



OLR RESEARCH REPORT

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UTILITY MATCHING PAYMENT PROGRAM

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You asked for information on the matching payment program for gas and electric company customers with arrearages. You particularly wanted to know whether the law addresses a customer's need to re-apply for this program every year.

SUMMARY

To be eligible for the matching program, customers must, among other things, (1) comply with an agreement they enter into with the company to amortize (pay off over time) their arrearage and (2) apply for energy assistance benefits. Gas and electric companies must match (1) the payments participating customers make towards their arrearages and (2) benefits they receive under energy assistance programs. The law does not specifically address whether a customer needs to apply every year to participate in this program. However, the program operates on an annual cycle and the law implies that customers need to apply annually.

MATCHING PAYMENT PROGRAM

By law ([CGS § 16-262c](#)), gas and electric companies must allow residential customers with delinquent accounts to enter into agreements to amortize their arrearages during any time their accounts can be

terminated for failure to pay. The law bars the companies from terminating service to hardship customers, e.g., those that are poor, unemployed, or seriously ill, from November 1 through May 1.

For those customers who heat with gas or electricity, the law requires the companies to match the customer's payments under the agreement and any energy assistance the customer receives if the customer complies with the agreement and meets other criteria. To be eligible to participate in this matching payment program, a customer must:

1. be eligible and apply for benefits under the Connecticut Energy Assistance Program (CEAP) or the State Appropriated Fuel Assistance (SAFA) Program (SAFA has not operated for many years);
2. authorize the company to send a copy of his or her monthly bill directly to an energy assistance agency for payment; and
3. enter into and comply with an amortization agreement that reduces the customer's bill by the amount of benefits the company reasonably expects to receive from CEAP, SAFA, or other energy assistance programs.

The amortization agreement must be consistent with policies and decisions of the Department of Energy and Environmental Protection (DEEP, formerly the Department of Public Utility Control).

The company must budget a customer's payments over a 12 month period. The payments must include an additional amount that is affordable to the customer to pay for the arrearage. The payment plan must be designed so that the customer will not lose energy assistance benefits. At the customer's request, different terms can apply. When a customer authorizes the company to bill an energy assistance agency, the agency must pay the company directly.

On April 30, if the customer meets these requirements from the preceding November 1 or when his or her account became delinquent, the company must forgive an amount equal to his or her payments plus the amount paid by CEAP and SAFA between November 1 and April 30. The company must forgive an additional amount equal to the customer's payments and any payments made on his or her behalf if he or she continues to comply with the payment plan from April 30 to October 31. The benefits provided under the law cannot result in a credit in the customer's account. Customers cannot be denied these benefits due to an error by the company.

If the customer fails to comply with the amortization agreement and related requirements, or a DEEP decision issued in place of the agreement, the company can terminate its service. But, the termination cannot occur between November 1 and May 1 and must follow all applicable regulations.

The companies must submit plans to implement these provisions to DEEP by July 1 annually. DEEP must allow the companies to recover from ratepayers the amount forgiven from customer accounts under the plans.

The law does not specifically address whether a customer needs to apply every year to participate in the matching payment program. However, the program operates on an annual cycle and the law implies that customers need to apply annually. The law specifically requires the customer to apply for energy assistance in order to be eligible for the matching payment program, and the energy assistance program requires an annual application. The law also requires the company to budget a customer's payments over a 12 month period. Finally, the law requires the company to make matching payments twice a year based on the customer's compliance with the program's requirements during the 12 month period.

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