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February 2, 2021

To: The Honorable Delores G. Kelley
Chair, Finance Committee

From: Karen S. Straughn
Consumer Protection Division

Re: Senate Bill 392 – Electricity and Gas – Limited Income Mechanisms (SUPPORT)

The Consumer Protection Division of the Office of the Attorney General submits the following written testimony in support of Senate Bill 392 submitted by Senator Malcolm Augustine. This bill permits a utility company to adopt a mechanism in the form of a program, tariff provision, credit, rate, rider, or other means to assist an eligible limited income consumer to afford the utility service. This mechanism must be approved by the Public Service Commission and, if required as part of the mechanism, the Office of Home Energy Assistance must qualify an individual to be subject to receipt of this mechanism.

By reducing rates of a utility provider for low-income consumers, this will help to ensure that rates are as low as possible for these individuals and may help to reduce the need for energy assistance through the Office of Home Energy Programs. While consumers would still be entitled to assistance from this office and other related entities, by reducing the rates it helps to reduce the overall costs and ensure that low-income consumers do not lose their access to electricity and gas. While we recognize that utility companies may pass these costs along to other consumers who are more able to afford their bills, a minimal increase spread amongst many can help to ensure that a low-income household is able to keep their heat and electricity current during times of rising unemployment.

For these reasons, we ask that the Finance Committee return a favorable report on this bill.

cc: The Honorable Malcolm Augustine
Members, Finance Committee