# 65-407 PUBLIC UTILITIES COMMISSION

## Chapter 317: STATEWIDE ARREARAGE MANAGEMENT PROGRAM

**SUMMARY**: This Chapter establishes a process and regulations by which each electric transmission and distribution utility must implement an Arrearage Management Program (AMP) to assist eligible low-income residential customers who are in arrears with their electricity bills. An AMP implemented pursuant to this section is a plan under which a transmission and distribution utility works with eligible low-income residential customers to establish an affordable payment plan and provide credit towards a customer’s accumulated arrears as long as that customer remains in compliance with the terms of the program.

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# §1 GENERAL PROVISIONS AND DEFINITIONS

## Scope of Rule

This Chapter applies to all electric transmission and distribution utilities in the State.

## Purpose of Rule

The purpose of this rule is to implement the provisions of P.L. 2013, ch. 556, “An Act To Assist Electric Utility Ratepayers” by requiring each electric transmission and distribution utility to create and administer an AMP. The purpose of the AMP is to assist eligible low income customers who are in arrears on their electricity bills by requiring transmission and distribution utilities to work with eligible low- income residential customers to establish an affordable payment plan and provide credit towards a customer’s accumulated arrears as long as that customer remains in compliance with the terms of the program.

## Definitions

## Applicant

“Applicant” means any person or business that applies for utility service and who has not been a customer of the utility within the past 30 calendar days.

## Arrearage Management Program

An “Arrearage Management Program” or “AMP” or “Program” provides financial assistance and on-time bill payment incentives to eligible residential electricity consumers by establishing an affordable payment plan and providing a credit each month towards that customer’s accumulated arrears as long as that customer remains in compliance with the terms of the AMP. The term AMP refers to both the AMP of a particular T&D Utility and the overall Arrearage Management Program created by this Chapter.

## AMP Year

“AMP year” is the period between October 1 and the following September 30.

## Arrearage Amount

“Arrearage Amount” is an amount of a transmission and distribution customer’s bill that is past due at the time of an eligible customer's

enrollment in an AMP. This amount is limited to charges associated with transmission and distribution service and standard offer service and does not include CEP charges.

## Commission

“Commission” is the Maine Public Utilities Commission.

## Competitive Electricity Provider

“Competitive Electricity Provider (CEP)” is a marketer, broker, aggregator, or any entity selling electricity to the public at retail.

## Community Action Agency

“Community Action Agency” or “CAA” is a private nonprofit agency that is designated by and authorized to accept funds from the Federal Community Services Administration under the Federal Economic Opportunity Act of 1964.

## Default

“Default” is an event where a Program Participant has missed a payment required as a condition of participation in an AM P. A Default may be cured as provided for in section 3(I) of this Rule. An Eligible Customer who is in Default may not continue to participate in an AMP until such Default has been cured. In the event a Program Participant misses consecutive monthly payments, each monthly payment missed represents a separate and discreet “Default.”

## Efficiency Maine Trust

“Efficiency Maine Trust” or “EMT” is the independent administrator for energy efficiency programs in Maine.

## Electricity Usage Assessment

“Electricity Usage Assessment” or “Usage Assessment” is an analysis of a Program Participant’s electricity usage completed by the EMT.

## Eligible Customer

An “Eligible Customer” is a residential transmission and distribution utility customer or applicant who is taking or has applied to take residential electric service on a continuing year-round basis, is eligible for HEAP or LIAP in the State of Maine, and has carried an Arrearage Amount of $500 or more for at least 90 days.

## Forgiveness

“Forgiveness” is a designated Arrearage Amount for which a customer is no longer responsible for paying and which is permanently removed from the customer's account. Once an amount is forgiven, it cannot be reinstated to customer's account.

# LIAP

“LIAP” is the “Low-Income Assistance Program,” which is a program established pursuant to Chapter 314 of the Commission's rules to assist qualified low-income customers pay their electric bills.

# HEAP

“HEAP” is the “Home Energy Assistance Program,” which is a federally funded program that provides financial assistance grants to households in need for home energy bills and is implemented by the Maine State Housing Authority.

## Program Participant

A “Program Participant” or “Participant” is an Eligible Customer who is enrolled in an AMP.

## Residential Customer

“Residential Customer” is any person who has applied for, been accepted for, and is receiving residential service from a transmission and distribution utility or has agreed to be billed for residential service from a transmission and distribution utility.

