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The firm has attorneys who
are also admitted to practice
in Idaho and Vermont

ONE GATEWAY CENTER, SUITE 851
NEWTON, MASSACHUSETTS 02458
617.244.9500

FACSIMILE: 617.244.9550
E-MAIL: bckboston@bck.com
WEBSITE: www.bck.com

March 28, 2008

***VIA ELECTRONIC MAIL
ORIGINAL BY HAND DELIVERY***

Mary Cottrell, Secretary
Department of Public Utilities
One South Station, 2nd Floor
Boston, MA 02110

Re: Investigation by the Department of Public Utilities on its own
Motion into Expanding Low-Income Consumer Protections and
Assistance, Including Standards for Arrearage Management
Programs, Discount Rate, Service Termination, and Energy
Efficiency Programs.
D.P.U. 08-4

Dear Secretary Cottrell:

Please find enclosed for filing an original and 5 copies of the Comments of the Cape
Light Compact on the Investigation by the Department in the above-referenced proceeding.

Thank you for your attention to this matter. If you require further information or have
any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeffrey M. Bernstein", written over a light blue horizontal line.

Jeffrey M. Bernstein

JMB/dr
Enclosures

cc: Kate McKeever, Hearing Officer (w/enc.) (via hand delivery and email)
Margaret T. Downey, Cape Light Compact (w/enc.) (via first class mail)

transparent pricing; (3) to provide the basis for aggregation of all consumers on a non-discriminatory basis; (4) to provide and enhance consumer protection and options for service under contract provisions; (5) to provide full public accountability to consumers; and (6) to utilize municipal and other powers and authorities that constitute basic consumer protections to achieve these goals. See Compact Intergovernmental Agreement at Article I.

Toward that end, the Compact presently offers a competitive power supply option on an opt-out basis to over 200,000 customers, across all customer classes, who are located within the Compact's service territory. The Department approved the Compact's current form of universal service competitive electric supply agreement in D.T.E. 04-32, pursuant to which the Compact has entered into supply agreements with Consolidated Edison Solutions, Inc. The Compact also operates an Energy Efficiency Plan ("EEP"): Phase I of the EEP was approved by the Department in D.T.E. 00-47C (April 6, 2001); Phase II of the EEP was approved in D.T.E. 03-39; Phase III of the EEP was approved in D.T.E. 05-34 (November 8, 2005); and the Compact's EEP: 2007-2012 was recently approved in D.P.U. 07-47 (December 24, 2007).

The Compact's EEP includes programs that specifically benefit low-income customers. In partnership with the Housing Assistance Corporation ("HAC"), the Compact provides a program that offers free home energy consultations to eligible customers. These consultations may include the installation of cost-effective energy conservation measures, all at no cost to the customer. The delivery of energy efficiency measures to eligible customers by HAC also leverages other program benefits available through the U.S. Department of Energy (the "DOE"), the Massachusetts Department of Housing and Community Development (the "DHCD"), weatherization funds, and KeySpan energy conservation funds. The Compact works closely with HAC, the Low Income Energy Affordability Network ("LEAN"), other statewide program

administrators, and the DHCD through the Best Practices Working Group to continually improve the available programs.

On February 12, 2008, the Department issued an Order Opening Investigation (“Order”) in this proceeding “(1) to explore ways to build upon existing consumer protection policies; (2) to increase assistance to low-income consumers in meeting rising home energy costs; and (3) to better integrate the administration and delivery of low-income programs governing arrearage management and financial counseling, fuel assistance, discount rates, and energy efficiency.” D.P.U. 08-4, *Order Opening Investigation*, p. 4 (dated February 12, 2008). In order to facilitate the investigation, the Department proposed specific questions regarding relevant subject areas. The Compact, as part of its consumer protection and community advocacy roles, solicited comments from organizations concerned with the needs of low-income consumers. These organizations deal directly with low-income consumers and have experience with many of the concerns the Department discusses in its Order. These Comments on behalf of the Compact have been compiled with the assistance of these organizations.¹

