

Accessing Utility Services: The Low Income Home Energy Assistance Program and Utility Sponsored Universal Service Programs



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**PENNSYLVANIA
UTILITY LAW PROJECT**

Agenda

- Introduction
- Addressing Affordability
- Bill Payment Assistance Programs
 - LIHEAP
 - CAP
 - CARES
 - Hardship Fund
 - Budget Billing
 - Payment Arrangements
- Energy Efficiency and Conservation Programs
 - LIURP
 - Act 129 Energy Efficiency Programs
 - LIHEAP Crisis Interface
- Advocacy Tips



- The Pennsylvania Utility Law Project (PULP):
 - Focus: low-income residential utility and energy affordability in Pennsylvania
 - Represent interests of low-income, residential utility consumers
 - Training, Technical Assistance and Support to legal aid and nonprofit community groups across Pennsylvania

Why is Utility Affordability Important?

- Economic Independence
- Financial Stability
- Health
- Safety
- Retain Housing
- Ability to Pay Rent

Energy Burdens

- An “energy burden” is the percentage of annual income that goes toward paying energy bills.
- Average Energy Burdens By Economic Class:
 - Middle to High Income Household: 5%
 - Average Low Income Households: 10%-15%
 - Extremely Low Income Households: 20%+

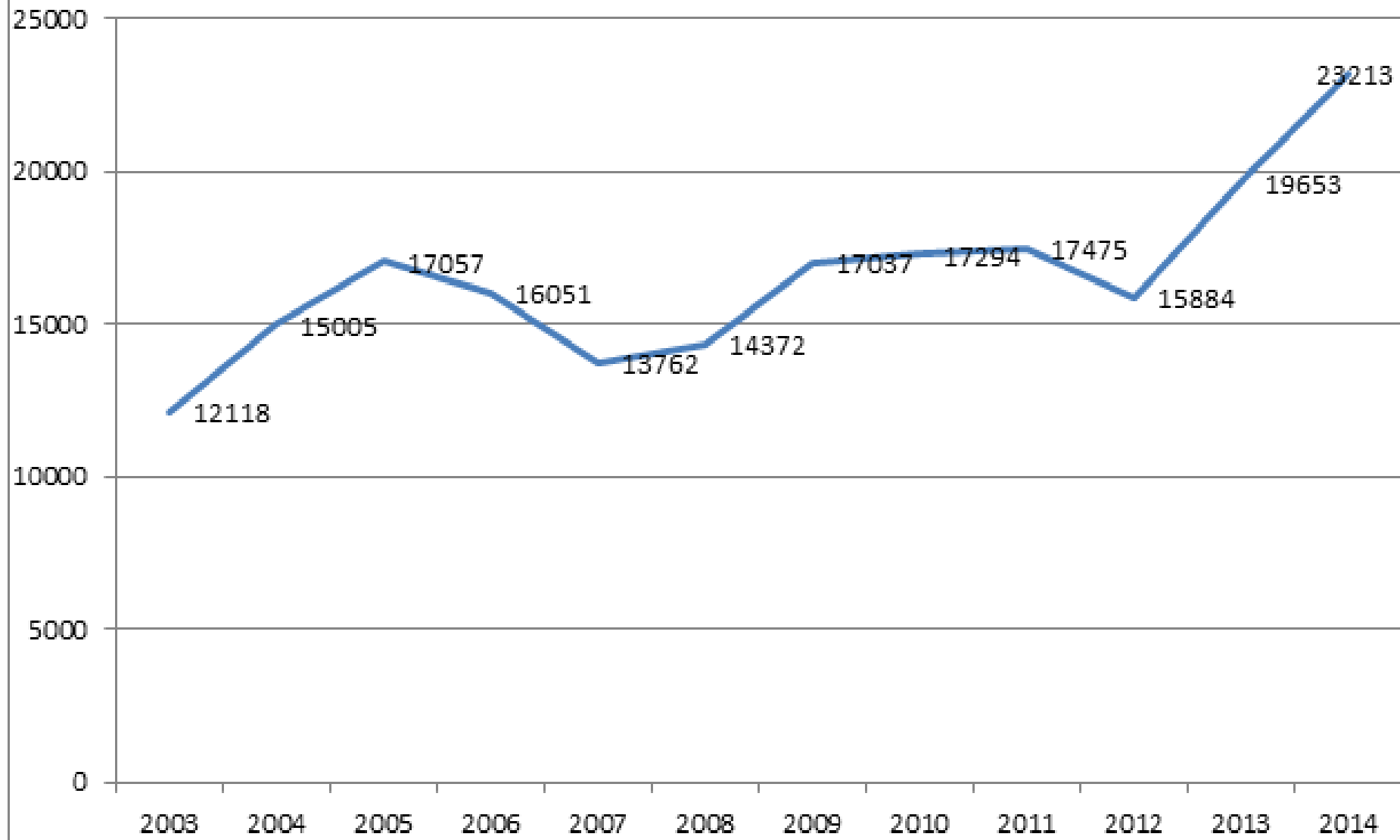
Source: Hernández, Diana and Bird, Stephen (2010) "Energy Burden and the Need for Integrated Low-Income Housing and Energy Policy," *Poverty & Public Policy*: Vol. 2: Iss. 4, Article 2.

