



# Public Utility Law Project of New York, Inc.

194 Washington Avenue, Suite 420  
Albany, New York 12210  
Website: [www.pulp.tc](http://www.pulp.tc)

Phone: (518) 449-3375  
Fax: (518) 449-1769  
E-Mail: [info@pulp.tc](mailto:info@pulp.tc)

June 2, 2008

Hon. Jaclyn Brilling  
Public Service Commission  
Three Empire State Plaza  
Albany, NY 12223-1350

*Re: Case 01-M-0075 - In the Matter of the Petition of Niagara Mohawk Power Corporation d/b/a National Grid for Approval to Make Certain Modifications to the Low Income AffordAbility Program*

Dear Secretary Brilling:

Enclosed for filing are the original and five copies of the Comments of Public Utility Law Project in the above referenced cases.

Parties listed below from the Public Service Commission and National Grid will be served by e-mail as well as by U.S. Postal Service.

Sincerely,

Louis Manuta  
Senior Attorney

Enc.

cc: Jane Assaf  
Leonard Silverstein  
Michael Twergo  
Sharon Bentzoni  
Cathy Hughto-Delzer  
Keri Sweet Zavaglia  
Gregg Collar



**STATE OF NEW YORK  
PUBLIC SERVICE COMMISSION**

---

**In the Matter of the Petition of Niagara Mohawk  
Power Corporation d/b/a National Grid for Approval  
To Make Certain Modifications to the Low Income  
AffordAbility Program**

---

**Case 01-M-0075**

**COMMENTS  
OF  
PUBLIC UTILITY LAW PROJECT OF NEW YORK, INC.**

On March 28, 2008, Niagara Mohawk Power Corporation d/b/a National Grid (“National Grid” or “Company”) submitted proposed modifications to its Low Income AffordAbility Program (the “Program”). The filing appeared in the April 16, 2008 edition of the *New York State Register* with a 45 day comment filing period. The Public Utility Law Project of New York, Inc. (“PULP”) hereby submits its Comments on the proposals.

PULP, in addition to the Consumer Protection Board (“CPB”) and New York State Department of Public Service Staff, comprised the working group which considered National Grid’s proposed changes and improvements to the Program. Generally, these changes would convert the Program’s current annual arrears forgiveness credit to a monthly credit, eliminate the second weatherization deferral to participants’ arrears balances, and limit participation in the Program to 24 months.

PULP agrees with National Grid that these changes will improve the Program and will provide additional benefits to the Company's low income customers who participate in the Program. For example, under the proposals, customers would receive \$20 in arrears forgiveness for every month they participate in the Program, as opposed to the \$250 benefit currently awarded only to participants who are able to make every monthly payment over a 12 month time period. Considering that the current default rate in the Program is around 50 percent, PULP believes the changes, which would provide benefits contemporaneously with the monthly bills, might encourage or assist some participants to remain with the Program.

That said, PULP is extremely concerned that in order to participate, customers must agree to provide the full amount of every Home Energy Assistance Program ("HEAP") dollar they receive to National Grid during their time in the Program and for these payments to be used exclusively to pay down arrears. PULP believes that the intent of the HEAP program is primarily to assist qualifying energy users in meeting current household energy needs, not to retire a portion of arrears that may have accrued from past years. In fact, the stated purpose of the federal Low Income Home Energy Assistance Act is to assist eligible low income households "*primarily in meeting their immediate home energy needs.*"<sup>1</sup> As proposed under the Program, National Grid will receive money owed a few months earlier than it would have been without applying the HEAP payments to arrears; an action taken at the expense of the low income customer and his or her ability to pay current bills. Should a HEAP qualified customer agree to participate in the Program, they will receive absolutely no benefit from HEAP for the current heating season.

---

<sup>1</sup> 42 USC §8621(a) (*emphasis added*).

Using HEAP payments for the current heating season was also contemplated in the Vendor Agreements reached between the utilities (including National Grid) and the New York State Office of Temporary and Disability Assistance. Clause Seven of National Grid's September 6, 2007 Vendor Agreement specifically states "HEAP benefits will be credited to the customer's current account." There is no ambiguity here; the Vendor Agreement does not indicate that the HEAP payment can be used to reduce arrears from seasons past by applying the payment to reduce a deferred payment agreement balance. PULP urges the Commission to examine more closely the appropriateness of having HEAP payments applied in this manner.

PULP notes that the price of natural gas is rising and energy burdens for low income National Grid gas customers may increase substantially in the next heating season.<sup>2</sup> The design, scope, and scale of the current program and its benefits are not adequate to address current needs, much less increased needs. In future proceedings, National Grid's low income programs need to be revised to address more fully the growing needs of its low income customers, make service affordable, and avoid additional hardship.

---

<sup>2</sup> See: PULP Network, *High Natural Gas Prices Signal Trouble Next Winter for Low Income Customers*, posted May 30, 2008. LINK: <http://pulpnetwork.blogspot.com/2008/05/high-natural-gas-prices-signal-trouble.html>.

PULP appreciates the opportunity to share its positions with the Commission.

Respectfully Submitted,



**PUBLIC UTILITY LAW PROJECT  
OF NEW YORK, INC.**

Gerald Norlander, Executive Director

Louis Manuta, Senior Attorney

194 Washington Avenue

Suite 420

Albany, New York 12210

518-449-3375

518-449-1769 (FAX)

[www.pulp.tc](http://www.pulp.tc)

June 2, 2008