

Case No. 9340
2014 Arrearage, Collection and Termination
Practices of Utilities

Comments of the Office of People's Counsel



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Current Winter Weather Electricity Supply Costs

2

- Gas and electric usage up significantly
 - Heat pumps
 - Inefficient furnaces and boilers
- Retail prices
 - Major Electric utilities – Residential SOS Prices are fixed through May 31, 2014; June 1 - September 30, 2014

	BGE	Pepco	DPL	PE	SMECO	Choptank
10/1/13- 5/31/14	.09623 per kwh	.0930 per kwh	.0906 per kwh	.05825 per kwh	.0998 per kwh (J-May)	.07969 per kwh Annual

- Electricity suppliers
 - ✦ Fixed contracts
 - ✦ Variable contracts – expect those prices to be high for 1/14 through 3/14
 - ✦ Fewer posted offers; prices higher for March 2014

Current Winter Weather Gas Supply Costs

3

○ Gas utilities

- ✦ Prices change monthly
- ✦ Prices up several cents per therm this winter
- ✦ Washington Gas had a big jump for March

	BGE	Col. Gas	WGL
Dec 2013	59.6	52.1	52.9
Jan 2014	53.9	58.4	61.0
Feb 2014	64.3	58.4	66.3
Mar 2014	50.7	60.7	94.7

○ Gas suppliers

- ✦ Fixed and variable contracts
- ✦ Expect increases in variable prices for 1/14 through 3/14
- ✦ March 2014 Offers – Many not posted on websites; higher offers

Residential Customers Utility Billing Options

4

- Major high bill options for customers
 - Utility programs
 - ✦ Payment plans
 - ✦ Budget billing
 - *NOTE: Utility Budget billing option does **not** apply to energy supplier portion of the bill*
 - ✦ Due Date Extension
 - Energy Assistance Programs
 - ✦ EUSP
 - ✦ MEAP
 - ✦ Release of supplemental funds

Bill Assistance Information for Customers

5

- Alerts and Media
 - OPC Alert to Agencies – Sent February 12, 2014
 - ✦ Information on usage and price increases
 - ✦ High bills – payment options and assistance
 - Gas and electric utilities
 - Budget billing
 - Payment plans
 - DHR/OHEP Energy Assistance programs
 - 211 Maryland
 - OPC Resource Guides
 - State Agencies
 - ✦ Additional LIHEAP and RGGI funding - \$20 million
 - ✦ New Website: <http://energy.maryland.gov/Residential/assistance/EmergencyColdWeatherEnergyAssistance.htm>
 - ✦ Additional Staffing Resources for EUSP/MEAP applications
 - Utility Press Releases

OHEP and Other Energy Assistance

6

- Federal LIHEAP (MEAP):
 - Heating assistance (electricity; all fuels) to low-income families
 - Crisis assistance
 - Furnace repair and replacement (discretionary)
- EUSP:
 - Electric bill assistance
 - Arrearage assistance
- Fuel Funds – Crisis Funds
- Government Programs – Crisis Funds
- Non-profit and faith organizations – Crisis Funds

FY	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Ave. EUSP Ben.	\$270	\$287	\$395	\$393	\$329	\$366	\$422	\$450	\$553	\$611	\$445	\$334	\$325 As of Nov '13

COMAR – Utility Billing Options

7

- **Bill Extender Plan (COMAR 20.30.03.01D)**
 - ✦ Change bill due date to avoid late fees
 - ✦ Eligibility: Social security, SSI, SSD or other fixed income assistance

- **Budget Billing (Even Monthly Payment Plan)**
 - ✦ Helps stabilize monthly billing; adjusted periodically
 - ✦ Available to all customers (mandatory for EUSP customers)

- **Utility Service Protection Program (USPP) (COMAR 20.31.05)**
 - ✦ Eligibility: MEAP (not EUSP) customers
 - ✦ Participate in Equal Monthly Payment Plan and Supplemental Plan (arrears)
 - ✦ Waiver eligibility
 - Reconnection fee
 - Security deposit