Available at: <http://www.psocommons.org/ppp/vol2/iss4/art2>

Terminations

- 2014:
 - **335,307** Involuntary Terminations
 - Regulated Electric / Gas Customers: **321,035**
 - Regulated Water Customers: **14,272**
 - **23,213** Households Without Safe Heat

Increasing Numbers of Pennsylvania Families Entering Winter Without Heat



Affordable Utility Bills

Bill Payment

- LIHEAP Cash and Crisis
- Customer Assistance Program (CAP)
- CARES
- Hardship Fund
- Budget Billing
- Payment Arrangements

Usage Reduction

- Low Income Usage Reduction Programs (LIURP)
- Act 129 Energy Efficiency Programs
- LIHEAP Crisis Interface

LIHEAP

Low Income Home Energy Assistance Program

- Administered through DHS (formerly DPW)
- November 2 – April 1 (w/ possible extension)
 - Types of Assistance:
 - Cash Grant
 - Crisis Grant
 - Crisis/Interface Weatherization (DCED)
 - In addition to Gas and Electric, can also be used for Deliverable Fuel
 - May also be used for water, if required for heating
 - Ex: steam heat radiators
- Apply in person at local County Assistance Office or online at Pa. COMPASS
 - <https://www.compass.state.pa.us/>
 - *Households that apply through COMPASS will receive preliminary eligibility determination.*
 - *Mobile Friendly Site
- PULP LIHEAP Advocate's Manual
 - <http://www.rhls.org/wp-content/uploads/PULP-Pennsylvania-LIHEAP-Advocates-Manual-2015-2016.pdf>

2015-2016 Program

■ Cash Grant

- \$100 (min grant) to \$1,000 (max grant)
- \$70 Supplemental Grant for “Vulnerable Households”
 - A vulnerable household is defined as “a household containing at least one member who is elderly (age sixty or over), disabled, or age 5 and under” at the time the LIHEAP cash application is submitted.

■ Crisis Grant

- \$25 (min grant) to \$500 (max grant)
- Must resolve Crisis

LIHEAP Cash

- Eligibility: Cash
 - (1) Household Income (150% FPL or below)
 - Income measured as the month before OR the 12 months before the application, **whichever benefits the client.**

LIHEAP Cash

- Eligibility: Cash
 - (2) Home Heating Responsibility
 - Responsible for the main source of heat
 - May apply grant to secondary heating source, if necessary for primary heating source to function.
 - Ex: electric service is necessary to run gas furnace
 - Verification:
 - Utility companies often have direct communication with CAO to verify heating responsibility.
 - Provide landlord verification or lease showing responsibility for main source of heat through rent
Note: applicants who do not pay the utility or heating vendor directly only qualify for 50% of grant they would otherwise qualify for.