¹ The Compact gratefully acknowledges the participation of: Robin Carroll of Lower Cape Outreach; Lisa Spencer of South Shore Community Action Council; Nancy Friend of Dennis Housing Authority; Sandee Perry of Barnstable Housing Authority; Donna Muncherian of Barnstable Housing Authority; Ruth Bechtold of Housing Assistance Corporation (Energy Division); Betsey Setharis of Cape Cod Times Needy Fund; Lorraine Cabral of Cape Cod Times Needy Fund; Deborah H. Galvin of Housing Assistance Corporation; and Yvonne Souza of Housing Assistance Corporation. The Compact also acknowledges the assistance of the Cape Light Compact Board members, including Chairman Robert Mahoney, Vice-Chair Charlotte Striebel, and Secretary Barry Worth, who through their past experience and current service to the towns and counties were able to contribute greatly to discussions.

II. COMMENTS

These Comments specifically address the questions posed by the Department in Appendix A of the Order.

1. Should companies offer two tiers of arrearage management programs; where one tier would include automatic enrollment with automated support services from the company (i.e., basic AMP) and the other tier would include enrollment and more comprehensive services provided by CAP agencies (i.e. advanced AMP)?

The Compact believes that the best option is a single-tiered AMP (arrearage management program) that offers all eligible customers access to a comprehensive selection of services. Advanced AMPs provide the opportunity to focus on the needs of individual customers by offering more comprehensive outreach services that are better suited to responding to the differing needs of individual customers. The Compact believes that advanced AMPs may increase program success by better addressing the needs of individual low-income customers.

In addition, the Compact believes that administration of AMPs should not be limited to Community Action Program (“CAP”) agencies, but should include other local qualified agencies. The Compact believes that increased local administration of AMPs allows for better identification of issues unique to a particular region and better regional coordination. By allowing local agencies that already work directly with customers to play a role in administering AMPs, issues can be addressed by an entity with experience in handling common regional problems. For example, on the Cape and Islands, the AMP is administered by Cape Cod Times Needy Fund (the “Needy Fund”) for non-fuel assistance customers.² The Needy Fund assists

² This administrative structure is a result of settlements involving the Pilgrim nuclear facility.

clients in enrollment and offers services such as financial counseling and budgeting assistance. The Compact believes that local agencies that are currently administering the program have the expertise and interest in providing the services that customers need at a local level.

Currently, auto-enrollment is not available through NSTAR's AMP. The Compact believes that auto-enrollment will greatly aid consumers in effectively reducing arrears by simply increasing enrollment in the program. As the Department notes in its Order, Berkshire Gas Company has by far the highest percentage of its low-income customers currently enrolled in its AMP, and is the only utility to offer auto-enrollment. The Compact recommends that auto-enrollment include an opt-out provision, and that auto-enrollment be accompanied by information regarding the AMP, including options for services available through local qualified agencies and administration.

2. If companies offer some sort of basic AMP, how should it be designed? What services should consumers be automatically enrolled in? What should the role of companies be? How should such a program be coordinated with an advanced AMP?

In addition to the features discussed in answer to Question 1, above, the Compact believes that in order to improve this program AMPs should include budget billing of the entire bill (distribution and supply) for customers served by a competitive electricity supplier, allow third-party payments, and allow more flexible payment options for customers.

Power supply customers on Cape Cod and Martha's Vineyard have the choice between NSTAR, the Compact and other competitive suppliers for the generation portion of their bill. Under NSTAR's existing policies, however, consumers only have the ability to include the distribution portion of their bill in the AMP. Thus, the supplier portion of customers' bills, which is over 50% of the total bill, is excluded from consideration in budgeting. This policy places low-income consumers at an economic disadvantage by making it more difficult for them

to resolve their arrears if they are with a competitive supplier. This policy thereby effectively restricts the ability of low-income customers to choose a supplier other than NSTAR. By collaborating with competitive suppliers and including the supplier portion of the bill in AMPs, NSTAR and other utilities could provide a more effective option for resolving the entirety of each customer's arrears.

The Compact also believes that AMPs should allow third-party payments of utility bills. Many local agencies that work with clients to help resolve their arrears, such as the Needy Fund, endeavor to also provide financial assistance in the form of direct payments of clients' bills. Acceptance of such payments by utilities would greatly assist low-income customers and contribute to improving the success of AMPs.