COMAR – Alternate Payment Plans

Low-Income Customers

8

- APP: A utility payment plan designed to avoid service termination and to pay all outstanding charges to utility
- Low-income customers
 - Utility *must* in good faith attempt to negotiate a reasonable APP
 - Low-Income: Use EUSP/MEAP income guidelines
 - MEAP/USPP customers: Utility must offer APP for arrears up to \$400
- Factors: Circumstances and financial condition
 - Size of bill, ability to pay, payment history, energy assistance, hardships and “any other relevant factor”
- Utility Refusal of APP
 - Failure to meet terms of an APP in past 18 months
 - Fraud or theft of service
 - Denial of access to utility equipment

COMAR – Service Termination Restrictions

- **General**
 - Termination would endanger health or life

- **Specific**
 - **Medical: Serious illness or life-support equipment**
 - ✦ Lack of service must aggravate the illness or prevent equipment use
 - ✦ Medical certification
 - **Elderly or disabled occupants: Extra notice required**
 - ✦ Age: 65 or older
 - ✦ Disability: can be physical or mental
 - ✦ Proof of disability benefits or certification required in advance
 - **Extreme weather (hot and cold)**
 - ✦ Forecast at 6 a.m. of 32 degrees or below during next 72 hours
 - ✦ Forecast at 6 a.m. of 95 degrees or above during next 72 hours
 - ✦ Gas: applies only in cold weather (unless used for cooling)
 - **Winter – No moratorium**
 - ✦ Bill must be more than \$200 (\$300 for combined G&E)
 - ✦ Utility affidavit filed with PSC at least 24 hours in advance
 - ✦ Attempted personal contact on 2 separate days

DHCD Low-Income Energy Efficiency Programs

10

- **DHCD-Administered Programs**
 - **All OHEP EA recipients are automatically referred to DHCD**
 - ✦ Participation is voluntary; may opt-out
 - ✦ Integration of federal and state program measures
 - **Federal Weatherization Assistance Program (WAP)**
 - ✦ Fuel: All sources
 - ✦ Funding sources: WAP; some utility funds (BGE CHIP); OHEP MEAP funds for furnace repair and replacement
 - ✦ Income eligibility: 200% of FPL
 - ✦ Measures: energy audits, air sealing, insulation, low flow shower heads, CFLs, HVAC repair and replacement
 - ✦ Renters eligible with landlord agreement
 - **Utility EmPower Maryland Low-Income Programs**
 - ✦ Electric only
 - ✦ Income eligibility: 200% of FPL

OPC Recommendations

11

- Direct the utilities to provide updated arrearage and bill data for February and March 2014
- Obtain clarification from utilities:
 - whether the arrearage and bill data includes electricity supply costs for energy suppliers
 - whether the billing options offered to residential customers will be proactively offered to all customers with a “higher-than-normal” bill inquiry or complaint
- Direct all utilities to provide a retroactive budget billing option and payment plan option
 - BGE (budget billing) and WGL (payment plan) limit past due amount to \$500
 - Explore whether this limit is reasonable, based on billing and arrearage data (including supplier costs if previously excluded)
- Consider options for the supplier portion of utility bill, and whether budget billing option should be extended to supplier costs

OPC Recommendations

12

- Direct Technical Staff, with the Office of External Relations (OER) to conduct an analysis of high bill complaints (gas and electric) involving supplier charges, including a review of contract terms and conditions for variable prices, and report to the Commission
- Establish a proceeding to consider whether the Commission's current regulations regarding supplier variable price contract terms and disclosures should be modified
- Consider an additional hold on terminations for existing EUSP/MEAP customers pending resolution or receipt of supplemental OHEP assistance
- Supplemental \$20 million energy assistance funds: Convene a stakeholder group with DHR/OHEP, OPC, Staff, utilities and Fuel Fund to clarify protocols and rules for use of the funds
- Consider whether the winter restriction rules, as reflected in COMAR regulations, should be extended beyond March 31 date to accommodate these exigent circumstances.
- Long-term: Affordable Energy Proposal (PC 27)