## Standard Intake Form

The Standard Intake Form is attached as Appendix A to this rule. The Standard Intake Form is the default intake format for enrolling Eligible Customers in an Arrearage Management Program. T&D Utilities wishing

to use an alternative form need to submit that form with their AMP for Commission approval.

The Standard Intake Form must be designed to gather information on the applicant’s existing usage pattern to allow the EMT and the CAAs s to identify opportunities for energy usage reduction and conservation.

## Special Payment Arrangement

“Special Payment Arrangement” or “SPA” means a payment arrangement in which the customer may pay less than the full amount of bills as they become due. Special Payment Arrangements must require that the customer make regular monthly payments established according to the guidelines set forth in Section 9 of Chapter 815 of the Commission’s rules.

## Transmission and Distribution Utility

“Transmission and distribution utility” or “T&D Utility” means a person, its lessees, trustees, receivers or trustees appointed by a court, owning, controlling, operating or managing an electric transmission and distribution plant for compensation within the State, except where the electricity is distributed by the entity that generates the electricity through private property alone solely for that entity’s own use or the use of the

entity’s tenants and not for sale to others.

## §2 CREATION AND IMPLEMENTATION OF AMPs

## Creation and Implementation of the AMPs

Each T&D Utility must implement an AMP approved by the Commission by October 1, 2015.

## Review and Approval by Commission

Each T&D Utility must submit terms and conditions for its AMP pursuant to this Chapter by May 15, 2015. The AMPs are subject to Commission review and approval. The review and approval is delegated to the Director of the Consumer Assistance and Safety Division.

# §3 REQUIRED DESIGN FEATURES OF AMP

Each AMP must be designed in accordance with the provisions of this Section.

## Eligibility Criteria

Each T&D Utility's AMP must be available to its Eligible Customers who meet the following eligibility criteria:

* 1. The Residential Customer must meet the eligibility criteria for HEAP or LIAP;
  2. The Residential Customer must have an Arrearage Amount equal to or greater than $500, where a portion of the arrearage amount is at least 90 days in arrears;
  3. The account in arrears must be a residential electric account that is taking service on a continuing year-round basis; and
  4. A Residential Customer is not eligible for an AMP if the customer has previously participated in an AMP in the previous six years, voluntarily withdrawn from an AMP in the previous six years, or is in Default under an AMP in the previous six years. The six year calculation starts from the time of Program completion, withdrawal, or Default. In situations where a Residential Customer is in Default under an AMP, the customer is eligible to participate in the AMP only if the customer meets the requirements of section 3(I) of this chapter.

## Administration

Each AMP will be administered by the T&D Utility with oversight by the Commission. AMP administration includes eligibility certification, benefit determination, coordination with the EMT, and any other administrative duty necessary to carry out the intent of this Chapter.

## Required Provisions

Each T&D Utility will implement and administer an AMP that:

* 1. Is structured in a way that incentivizes on-time bill payment with the intention of developing positive payment habits in Program Participants that will continue beyond Program completion;
  2. Requires each Program Participant to pay the current amount due for each of their monthly bills on-time to receive Forgiveness and to continue participating in the AMP. For customers on a Payment Arrangement at the time of their enrollment, the Payment Arrangement may be discontinued and instead the customer will be required to pay each month's current amount due on-time to participate in the AMP. An AMP must be designed to ensure that a new Program Participant pay only the current amount due

in the month that the customer is enrolled to ensure that a customer is not required to pay more than a single month’s worth of service. This may require a utility to withhold enrollment until the next billing cycle. An AMP may allow a Program Participant to stay on an existing Payment Arrangement or enter into a new Payment Arrangement to pay more than the current amount due each month and receive additional Forgiveness through an incentive program, if such a program is offered by the T&D Utility, pursuant to section 3(D) below. With respect to SPA’s that are structured to allow customers to pay less than the current amount due in the winter months to be made up by the customer paying more than the current amount due in the non-winter months, an AMP should allow a Program Participant to enter into an SPA and continue to participate in the AMP. In this event, the monthly amount due for the Program Participant under the terms of the AMP, both during the winter period and the summer period, will be the amount due pursuant to the terms of the SPA and the Program Participant will not be eligible receive additional Forgiveness through an incentive program for payments made pursuant to the SPA;

