HOW TO SUCCESSFULLY IMPLEMENT A LOW-INCOME RATE AND WHY

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THE FOUR PHASES OF A LOW-INCOME AFFORDABILITY PROGRAM

- Program planning
- Program design
- Program delivery
- Program evaluation

PHASE 1: PROGRAM PLANNING

- **1--Program Objectives:** This section articulates what the PSCo seeks to accomplish. The program objectives are established independently of the specific program design. They represent the raison d'ētre for the Company's low-income interventions.

PHASE 1: PROGRAM PLANNING

- **2--Program Design:** This section articulates the activities that PSCo will pursue in its effort to achieve the program objectives. Implementation of these activities is not an end unto itself. Instead, the program design is the means to the end, the mechanism through which program objectives might be achieved.

PHASE 1: PROGRAM PLANNING

- **Part 3--Program Evaluation:** This section articulates how PSCo intends to measure the PEAP's accomplishments. The program evaluation will identify and measure program outcomes.

PHASE 1: PROGRAM PLANNING

- **Part 4--Program Policy Evaluation:** This section identifies how PSCo intends to assess the policy significance of the PEAP outcomes. It articulates those circumstances under which the Company will consider the program to be “successful”or “not successful.”

PHASE 2: PROGRAM DESIGN

- Rate affordability: addressing the current bill
- Arrearage forgiveness: addressing the pre-existing debt
- Crisis intervention: recognizing the fragility of income
- Energy efficiency: long-term solution / short-term cost control
- Eliminating the “noise” (e.g., late payment charges)

PHASE 3: PROGRAM DELIVERY

- Scope (utility / statewide)
- Outreach
- Intake / income verification
- Benefit determination
- Benefit design
- Nonpayment response
- Integration with public assistance
- Integration with retail “shopping”

PHASE 4: PROGRAM EVALUATION

- "Cost-effective" vs. "cost-benefit"
- Evaluation perspective
  - Company
  - Customer
  - Community
- Metrics to use
  - Timely
  - Regular
  - Complete
  - Unsolicited
- What's the story / what's the pattern

"The country needs and, unless I mistake its temper, the country demands bold, persistent, experimentation. It is common sense to take a method and try it. If it fails, admit it frankly and try another. But above all, try something."

– Theodore Roosevelt

FOR MORE INFORMATION:

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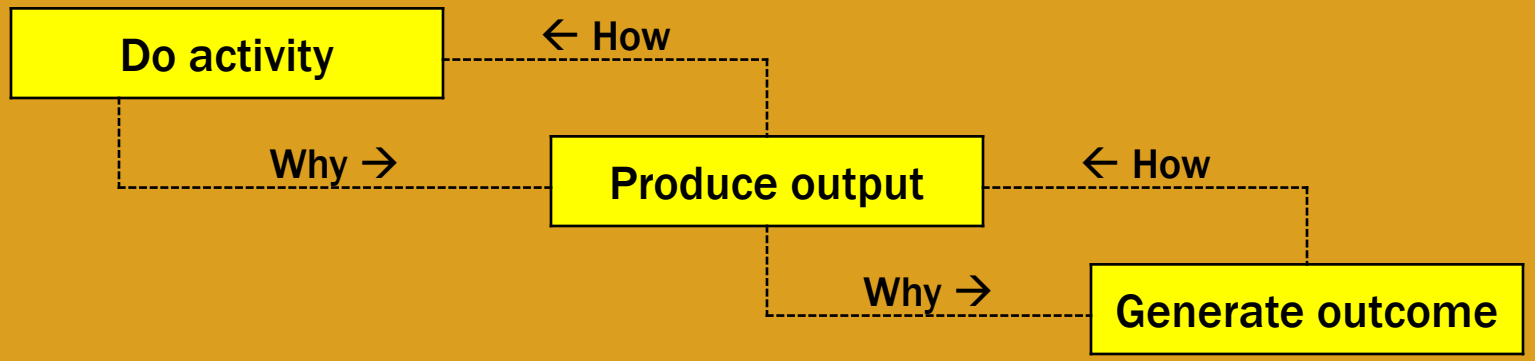
APPENDIX 1: FSC'S "HOW-WHY MATRIX"



APPENDIX 2: RESOURCES (CONTAINED ON CD-ROM)

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- Colton (2001). Integrating Government-Funded and Ratepayer-Funded Low-Income Energy Assistance Programs, prepared for U.S. Department of Health and Human Services (HHS) and Oak Ridge National Laboratory.
- Colton (2001). Structuring Low-income Affordability Programs Funded through System Benefits Charges: A Case Study from New Hampshire, prepared for Oak Ridge National Laboratory.
- Colton (2003). Measuring the Outcomes of Home Energy Assistance through a Home Energy Insecurity Scale, prepared for the U.S. Department of Health and Human Services, Administration for Children and Families.
- Colton (2007). Best Practices: Low-Income Affordability Programs, Articulating and Applying Rating Criteria, prepared for Hydro-Quebec.
- Colton (2008). Inverted Block Tariffs and Universal Lifeline Rates: Their Use and Usability in Delivering Low-Income Electric Rate Relief, prepared for Hydro-Quebec.
- (2009). Public Service Company of Colorado Pilot Energy Assistance Program ("PEAP") Pre-Implementation Report
- Colton (2010). Home Energy Affordability in Manitoba: A Low-Income Affordability Program for Manitoba Hydro, prepared for Resource Conservation of Manitoba, Winnipeg (MAN).
- Colton (2011). Home Energy Affordability in Idaho: Low-Income Energy Affordability Needs and Resources, prepared for Community Action Partnership of Idaho (Boise, ID).
- Colton (2012). Attributes of Massachusetts Gas/Electric Arrearage Management Programs (AMPS): 2011 Program Year, prepared for Fisher, Sheehan & Colton, Public Finance and General Economics, Belmont (MA).
- Colton (2012). Public Service Company of Colorado's (PSCo) Pilot Energy Assistance Program (PEAP) and Electric Assistance Program (EAP) 2011 Final Evaluation Report, prepared for Xcel Energy (Denver CO).
- Colton (2015). Water Affordability in Philadelphia: Comparing the Tiered Discount and Percentage of Income-Based Bill Affordability Proposals, prepared for Philadelphia Public Advocate.