



## Collaboration Between LIHEAPs and Public Utility Commissions

LIHEAPs could benefit from developing relationships with public utility regulators, and this issue brief will examine two areas where such collaboration could occur:

- ◆ **Data Collection:** Data from public utility commissions about disconnection of utility service could help LIHEAPs, especially when it comes to reporting for LIHEAP Performance Measures and evaluating their crisis components.
- ◆ **Non-Federal Resources:** Working together, LIHEAPs and public utility commissions can help secure and/or more efficiently distribute supplemental energy assistance funding.

The entities regulating public utilities come in various forms with an assortment of names. In some states, the members of these entities are elected to their positions, while in others they are appointed. In some cases, these regulators serve as their own, stand-alone agency, while other times they are divisions within a larger department. These entities have a variety of names, but they are commonly referred to as public utility commissions or public service commissions. In this issue brief, we will refer generically to these regulatory bodies as “public utility commissions” or “PUCs.”

While they come with various forms and names, at a fundamental level PUCs conduct similar activities. As their [national association](#) explains it, PUC commissioners “regulate essential utility services in your State.” While the processes and procedures may vary, one basic function of PUCs is setting the rates paid by utility customers. However, most PUCs also have the ability to open dockets to investigate issues related to utility performance or programs. For instance, PUCs regularly use these processes when looking into creating or modifying utility programs that provide assistance to low-income customers. Many PUCs also have rule-making authority granted by state law, which allows a PUC to mandate utilities take an action, such as reporting certain information to the PUC or creating specific programs.



### LIHEAPs and PUCs: Resources for Collaboration

- [Tracking the Home Energy Needs of Low-Income Households Through Trend Data on Arrearages and Disconnections](#), NEADA, May 2004
- National Association of Regulatory Utility Commissioners, [website](#)
- National Association of State Utility Consumer Advocates, [website](#)
- LIHEAP Clearinghouse [Ratepayer Program Profiles](#)
- LIHEAP Performance Management, [website](#) (login required)
- Overview of LIHEAP Performance Measures, LIHEAP Clearinghouse, [website](#)

## DATA COLLECTION

It is common practice for PUCs to require that utilities report certain data to them. This can occur on a regular schedule, as part of rate cases, or during a special investigation launched by a PUC. This means utilities are used to having to submit information and data to PUCs as part of their regular business, and PUCs require this information as part of their regulatory processes.

This relationship between PUCs and utilities could benefit LIHEAPs. State grantees will begin reporting Fiscal Year 2016 data for the new LIHEAP Performance Measures in January 2017. Among the measures are two that deal with utility service. State grantees will report how many of their LIHEAP recipients had their utility service restored as a result of LIHEAP assistance. They will also have to report the number of recipients who would have lost utility service without the intervention of LIHEAP funds. While it is not required, state grantees also have the option to report consumption data for LIHEAP recipients.

To collect the data for these Performance Measures, most state grantees are working directly with utilities to formalize data sharing agreements. Additionally, some grantees are including [waivers](#) on their LIHEAP applications that require a client's signature to allow certain information, such as utility usage and household income, to be shared between LIHEAP and utilities.

PUCs might offer another route to collect Performance Measures data. In some states, the PUC already collects some of the needed data in one form or another. For example, both the [Pennsylvania Public Utility Commission](#) and the [Iowa Utilities Board](#) collect and publish disconnect data in their states. In states where a PUC collects this type of information, a grantee could talk to the PUC and consider if it might make sense to get this data from the regulators.

California is one LIHEAP grantee attempting to build a relationship with its PUC when it comes to LIHEAP Performance Measures. In the August 2015 newsletter of the Performance Measures Implementation Working Group, California LIHEAP said it was negotiating with the California Public Utilities Commission to create a data sharing agreement so LIHEAP could access household data, specifically related to client consumption, submitted to the commission by the state's largest utilities. As of early 2016, California LIHEAP reported the negotiations between the two agencies are still in process.

Currently, Missouri LIHEAP is discussing the issue of disconnections with its PUC. According to LIHEAP Director Heather Jones, she is meeting with the Missouri Public Service Commission (MPSC) this year to review information about termination of service in reference to the [Missouri Cold Weather Rule](#). Missouri LIHEAP and the MPSC are discussing how LIHEAP changing its start date in Fiscal Year 2017 may impact low-income customers. Jones said her LIHEAP has a good working relationship with the MPSC. They work together frequently as part of the Public Service Commission Consumer Roundtable, which brings together stakeholders around utility issues including those impacting low-income community members and LIHEAP. The Missouri Cold Weather Rule is an example of a disconnect moratorium, meaning a period of time when utility service cannot be disconnected. The LIHEAP Clearinghouse has a [table](#) listing the various moratoria policies around the country, and, as the table shows, PUCs generally play a role in enforcing them.

