

## **Proposal for Customer Transition Assistance**

In order to assist certain non-governmental customers forced to transition to alternative fuel sources for heat and/or hot water as a result of the termination of steam utility service by Concord Steam the settling parties propose the following on bill financing and energy efficiency rebate program.

### Eligibility

Based on information provided by Concord Steam, approximately 14 non-governmental, non-profit and residential customers had not converted away from steam heating service before July 1, 2016, the date on which Concord Steam announced its termination of service effective May 31, 2017. The Settling Parties recommend that due to special circumstances associated with certain of those customers, those customers (12 non-profits and 2 residential) be offered some assistance in making the transition away from steam utility service to natural gas service, so long as they meet the following eligibility test.

Customers must demonstrate that the cost of their conversion cannot be recovered in five years or less from energy savings resulting from switching from steam to natural gas. Savings are to be calculated excluding interest costs with estimated savings based on the weighted average steam rate for October 2016 through May 2017 and using customer historic annual load as compared with the weighted average natural gas rate for October 2016 through April 2017.

### Program Design

Liberty will offer a special contract to eligible non-profit and residential customers. The special contract will include an on bill financing option for up to \$50,000 of conversion costs, with fixed monthly payments, over a period not to exceed ten years for eligible residential customers and seven years for non-profit customers, included on natural gas bills, with no interest charged to the customer.

Liberty will front the payment of up to \$50,000 for conversion to the customer and then handle the monthly billing. The total amount of funding that Liberty will provide shall not exceed \$200,000.

The money fronted by Liberty in each month will be treated in the same fashion as any LDAC expense, and recovered through the rate case expense recoupment component of the LDAC. Any revenue received by Liberty from payments made by customers for the on-bill financing will be treated in the same fashion as any LDAC revenue.

In addition to the on bill financing opportunity, Liberty commits to working with eligible customers to identify all relevant energy efficiency opportunities and rebates.

Payment obligations will follow the original owner and the property jointly and severally. For current owners and residents, Liberty must follow the Commission's rules for collections,

deposits, and termination of service if payments are not made. Liberty would be authorized to refuse supply and distribution service to any subsequent party renting, purchasing, or otherwise inhabiting a structure that benefitted from this program if payment is not made.

PUC staff will qualify participating customers and will also verify conversion costs eligible for payment and rebates.