

Utility Rate Discounts for Low-Income Customers in Other States

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Issue

This report describes utility rate discount programs for low-income customers in other states.

Summary

Many states require their regulated electric and gas utility companies to provide low-income customers with discounted electric or natural gas service rates. [PA 11-80](#), among other things, required Connecticut's Department of Energy and Environmental Protection (DEEP) to evaluate the benefits and costs of developing such rates. As part of its subsequent 2013 [final report](#), DEEP summarized the low-income discount rate programs offered in 11 other states: Arizona, California, Georgia, Maine, Massachusetts, Minnesota, New Hampshire, New York, Pennsylvania, Rhode Island, and Vermont.

This report describes the eligibility requirements and discounts currently available in those 11 states. The states, and often individual utility companies within each state, use a variety of means to determine customer eligibility and the type of discount customers will receive. Programs typically limit eligibility to households with an income below a certain threshold (e.g., a percentage of the federal poverty level or the state's median income) and may require additional criteria to be met, such as receiving benefits from other programs. The types of discounts provided include fixed billing credits, fixed percentage discounts, and billing caps based on a percentage of the customer's income. Several programs also feature "tiered" benefits that provide greater discounts to customers with lower incomes.

Additional information regarding other types of low-income energy assistance programs (e.g., weatherization and debt forgiveness programs) is available on the U.S. Department of Health and Human Service’s Low-income Home Energy Assistance Program (LIHEAP) Clearinghouse [website](#).

Utility Rate Discounts for Low-Income Customers

Tables 1 through 11 show the eligibility requirements and discounts provided in the low-income discount rate programs in Arizona, California, Georgia, Maine, Massachusetts, Minnesota, New Hampshire, New York, Pennsylvania, Rhode Island, and Vermont.

Table 1: Arizona Discounted Utility Rates for Low-Income Customers

<i>Utility</i>	<i>Eligibility Requirements</i>	<i>Discount</i>
Arizona Public Service Co.	Maximum household income of 150% of federal poverty level (FPL)	Flat 25% discount on monthly bills
Southwest Gas Corp.	Maximum household income of \$49,200 for a 4-person household	Annual 30% reduction in monthly basic service charge Per therm discount applied to first 150 therms of natural gas use each month from November through April (discount rate varies according to gross household income and the number of residents in the home)
Tucson Electric Power Co.	Maximum household income of 150% FPL	Depending on the type of service, either a \$9 monthly discount or a discount based on usage (e.g., 25% on bills with 0-300 kWh usage; 20% on bills with 301-600 kWh; 15% on bills with 601-1000 kWh usage; no discount on bill with over 1000 kWh usage) Discounts are not available to new customers or current customers who move
UniSource Energy Services	Maximum household income of 150% FPL	Electric service : Flat \$16 per month discount Gas service : \$3 discount on the standard basic service and meter charge; \$0.15 per therm discount for up to 100 therms of gas use each month from November through April

Table 2: California Discounted Utility Rates for Low-Income Customers

<i>Utility</i>	<i>Eligibility Requirements</i>	<i>Discount</i>
California Alternate Rates for Energy (CARE) Program (applies to Alpine National Gas, Bear Valley Electric, Edison, Liberty Utilities, PacifiCorp, PG&E, SDG&E, SoCal Gas, Southwest Gas, and West Coast Gas)	Maximum household income of 200% FPL	30-35% discount on electric bills 20% discount on natural gas bills
Family Electric Rate Assistance Program (applies to Pacific Gas and Electric Co., San Diego Gas and Electric Co., and Southern California Edison)	Household income of 200% -250% FPL	12% discount on electric bills

Table 3: Georgia Discounted Utility Rates for Low-Income Customers

Utility	Eligibility Requirements	Discount
SCANA Energy (Regulated Division)	\$42,395 maximum household income for a 4-person household	\$0.05 per therm discount for customers on the fixed price plan