LIHEAP Cash

- Eligibility: Cash
 - (3) Residency
 - Household members permanently reside in PA
 - Recreational vehicles (campers / RVs) may qualify, if the resident resides in a licensed facility year-round
 - Immigrant Applicants:
 - Certain lawfully-admitted non-citizens are eligible, regardless of when they arrived in the United States.

LIHEAP Crisis

- Eligibility: Crisis
 - (1) Household Income
 - (2) Home Heating Responsibility
 - (3) Residency
 - (4) Actual or imminent home heating emergency *that can be resolved by crisis funds*
 - Termination notice sufficient to meet the crisis requirement.
 - *Cash grant application valid for cash and crisis.*

NOTE: A utility may accept LESS than the total amount owed to resolve the crisis –But you have to ask!

Customer Assistance Program (CAP)

- Regulated Gas and Electric Utilities
- Benefits
 - Discounted Bill
 - Frozen Past Debt (Arrearage)
 - Arrearage Forgiveness
- Eligibility:
 - Income no greater than 150% FPL
 - Payment Troubled (utility-specific)
 - Ability to verify income
- Advocacy Tip:
 - Application may ask for Social Security Number, but it is not required to obtain service or CAP assistance.

Customer Assistance Program

Benefits:

- Discounted Bill
 - Calculation varies by utility → % of Income / Fixed Discount or Credit
- Frozen Past Debt (Arrearage)
- Arrearage Forgiveness
 - Portion of arrears forgiven with each in-full CAP payment.
Most programs provide forgiveness for in full make-up payments, too.

Advocacy Tip: LIHEAP and other Cash Grant payments must be treated as a customer payment and should be afforded arrearage forgiveness.

Customer Assistance Program

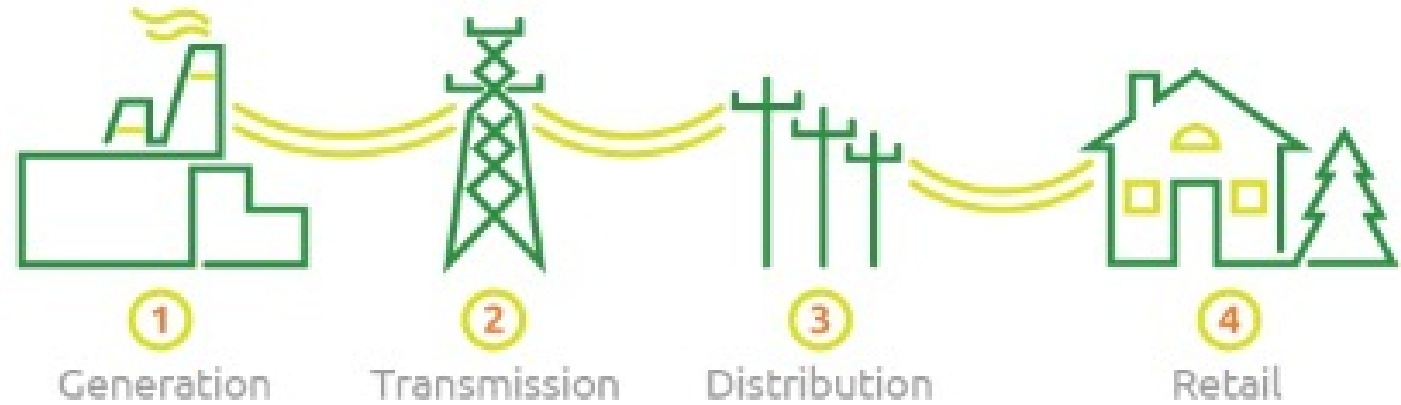
Eligibility:

- Income no greater than 150% FPIG
- Payment Troubled (utility-specific):
 - Inability to maintain one or more payment arrangement
 - Facing termination
 - Large, outstanding balance
 - *Income eligibility alone may be considered "payment troubled" by some utilities*
 - **Subject to discretion by utilities** – look at CAP policy statement (52 Pa Code 69.265(4)(iii)(A-D)).
- Willingness to verify income