The Compact recommends that utilities offer customers who have opted out of the program the option to re-enroll. In addition, the Compact recommends that utilities allow the timely re-enrollment of customers who have missed payments. Currently, there is an 18-month waiting period for re-enrollment after a missed payment. A timely re-enrollment period should be no more than 12 months.

As discussed in Question 1, above, the Compact believes that all eligible customers should have access to the services available through an advanced AMP, administered by local agencies, with auto-enrollment through the utilities. Eligible customers should be enrolled regardless of customer history, such as a bad payment history, since the purpose of the program is to assist those having difficulty making payments. The agencies would be responsible for providing services to customers such as financial and budget counseling, calculating appropriate payment levels, and assisting with any application or administrative requirements of the utilities. In addition, agencies could incorporate services such as referral to energy audits, as appropriate,

and direct bill payment. The utilities would be responsible for overall program oversight, as well as fiscal management, tracking of customer data (including arrearages), consumer notifications, and coordination with the administering agency.

3. If companies offer some sort of advanced AMP, how should it be designed? What services should the CAP agencies provide? How should such a program be coordinated with a basic AMP?

The Compact believes that all eligible customers should have access to the services available through an advanced AMP. Specific recommendations are discussed in detail in the answers to Questions 1 and 2.

4. Should the eligibility threshold for participating in the AMPs be increased? If so, what should the threshold be?

The eligibility threshold should, at a minimum, be increased to be consistent with the eligibility threshold for low-income energy efficiency programs, which is 60% of median income. However, the Compact recommends that the threshold be set at 80% of median income.

5. What terms and conditions (e.g. initial payment requirements, term of the payment period, amount of arrears forgiven, frequency of applying credits to bills) should the AMPs offer consumers in order to maximize success rates? Should the terms and conditions that are identified as best practices be standardized (i.e. required) across all companies?

The terms and conditions of utility AMPs should be standardized to ensure consistent management and enforcement of the program state-wide. Such terms and conditions should include a minimum repayment period of 12 to 18 months, regardless of whether customers have fully repaid the delivery portion of their arrearage prior to such time. Requiring a minimum repayment period ensures that utilities are actually managing customers' arrears and not simply crediting customers' accounts until their outstanding utility bill amounts are paid off. Benefits should be applied without requiring a down payment. In the experience of some local agencies, the down payment requirement prevents otherwise eligible low-income customers from

participating in AMPs. Benefits should also be applied on a monthly basis, so that customers can consistently see the benefits of their participation in the program. In addition, utilities should allow customers flexibility in setting a monthly payment date (with a 10 day grace period), and should work with customers to set a realistic date for the first payment.

There seems to be some concern that clients may incur tax liability for forgiveness of arrearages in excess of \$1,799, an amount greatly exceeded by the majority of clients in AMPs. The Compact recommends that the Department require utilities to clarify this issue and their positions on this issue. In the event that this concern with customer tax liability is reasonable, the Compact recommends seeking a legislative exemption from taxes on amounts of forgiven arrearages.

6. What role should financial counseling play in AMPs? Should such counseling be provided by the electric and gas companies, by the CAP agencies, or both? What should be included in such financial counseling activities?

Financial counseling services should be made available to all participants in AMPs. Customers who have difficulty paying their gas and electricity bills may struggle with balancing their budgets in general. Financial counseling can provide for more effective management of arrears by addressing underlying difficulties with budgeting and timely payment of bills. Financial services could include a review of household income and budgets, prioritization of budgets, and educational materials for consumers - such as printed material that aids weekly or monthly budget tracking. On the Cape and Vineyard, the Compact recommends that these comprehensive programs be administered by the existing agencies that currently serve local low-income clients. As discussed above, such organizations already have experience in dealing with low-income consumers and their specific needs. These agencies are therefore well-positioned to

provide the counseling services necessary to ensure that low-income customers can successfully participate in AMPs.

7. Do electric and gas companies currently have the proper financial incentives to both minimize arrearages and minimize customer service terminations?

The Compact believes that utilities already have the proper financial incentives to minimize arrearages and service terminations. For example, by implementing effective AMP policies, gas and electric companies will increase their number of paying customers. Effective solutions for arrearage management would aid the companies by reducing bad debt and service terminations, thereby ensuring a greater number of paying customers and avoiding the high costs associated with service terminations and reconnections.