Table 4: Maine Discounted Utility Rates for Low-Income Customers

Utility	Eligibility Requirements	Discount
Emera Maine (Bangor Hydro Electric Co. and Maine Public Service Co.)	\$36,900 maximum household income for a 4-person household (customers who receive housing subsidies are ineligible, unless a household member uses an oxygen pump/ventilator for at least eight hours per day)	One-time annual reduction
Central Maine Power	Maximum household income of 150% FPL	Annual lump sum billing credit based on household income and estimated electric usage

Table 5: Massachusetts Discounted Utility Rates for Low-Income Customers

Utility	Eligibility Requirements	Discount
Berkshire Gas Co.	Maximum household income of 60% of state median income and (1) receiving benefits from any means-tested public benefit program or (2) eligible for low-income heating assistance program (LIHEAP)	20.47% discount for non-heating service; 19.18% discount for heating service
Blackstone Gas Co.	Receiving benefits from any means-tested public benefit program	14% discount for non-heating service; 15.8% discount for heating service
Columbia Gas of Massachusetts (pp. 167, 172)	Maximum household income of 60% of state median income and (1) receiving benefits from any means-tested public benefit program or (2) eligible for LIHEAP	25% discount for non-heating and heating service
Fitchburg Gas and Electric/ Unitil	Maximum household income of 60% of state median income and (1) receiving benefits from any means-tested public benefit program or (2) eligible for LIHEAP	Gas: 25% discount for non-heating and heating service Electric : 25% discount
National Grid	Maximum household income of 60% of state median income and (1) receiving benefits from any means-tested public benefit program or (2) eligible for LIHEAP	Gas : 25% discount for non-heating and heating service Electric : 29% discount
New England Natural Gas Co. (Liberty Utilities)	Maximum household income of 60% of state median income and (1) receiving benefits from any means-tested public benefit program or (2) eligible for LIHEAP	25% discount for non-heating and heating service
NSTAR (Eversource)	Maximum household income of 60% of state median income and (1) receiving benefits from any means-tested public benefit program or (2) eligible for LIHEAP	Gas: 25% discount for non-heating and heating service Electric (Greater Boston- MetroWest) : 27% discount for non-heating and 25.7% for heating service

Table 5 (continued)

<i>Utility</i>	<i>Eligibility Requirements</i>	<i>Discount</i>
Western Massachusetts Electric Co. (Eversource)	Maximum household income of 60% of state median income and (1) receiving benefits from any means-tested public benefit program or (2) eligible for LIHEAP	32% discount for non-heating and heating service

Table 6: Minnesota Discounted Utility Rates for Low-Income Customers

<i>Utility</i>	<i>Eligibility Requirements</i>	<i>Discount</i>
CenterPoint Energy	Receiving LIHEAP assistance and agrees to be placed on a leveled payment plan and payment schedule Participation is limited to first come first served, up to a \$5 million program cap	Customers receive a monthly bill credit determined as one-twelfth of the difference between an estimate of the customer's annual gas bill and 4% of the customer's household income
Minnesota Energy Resources	Receiving LIHEAP assistance Participation is limited to first come first served, up to a \$750,000 program cap	Customers receive a monthly bill credit determined as one-twelfth of the difference between an estimate of the customer's annual gas bill and 6% of the customer's household income
Minnesota Power	LIHEAP qualified	Discounts range from 22.2% to 27.8% depending on monthly electricity usage
Xcel Energy (p. 119)	Receiving LIHEAP assistance (50% state median income) and using more than 3% of annual household income for electric use	The company offers customers with the lowest income and history of using more than 750 kWh per month an "affordable" monthly bill if they agree to "affordable" monthly payments (see also: http://energycents.org/affordability-programs/xcel-energy-customers/)

Table 7: New Hampshire Discounted Utility Rates for Low-Income Customers

<i>Utility</i>	<i>Eligibility Requirements</i>	<i>Discount</i>
Electric Assistance Program (applies to Eversource, Liberty Utilities, New Hampshire Electric Cooperative, and Unitil)	Maximum household income of 200% FPL	Discount rate is based on household income: 151%-200% FPL: 8% discount 126%-150% FPL: 22% discount 101%-125% FPL: 36% discount 7%-100% FPL: 52% discount 0%-75% FPL: 76% discount Discount applies to first 750 kWh used per month
Liberty Utilities (p. 57)	Eligible for LIHEAP benefits (200% FPL) or benefits from certain other programs	60% discount on gas delivery charges
Northern Utilities (p. 85)	Eligible for LIHEAP benefits or benefits from certain other programs	60% discount on gas delivery charges