* 1. Allows residential applicants who qualify for the AMP at the time they apply for service to apply to participate in the T&D Utility’s AMP prior to the actual provision of service. In these situations, if the applicant is approved to participate in the T&D Utility’s AMP, the utility may require the applicant to pay any applicable deposit and reconnection fees and may require the applicant to pay up to 10% of the applicant’s arrearage amount or $500, whichever amount is less, as a prerequisite for receiving service and participating in the AMP. If the T&D Utility requires the applicant to pay a deposit, it must follow the process described in section 12(B)(1)(b) of Chapter 815. Once the applicant pays this amount, the T&D Utility will provide service to the applicant and enroll the applicant in its AMP. If the applicant fails to pay this amount, the utility may require the applicant to pay the amount necessary to receive service as allowed by Chapter 815 of the Commission’s rules as a prerequisite for receiving service;
  2. Is structured so that once enrolled, a Program Participant will be eligible for Forgiveness of up to 100% of their Arrearage Amount at the time of their enrollment, subject to the monthly cap and duration of the AMP term. Forgiveness will be applied to the Arrearage Amount in monthly amounts equal to one-twelfth of the Program Participant’s Arrearage Amount at the time of enrollment, each time a Program Participant pays their current amount due on time, up to a maximum of $500 a month until either: (i) a Program Participant Defaults; (ii) 12 monthly Forgiveness applications are made; or (iii) the Arrearage Amount has been fully Forgiven. Consumer-owned T&D Utilities may propose an alternative monthly cap which the Commission may approve with good cause shown;
  3. Runs for a 12-month period from the date upon which the Program Participant was enrolled. Participants with Arrearage Amounts that are greater than $6,000, or that otherwise are not fully forgiven after a 12- month period, and who successfully complete a full year of the AMP may reapply to continue participating in the AMP in subsequent years until the earlier of when: (i) the Program terminates; or (ii) the Participant's full Arrearage Amount is forgiven; and
  4. Includes an Electricity Usage Assessment performed by the EMT at no cost to the Program Participant.

## Incentives

Subject to Commission approval, T&D Utilities may propose AMP design features and provisions that provide additional incentives for improved and sustained customer bill payment performance and electricity usage reductions. These incentives may include arrearage Forgiveness amounts greater than those included in subsection C(4) above.

## Enrollment Process

Eligible Customers may enroll in an AMP at any time during the AMP year. Eligible Customers must affirmatively enroll into an AMP program and may not be enrolled by a T&D Utility without the Eligible Customer’s authorization.

Enrollment must be done using the Standard Intake Form, unless an alternative form or process is approved by the Commission. A CAA responsible for HEAP or LIAP administration in the customer's service area may complete and submit the form on behalf of a customer to the T&D Utility for enrollment.

## Fees and Down Payments Prohibited

Eligible Customers may not be charged any additional administrative fees or be required to make a down payment on any Arrearage Amount as a condition of enrollment in an AMP.

## Default

When a required monthly payment is not made on time, a Program Participant will be considered in Default and removed from the AMP. Reinstatement is allowed as provided in subsection I below.

## Voluntary Withdrawal

Program Participants may withdraw from the AMP at any time. Such withdrawal will disqualify a customer from future participation for six years starting from the date of withdrawal.

## Reinstatement after Default

Each AMP must provide a mechanism to allow Eligible Customers who have Defaulted to be reinstated into the AMP by payment in full of the missed monthly payment(s), including all late-payment fees. Each AMP must allow a maximum of two Defaults. Once the maximum number of Defaults is exceeded, the customer is no longer eligible to participate in the AMP for six years starting from the date of the second Default, even if the Defaults are cured.

## Energy Efficiency

As a condition of enrollment and ongoing eligibility, a Program Participant must agree to accept energy management measures, tools, technology and programs offered at no cost by the Participant's T&D Utility, the EMT, the MSHA, or other federally or state-funded programs and complete the Usage Assessment for the Program Participant’s dwelling or rental unit, to the extent such acceptance is within the Program Participant’s control.

## Term of the AMP

The term for customer enrollment in AMPs must be from October 1, 2023, through September 30, 2024, which is the effective date upon which Ch. 556 is repealed No new Program Participants will be enrolled after this date. Customers enrolled in an AMP on or before September 30, 2024, will be eligible for arrears Forgiveness under the AMP for 12-months following the customer’s enrollment date.