8. Should the Department establish performance standards, with associated penalties and/or rewards, to encourage greater success with AMPs? If so, what would the standards be, and how would the penalties and/or rewards be structured and applied?

In order to encourage success with AMPs, the Department should establish performance standards with associated penalties and rewards. The Compact does not propose specific numerical penalties and/or rewards. However, the Compact believes that a plan with a steady percentage increase in the number of successful completions of AMPs, up to a certain threshold, would provide an effective measure for program evaluation. Possible penalties for failure to meet such goals might include restrictions on the utilities' ability to increase rates until the goals set by the Department are met.

9. Should the eligibility threshold for the electric and gas low-income discount rates be increased? If so, what should the threshold be? Does existing statute give the Department and the companies sufficient flexibility to increase the electric low-income eligibility threshold?

The Compact believes that the eligibility threshold for the discount rate should be increased, similar to the increase for eligibility for AMPs, as discussed above. At a minimum,

the increase should be to 60% of median income. However, the ideal eligibility threshold would be 80% of area median income. Additionally, the threshold should be based on adjusted gross income rather than gross income as this provides for a more accurate picture of actual household income.

The Compact also believes that existing law provides the Department the flexibility to increase the low-income eligibility threshold. G.L. c. 164, §1F(4)(i) states that eligibility for the discount rate “shall be established upon verification of a low-income customer’s receipt of *any* means tested public benefit, *or* verification of eligibility for [LIHEAP]. . . .” (Emphasis added.). The statute goes on to define “public benefit” very broadly. This language gives the Department discretion to consider eligibility criteria beyond the eligibility criteria for LIHEAP. For instance, a customer’s participation in an AMP may qualify as receipt of a means tested public benefit, in which case such customer should be considered eligible for the discount rate. Finally, the legislation that enacted G.L. c. 164, §1F made it clear that “the restructuring of the existing electricity system should not undermine the policy of the commonwealth that *electricity bills for low income residents should remain as affordable as possible*[.]” St. 1997, c. 164, §1(n) (Emphasis added). The Compact believes this language indicates the legislative intent that the statute should be interpreted as broadly as possible to enforce the policy of protecting low-income customers.

10. Should the amount of discount provided to low-income electric and gas consumers be increased? If so, to what level? Should the discounts offer relief from a portion of the commodity cost as well as the delivery cost? If so, how?

Although the Compact does not have a specific recommendation for the amount of discount, it believes that a meaningful discount should be determined such that it represents a significant portion of the total bill. The Compact would support the tiered discount approach (as

proposed by LEAN) in which there are tiered discounts that correspond with each percentage of poverty, in order to help restore the value of the discounts in the total bill. The Compact also believes that discount rates, as opposed to commercial rates, should apply to commercial units (such as low-income multi-family dwellings) in which all residents are required by the federal or state government to be within the income threshold for the low-income discount rate.³

Additionally, it is the opinion of the Compact that low-income customers should not have to pay for the pension adjustment fund.

The Compact advocates for the lowest possible costs for low-income customers. At a minimum, low-income customers should automatically be moved to the supplier of least cost. If it is possible to set up a discount on the commodity costs, the Compact would support such relief for low-income customers.

11. What can be done to increase the enrollment of consumers onto the low-income discount rate? If the eligibility threshold for the low-income discount rate is increased, what should be done to enroll the additional customers?

In its discussions with local agencies, the Compact noted that agencies such as the Barnstable Housing Authority and the Dennis Housing Authority emphasized increased enrollment by flagging accounts. Basically, once agencies like housing authorities set income thresholds or confirm eligibility in programs, they could facilitate enrollment in other programs by providing lists of eligible properties and accounts. This approach could also be used to ease

³ Please see the attached spreadsheet (Exhibit A). This comparison applies the low-income discount rate to a commercial account from a local housing authority. Although the rates are not directly comparable, the spreadsheet illustrates the burdens on housing agencies and how agencies that provide housing for low-income customers would benefit from a reduction in the energy portion as well as the demand portion of the commercial rate. Thus the Compact believes that the Department should consider a discount rate for commercial customers that provide housing for only low-income residents.

the burden on those customers who find it difficult or inconvenient to seek out and apply to all of the different available programs.

