martin, Nevada
- Jaime McClintock, Pennsylvania
- Ed Rilkoff, New Mexico

The authors appreciate the contributions of the following subject matter experts in engaging with cohort members, in addition to the dozens of utilities and experts who presented during the virtual learning series:

- Mike Artuso, Philadelphia Gas Works
- Andrew Jones, Peoples Energy Analytics
- Katrina Metzler, National Energy and Utility Affordability Coalition
- NazAarah Sabree, PA Office of Small Business Advocate
- Kinteshia Scott, DC Office of People's Counsel
- Sanem Sergici, The Brattle Group

The authors thank the U.S. Department of Energy for supporting this effort.

NARUC

National Association of Regulatory Utility Commissioners

1101 Vermont Ave, NW • Suite 401 • Washington, DC 20005
www.naruc.org • (202) 898-2200