## Continuing Applicability of Chapter 815

Except as specifically varied by this Chapter or by terms and conditions approved by the Commission, the provisions of Chapter 815 must continue to apply.

# §4 OBLIGATIONS OF TRANSMISSION AND DISTRIBUTION UTILITIES

## Notice to Customers

* 1. **Initial Notice to Eligible Customers**

Each T&D Utility must initially notify all of its Residential Customers that have an Arrearage Amount equal to or greater than $500 that is at least 90- days in arrears of the availability of the AMP, the eligibility requirements, and the enrollment process on the date that this Chapter becomes effective.

## Ongoing Notice

On an ongoing basis throughout the duration of the AMP, a T&D Utility must notify each Residential Customer who reaches the $500 and 90-day arrearage criteria of the availability of the AMP, the eligibility requirements, and the enrollment process. Notice must be provided within two billing cycles from when a customer reaches these arrearage criteria. T&D Utilities must also notify each applicant for service that has an arrearage amount that meets the $500 and 90-day arrearage criteria at the time they submit their completed application for service of the existence of the AMP program, the required payment under the AMP to obtain service pursuant to section 3(C)(3) of this Chapter, and the process for enrolling in the AMP.

## Recurring Notice

Once a Residential Customer has been provided notice of the AMP pursuant to either subsection 1 or 2 above, a T&D Utility may, but is not required to, provide the Residential Customer with subsequent notices.

* 1. Default Notice

Once a Program Participant is in Default, a T&D Utility must contact the Participant, in a manner of the T&D Utility’s choosing, to notify the Program Participant of the Default and the Program Participant’s ability to cure a first Default.

## Coordination with Community Action Programs

The T&D Utility must coordinate with each of the CAAs that serve customers in its service territory to ensure that Eligible Customers are made aware of the AMP when they are enrolling in HEAP, LIAP or seeking related assistance.

The T&D Utility must develop procedures to ensure that the CAAs are able to intake Eligible Customers' information using the Standard Intake Form (or other Commission approved method) and that the T&D Utility is able to enroll Eligible Customers using forms supplied by the CAAs into the AMP.

## Customer Billing

The T&D Utility must remove any Arrearage Amount from the current amount due for Program Participants on their monthly bill. In addition, the T&D Utility must provide sufficient information to each Program Participant, either on the bill or in a bill insert, to allow the Program Participant to track their progress in

paying off their Arrearage Amount. This information may include information such as the Arrearage Amount remaining and the cumulative amount of arrearage Forgiven to date. Each T&D Utility must specify in its filing made pursuant to section 2(B) of this chapter the information it proposes to include on its bills or bill inserts to satisfy this requirement.

## Collection Activity Prohibited

T&D Utilities must not attempt to collect an Arrearage Amount from a Program Participant while the Program Participant is enrolled in an AMP. If a Program Participant Defaults or withdraws from an AMP, a T&D Utility may resume normal collection activity. Any Arrearage Amount forgiven pursuant to this Chapter, however, prior to a Program Participant's Default cannot be reinstated to the customer's bill.

## Electricity Usage Assessment

During the enrollment process, the T&D Utility or CAA must gather information to aid the EMT in completing a Usage Assessment of the Program Participant’s electricity use at no cost to the Program Participant. Where available, the T&D Utility will make accessible to EMT interval data of the Program Participant’s

electricity usage from the Program Participant’s current residence. Where interval data is not available, the T&D Utility will record the Program Participant's electricity usage data on the Standard Intake Form and forward the completed form to the EMT. The T&D Utility or the CAA must inform the applicant that the information gathered will be utilized by EMT to perform the Usage Assessment, recommend potential energy saving opportunities and programs, and analyze the effectiveness of the installed measures and programs.

For T&D Utilities requesting an alternative form or process for customer enrollment, the following information for the Usage Assessment must be obtained during the intake process:

* 1. The Eligible Customer’s monthly electricity usage;
  2. The Eligible Customer’s heating source;
  3. Information on the Eligible Customer’s hot water heater including fuel source and, if possible, model and age;
  4. Information regarding the Eligible Customer’s use of electrical appliances and incandescent lighting;
  5. Information on the Eligible Customer’s previous participation with the EMT or other weatherization or energy efficiency programs, if any; and
  6. Whether the Eligible Customer owns or rents their home.