A note about Shopping and CAP

- Special Considerations for Low Income Shopping:
- Constant Economic Pressure
 - High-Pressure Sales Tactics
 - Inflexible / Misleading Terms
 - e.g., variable rates, teaser introductory rates
 - Unclear / Unfamiliar Language
 - Potentially Incompatible with Assistance Programs
 - Past Due Balances
 - *Customers cannot avoid paying a past due bill to an EDC by switching to a new supplier.*

A note about Shopping and CAP



You can choose a generation supplier.

If a customer selects a supplier for a price at a price ABOVE the utility's price ("price to compare" or "default service"), she will use her CAP credits more quickly, and may be removed from the program.

Customers can go to www.papowerswitch.com to shop for electricity.

Hardship Fund

- Benefit
 - Cash grant
- Eligibility and program terms vary by utility.
 - Typical terms include:
 - 200% FPL or below
 - Temporary hardship
 - Up to \$500
 - Opens in October, and available until funding runs out

Customer Assistance and Referral Evaluation Services (CARES)

- Utility run program targeted to customers who:
 - Are having trouble paying their bill, and
 - Have short term problems that are causing the inability to pay
- Offer several types of services:
 - Referrals to social service agencies,
 - Budget counseling, and
 - Special arrangements for bill payment

Advocacy Tip: CARES is a little-used program, and the utility has wide discretion to resolve the customer issue.

Budget Billing

Divides bill over a 10, 11, or 12 months, subject to periodic adjustment to compensate for actual usage

Note: Periodic “true ups” after months of high usage may make bill unaffordable and confuse customer.

Benefits:

- Uniform payments over several months
- Reduces seasonal volatility in bills

Eligibility:

- All customers are eligible for budget billing.

Payment Arrangements

- “An agreement whereby a customer who admits liability for billed service is permitted to amortize or pay the unpaid balance of the account in one or more payments.”
 - Note: Don’t admit liability unless you know what you owe!
 - If there is a dispute about liability, a formal complaint should be filed with PUC.
- Two types:
 - PUC Issued
 - *CAP Customers Are Not Eligible for PUC-Issued PAs*
 - Utility Issued

Payment Arrangements (PUC)

66 Pa. C.S. § 1405 - PUC-Issued PA:

- Current customers
- <150% FPL = 5 year payback timeframe
- The PUC cannot require a utility to enter into a *second* payment arrangement *absent extraordinary circumstances*.

66 Pa C.S. § 1407 – payment to restore service post-termination.

- Applicants for service (those who have been without service for 30 days or longer) trying to reconnect at same address
- Reconnection fee (cost-based)
- < 150% FPL = 24 months.

Timing for Reconnection of Service:

- Within 24 hours for error, medical certificate, or winter (Dec. 1-March 31)
- Within 3 days (April –Nov) with proper termination or for erroneous termination that requires digging;
- Within 7 days for proper termination with digging.

Payment Arrangements (Utility)

- Utilities have discretion to offer as many payment arrangements as they want of any length.
- Because of new reporting requirements, utilities may be more reluctant than ever to extend payment arrangement terms.
- Advocacy Tip: Utilities have discretion in setting up payment arrangements. It is important to develop relationships with utility staff, and to be specific with requests. Customers benefit simply by having an advocate on their side!

Questions?



