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Utility Push for Steeper Mandatory Fees on Customers Opposed by 40-State Assoc. of Consumer Protection Officials

Landmark resolution rejects utility “fixed charge” approach as unreasonable and unfair for low-income, elderly, and minority customers

PHILADELPHIA – Consumer protection officials from 40 states and the District of Columbia came out strongly against the growing trend of gas and electric utilities seeking to raise customers’ mandatory, fixed charges regardless of their actual energy use. State officials meeting this week at the National Association of State Utility Consumer Advocates (NASUCA) mid-year meeting in Philadelphia adopted a resolution on the issue of the fixed charges that many utilities are trying to drive upwards on customer bills.

Under the resolution, the association of state consumer protection officials

“. . . urges state public service commissions to reject gas and electric utility rate design proposals that seek to substantially increase the percentage of revenues recovered through the flat, monthly customer charges on residential customer utility bills – proposals that disproportionately and inequitably increase the rates of low usage customers, a group that often includes low-income, elderly and minority customers, throughout the United States.” ([Resolution 2015-1](#))

The resolution finds that gas and electric utilities have recently sought to substantially increase these “fixed charges,” -- mandatory fees that customers must pay even if they are very low energy users -- which in turn disproportionately harm low income, minority and senior populations and reduce incentives for customers to participate in conservation and energy efficiency programs.

“Our members are entrusted by their states to protect the interests of all utility customers,” declared Charlie Acquard, Executive Director of NASUCA. “Implementing higher mandatory fees that aren’t based on usage is in direct conflict with nationally recognized principles that call for utility rate structures to be fair, equitable and cost-based. State utilities commissions are going to need to push back hard.”

“The impacts of increases in fixed charges fall especially hard on low income, minority and elderly populations,” added John Howat of the National Consumer Law Center. “State consumer protection offices are absolutely right to step forward to protect all utility customers with this resolution.”



NASUCA is an association of consumer advocates offices in 40 states and the District of Columbia. NASUCA’s members are designated by the laws of their respective jurisdictions to represent the interests of utility consumers before state and federal regulators and in the courts.

Since 1969, the nonprofit National Consumer Law Center® (NCLC®) has used its expertise in consumer law and energy policy to work for consumer justice and economic security for low-income and other disadvantaged people, including older adults, in the United States. NCLC’s expertise includes

policy analysis and advocacy; consumer law and energy publications; litigation; expert witness services, and training and advice for advocates. NCLC works with nonprofit and legal services organizations, private attorneys, policymakers, and federal and state government and courts across the nation to stop exploitative practices, help financially stressed families build and retain wealth, and advance economic fairness. NCLC is a member of NASUCA. www.nclc.org