In addition to the process described above, the local agencies all expressed interest in receiving simple application forms that could be included in, for example, move-in packets. Simplified application forms would greatly increase the opportunities available to disseminate information to eligible customers. The agencies also discussed other local partners that have been helpful in distributing information such as grocery stores, retail stores, and fuel delivery vendors. Finally, the agencies expressed support for a process that would allow interested agencies to automatically receive information about the discount rate as well as other programs available for their clients.

12. Should consumers that are identified as eligible for the discount rate be offered the discount retroactively? If so, for how long a period? Should this practice be applied only in those instances where a customer is in arrears?

The Compact discussed with local agencies the value of the discount rate being applied retroactively. The Compact and the agencies agreed that the discount rate should be retroactive to the date of application. In the case of consumers waiting for fuel assistance, consumers can easily miss two months of the discount while waiting for the announcement of federal fuel assistance funds. In such cases and similar situations, it seems reasonable to apply benefits retroactively.

The Compact does not believe that the discount rate should be applied only in conjunction with any arrears. The discount rate should aid all consumers eligible for the discount.

13. Are there additional actions that can be taken to reduce electric and gas utility service terminations - beyond those discussed elsewhere in this investigation? If so, what are those actions?

As stated earlier, the Compact, as well as the local agencies it spoke with, all support adjusting the income threshold for available programs in order to avoid service terminations. Utilities should be required to offer AMPs to customers whose service has been terminated. Utilities should also be required to offer detailed consumer education and information regarding resources to consumers that are having difficulties paying their utility bills. This will help customers utilize all available means to avoid service termination. In addition, in the past, state assistance grants have been used to pay utility bills prior to distribution of funds to low-income grantees. The local agencies the Compact spoke with identified this as an effective strategy to avoid service termination.

14. Does the Department need to clarify or expand our current regulations, or to take steps to better enforce our current regulations? If so, what should be done?

According to the Compact's discussions with local agencies, they have not experienced any problems with the regulations or enforcement. One issue they expressed interest in clarifying is the down payment requirement. If the Department chooses to maintain the down payment requirement, the Department should standardize it so that it is not merely a guideline.

15. Should the Department promulgate regulations that address the rights of consumers whose electricity or gas service has been terminated? What protection measures should those regulations address? Should those regulations cover all consumers, or only low-income consumers?

The Compact and the local agencies it spoke with believe that the Department should address the rights of customers whose service has been terminated. Charlie Harak's book, *Utilities Advocacy for Low-Income Households in Massachusetts* (published by the National Consumer Law Center), is an excellent resource that should be made available to all agencies as

well as consumers. The publication addresses relevant protection measures that can and should be applied to all consumers, low-income and otherwise.

16. Should consumers that have had their service terminated be allowed to participate in arrearage management plans, or similar plans to assist in paying down arrears and getting service reconnected?

The Compact believes that it is essential to the success of these programs and for the purpose of optimal program integration that consumers have the ability to take advantage of the full array of benefits for which they are eligible.

17. Are the companies properly using collection agencies to collect arrears from disconnected consumers?

According to discussions the Compact had with local agencies, such as the Needy Fund, accounts are probably being sold to collection agencies too soon (within six months). In fact, many were sold without consumers being given the opportunity to take full advantage of the arrearage management program. In addition, once accounts get sent to collection agencies, consumers are required to pay their bill in full in order to re-open their account. This requirement seems unreasonable with regard to low-income customers.

18. Should the Department adopt policies to address problems arising between landlords and tenants, where tenants are at risk of losing electricity or gas service if their landlord is in arrears? If so, what should be done?

The Compact believes that because tenants under these circumstances will be unaware of the problem, there should be some opportunity for tenants to address this situation prior to service termination. The Department should, at a minimum, establish policies in which there is a reasonable timeframe for protection from shut-off (up to 30 days) with production of a lease. The Department has similar policies in place in 220 C.M.R. §25.04. This gives tenants an adequate opportunity to pursue resolution of the situation and avoid loss of services. Conversely, landlords should be notified by the utility, at least 30 days in advance of a potential service

shutoff, for building safety reasons and to have the opportunity to help resolve the matter with the tenant in the event the utility account is in the tenant's name.