If a PUC collects data related to disconnection of service and/or the impact of a disconnect moratorium, that information could help LIHEAPs evaluate programmatic decisions. For instance, disconnection of service may be an eligibility requirement for LIHEAP crisis programs (for a look at state LIHEAP crisis program definitions, see this

[table](#)). By collaborating with PUCs and examining data, LIHEAP grantees might be able to better plan when to run their regular heating and/or cooling programs to help prevent low-income households from facing the disconnection of service. Similarly, LIHEAPs could use such data to evaluate the impact of their crisis programs and evaluate if changes to their definitions or program dates might be helpful.

LIHEAPs should consider the impact of collaborating with their respective PUCs. Data gathered by PUCs could help:

- ◆ LIHEAPs meet reporting requirements for LIHEAP Performance Measures.
- ◆ LIHEAPs evaluate the impacts of their program components, especially their crisis definitions and program dates.

## NON-FEDERAL RESOURCES

Since LIHEAP traditionally serves less than 20 percent of eligible households, supplemental funding for energy assistance is important. Ratepayer-funded programs offered by utilities is a major source of supplemental funding, totaling over [\\$3 billion in bill assistance](#) in 2013. These ratepayer-funded programs come with various names and structures, including percentage of income payment plans, universal service funds, system benefits charges, and many others.

In states having these kinds of funds, the PUC generally provides oversight of these programs and determines the amount of the surcharges that fund the programs. With the expertise LIHEAPs have when it comes to identifying and conducting outreach to low-income households at the community level, they can provide valuable data and perspective to PUCs when it comes to setting the surcharge amounts and outreach goals for ratepayer-funded programs.

In some instances, the PUC and LIHEAP are al-

ready working together when it comes to ratepayer-funded assistance programs. In Ohio, low-income ratepayers benefit from the state's percentage of income payment plan known as [PIPP Plus](#). PIPP Plus allows enrolled households to pay \$10 or six percent of their gross monthly household income each month, whichever is greater, for their utility bill. The electric portion of PIPP Plus is administered by the Ohio Development Services Agency (the LIHEAP grantee), while the Public Utilities Commission of Ohio provides oversight of the gas portion. Applicants apply for both LIHEAP and PIPP Plus by filling out one form. To give a sense of PIPP Plus' impact, filings from the PUC reported over \$330 million in supplemental energy assistance in 2013.

Another example of a LIHEAP grantee working with a PUC on a ratepayer-funded program comes from Michigan, where the LIHEAP grantee, the Michigan Department of Health and Human Services (DHHS), and the Michigan Public Service Commission (MPSC) jointly oversee the Michigan Energy Assistance Program (MEAP). MEAP assistance for low-income households can include bill assistance, case management, and utilizing energy efficiency services.

Since its implementation, MEAP's funding has come from two sources. The first is up to \$50 million from the Low-Income Energy Assistance Fund, which is generated by a surcharge on electric customers determined by the MPSC. The second has been a minimum of \$40 million in LIHEAP crisis funds from DHHS. The MPSC and DHHS release a request for proposals every year, and utility companies, the Michigan Community Action Association, and non-profits have received MEAP grants. MEAP grantees submit monthly financial reports to the MPSC. In its Fiscal Year 2016 LIHEAP plan, DHHS mentioned that it planned to "work closely" with the MPSC staff reviewing the monthly reports and provide training to "ensure [LIHEAP] funds are being spent appropriately" by

the MEAP grantees. To read more about MEAP, please see this Clearinghouse [profile](#) of ratepayer programs in Michigan.

In addition to the role they play in ratepayer-funded programs, public utility commissioners can be important allies when it comes to securing other non-federal funding for energy assistance. In Missouri, the state LIHEAP director said that public service commissioners support efforts to get the legislature to appropriate funds for Utilicare. While similar to LIHEAP, Utilicare is part of Missouri statute and is administered by the Department of Social Services (the LIHEAP grantee). However, it is up to the legislature to appropriate funding for the program, which means Utilicare finds itself competing with numerous other social services. The PUC can be an important partner in securing supplemental non-federal funds.

LIHEAPs and PUCs both have roles when it comes to supplemental energy assistance. Exploring ways to work together on this front could include:

- ◆ LIHEAPs providing data about low-income pop-

ulations so PUCs can better determine funding levels for ratepayer programs that benefit vulnerable communities.

- ◆ LIHEAPs and PUCs discussing how to implement ratepayer programs that follow already-established models where the two entities jointly oversee and/or administer such assistance offerings.
- ◆ PUCs taking the lead in public policy arenas when supplemental non-federal funding is considered.

## CONCLUSION

PUCs and LIHEAPs can find numerous ways to collaborate. Both entities acquire information and data that can help the other carry out its responsibilities. Data collected by PUCs may help LIHEAPs meet reporting requirements and leverage additional energy assistance funds. The data LIHEAPs gather about their recipients can provide a valuable picture to PUCs when it comes to how utility rate cases and ratepayer-funded programs could impact vulnerable communities.

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