



Representing America's Natural Gas Utilities

Financial and Operational Information Series

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ISSUE: UTILITY LOW INCOME CUSTOMER ASSISTANCE IN 2012

Findings

- *Customer Assistance Programs:* Natural gas and electric utilities provided nearly \$3 billion in rate assistance to low income customers in 2012. Assistance included hardship funds, discounted rates, and arrearage forgiveness.
- *Weatherization and Efficiency Assistance Programs:* Natural gas and electric utilities also spent almost \$695 million on home weatherization and efficiency assistance to low income customers in 2012. Through work with non-profits, community action, and government agencies, these conservation programs deliver weatherization and equipment repair or replacement services—often at little or no cost—to households in need.
- *Utility Employees, Shareholders and the Public helped raise \$20 million in funds traditionally managed by private charities.* Utilities play a major role through fundraising and providing administrative support.

Low Income Household Energy Assistance Programs - 2012

RATE DISCOUNTS	ENERGY CONSERVATION PROGRAMS	FUEL FUNDS	TOTAL UTILITY & CHARITY ASSISTANCE	TOTAL FEDERAL LOW INCOME ENERGY ASSISTANCE
\$2,969,578,407	\$694,594,457	\$20,473,041	\$3,684,645,905	\$3,687,000,000

A + B + C = D

- On the whole, utilities helped raise about \$3.7 billion in energy assistance to income-qualified natural gas customers. This utility funding was roughly equal to the fiscal year 2012 federal energy assistance funding of \$3.47 billion in Low Income Heating Energy Assistance Program (LIHEAP) grants, \$207 million in DOE weatherization assistance program (WAP) funds and \$10 million in American Recovery and Reinvestment Act funds designated for leveraging DOE WAP funds. All this presents a win-win for customers, utilities and society, as it alleviates hardships and improves the wellbeing of low income customers, reduces bad debt expenses to the benefit of all utility customers, minimizes bill payment arrears and utility uncollectible balances, and benefits the economy and the environment.

Methodology

- Rate payment assistance data, which include both gas and electric customer assistance funds, were obtained from the LIHEAP Clearinghouse. Data were also obtained from an AGA survey of 29 natural gas and 30 combination utilities operating in 33 states.
- Fund raising data were gathered also from an AGA-EEI survey of 17 electric, 15 combination, and nine gas utilities operating in 27 states.
- Weatherization and conservation assistance data were derived from the LIHEAP Clearinghouse and the AGA-CEE *Natural Gas Efficiency Programs Survey – 2012 Program Year*. The AGA-CEE dataset includes 88 natural gas and combination utilities that provide weatherization and efficiency services to low income customers in 38 states, via utility administered programs, in collaboration with third parties, or through funding of statewide energy programs. All funds were allotted to low income programs for natural gas customers.

Sources

- AGA Question of the Quarter Survey (December 2013)
- AGA-EEI DataSource Survey (2012 Data)
- [*Natural Gas Efficiency Programs Brief: Investments and Savings Impacts, 2012 Program Year*](#), AGA, March 2014
- U.S. Department of Health and Human Services, [LIHEAP Clearinghouse](#)

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