19. Should electric and gas companies be required to include sufficient information in their staff training manuals with regard to customer communications and treatment regarding service terminations, to ensure that consumers are treated properly and consistently? If so, what should such training manuals include?

The Compact and the local agencies it spoke with strongly believe that proper staff training should be a mandatory aspect of utilities' low-income programs. Proper training should include training with regard to:

- local procedures/regulations, since in many instances customer service may be outsourced to areas unfamiliar with the circumstances in Massachusetts;
- the terms and conditions of programs offered by the utility, such as the AMP;
- dealing with sensitive customer issues; and
- dispute resolution.

20. Should the eligibility threshold for the electric and gas low-income energy efficiency programs be increased? If so, what should the threshold be?

As stated above, the Compact believes it would be ideal to make all eligibility thresholds consistent at 80% of median income.

21. What can be done to increase the enrollment of consumers in the low-income efficiency programs? What can be done to identify and enroll the gap consumers?

The local agencies of the Cape and Vineyard focus on grassroots outreach, a communication network, and agency identification. The Compact's Board members are involved with their respective towns either through official positions on town boards or volunteer positions and activities. The Compact works collaboratively to bring together local agencies and

has found that effective local outreach occurs through word of mouth and through referral of trusted organizations and individuals. The nature of the Cape and Vineyard therefore lends itself well to community-based organization and coordination. From their experience, many agencies would welcome more information and materials that could be distributed through their networks. Information can also be sent to post offices, grocery stores, banks, doctors' offices, and medical centers. Agencies can also help identify homes and households that are eligible for services.

22. Are there opportunities to better integrate the electric and gas efficiency programs? Are there opportunities to better integrate the electric and gas efficiency programs with the weatherization programs? If so, what are they?

The Compact believes that the electric and gas energy efficiency programs work well under the current model. However, if all of the available programs were consistent across the state there could be better and more opportunities to integrate all programs, including other state and federal programs, available to clients. This would also enable the organizations administering funds to streamline their process with regard to measures from each funding source. With more consistency across programs, administrators could spend less time weighing and balancing the different measures that are available from each agency.

23. Are there opportunities to modify or improve the roles played by the CAP agencies in designing and implementing the low-income efficiency programs?

The Compact believes that there seems to be good participation from CAPs in the low-income programs. From the Compact's experience, CAPs are able to design and implement effective state-wide programs.

24. Are there opportunities to expand the efficiency measures and services currently offered by the low-income efficiency programs?

In its discussions with local agencies, the Compact learned that at least one agency found it difficult to procure resources prescribed under the DOE weatherization program, such as

window quilts. This could present another area of potential coordination with other programs. Additionally, it would be beneficial for agencies that own property occupied by low-income consumers, but do not have the utility accounts, to ensure enrollment of these consumers in energy efficiency programs.

25. Are there opportunities to offer demand response programs through the low-income efficiency programs, as a way of further reducing these consumers' energy bills?

The Compact does see immediate and future opportunities to offer demand response programs through the low-income efficiency programs; however, the Compact would like to suggest that a “demographic study” could offer some insight on this customer base as well as potential approaches for design and delivery of demand response programs to low-income clients. Nonetheless, the Compact recommends that low-income master metered buildings be identified for inclusion in demand response programs that involve central air conditioning. This measure, and others like it, can help reduce demand during peak hours. In addition, though these measures are not included as part of efficiency programs, low-income clients may be able to benefit from smart metering and/or time-of-use rates. At a recent presentation for low-income clients, many of the customers asked about time-of-use rates and how they might begin to control their rates. This may be a useful option to assist clients in making choices in their daily electric usage.

26. Should eligibility requirements be consistent across all low-income protection measures - AMPS, discount rates, energy efficiency programs - in order to assist with customer enrollment and to maximize the potential benefits across the different measures?

The Compact firmly believes that such consistency could (1) avoid confusion on the part of consumers, and (2) ease the administrative burden on program administrators keeping track of a multiplicity of programs and guidelines. Such consistency would allow for better coordination

among the programs, and facilitate consumers taking full advantage of all of the benefits available to them.