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Energy Efficiency and Conservation

- LIURP and Act 129 Energy Efficiency Programs
- LIHEAP Crisis Interface

LIURP (Low Income Usage Reduction Program)

- Eligibility
 - Income at or below 150% or 200% FPL (depending on utility)
 - Landlord Approval
 - High Usage

CAP Customers are likely to be **required to participate in LIURP*

LIURP

- Benefits:
 - Energy Audit / Education
 - Appropriate Energy Conservation Measures
 - Appliance Replacement / Repair
 - Ex: Refrigerator / Air Conditioner / Dehumidifier / Dryer Ventilation
 - Heat Pump / Water Heater Replacement
 - Insulation / Air Sealing
 - Heating Equipment Repair / Replacement
 - Limited Health / Safety Measures
 - Ex: Smoke and CO detectors / exhaust fans / ventilation

Note: Act 129 Programs supplement LIURP Benefits, particularly for lower usage customers who might not be eligible for comprehensive services through LIURP

LIHEAP Crisis / Wx Interface

- Eligibility: Crisis Interface / Weatherization
 - (1) Household Income
 - (2) Home Heating Responsibility
 - (3) Residency
 - (4) Heating system needs to be repaired/replaced
 - (5) Landlord permission / agreement to not evict / increase rent for 18 months or more.
- CAO refers eligible applicant to the local weatherization office, which will schedule a home visit and perform appropriate remediation and weatherization services.

LIHEAP Crisis/ Wx Interface

Benefits:

- Repair of heating system
- Loan of auxiliary heater
- Repair of gas or other fuel lines
- Replacement of un-repairable heating systems
- Repair of hot water heating system
- Heating system pipe thawing service
- Repair of broken windows
- Provide blankets

Questions?



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Advocacy Possibilities

LIHEAP Advocacy

LIHEAP Timeframes:

- 30 day timeframe for Cash
- 48 hours (18 if serious health condition) for Crisis

Appeals:

- Lack of action by CAO within appropriate timeframe
- Application Rejection
- Grant Amount

Advocacy with CAO staff:

- *As long as LIHEAP is open, failure to adhere to time frames as well as other appealable issues may be resolved by an individual simply filing a new application.*
- *In these situations, an applicant may benefit from direct advocacy to CAO staff to ensure proper processing of the application.*

PULP LIHEAP Advocate's Manual:

- <http://www.rhls.org/wp-content/uploads/PULP-Pennsylvania-LIHEAP-Advocates-Manual-2015-2016.pdf>

Negotiating with Utilities

- Utilities have Significant Discretion
- Negotiation is Required Before Filing Complaint with PUC
- Start by Asking Utility to Review Account
- Be Direct with Request
- Ask for Stay of Termination to Review Case
- Request Universal Service Enrollment
- Develop Relationships
 - One-on-One Meetings
 - Email Introduction
- Stand Firm!

PUC Complaints

- Filing a Complaint with the PUC Stays Termination
 - 52 Pa. Code 56.140 et seq.
 - Informal Complaint
 - PUC Bureau of Consumer Services (BCS)
 - 1-800-692-7380
 - Formal Complaint
 - Administrative hearing before ALJ
 - Appeals go to Commonwealth Court
- *Note: Must be licensed attorney to represent client before PUC, but can refer client to file pro se and provide information about rights.*



Resources



Referrals

- Pennsylvania Utility Law Project (PULP)
 - pulp@palegalaid.net
 - 717-236-9486 (Joline x.217; Liz x. 205; Patrick x. 202)
- Regional Legal Aid Programs
 - www.palawhelp.org
- Office of Consumer Advocate (OCA)
 - www.oca.state.pa.us
 - 800-684-6560
 - consumer@paoca.org
- Pa. PUC Bureau of Consumer Services
 - Informal Complaints: 800-692-7380
 - Formal Complaints:
www.puc.state.pa.us/filing_resources/filing_complaints.aspx

Information

- PULP LIHEAP Advocates Manual
 - <http://www.rhls.org/wp-content/uploads/PULP-Pennsylvania-LIHEAP-Advocates-Manual-2015-2016.pdf>
- LIHEAP State Plan
 - <http://www.dhs.pa.gov/citizens/heatingassistanceliheap/liheapstateplan/index.htm>
- Universal Service Contact Numbers
 - http://www.oca.state.pa.us/information_links/UniversalServNos.htm
- Universal Service Plans
 - Contains the program rules for all utility-run Affordability programs
 - http://www.puc.state.pa.us/consumer_info/electricity/energy_assistance_programs.aspx

Thank you!

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