## Coordination with Efficiency Maine Trust

The T&D Utility is obligated to provide the Standard Intake Form or the information required by the form to the EMT by a mutually agreed upon method so that the EMT may complete the Usage Assessment upon the enrollment of an Eligible Customer, as well as the analysis following the implementation of recommended energy savings measures. In submitting its proposed AMP for Commission approval, each T&D Utility must propose specific approaches for coordination with the EMT as required by this section.

## Reporting

Each T&D Utility must file a report with the Commission within 30 days of the closing of each quarter of each AMP year that includes the following minimum information for each month of the program year:

* 1. The number of Program Participants enrolled in its AMP, separated by rate class if the T&D Utility has more than one residential rate.
  2. The total number of Eligible Customers as defined by section 1(C)(12) of this chapter in the utility’s service territory as of the last day of the quarter.
  3. The number of Program Participants that Defaulted and were removed from the AMP.
  4. The number of Program Participants that were re-enrolled in the AMP after a Default.
  5. The number of Program Participants who successfully completed the full 12-month AMP.
  6. The number of Program Participants who had their entire Arrearage Amount forgiven.
  7. Average Arrearage Amount of Program Participants at the time of enrollment.
  8. A distribution chart or table depicting Program Participants’ Arrearage Amounts at the time of enrollment in $500 increments, i.e., four customers between $0 and $500, one customer between $501 and $1,000, five customers between $1001 and $1500, etc. If this information is provided in a chart, each $500 segment of the chart must list the specific number of Program Participants it includes.
  9. The same chart required in subsection 8 above that depicts all Eligible Customers as defined by section 1(C)(12) of this chapter in the utility’s service territory that did not participate in the AMP as of the last day of the quarter.
  10. Total amount of arrears Forgiven.

## Tracking Metrics

To evaluate the effectiveness of the AMP in terms of improved customer payment performance and electricity usage reductions, the T&D Utilities must also collect data on the following metrics and supply it to the Commission as requested.

* 1. Payment performance of each Program Participant, before, during, and after program participation. Payment performance before AMP participation must be provided for a time period that is the shorter of (i) two-years; or (ii) the entire period for which the Program Participant was a customer of the T&D Utility;
  2. Monthly kW usage (weather normalized) for each Program Participant for the same time period as required in subsection 1 above.
  3. Information about each Program Participant’s participation with the EMT or other energy efficiency programs.
  4. Payment patterns of Residential Customers that meet the $500 and 90-day arrearage criteria but do not participate in the AMP from the effective date of this rule until all Program Participants complete the program.
  5. The completion date when the program participation has ended, regardless of whether the Program Participant has successfully completed the Program, voluntarily withdrawn, or removed for Default.
  6. For Program Participants who have their entire arrearage amount forgiven, whether they paid 12 months of bills on-time or whether they received an assistance payment.

# §5 COST RECOVERY

A T&D Utility may recover in rates all costs of its AMP, including incremental costs, reconnection fees and administrative and marketing costs, but not including the amount of any arrearage forgiven that is treated as bad debt for purposes of cost recovery by the T&D Utility. Each utility must collect sufficient information and properly document costs associated with its AMP for which it will seek reimbursement, including sufficient

information and analysis to determine whether and to what extent the AMP increased or decreased its total bad debt expenses compared to the amounts included in rates.

# §6 WAIVER

Upon the request of any person subject to this Chapter, or upon its own motion, the Commission may, for good cause, waive any requirement of this Chapter that is not required by statute. The waiver may not be inconsistent with the purposes of this Chapter or Title 35-A. The Commission, the Director of the Consumer Assistance Division, or the presiding officer assigned to a proceeding related to this Chapter may grant the waiver.

**STATUTORY AUTHORITY**: 35-A M.R.S. §§ 3214, 10110

**EFFECTIVE DATE**: This rule was approved as to form and legality by the Attorney General on April 13, 2015. It was filed with the Secretary of State on April 14, 2015 (filing 2015-073) and became effective on April 19, 2015.

**EFFECTIVE DATE**: This rule was approved as to form and legality by the Attorney General on January 10, 2024. It was filed with the Secretary of State on January 10, 2024 (fling 2024- 008) and became effective on January 15, 2024.