27. Should electric and gas companies develop cross-enrollment practices to ensure that low-income consumers enrolled in one program will be enrolled in all the others?

The Compact believes that cross-enrollment practices are essential to program integration and coordination. There should be an automatic exchange of information between relevant agencies for energy efficiency programs. For discount rates and other programs, there should be automatic cross-enrollment to ensure that all potential benefits are realized by eligible customers.

28. Are there opportunities to better coordinate and improve the efficiency of the administration of the low-income protection measures, including the collection and tracking of customer data?

As discussed in response to specific questions above, the Compact believes that efficiency between and among programs can be enhanced through information-sharing. Shared information could be used to facilitate enrollment in the different programs and to maximize the potential benefits to consumers through effective tracking and coordination of information.

29. Are there opportunities for development of company information technology systems to accommodate more automated identification of arrearages, AMP enrollment, discount rate enrollment, efficiency program enrollment, as well as other customer protection activities?

The Compact believes it would greatly enhance the accessibility and success of all of the low-income programs to offer more automated services, such as auto-enrollment in AMPs (discussed above) and other low-income programs. In addition to identifying eligible customers, automated services could be used to track benefits and program progress to ensure that consumers are receiving the full benefits of available programs and aiding them in successful program completion.

30. Please discuss the recovery of costs associated with the modifications to the low-income consumer protection measures. Specifically, discuss the potential impact that these initiatives could have on all utility ratepayers. Will these initiatives help offset such costs by reducing arrears, bad debt, and service terminations and reconnections?

The specific implications of the cost-recovery associated with the proposed modifications to the low-income consumer protections are as yet unclear. However, the Compact would like to point out that on a common-sense level, requiring companies to increase their number of paying customers and avoid the costs associated with service terminations and reconnections should result in savings. These savings should be realized by the companies and the ratepayers. In contemplating cost-recovery issues, the Compact urges the Department to consider that cost-recovery mechanisms which allow utilities to recover low-income program costs from all ratepayers may actually act as a disincentive to utilities. Instead of allowing cost-recovery from all ratepayers, the Department should place the onus on utilities to actively pursue the savings that should be associated with these low-income programs.

31. Does the use of an automated information system (AMI) call for additional regulatory protections for low-income consumers? Why or why not? If yes, please describe what additional protections are needed.

The Compact believes that it is vital to protect customer information and that current statutes and Department regulations and proceedings adequately address this very important concern.

III. CONCLUSION

The Compact appreciates the opportunity to provide comments in this proceeding.

Respectfully submitted,

THE CAPE LIGHT COMPACT

By its attorneys,



Jeffrey M. Bernstein, Esq.

(jbernstein@bck.com)

Suzy Hong⁴

(shong@bck.com)

BCK LAW, P.C.

One Gateway Center, Suite 851

Newton, MA 02458

617-244-9500 (voice)

617-244-9550 (fax)

Dated: March 28, 2008

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⁴ Admitted in California; not yet admitted in Massachusetts, pending results of the February 2008 bar examination.

	33 - General Annual	30 - R2 - Residential Assistance
Customer Charge	5.53	2.21
Dist. Demand	1st 10 are free	
Dist. Demand	4.86	
Distribution (1st 2,300 kWh)	0.04111	0.02384
Distribution Energy (after 2,300 kWh)	0.01184	
Transition	0.02082	0.02082
Transmission Energy	0.00761	0.0075
Energy Conservation	0.0025	0.0025
Renewable Energy	0.0005	0.0005

	Usage	Demand		
January	64500	168	\$3,631.65	\$2,022.35
February	86400	201	\$4,739.64	\$2,708.26
March	82200	204	\$4,572.49	\$2,576.71
April	73500	174	\$4,050.24	\$2,304.23
May	56100	165	\$3,253.60	\$1,759.26
June	41100	108	\$2,327.53	\$1,289.46
July	38100	87	\$2,095.66	\$1,195.50
August	46800	102	\$2,545.01	\$1,467.99
September	42000	102	\$2,337.31	\$1,317.65
October	36900	87	\$2,043.73	\$1,157.92
November	45000	123	\$2,569.18	\$1,411.61
December	68400	174	\$3,829.56	\$2,144.50
		TOTAL	\$37,995.58	\$21,355.44