Table 8: New York Discounted Utility Rates for Low-Income Customers

Utility	Eligibility Requirements	Discount
Central Hudson Gas & Electric Corp.	Receiving Home Energy Assistance Program (HEAP) benefit (60% state median income level)	Monthly discount varies depending on service type and amount of HEAP benefit: \$30-\$67 on gas heating bills \$3 on gas non-heating bills \$19-\$72 on electric heating \$19-\$56 on electric non-heating \$3-\$22 on non-utility heating fuels
Consolidated Edison Co.	Tier 1- receiving benefits under HEAP or certain other benefit programs Tier 2- received HEAP benefits with one add-on benefit in past 12 months Tier 3- received HEAP benefits with two add-on benefits in past 12 months Tier 4- enrolled in the Direct Vendor or Utility Guarantee Program	Monthly electric (p. 104) discounts vary by tier and service type Tier 1: \$10 non-heating and heating Tier 2: \$10 non-heating and heating Tier 3: \$21 non-heating, \$26 heating Tier 4: \$10 non-heating and heating Monthly discount for gas (p. 12) service is \$3 for non-heating service and \$50 for heating across all tiers
National Grid	Tier 1- receiving benefits under HEAP Tier 2- receiving HEAP and (a) household income within lowest income levels or (b) vulnerable household member Tier 3- receiving HEAP, household income within lowest income levels, and vulnerable household member Tier 4- enrolled in the Direct Voucher or Utility Guarantee Program Tier 5- households identified by the state Office of Temporary Disability Assistance	Monthly electric discount Tier 1 - \$11 heating and non-heating service Tier 2 - \$29 heating and non-heating Tier 3 - \$47 heating and non-heating Tier 4 - \$31 heating and non-heating Tier 5 (non-utility) - \$11 heating and non-heating Monthly gas discount Tier 1 - \$3 heating and non-heating Tier 2 - \$10 heating and \$3 non-heating Tier 3 - \$29 heating and \$3 non-heating Tier 4 - \$12 heating and \$3 non-heating Tier 5 (non-utility) - \$3 heating and non-heating
Long Island Power Authority (pp. 24, 245, 249)	Receiving benefits for HEAP or certain other benefit programs	97.5% discount on daily service charge 25% discount on first 250 kWh of usage
New York State Electricity and Gas	Receiving HEAP benefits	Monthly bill credit

Table 9: Pennsylvania Discounted Utility Rates for Low-Income Customers

Utility	Eligibility Requirements	Discount
Columbia Gas of Pennsylvania	Maximum household income of 150% FPL with termination notice or at least one failed payment in past 12 months or otherwise identified through cross utility referral and credit scoring	Offers three discount options: (1) Caps bills based on income: 7% of income if 0%-110% FPL; 9% of income if 110%-150% FPL (2) average payment of last 12 months prior to joining program (3) flat 50% discount Requires \$25 minimum payment
Duquesne Light Company	Maximum household income of 150% FPL and demonstrated or expressed inability to pay electric service bill	Discount varies by household income and service type: 0-50% FPL: 70% discount for non-heating; 55% discount for heating 51-100% FPL: 40% discount for non-heating; 35% discount for heating 101-150% FPL: 15% discount for non-heating; 20% discount for heating Total annual discount is capped at \$700 for non-heating customers and \$1,800 for electric heating customers
Metropolitan Edison Co.	Maximum household income of 150% FPL and total energy burden over 3% (for non-electric heat service) or 9% (for electric heat service) of total gross household income	Non-heating service: bills capped at 3% of income with a \$1,090 maximum annual subsidy and \$12 minimum monthly payment Heating service: bills capped at 9% of income with a \$2,670 maximum annual subsidy and \$45 minimum monthly payment
PECO Energy Co.	Maximum household income of 150% FPL	Bills are capped at a percentage of household income, depending on income level and service type Electric non-heating 0-50% FPL: bill capped at 5% of income with a \$2,048 maximum annual discount 51-100% FPL: bill capped at 6% of income with a \$1,389 maximum annual discount 101-150% FPL: bill capped at 7% of income with a \$1,241 maximum annual discount Electric Heating 0-50% FPL: bill capped at 13% of income with a \$2,922 maximum annual discount 51-100% FPL: bill capped at 16% of income with a \$1,881 maximum annual discount 101-150% FPL: bill capped at 17% of income with a \$1,661 maximum annual discount

