

STATE OF NEW YORK

# Public Service Commission

Garry A. Brown, Chairman

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## **COMMISSION STRENGTHENS UTILITY'S LOW-INCOME PROGRAM — National Grid Implements Changes to Improve Performance, Increase Participation —**

Albany, NY—6/18/08— The New York State Public Service Commission (Commission) today approved National Grid's plan to modify its low-income affordability program and provide additional arrears forgiveness credits to help more low-income customers. The program changes include requiring the utility to provide a monthly, instead of annual, arrears forgiveness credit, eliminating excessive deferrals to participants' arrears balances, and limiting participation in the program to 24 months.

“National Grid's existing program has not been as effective as originally intended,” said Commission Chairman Garry Brown. “The program has a high attrition rate and the arrears of participants have not been decreasing as intended. We expect that these modifications will increase retention rates in the program and provide more timely assistance to low-income customers.”

Once the changes to National Grid's low-income affordability program are fully implemented, the company estimates the average number of participants will increase 11 percent from 5,464 to 6,075, and the total annual arrears forgiveness amounts will increase 83 percent from \$789,000 to \$1.45 million.

The strengthening of National Grid's program comes at a time when consumers are facing record high gasoline costs, increasing food costs, increasing energy costs and a rise in the consumer price index. In the first quarter of the year, nearly 260,000 residential customers owed

arrears totaling \$188.1 million in the utility's service territory, as compared to slightly more than 250,000 residential customers owing \$151.2 million in the same period a year ago.

To be eligible for the program, a customer must be approved for the federal Home Energy Assistance Program (HEAP). In addition, a customer must be in arrears, have a history of broken payment arrangements and have a monthly negative cash flow, or have a referral from a local human service agency and/or be unable to afford necessary medication, proper nutrition, or some other life necessity.

Customers receiving only electric service are responsible to pay for 95 percent of their average monthly bill. Customers receiving electric and gas service are responsible to pay for 92.5 percent of their average monthly bill. The remaining incremental bill amounts, representing 5 and 7.5 percent reductions, respectively, reflect savings from energy use management education. These amounts, along with any other customer under- or overpayment amounts, are deferred to the customers' arrears.

The company also refers all program participants who have given permission to the New York State Energy Research and Development Authority's (NYSERDA) EmPower NY program. NYSERDA uses a network of contractors to deliver energy efficiency services, which may include weatherization, insulation, appliance replacement, energy efficient light bulbs and energy savings education. In addition, National Grid provides all HEAP recipients in its service territory a monthly \$5 bill credit on their electric bill.

The Commission will issue an Order reflecting today's action. That order, when available, may be obtained from the Commission's [www.dps.state.ny.us](http://www.dps.state.ny.us) Web site by accessing the Commission's File Room section of the homepage and referencing Case 01-M-0075. Many libraries offer free Internet access. Commission orders may also be obtained from the Commission's Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500).