PSC STRENGTHENS PROTECTIONS FOR LOW-INCOME CUSTOMERS — Commission Also Clarifies Rules Regarding Door-to-Door Marketing —

Albany, NY — The New York State Public Service Commission (Commission) today directed development of new consumer safeguards to protect customers of energy service company (ESCO) customers, particularly those who participate in utility low-income assistance programs. The added protection will ensure that low-income customers will pay no more for energy from an ESCO than they would from their local utility, and/or obtain a valuable energy service from their ESCO. The Commission also directed implementation of new protections for all ESCO sales resulting from door-to-door or telephonic marketing, to require independent verification of a customer’s request to enroll with an ESCO.

“Safeguarding the interests of consumers, particularly low-income customers, is of critical importance to the Commission,” said Commission Chair Audrey Zibelman. “As a result of the Commission’s action today, when implemented, low-income consumers will be guaranteed that they will pay no more than if they had purchased energy from the local utility or these customers could opt to purchase valuable services from third-party companies, such as home-energy management capabilities or prices fixed at reasonable levels.”

Utilities and ESCOs will develop systems to facilitate implementation of this new protection within 180 days.

In addition, the Commission reaffirmed that that sales resulting from door-to-door or telephonic marketing must be confirmed by independent third-party verification, and clarified these requirements. This action will ensure that customers have accepted enrollment with the ESCO and understand the elements critical to the service they are purchasing. These new protections will be in place in 90 days.

Firm protections for low-income customers are important given the fact that the Commission authorizes more than $100 million annually for ratepayer-funded, low-income assistance programs administered by the utilities. These ratepayer funds augment taxpayer funds that provide financial assistance to utility customers.

The purpose of these important assistance programs is diminished if these significant ratepayer and taxpayer funds are merely passed through to ESCOs for comparatively higher priced gas and electricity, without any corresponding value for the low-income customer. Further, lowering the value of these financial assistance programs in relation to low-income customers’ bills will make it more difficult for those consumers to pay their utility bills in full. The increased arrears and utility shut-offs
that result are detrimental to both customers and utilities, and interfere with the Commission’s interest in minimizing the unnecessary termination of electricity and natural gas service to residential customers.

Today’s decision may be obtained by going to the Commission Documents section of the Commission’s Web site at www.dps.ny.gov and entering Case Number 12-M-0476 in the input box labeled "Search for Case/Matter Number". Many libraries offer free Internet access. Commission documents may also be obtained from the Commission’s Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500). If you have difficulty understanding English, please call us at 1-800-342-3377 for free language assistance services regarding this press release.