Table 9 (continued)

Utility	Eligibility Requirements	Discount
Penelec	Maximum household income of 150% FPL and total energy burden over 3% (non-electric heat) or 9% (electric heat) of total gross household income	<p>Non-heating: bills capped at 3% of income with a \$1,110 maximum annual subsidy and \$12 minimum monthly payment</p> <p>Heating: bills capped at 9% of income with a \$2,710 maximum annual subsidy and \$45 minimum monthly payment</p>
Penn Power	Maximum household income of 150% FPL and total energy burden over 3% (non-electric heat) or 9% (electric heat) of total gross household income	<p>Non-heating: bills capped at 3% of income with a \$1,090 maximum annual subsidy and \$12 minimum monthly payment</p> <p>Heating: bills capped at 9% of income with a \$2,700 maximum annual subsidy and \$45 minimum monthly payment</p>
Peoples Natural Gas Co.	Maximum household income of 150% FPL and classified as "payment-troubled"	<p>Bills are capped at a percentage of household income depending on income level</p> <p>0-50% FPL: bills capped at 8% of income</p> <p>51-100% FPL: bills capped at 9% of income</p> <p>101-150% FPL: bills capped at 10% of income</p> <p>\$1,000 maximum annual subsidy (with certain exceptions allowed) and \$25 minimum monthly payment applies to all caps</p>
PPL Electric Utilities Corp.	Maximum household income of 150% FPL and unable to pay electric bill in full	<p>Percent of Bill option</p> <p>0-50% FPL: 50% discount</p> <p>51-100% FPL: 30% discount</p> <p>101-150% FPL: 20% discount</p> <p>Minimum Payment Plan option</p> <p>Customer receives fixed monthly billing credit based on income level (e.g., customers in the 101-150% FPL level receive a \$73 monthly credit)</p> <p>Agency Selected Payment option</p> <p>Allows caseworkers to determine a custom amount that is less than the percent of bill amount</p> <p>All options have a \$30 monthly minimum for electric heat service and \$12 monthly minimum for non-electric heat service</p>
UGI Utilities	Maximum household income of 150% FPL	<p>Bills are capped at a percentage of household income depending on income level</p> <p>0-50% FPL: bills capped at 7% of income</p> <p>51-100% FPL: bills capped at 8% of income</p> <p>101-150% FPL: bills capped at 9% of income</p> <p>All levels require \$25 minimum monthly payment for heating service and \$15 minimum monthly payment for non-heating service</p>

Table 10: Rhode Island Discounted Utility Rates for Low-Income Customers

Utility	Eligibility Requirements	Discount
National Grid	Head of the household or principal wage earner and (1) receiving Supplemental Security Income benefits or (2) eligible for benefits from LIHEAP or certain other public benefit programs	Customers do not have to pay the \$5 monthly customer charge and receive a 31% discount on their distribution charge (\$0.02953/ kWh rather than \$0.04300/ kWh)

Table 11: Vermont Discounted Utility Rates for Low-Income Customers

Utility	Eligibility Requirements	Discount
Green Mountain Power Corp.	Maximum household income of 150% FPL	25% discount on monthly energy charges
Vermont Gas	Maximum household income of 185% FPL	20% discount on monthly natural gas bill

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